

Audited Financial Statements of

**School District No. 59 (Peace River South)**

June 30, 2019



# School District No. 59 (Peace River South)

June 30, 2019

## Table of Contents

|   |      |
|---|------|
| Management Report .....   | 1    |
| Independent Auditors' Report .....  | 2-3  |
| Statement of Financial Position - Statement 1 .....   | 4    |
| Statement of Operations - Statement 2 .....   | 5    |
| Statement of Changes in Net Financial Assets (Debt) - Statement 4 .....                     | 6    |
| Statement of Cash Flows - Statement 5 .....   | 7    |
| Notes to the Financial Statements .....   | 8-26 |
| Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited) ..... | 27   |
| Schedule of Operating Operations - Schedule 2 (Unaudited) .....                             | 28   |
| Schedule 2A - Schedule of Operating Revenue by Source (Unaudited) .....                     | 29   |
| Schedule 2B - Schedule of Operating Expense by Object (Unaudited) .....                     | 30   |
| Schedule 2C - Operating Expense by Function, Program and Object (Unaudited) .....           | 31   |
| Schedule of Special Purpose Operations - Schedule 3 (Unaudited) .....                       | 33   |
| Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited) .....      | 34   |
| Schedule of Capital Operations - Schedule 4 (Unaudited) .....                               | 36   |
| Schedule 4A - Tangible Capital Assets (Unaudited) .....                                     | 37   |
| Schedule 4C - Deferred Capital Revenue (Unaudited) .....                                    | 38   |
| Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited) .....                 | 39   |

# School District No. 59 (Peace River South)

## MANAGEMENT REPORT

Version: 4061-3316-1333

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 59 (Peace River South) 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. 59 (Peace River South) (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, Sander Rose Bone Grindle 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. 59 (Peace River South) 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. 59 (Peace River South)



Signature of the Chairperson of the Board of Education

Sept 17/19  
Date Signed



Signature of the Superintendent

Sept 17/19  
Date Signed



Signature of the Secretary Treasurer

Sept 20/2019  
Date Signed



*Partners*

- \* Ben Sander, B. Comm., FCPA, FCA
- \* Dale J. Rose, CPA, CA
- \* Alan Bone, B. Comm., CPA, CA
- \* Jason Grindle, B. Comm., CPA, CA
- \* Jaron Neufeld, B. Comm., CPA, CA

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Education of School District No. 59 (Peace River South) and the Minister of Education of British Columbia

### Opinion

We have audited the accompanying financial statements of School District No. 59 (Peace River South) which comprise the statement of financial position as at June 30, 2019 and the statement of operations, changes in net financial assets (debt) 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 the School District No. 59 (Peace River South) as at June 30, 2019 and the result of its operations and its cash flows for the year then ended in accordance with Section 23.1 of the Budget Transparency and Accountability Act.

### Basis for Opinion

We conduct our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describe the basis of accounting and the significant differences between such basis of accounting and Canadian Public Sector Accounting Standards. Note 2 to the financial statements discloses the impact of these differences.

### 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 Section 23.1 of the Budget Transparency and Accountability Act 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 district's ability to continue as a going concern, disclosing, as applicable, matter relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the district or to cease operations, or has no realistic alternative but to do so.

(continues)

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism 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 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 district's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the 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 statement 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.

Dawson Creek, BC  
September 17, 2019

*Sander Rose Bone Grindle CPA*  
Chartered Professional Accountants

# School District No. 59 (Peace River South)

Statement 1

Statement of Financial Position

As at June 30, 2019

|  | 2019<br>Actual<br>\$ | 2018<br>Actual<br>\$ |
|--|----------------------|----------------------|
| <b>Financial Assets</b>                        |                      |                      |
| Cash and Cash Equivalents                      | 11,921,861           | 11,781,028           |
| Accounts Receivable                            |                      |                      |
| Due from Province - Ministry of Education      | 268,437              | 295,043              |
| Other (Note 3)                                 | 231,344              | 362,537              |
| <b>Total Financial Assets</b>                  | <b>12,421,642</b>    | <b>12,438,608</b>    |
| <b>Liabilities</b>                             |                      |                      |
| Accounts Payable and Accrued Liabilities       |                      |                      |
| Other (Note 4)                                 | 3,231,346            | 3,150,832            |
| Unearned Revenue (Note 5)                      | 403,270              | 136,164              |
| Deferred Revenue (Note 6)                      | 821,410              | 1,125,797            |
| Deferred Capital Revenue (Note 7)              | 26,645,750           | 25,627,850           |
| Employee Future Benefits (Note 8)              | 775,695              | 727,184              |
| <b>Total Liabilities</b>                       | <b>31,877,471</b>    | <b>30,767,827</b>    |
| <b>Net Financial Assets (Debt)</b>             | <b>(19,455,829)</b>  | <b>(18,329,219)</b>  |
| <b>Non-Financial Assets</b>                    |                      |                      |
| Tangible Capital Assets (Note 9)               | 36,591,385           | 35,905,935           |
| Prepaid Expenses                               | 76,250               | 124,085              |
| <b>Total Non-Financial Assets</b>              | <b>36,667,635</b>    | <b>36,030,020</b>    |
| <b>Accumulated Surplus (Deficit) (Note 21)</b> | <b>17,211,806</b>    | <b>17,700,801</b>    |

Unrecognized Assets (Note 14)

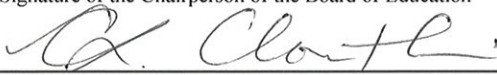
Contractual Obligations (Note 17)

Contractual Rights (Note 16)

Approved by the Board

  
Signature of the Chairperson of the Board of Education

Sept. 17/19  
Date Signed

  
Signature of the Superintendent

Sept 17/19  
Date Signed

  
Signature of the Secretary Treasurer

Sept 20/2019  
Date Signed

**School District No. 59 (Peace River South)**

Statement 2

Statement of Operations

Year Ended June 30, 2019

|   | 2019<br>Budget     | 2019<br>Actual    | 2018<br>Actual    |
|---|--------------------|-------------------|-------------------|
|   | \$                 | \$                | \$                |
| <b>Revenues</b>   |                    |                   |                   |
| Provincial Grants   |                    |                   |                   |
| Ministry of Education   | 47,070,946         | 47,124,231        | 47,306,755        |
| Other   | 281,150            | 276,363           | 328,941           |
| Tuition   | 32,673             | 32,673            | 37,429            |
| Other Revenue   | 1,895,300          | 1,722,581         | 1,682,490         |
| Rentals and Leases  | 166,500            | 166,523           | 177,567           |
| Investment Income   | 202,549            | 263,571           | 206,765           |
| Gain (Loss) on Disposal of Tangible Capital Assets (Note 10)            |                    |                   | 157,628           |
| Amortization of Deferred Capital Revenue                                | 1,515,831          | 1,494,591         | 1,491,198         |
| <b>Total Revenue</b>  | <b>51,164,949</b>  | <b>51,080,533</b> | <b>51,388,773</b> |
| <b>Expenses</b>   |                    |                   |                   |
| Instruction   | 37,156,045         | 36,492,922        | 35,413,751        |
| District Administration   | 1,999,023          | 1,886,068         | 2,036,519         |
| Operations and Maintenance  | 9,854,108          | 9,448,027         | 9,709,781         |
| Transportation and Housing  | 3,860,783          | 3,742,511         | 3,649,353         |
| <b>Total Expense</b>  | <b>52,869,959</b>  | <b>51,569,528</b> | <b>50,809,404</b> |
| <b>Surplus (Deficit) for the year</b>                                   | <b>(1,705,010)</b> | <b>(488,995)</b>  | <b>579,369</b>    |
| <b>Accumulated Surplus (Deficit) from Operations, beginning of year</b> |                    | <b>17,700,801</b> | <b>17,121,432</b> |
| <b>Accumulated Surplus (Deficit) from Operations, end of year</b>       |                    | <b>17,211,806</b> | <b>17,700,801</b> |

**School District No. 59 (Peace River South)**

Statement 4

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

|  | 2019<br>Budget<br>\$ | 2019<br>Actual<br>\$       | 2018<br>Actual<br>\$       |
|--|----------------------|----------------------------|----------------------------|
| <b>Surplus (Deficit) for the year</b>  | <u>(1,705,010)</u>   | <u>(488,995)</u>           | <u>579,369</u>             |
| <b>Effect of change in Tangible Capital Assets</b>   |                      |                            |                            |
| Acquisition of Tangible Capital Assets   | (2,936,596)          | (2,614,201)                | (2,771,282)                |
| Amortization of Tangible Capital Assets  | 1,949,991            | 1,928,751                  | 1,912,218                  |
| Net carrying value of Tangible Capital Assets disposed of  |                      |                            | 594,721                    |
| <b>Total Effect of change in Tangible Capital Assets</b>   | <u>(986,605)</u>     | <u>(685,450)</u>           | <u>(264,343)</u>           |
| Acquisition of Prepaid Expenses  |                      | (76,250)                   | (124,084)                  |
| Use of Prepaid Expenses  |                      | 124,085                    | 90,081                     |
| <b>Total Effect of change in Other Non-Financial Assets</b>  | <u>-</u>             | <u>47,835</u>              | <u>(34,003)</u>            |
| <b>(Increase) Decrease in Net Financial Assets (Debt),<br/>before Net Remeasurement Gains (Losses)</b> | <u>(2,691,615)</u>   | <u>(1,126,610)</u>         | <u>281,023</u>             |
| <b>Net Remeasurement Gains (Losses)</b>  |                      |                            |                            |
| <b>(Increase) Decrease in Net Financial Assets (Debt)</b>  |                      | <u>(1,126,610)</u>         | <u>281,023</u>             |
| <b>Net Financial Assets (Debt), beginning of year</b>  |                      | <u>(18,329,219)</u>        | <u>(18,610,242)</u>        |
| <b>Net Financial Assets (Debt), end of year</b>  |                      | <u><u>(19,455,829)</u></u> | <u><u>(18,329,219)</u></u> |

**School District No. 59 (Peace River South)**

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

|   | 2019<br>Actual     | 2018<br>Actual     |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| <b>Operating Transactions</b>                                 |                    |                    |
| Surplus (Deficit) for the year                                | (488,995)          | 579,369            |
| Changes in Non-Cash Working Capital                           |                    |                    |
| Decrease (Increase)   |                    |                    |
| Accounts Receivable   | 157,800            | (112,004)          |
| Prepaid Expenses  | 47,836             | (34,005)           |
| Increase (Decrease)   |                    |                    |
| Accounts Payable and Accrued Liabilities                      | 80,513             | (282,568)          |
| Unearned Revenue  | 267,104            | 92,287             |
| Deferred Revenue  | (304,387)          | (127,151)          |
| Employee Future Benefits                                      | 48,512             | (63,255)           |
| Loss (Gain) on Disposal of Tangible Capital Assets            |                    | (157,628)          |
| Amortization of Tangible Capital Assets                       | 1,928,751          | 1,912,218          |
| Amortization of Deferred Capital Revenue                      | (1,494,591)        | (1,491,198)        |
| Bylaw Capital Spent on Non-Capital Items                      | (1,118,833)        | (1,191,259)        |
| <b>Total Operating Transactions</b>                           | <b>(876,290)</b>   | <b>(875,194)</b>   |
| <b>Capital Transactions</b>                                   |                    |                    |
| Tangible Capital Assets Purchased                             | (2,614,201)        | (2,771,282)        |
| <b>Total Capital Transactions</b>                             | <b>(2,614,201)</b> | <b>(2,771,282)</b> |
| <b>Financing Transactions</b>                                 |                    |                    |
| Capital Revenue Received                                      | 3,631,324          | 3,379,114          |
| <b>Total Financing Transactions</b>                           | <b>3,631,324</b>   | <b>3,379,114</b>   |
| <b>Investing Transactions</b>                                 |                    |                    |
| Proceeds on Disposal of Portfolio Investments                 |                    | 157,627            |
| <b>Total Investing Transactions</b>                           | <b>-</b>           | <b>157,627</b>     |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <b>140,833</b>     | <b>(109,735)</b>   |
| <b>Cash and Cash Equivalents, beginning of year</b>           | <b>11,781,028</b>  | <b>11,890,763</b>  |
| <b>Cash and Cash Equivalents, end of year</b>                 | <b>11,921,861</b>  | <b>11,781,028</b>  |
| <b>Cash and Cash Equivalents, end of year, is made up of:</b> |                    |                    |
| Cash  | 4,548,043          | 4,614,237          |
| Cash Equivalents  | 7,373,818          | 7,166,791          |
|   | <b>11,921,861</b>  | <b>11,781,028</b>  |

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 1      AUTHORITY AND PURPOSE**

The School District 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. 59 (Peace River South)", and operates as "School District No. 59 (Peace River South)." 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. 59 (Peace River South) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

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

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

As noted in Notes 2(e) and 2(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 capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

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

- Year-ended June 30, 2018 – increase in annual surplus by \$763,792; and,
- June 30, 2018 – increase in accumulated surplus and decrease in deferred contributions by \$25,454,003.
- Year-ended June 30, 2019 – increase in annual surplus by \$599,003; and,
- June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions by \$26,053,006.



**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

b) Cash and Cash Equivalents

Cash and cash equivalents include Certificates of Deposit with the Provincial Treasury that are readily convertible to known amounts of cash, have no set maturity terms, and that are subject to an insignificant risk of change in value. These cash equivalents 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 proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2(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. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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 (EARS�) of active employees covered under the plan.

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

g) Tangible Capital Assets *(Continued)*

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

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

h) Prepaid Expenses

Prepaid expenses consist of unexpired insurance premiums and other prepaid amounts which will be amortized over the term of the policies, or in the period the actual expense relates to, respectively.

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 Notes 12 – Interfund Transfers and Note 21 – Accumulated Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

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.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

j) 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.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

k) Expenses

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

Categories of Salaries

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

Allocation of Costs

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

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, accounts payable and accrued liabilities 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. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

**l) Financial Instruments** *(Continued)*

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

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

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

**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) 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 all the following criteria are met:

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

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

|                               | <u>2019</u>       | <u>2018</u>       |
|-------------------------------|-------------------|-------------------|
| Due from Federal Government   | \$ 134,928        | \$ 159,726        |
| Peace River Regional District | 10,000            | 10,000            |
| PRSTA                         | 17,487            | 25,962            |
| School PACs                   | 5,168             | 99,860            |
| Simon Fraser University       | 23,650            | -                 |
| Other Accounts Receivable     | 40,111            | 66,989            |
|                               | <u>\$ 231,344</u> | <u>\$ 362,537</u> |

**NOTE 4      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER**

|                               | <u>2019</u>         | <u>2018</u>         |
|-------------------------------|---------------------|---------------------|
| Trade payables                | \$ 758,076          | \$ 653,383          |
| Salaries and benefits payable | 1,002,935           | 1,039,606           |
| Source deductions             | 589,708             | 567,337             |
| Accrued vacation pay          | 819,454             | 834,334             |
| Other                         | 61,173              | 56,172              |
|                               | <u>\$ 3,231,346</u> | <u>\$ 3,150,832</u> |

**NOTE 5      UNEARNED REVENUE**

|                            | <u>2019</u>       | <u>2018</u>       |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 136,164        | \$ 43,878         |
| Changes for the year:      |                   |                   |
| Increase:                  |                   |                   |
| Other revenue              | 311,250           | 122,354           |
| Decrease:                  |                   |                   |
| Other revenue              | 44,144            | 30,068            |
| Balance, end of year       | <u>\$ 403,270</u> | <u>\$ 136,164</u> |

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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. Changes in deferred revenue are as follows:

|   | <u>2019</u>              | <u>2018</u>                |
|---|--------------------------|----------------------------|
| Balance, beginning of year                | \$ 1,125,797             | \$ 1,252,948               |
| Changes for the year:                     |                          |                            |
| Increase: Contributions received          |                          |                            |
| Provincial Grants – Ministry of Education | 3,959,999                | 4,230,647                  |
| Other                                     | 1,174,551                | 1,317,542                  |
| Investment income                         | <u>5,417</u>             | <u>6,116</u>               |
|   | <u>5,139,967</u>         | <u>5,554,305</u>           |
| Decrease:                                 |                          |                            |
| Expenses                                  | <u>5,444,354</u>         | <u>5,681,456</u>           |
| Net changes for the year                  | <u>(304,387)</u>         | <u>(127,151)</u>           |
| Balance, end of year                      | <u><u>\$ 821,410</u></u> | <u><u>\$ 1,125,797</u></u> |

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

|  | Deferred<br>Capital<br>2019 | Unspent<br>Capital<br>2019 | Total<br>Deferred<br>Capital<br>Revenue<br>2019 | Total Deferred<br>Capital<br>Revenue<br>2018 |
|--|-----------------------------|----------------------------|---|--|
| Balance, beginning of year                     | \$25,454,003                | \$173,847                  | \$25,627,850                                    | \$25,525,912                                 |
| Changes for the year:                          |                             |                            |   |  |
| Increase:                                      |                             |                            |   |  |
| Transfer from Unspent – Capital Additions      | 2,093,594                   | -                          | 2,093,594                                       | 2,254,990                                    |
| Provincial Grants – Ministry of Education      | -                           | 3,611,589                  | 3,611,589                                       | 3,351,064                                    |
| Provincial Grants – Other                      | -                           | 16,618                     | 16,618  | 25,837                                       |
| Investment income                              | -                           | 3,117                      | 3,117   | 2,213  |
|  | 2,093,594                   | 3,631,324                  | 5,724,918                                       | 5,634,104                                    |
| Decrease:                                      |                             |                            |   |  |
| Amortization of Deferred Capital               | 1,494,591                   | -                          | 1,494,591                                       | 1,491,198                                    |
| Capital Additions–transfer to Deferred Capital | -                           | 2,093,594                  | 2,093,594                                       | 2,254,990                                    |
| Non-capital items                              | -                           | 1,118,833                  | 1,118,833                                       | 1,191,259                                    |
| Revenue Recognized on Disposal of Buildings    | -                           | -                          | -   | 594,719                                      |
|  | 1,494,591                   | 3,212,427                  | 4,707,018                                       | 5,532,166                                    |
| Net changes for the year                       | 599,003                     | 418,897                    | 1,017,900                                       | 101,938                                      |
| Balance, end of year                           | \$26,053,006                | \$592,744                  | \$26,645,750                                    | \$25,627,850                                 |



**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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.

|  | 2019               | 2018               |
|--|--------------------|--------------------|
| <b>Reconciliation of Accrued Benefit Obligation</b>          |                    |                    |
| Accrued Benefit Obligation – April 1                         | \$ 858,985         | \$ 854,036         |
| Service Cost   | 81,297             | 77,695             |
| Interest Cost  | 24,625             | 24,266             |
| Benefit Payments   | (220,239)          | (72,000)           |
| Actuarial (Gain) Loss  | 257,267            | (25,013)           |
| Accrued Benefit Obligation – March 31                        | <u>\$1,001,935</u> | <u>\$858,984</u>   |
| <b>Reconciliation of Funded Status at End of Fiscal Year</b> |                    |                    |
| Accrued Benefit Obligation - March 31                        | <u>\$1,001,935</u> | <u>\$858,984</u>   |
| Funded Status - Surplus (Deficit)                            | (1,001,935)        | (858,984)          |
| Employer Contributions After Measurement Date                | 17,539             | 149,026            |
| Benefits Expense After Measurement Date                      | (29,009)           | (26,481)           |
| Unamortized Net Actuarial (Gain) Loss                        | 237,710            | 9,255              |
| Accrued Benefit Asset (Liability) - June 30                  | <u>(\$775,695)</u> | <u>(\$727,184)</u> |
| <b>Reconciliation of Change in Accrued Benefit Liability</b> |                    |                    |
| Accrued Benefit Liability (Asset) - July 1                   | \$ 727,184         | \$ 790,439         |
| Net Expense for Fiscal Year                                  | 137,265            | 134,398            |
| Employer Contributions                                       | (88,753)           | (197,653)          |
| Accrued Benefit Liability (Asset) - June 30                  | <u>\$ 775,696</u>  | <u>\$ 727,184</u>  |
| <b>Components of Net Benefit Expense</b>                     |                    |                    |
| Service Cost   | \$ 83,630          | \$ 78,596          |
| Interest Cost  | 24,821             | 24,356             |
| Amortization of Net Actuarial (Gain)/Loss                    | 28,814             | 31,446             |
| Net Benefit Expense (Income)                                 | <u>\$ 137,265</u>  | <u>\$ 134,398</u>  |

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 8      EMPLOYEE FUTURE BENEFITS** *(Continued)*

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

|                                    | 2019              | 2018              |
|------------------------------------|-------------------|-------------------|
| Discount Rate - April 1            | 2.75%             | 2.75%             |
| Discount Rate - March 31           | 2.50%             | 2.75%             |
| Long Term Salary Growth - April 1  | 2.50% + seniority | 2.50% + seniority |
| Long Term Salary Growth - March 31 | 2.50% + seniority | 2.50% + seniority |
| EARSL - March 31                   | 9.4               | 9.5               |

**NOTE 9      TANGIBLE CAPITAL ASSETS**

**Net Book Value**

|                       | Net Book Value<br>June 30, 2019 | Net Book<br>Value June 30,<br>2018 |
|-----------------------|---------------------------------|------------------------------------|
| Sites                 | \$ 5,244,779                    | \$ 5,244,779                       |
| Buildings             | 27,993,583                      | 27,081,975                         |
| Furniture & Equipment | 1,173,982                       | 1,117,342                          |
| Vehicles              | 2,153,968                       | 2,431,720                          |
| Computer Software     | 6,006                           | -                                  |
| Computer Software     | 19,067                          | 30,119                             |
| <b>Total</b>          | <b>\$ 36,591,385</b>            | <b>\$ 35,905,935</b>               |

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2019**

| Cost:                 | Balance at<br>July 1, 2018 | Additions           | Disposals           | Balance at<br>June 30, 2019 |
|-----------------------|----------------------------|---------------------|---------------------|-----------------------------|
| Sites                 | \$ 5,244,779               | \$ -                | \$ -                | \$ 5,244,779                |
| Buildings             | 70,757,151                 | 2,219,136           | -                   | 72,976,287                  |
| Furniture & Equipment | 1,952,411                  | 251,881             | (100,889)           | 2,103,403                   |
| Vehicles              | 4,149,295                  | 137,178             | (525,904)           | 3,760,569                   |
| Computer Software     | -                          | 6,006               | -                   | 6,006                       |
| Computer Hardware     | 55,257                     | -                   | -                   | 55,257                      |
| <b>Total</b>          | <b>\$ 82,158,893</b>       | <b>\$ 2,614,201</b> | <b>\$ (626,793)</b> | <b>\$ 84,146,301</b>        |

| Accumulated Amortization: | Balance at<br>July 1, 2018 | Amortization<br>Expense | Disposals           | Balance at<br>June 30, 2019 |
|---------------------------|----------------------------|-------------------------|---------------------|-----------------------------|
| Sites                     | \$ -                       | \$ -                    | \$ -                | \$ -                        |
| Buildings                 | 43,675,176                 | 1,307,528               | -                   | 44,982,704                  |
| Furniture & Equipment     | 835,069                    | 195,241                 | (100,889)           | 929,421                     |
| Vehicles                  | 1,717,575                  | 414,930                 | (525,904)           | 1,606,601                   |
| Computer Software         | -                          | -                       | -                   | -                           |
| Computer Hardware         | 25,138                     | 11,052                  | -                   | 36,190                      |
| <b>Total</b>              | <b>\$ 46,252,958</b>       | <b>\$ 1,928,751</b>     | <b>\$ (626,793)</b> | <b>\$ 47,554,916</b>        |

**June 30, 2018**

| Cost:                 | Balance at<br>July 1, 2017 | Additions           | Disposals             | Balance at<br>June 30, 2018 |
|-----------------------|----------------------------|---------------------|-----------------------|-----------------------------|
| Sites                 | \$ 5,244,781               | \$ -                | \$ (2)                | \$ 5,244,779                |
| Buildings             | 69,726,719                 | 2,187,570           | (1,157,138)           | 70,757,151                  |
| Furniture & Equipment | 1,945,777                  | 219,326             | (212,692)             | 1,952,411                   |
| Vehicles              | 4,164,910                  | 364,386             | (380,001)             | 4,149,295                   |
| Computer Software     | -                          | -                   | -                     | -                           |
| Computer Hardware     | 55,257                     | -                   | -                     | 55,257                      |
| <b>Total</b>          | <b>\$ 81,137,444</b>       | <b>\$ 2,771,282</b> | <b>\$ (1,749,833)</b> | <b>\$ 82,158,893</b>        |

| Accumulated Amortization: | Balance at<br>July 1, 2017 | Additions           | Disposals             | Balance at<br>June 30, 2018 |
|---------------------------|----------------------------|---------------------|-----------------------|-----------------------------|
| Sites                     | \$ -                       | \$ -                | \$ -                  | \$ -                        |
| Buildings                 | 42,947,498                 | 1,290,097           | (562,419)             | 43,675,176                  |
| Furniture & Equipment     | 853,183                    | 194,578             | (212,692)             | 835,069                     |
| Vehicles                  | 1,681,085                  | 416,491             | (380,001)             | 1,717,575                   |
| Computer Software         | -                          | -                   | -                     | -                           |
| Computer Hardware         | 14,086                     | 11,052              | -                     | 25,138                      |
| <b>Total</b>              | <b>\$ 45,495,852</b>       | <b>\$ 1,912,218</b> | <b>\$ (1,155,112)</b> | <b>\$ 46,252,958</b>        |

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 10     DISPOSAL OF SITES AND BUILDINGS**

The following properties were disposed of in the prior fiscal year:

| <u>Property</u>       | <u>Year of<br/>Acquisition</u> | <u>Original<br/>Cost</u> | <u>Proceeds<br/>of Sale</u> |
|-----------------------|--------------------------------|--------------------------|-----------------------------|
| Lot 1, 1101 121 Ave   | 1968                           | \$1                      | \$157,627                   |
| Tate Creek Elementary | 1976                           | \$307,539                | \$1                         |

**NOTE 11     EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2017, The Teachers' Pension Plan has approximately 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 24,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the 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, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

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, 2018, with results available in 2019.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 11      EMPLOYEE PENSION PLANS** *(continued)*

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 the Plans in aggregate, resulting in no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the Plans.

The School District paid \$3,248,859 for employer contributions to these plans in the year ended June 30, 2019 (2018: \$3,473,481).

**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 \$520,607 (2018: \$516,292) was made from the operating fund to the capital fund for capital equipment purchases.

**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.

**NOTE 14      UNRECOGNIZED ASSETS**

The School District has been made available the use of Crown Land. The Crown Land has not been recorded in these Financial Statements.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 15 BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 13, 2019. The Board adopted a preliminary annual budget on June 20, 2018. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

|  | 2019<br>Amended       | 2019<br>Preliminary   | Difference          |
|--|-----------------------|-----------------------|---------------------|
| <b>Revenues</b>  |                       |                       |                     |
| Provincial Grants  |                       |                       |                     |
| Ministry of Education                                    | \$ 47,070,946         | \$ 46,718,034         | \$ 352,912          |
| Other  | 281,150               | 267,220               | 13,930              |
| Tuition  | 32,673                | 34,000                | (1,327)             |
| Other Revenue  | 1,895,300             | 1,604,700             | 290,600             |
| Rentals and Leases                                       | 166,500               | 170,000               | (3,500)             |
| Investment Income  | 202,549               | 182,000               | 20,549              |
| Amortization of Deferred Capital Revenue                 | 1,515,831             | 1,491,198             | 24,633              |
| <b>Total Revenue</b>                                     | <b>51,164,949</b>     | <b>50,467,152</b>     | <b>697,797</b>      |
| <b>Expenses</b>  |                       |                       |                     |
| Instruction  | 37,156,045            | 36,364,568            | 791,477             |
| District Administration                                  | 1,999,023             | 1,961,566             | 37,457              |
| Operations and Maintenance                               | 9,854,108             | 9,694,158             | 159,950             |
| Transportation and Housing                               | 3,860,783             | 3,905,203             | (44,420)            |
| <b>Total Expenses</b>                                    | <b>52,869,959</b>     | <b>51,925,495</b>     | <b>944,464</b>      |
| <b>Surplus (Deficit) for the year</b>                    | <b>(1,705,010)</b>    | <b>(1,458,343)</b>    | <b>(246,667)</b>    |
| <b>Effect of change in Tangible Capital Assets</b>       |                       |                       |                     |
| Acquisition of Tangible Capital Assets                   |                       |                       |                     |
| From Operating and Special Purpose Funds                 | (440,221)             | (503,483)             | 63,262              |
| From Deferred Capital Revenue                            | (2,496,375)           | (2,548,000)           | 51,625              |
| <b>Total Acquisition of Tangible Capital Assets</b>      | <b>(2,936,596)</b>    | <b>(3,051,483)</b>    | <b>114,887</b>      |
| Amortization of Tangible Capital Assets                  | 1,949,991             | 1,945,414             | 4,577               |
| <b>Total Effect of change in Tangible Capital Assets</b> | <b>(986,605)</b>      | <b>(1,106,069)</b>    | <b>119,464</b>      |
| <b>(Increase) Decrease in Net Financial Assets</b>       | <b>\$ (2,691,615)</b> | <b>\$ (2,564,412)</b> | <b>\$ (127,203)</b> |

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 16 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 rental revenue. The following table summarizes the contractual rights of the School District for future assets:

| Contractual Rights    | 2020      | 2021      | 2022      | 2023      | 2024      | Thereafter |
|-----------------------|-----------|-----------|-----------|-----------|-----------|------------|
| Future rental revenue | \$ 88,428 | \$ 63,843 | \$ 63,843 | \$ 61,601 | \$ 62,500 | \$ 257,250 |

**NOTE 17 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES**

Each year the School District is involved with a number of legal actions and arbitrations. Although the outcomes of these matters are not determinable at this time, management believes they will not have a material adverse effect on the School District's financial position or results of the operation.

**NOTE 18 ASSET RETIREMENT OBLIGATION**

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 of fair value can be made. As at June 30, 2019, the liability is not reasonably determinable.

**NOTE 19 EXPENSE BY OBJECT**

|                       | 2019                 | 2018                 |
|-----------------------|----------------------|----------------------|
| Salaries and benefits | \$ 39,898,730        | \$ 38,361,638        |
| Services and supplies | 9,742,047            | 10,535,548           |
| Amortization          | 1,928,751            | 1,912,218            |
|                       | <u>\$ 51,569,528</u> | <u>\$ 50,809,404</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. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 21     ACCUMULATED SURPLUS**

|  | 2019                        | 2018                        |
|--|-----------------------------|-----------------------------|
| <b>OPERATING</b>                                   |                             |                             |
| Internally Restricted (appropriated) by Board for: |                             |                             |
| School-based Surpluses                             | \$ 395,250                  | \$ 547,281                  |
| Aboriginal Education Surplus                       | -                           | 69,415                      |
| LEA Capacity Building Grant                        | 10,000                      | -                           |
| Digital Content Strategist                         | 80,000                      | -                           |
| Capacity Building                                  | 268,000                     | 153,000                     |
| Distance Learning Project                          | 76,838                      | 153,932                     |
| Renovation Chetwynd Senior Secondary               | 1,750,000                   | 1,750,000                   |
| Transportation Reserve                             | -                           | 500,000                     |
| Board Contingency Fund                             | -                           | 2,237,316                   |
| Subtotal Internally Restricted                     | 2,580,088                   | 5,410,944                   |
| Unrestricted Operating Surplus (Deficit)           | 3,816,524                   | 1,566,321                   |
| Total Available for Future Operations              | <u>\$ 6,396,612</u>         | <u>\$ 6,977,265</u>         |
| <b>CAPITAL</b>                                     |                             |                             |
| Investment in Tangible Capital Assets              | 10,538,381                  | 10,451,934                  |
| Local Capital                                      | 276,813                     | 271,602                     |
| Capital Surplus                                    | 10,815,194                  | 10,723,536                  |
| <b>ACCUMULATED SURPLUS</b>                         | <u><u>\$ 17,211,806</u></u> | <u><u>\$ 17,700,801</u></u> |

**NOTE 22     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 amounts receivable.

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



**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 24     RISK MANAGEMENT** *(continued)*

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 not 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.

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. 59 (Peace River South)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2019

Schedule 1 (Unaudited)

|  | Operating<br>Fund | Special Purpose<br>Fund | Capital<br>Fund | 2019<br>Actual | 2018<br>Actual |
|--|-------------------|-------------------------|-----------------|----------------|----------------|
|  | \$                | \$                      | \$              | \$             | \$             |
| Accumulated Surplus (Deficit), beginning of year         | 6,977,265         |                         | 10,723,536      | 17,700,801     | 17,121,432     |
| Changes for the year                                     |                   |                         |                 |                |                |
| Surplus (Deficit) for the year                           | (60,046)          |                         | (428,949)       | (488,995)      | 579,369        |
| Interfund Transfers                                      |                   |                         |                 |                |                |
| Tangible Capital Assets Purchased                        | (520,607)         |                         | 520,607         | -              |                |
| Net Changes for the year                                 | (580,653)         | -                       | 91,658          | (488,995)      | 579,369        |
| Accumulated Surplus (Deficit), end of year - Statement 2 | 6,396,612         | -                       | 10,815,194      | 17,211,806     | 17,700,801     |

**School District No. 59 (Peace River South)**

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

|   | 2019<br>Budget     | 2019<br>Actual    | 2018<br>Actual    |
|---|--------------------|-------------------|-------------------|
|   | \$                 | \$                | \$                |
| <b>Revenues</b>   |                    |                   |                   |
| Provincial Grants   |                    |                   |                   |
| Ministry of Education   | 41,581,835         | 41,709,207        | 41,644,347        |
| Other   | 281,150            | 276,363           | 328,941           |
| Tuition   | 32,673             | 32,673            | 37,429            |
| Other Revenue   | 547,800            | 579,811           | 477,931           |
| Rentals and Leases  | 166,500            | 166,523           | 177,567           |
| Investment Income   | 200,000            | 252,967           | 199,425           |
| <b>Total Revenue</b>  | <b>42,809,958</b>  | <b>43,017,544</b> | <b>42,865,640</b> |
| <b>Expenses</b>   |                    |                   |                   |
| Instruction   | 31,943,643         | 31,491,356        | 30,188,780        |
| District Administration   | 1,999,023          | 1,886,068         | 2,036,519         |
| Operations and Maintenance                                      | 6,694,838          | 6,372,585         | 6,566,310         |
| Transportation and Housing                                      | 3,445,853          | 3,327,581         | 3,232,862         |
| <b>Total Expense</b>  | <b>44,083,357</b>  | <b>43,077,590</b> | <b>42,024,471</b> |
| <b>Operating Surplus (Deficit) for the year</b>                 | <b>(1,273,399)</b> | <b>(60,046)</b>   | <b>841,169</b>    |
| <b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b> | <b>1,713,620</b>   |                   |                   |
| <b>Net Transfers (to) from other funds</b>                      |                    |                   |                   |
| Tangible Capital Assets Purchased                               | (440,221)          | (520,607)         | (516,292)         |
| <b>Total Net Transfers</b>                                      | <b>(440,221)</b>   | <b>(520,607)</b>  | <b>(516,292)</b>  |
| <b>Total Operating Surplus (Deficit), for the year</b>          | <b>-</b>           | <b>(580,653)</b>  | <b>324,877</b>    |
| <b>Operating Surplus (Deficit), beginning of year</b>           |                    | <b>6,977,265</b>  | <b>6,652,388</b>  |
| <b>Operating Surplus (Deficit), end of year</b>                 |                    | <b>6,396,612</b>  | <b>6,977,265</b>  |
| <b>Operating Surplus (Deficit), end of year</b>                 |                    |                   |                   |
| Internally Restricted   |                    | <b>2,580,088</b>  | <b>5,410,944</b>  |
| Unrestricted  |                    | <b>3,816,524</b>  | <b>1,566,321</b>  |
| <b>Total Operating Surplus (Deficit), end of year</b>           |                    | <b>6,396,612</b>  | <b>6,977,265</b>  |

**School District No. 59 (Peace River South)**

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

|  | 2019<br>Budget    | 2019<br>Actual    | 2018<br>Actual |
|--|-------------------|-------------------|----------------|
|  | \$                | \$                | \$             |
| <b>Provincial Grants - Ministry of Education</b>       |                   |                   |                |
| Operating Grant, Ministry of Education                 | 40,057,795        | <b>40,000,867</b> | 39,918,670     |
| Other Ministry of Education Grants                     |                   |                   |                |
| Pay Equity   | 944,395           | <b>944,395</b>    | 944,395        |
| Funding for Graduated Adults                           |                   |                   | 577            |
| Transportation Supplement                              | 441,458           | <b>441,458</b>    | 441,458        |
| Economic Stability Dividend                            |                   | <b>40,998</b>     | 21,278         |
| Return of Administrative Savings                       |                   |                   | 205,328        |
| Carbon Tax Grant                                       | 95,000            | <b>118,934</b>    | 99,454         |
| Employer Health Tax Grant                              |                   | <b>98,167</b>     |                |
| Strategic Priorities - Mental Health Grant             | 35,000            | <b>35,000</b>     |                |
| BCTEA - LEA Capacity Building Grant                    |                   | <b>13,700</b>     |                |
| Access Grant   |                   | <b>5,000</b>      | 5,000          |
| Other  | 8,187             | <b>10,688</b>     | 8,187          |
| <b>Total Provincial Grants - Ministry of Education</b> | <b>41,581,835</b> | <b>41,709,207</b> | 41,644,347     |
| <b>Provincial Grants - Other</b>                       | <b>281,150</b>    | <b>276,363</b>    | 328,941        |
| <b>Tuition</b>   |                   |                   |                |
| International and Out of Province Students             | 32,673            | <b>32,673</b>     | 37,429         |
| <b>Total Tuition</b>                                   | <b>32,673</b>     | <b>32,673</b>     | 37,429         |
| <b>Other Revenues</b>                                  |                   |                   |                |
| Miscellaneous  |                   |                   |                |
| Seconded Teacher Recoveries                            | 195,300           | <b>201,502</b>    | 125,977        |
| Energy Rebate Recoveries                               |                   |                   | 2,045          |
| Substitute Staff Recoveries                            | 110,000           | <b>125,177</b>    | 110,008        |
| Bus Fees   | 50,000            | <b>55,882</b>     | 49,566         |
| Swim Grant   | 10,000            | <b>10,000</b>     | 10,000         |
| Miscellaneous  | 182,500           | <b>187,250</b>    | 180,335        |
| <b>Total Other Revenue</b>                             | <b>547,800</b>    | <b>579,811</b>    | 477,931        |
| <b>Rentals and Leases</b>                              | <b>166,500</b>    | <b>166,523</b>    | 177,567        |
| <b>Investment Income</b>                               | <b>200,000</b>    | <b>252,967</b>    | 199,425        |
| <b>Total Operating Revenue</b>                         | <b>42,809,958</b> | <b>43,017,544</b> | 42,865,640     |

**School District No. 59 (Peace River South)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

|                                     | 2019<br>Budget    | 2019<br>Actual    | 2018<br>Actual    |
|-------------------------------------|-------------------|-------------------|-------------------|
|                                     | \$                | \$                | \$                |
| <b>Salaries</b>                     |                   |                   |                   |
| Teachers                            | 15,153,191        | <b>14,523,386</b> | 14,287,538        |
| Principals and Vice Principals      | 3,230,095         | <b>3,062,716</b>  | 3,055,802         |
| Educational Assistants              | 2,860,556         | <b>2,694,630</b>  | 2,529,615         |
| Support Staff                       | 5,381,885         | <b>5,324,908</b>  | 5,363,309         |
| Other Professionals                 | 1,473,623         | <b>1,659,853</b>  | 1,615,910         |
| Substitutes                         | 1,059,158         | <b>1,751,505</b>  | 1,466,678         |
| <b>Total Salaries</b>               | <b>29,158,508</b> | <b>29,016,998</b> | <b>28,318,852</b> |
| <b>Employee Benefits</b>            | <b>7,270,983</b>  | <b>6,748,776</b>  | <b>6,136,204</b>  |
| <b>Total Salaries and Benefits</b>  | <b>36,429,491</b> | <b>35,765,774</b> | <b>34,455,056</b> |
| <b>Services and Supplies</b>        |                   |                   |                   |
| Services                            | 1,677,190         | <b>1,453,111</b>  | 1,514,879         |
| Student Transportation              | 1,093,810         | <b>979,458</b>    | 986,781           |
| Professional Development and Travel | 435,430           | <b>461,308</b>    | 502,451           |
| Rentals and Leases                  | 23,000            | <b>27,911</b>     | 21,932            |
| Dues and Fees                       | 323,249           | <b>393,783</b>    | 337,053           |
| Insurance                           | 182,300           | <b>147,602</b>    | 173,257           |
| Supplies                            | 2,530,307         | <b>2,488,056</b>  | 2,667,279         |
| Utilities                           | 1,388,580         | <b>1,360,587</b>  | 1,365,783         |
| <b>Total Services and Supplies</b>  | <b>7,653,866</b>  | <b>7,311,816</b>  | <b>7,569,415</b>  |
| <b>Total Operating Expense</b>      | <b>44,083,357</b> | <b>43,077,590</b> | <b>42,024,471</b> |

# School District No. 59 (Peace River South)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C (Unaudited)

|   | Teachers<br>Salaries | Principals and<br>Vice Principals<br>Salaries | Educational<br>Assistants<br>Salaries | Support<br>Staff<br>Salaries | Other<br>Professionals<br>Salaries | Substitutes<br>Salaries | Total<br>Salaries |
|---|----------------------|---|---------------------------------------|------------------------------|------------------------------------|-------------------------|-------------------|
|   | \$                   | \$  | \$                                    | \$                           | \$                                 | \$                      | \$                |
| <b>1 Instruction</b>                            |                      |   |                                       |                              |                                    |                         |                   |
| 1.02 Regular Instruction                        | 11,937,390           | 952,821                                       | 32,163                                | 528,337                      | 149,635                            | 1,073,815               | 14,674,161        |
| 1.03 Career Programs                            | 61,570               | 27,867  |                                       |                              | 128,967                            | 2,089                   | 220,493           |
| 1.07 Library Services                           | 208,374              |   | 116,290                               |                              |                                    | 37,998                  | 362,662           |
| 1.08 Counselling                                | 554,420              |   |                                       | 63,705                       | 22,937                             | 1,298                   | 642,360           |
| 1.10 Special Education                          | 1,282,831            | 78,477  | 2,203,674                             | 107,919                      | 31,643                             | 171,827                 | 3,876,371         |
| 1.30 English Language Learning                  | 23,215               |   | 63,014                                |                              |                                    | 2,077                   | 88,306            |
| 1.31 Aboriginal Education                       | 455,586              | 175,208                                       | 259,102                               | 98,493                       | 83,735                             | 32,293                  | 1,104,417         |
| 1.41 School Administration                      |                      | 1,711,864                                     |                                       | 578,059                      |                                    | 84,502                  | 2,374,425         |
| 1.62 International and Out of Province Students |                      |   |                                       |                              |                                    |                         | -                 |
| <b>Total Function 1</b>                         | <b>14,523,386</b>    | <b>2,946,237</b>                              | <b>2,674,243</b>                      | <b>1,376,513</b>             | <b>416,917</b>                     | <b>1,405,899</b>        | <b>23,343,195</b> |
| <b>4 District Administration</b>                |                      |   |                                       |                              |                                    |                         |                   |
| 4.11 Educational Administration                 |                      | 116,479                                       |                                       | 17,481                       | 270,597                            |                         | 404,557           |
| 4.40 School District Governance                 |                      |   |                                       |                              | 113,208                            |                         | 113,208           |
| 4.41 Business Administration                    |                      |   |                                       | 145,791                      | 494,549                            | 1,237                   | 641,577           |
| <b>Total Function 4</b>                         | <b>-</b>             | <b>116,479</b>                                | <b>-</b>                              | <b>163,272</b>               | <b>878,354</b>                     | <b>1,237</b>            | <b>1,159,342</b>  |
| <b>5 Operations and Maintenance</b>             |                      |   |                                       |                              |                                    |                         |                   |
| 5.41 Operations and Maintenance Administration  |                      |   |                                       | 50,144                       | 278,018                            | 1,841                   | 330,003           |
| 5.50 Maintenance Operations                     |                      |   |                                       | 2,212,219                    |                                    | 204,572                 | 2,416,791         |
| 5.52 Maintenance of Grounds                     |                      |   |                                       | 393,053                      |                                    | 19,136                  | 412,189           |
| 5.56 Utilities                                  |                      |   |                                       |                              |                                    |                         | -                 |
| <b>Total Function 5</b>                         | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>2,655,416</b>             | <b>278,018</b>                     | <b>225,549</b>          | <b>3,158,983</b>  |
| <b>7 Transportation and Housing</b>             |                      |   |                                       |                              |                                    |                         |                   |
| 7.41 Transportation and Housing Administration  |                      |   |                                       | 49,006                       | 86,564                             |                         | 135,570           |
| 7.70 Student Transportation                     |                      |   | 20,387                                | 1,080,701                    |                                    | 118,820                 | 1,219,908         |
| <b>Total Function 7</b>                         | <b>-</b>             | <b>-</b>                                      | <b>20,387</b>                         | <b>1,129,707</b>             | <b>86,564</b>                      | <b>118,820</b>          | <b>1,355,478</b>  |
| <b>9 Debt Services</b>                          |                      |   |                                       |                              |                                    |                         |                   |
| <b>Total Function 9</b>                         | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>-</b>                     | <b>-</b>                           | <b>-</b>                | <b>-</b>          |
| <b>Total Functions 1 - 9</b>                    | <b>14,523,386</b>    | <b>3,062,716</b>                              | <b>2,694,630</b>                      | <b>5,324,908</b>             | <b>1,659,853</b>                   | <b>1,751,505</b>        | <b>29,016,998</b> |

# School District No. 59 (Peace River South)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C (Unaudited)

|   | Total Salaries    | Employee Benefits | Total Salaries and Benefits | Services and Supplies | 2019 Actual       | 2019 Budget       | 2018 Actual       |
|---|-------------------|-------------------|-----------------------------|-----------------------|-------------------|-------------------|-------------------|
|   | \$                | \$                | \$                          | \$                    | \$                | \$                | \$                |
| <b>1 Instruction</b>                            |                   |                   |                             |                       |                   |                   |                   |
| 1.02 Regular Instruction                        | 14,674,161        | 3,537,767         | 18,211,928                  | 1,728,267             | 19,940,195        | 19,857,303        | 19,492,387        |
| 1.03 Career Programs                            | 220,493           | 53,621            | 274,114                     | 143,013               | 417,127           | 458,164           | 449,314           |
| 1.07 Library Services                           | 362,662           | 78,426            | 441,088                     | 42,187                | 483,275           | 476,981           | 442,927           |
| 1.08 Counselling                                | 642,360           | 141,183           | 783,543                     | 16,356                | 799,899           | 784,504           | 779,274           |
| 1.10 Special Education                          | 3,876,371         | 921,765           | 4,798,136                   | 229,681               | 5,027,817         | 5,466,508         | 4,426,971         |
| 1.30 English Language Learning                  | 88,306            | 19,453            | 107,759                     | 19,686                | 127,445           | 151,370           | 77,628            |
| 1.31 Aboriginal Education                       | 1,104,417         | 259,947           | 1,364,364                   | 141,516               | 1,505,880         | 1,493,091         | 1,347,648         |
| 1.41 School Administration                      | 2,374,425         | 509,852           | 2,884,277                   | 148,637               | 3,032,914         | 3,061,863         | 3,018,946         |
| 1.62 International and Out of Province Students | -                 | -                 | -                           | 156,804               | 156,804           | 193,859           | 153,685           |
| <b>Total Function 1</b>                         | <b>23,343,195</b> | <b>5,522,014</b>  | <b>28,865,209</b>           | <b>2,626,147</b>      | <b>31,491,356</b> | <b>31,943,643</b> | <b>30,188,780</b> |
| <b>4 District Administration</b>                |                   |                   |                             |                       |                   |                   |                   |
| 4.11 Educational Administration                 | 404,557           | 88,125            | 492,682                     | 83,804                | 576,486           | 718,844           | 739,122           |
| 4.40 School District Governance                 | 113,208           | 4,346             | 117,554                     | 121,279               | 238,833           | 221,457           | 179,921           |
| 4.41 Business Administration                    | 641,577           | 140,443           | 782,020                     | 288,729               | 1,070,749         | 1,058,722         | 1,117,476         |
| <b>Total Function 4</b>                         | <b>1,159,342</b>  | <b>232,914</b>    | <b>1,392,256</b>            | <b>493,812</b>        | <b>1,886,068</b>  | <b>1,999,023</b>  | <b>2,036,519</b>  |
| <b>5 Operations and Maintenance</b>             |                   |                   |                             |                       |                   |                   |                   |
| 5.41 Operations and Maintenance Administration  | 330,003           | 70,444            | 400,447                     | 171,038               | 571,485           | 620,523           | 590,598           |
| 5.50 Maintenance Operations                     | 2,416,791         | 545,197           | 2,961,988                   | 844,275               | 3,806,263         | 4,027,087         | 3,914,025         |
| 5.52 Maintenance of Grounds                     | 412,189           | 81,977            | 494,166                     | 139,666               | 633,832           | 658,648           | 691,299           |
| 5.56 Utilities                                  | -                 | -                 | -                           | 1,361,005             | 1,361,005         | 1,388,580         | 1,370,388         |
| <b>Total Function 5</b>                         | <b>3,158,983</b>  | <b>697,618</b>    | <b>3,856,601</b>            | <b>2,515,984</b>      | <b>6,372,585</b>  | <b>6,694,838</b>  | <b>6,566,310</b>  |
| <b>7 Transportation and Housing</b>             |                   |                   |                             |                       |                   |                   |                   |
| 7.41 Transportation and Housing Administration  | 135,570           | 30,391            | 165,961                     | 12,349                | 178,310           | 205,718           | 192,244           |
| 7.70 Student Transportation                     | 1,219,908         | 265,839           | 1,485,747                   | 1,663,524             | 3,149,271         | 3,240,135         | 3,040,618         |
| <b>Total Function 7</b>                         | <b>1,355,478</b>  | <b>296,230</b>    | <b>1,651,708</b>            | <b>1,675,873</b>      | <b>3,327,581</b>  | <b>3,445,853</b>  | <b>3,232,862</b>  |
| <b>9 Debt Services</b>                          |                   |                   |                             |                       |                   |                   |                   |
| <b>Total Function 9</b>                         | <b>-</b>          | <b>-</b>          | <b>-</b>                    | <b>-</b>              | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Total Functions 1 - 9</b>                    | <b>29,016,998</b> | <b>6,748,776</b>  | <b>35,765,774</b>           | <b>7,311,816</b>      | <b>43,077,590</b> | <b>44,083,357</b> | <b>42,024,471</b> |

**School District No. 59 (Peace River South)**

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

|   | 2019<br>Budget   | 2019<br>Actual   | 2018<br>Actual   |
|---|------------------|------------------|------------------|
|   | \$               | \$               | \$               |
| <b>Revenues</b>   |                  |                  |                  |
| Provincial Grants   |                  |                  |                  |
| Ministry of Education                                       | 4,370,278        | 4,296,191        | 4,471,149        |
| Other Revenue   | 1,347,500        | 1,142,770        | 1,204,559        |
| Investment Income   |                  | 5,393            | 5,748            |
| <b>Total Revenue</b>  | <u>5,717,778</u> | <u>5,444,354</u> | <u>5,681,456</u> |
| <b>Expenses</b>   |                  |                  |                  |
| Instruction   | 5,212,402        | 5,001,566        | 5,224,971        |
| Operations and Maintenance                                  | 505,376          | 442,788          | 456,485          |
| <b>Total Expense</b>  | <u>5,717,778</u> | <u>5,444,354</u> | <u>5,681,456</u> |
| <b>Special Purpose Surplus (Deficit) for the year</b>       | <u>-</u>         | <u>-</u>         | <u>-</u>         |
| <b>Total Special Purpose Surplus (Deficit) for the year</b> | <u>-</u>         | <u>-</u>         | <u>-</u>         |
| <b>Special Purpose Surplus (Deficit), beginning of year</b> |                  |                  |                  |
| <b>Special Purpose Surplus (Deficit), end of year</b>       |                  | <u>-</u>         | <u>-</u>         |



# School District No. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

Schedule 3A (Unaudited)

|   | Annual<br>Facility<br>Grant | Learning<br>Improvement<br>Fund | Aboriginal<br>Education<br>Technology | Service<br>Delivery<br>Transformation | School<br>Generated<br>Funds | Strong<br>Start | Ready,<br>Set,<br>Learn | OLEP     | Community/Link |
|---|-----------------------------|---------------------------------|---------------------------------------|---------------------------------------|------------------------------|-----------------|-------------------------|----------|----------------|
|   | \$                          | \$                              | \$                                    | \$                                    | \$                           | \$              | \$                      | \$       | \$             |
| <b>Deferred Revenue, beginning of year</b>              | 219,641                     | 41,684                          | 1,279                                 | 25,862                                | 630,906                      | 1,678           | 4,543                   |          | 55,181         |
| <b>Add:</b> Restricted Grants                           |                             |                                 |                                       |                                       |                              |                 |                         |          |                |
| Provincial Grants - Ministry of Education               | 285,735                     | 155,349                         |                                       |                                       |                              | 192,000         | 36,750                  | 107,793  | 363,865        |
| Other   |                             | 730                             | 24                                    | 478                                   | 1,118,204                    |                 | 246                     |          | 1,024          |
| Investment Income                                       |                             |                                 |                                       |                                       |                              |                 |                         |          |                |
| Less: Allocated to Revenue                              | 285,735                     | 156,079                         | 24                                    | 478                                   | 1,118,204                    | 192,000         | 36,996                  | 107,793  | 364,889        |
| Recovered   | 442,788                     | 197,486                         | -                                     | 26,340                                | 1,100,198                    | 193,678         | 41,539                  | 107,793  | 373,626        |
| <b>Deferred Revenue, end of year</b>                    | <b>62,588</b>               | <b>277</b>                      | <b>1,303</b>                          | <b>-</b>                              | <b>648,912</b>               | <b>-</b>        | <b>-</b>                | <b>-</b> | <b>46,444</b>  |
| <b>Revenues</b>   |                             |                                 |                                       |                                       |                              |                 |                         |          |                |
| Provincial Grants - Ministry of Education               | 442,788                     | 196,756                         |                                       | 25,862                                |                              | 193,678         | 41,293                  | 107,793  | 372,602        |
| Other Revenue   |                             |                                 |                                       |                                       | 1,100,198                    |                 |                         |          |                |
| Investment Income                                       | 442,788                     | 730                             | -                                     | 478                                   |                              |                 | 246                     |          | 1,024          |
|   |                             | 197,486                         | -                                     | 26,340                                | 1,100,198                    | 193,678         | 41,539                  | 107,793  | 373,626        |
| <b>Expenses</b>   |                             |                                 |                                       |                                       |                              |                 |                         |          |                |
| Salaries  |                             |                                 |                                       |                                       |                              |                 |                         |          |                |
| Teachers  |                             |                                 |                                       |                                       |                              |                 |                         |          |                |
| Principals and Vice Principals                          |                             |                                 |                                       |                                       |                              |                 |                         | 20,716   | 18,642         |
| Educational Assistants                                  |                             |                                 |                                       |                                       |                              |                 |                         |          | 12,471         |
| Support Staff   |                             | 155,395                         |                                       |                                       |                              | 138,228         |                         | 20,362   | 183,471        |
| Other Professionals                                     | 109,926                     |                                 |                                       |                                       |                              | 10,635          | 9,602                   |          | 25,177         |
| Substitutes   |                             |                                 |                                       |                                       |                              |                 | 4,839                   | 5,733    | 329            |
| Employee Benefits                                       | 109,926                     | 155,395                         | -                                     | -                                     | -                            | 148,863         | 14,441                  | 46,811   | 240,090        |
| Services and Supplies                                   | 27,166                      | 42,091                          |                                       |                                       |                              | 34,862          | 2,932                   | 7,117    | 60,678         |
|   | 305,696                     |                                 |                                       | 26,340                                | 1,100,198                    | 9,953           | 24,166                  | 53,865   | 72,858         |
|   | 442,788                     | 197,486                         | -                                     | 26,340                                | 1,100,198                    | 193,678         | 41,539                  | 107,793  | 373,626        |
| <b>Net Revenue (Expense) before Interfund Transfers</b> | <b>-</b>                    | <b>-</b>                        | <b>-</b>                              | <b>-</b>                              | <b>-</b>                     | <b>-</b>        | <b>-</b>                | <b>-</b> | <b>-</b>       |
| <b>Interfund Transfers</b>                              |                             |                                 |                                       |                                       |                              |                 |                         |          |                |
|   | -                           | -                               | -                                     | -                                     | -                            | -               | -                       | -        | -              |
| <b>Net Revenue (Expense)</b>                            | <b>-</b>                    | <b>-</b>                        | <b>-</b>                              | <b>-</b>                              | <b>-</b>                     | <b>-</b>        | <b>-</b>                | <b>-</b> | <b>-</b>       |

# School District No. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

Schedule 3A (Unaudited)

## Deferred Revenue, beginning of year

Add: Restricted Grants  
Provincial Grants - Ministry of Education  
Other  
Investment Income

Less: Allocated to Revenue

Recovered

## Deferred Revenue, end of year

## Revenues

Provincial Grants - Ministry of Education  
Other Revenue  
Investment Income

## Expenses

Salaries  
Teachers  
Principals and Vice Principals  
Educational Assistants  
Support Staff  
Other Professionals  
Substitutes

Employee Benefits  
Services and Supplies

## Net Revenue (Expense) before Interfund Transfers

## Interfund Transfers

## Net Revenue (Expense)

| Classroom<br>Enhancement<br>Fund - Overhead | Classroom<br>Enhancement<br>Fund - Staffing | Classroom<br>Enhancement<br>Fund - Remedies | Early<br>Learning | Career<br>Grants | TOTAL     |
|---|---|---|-------------------|------------------|-----------|
| \$  | \$  | \$  | \$                | \$               | \$        |
|   | 81,451                                      | 20,644                                      | 42,928            |                  | 1,125,797 |
| 328,961                                     | 2,541,221                                   | 50,420                                      | 21,472            | 34,875           | 4,062,094 |
| 1,337                                       | 724   |   | 854               |                  | 1,174,551 |
| 330,298                                     | 2,541,945                                   | 50,420                                      | 22,326            | 34,875           | 5,242,062 |
| 330,298                                     | 2,541,945                                   | 45,237                                      | 16,347            | 27,079           | 5,444,354 |
|   | 81,451                                      | 20,644                                      |                   |                  | 102,095   |
| -   | -   | 5,183                                       | 48,907            | 7,796            | 821,410   |
| 328,961                                     | 2,541,221                                   | 45,237                                      |                   |                  | 4,296,191 |
| 1,337                                       | 724   |   | 15,493            | 27,079           | 1,142,770 |
| 330,298                                     | 2,541,945                                   | 45,237                                      | 854               |                  | 5,393     |
|   |   |   | 16,347            | 27,079           | 5,444,354 |
| 2,951                                       |   |   |                   |                  |           |
| 255,424                                     |   | 40,777                                      |                   | 242              | 2,102,236 |
| 258,375                                     | 2,062,878                                   | 40,777                                      | -                 | 242              | 12,471    |
| 50,369                                      | 479,067                                     | 4,460                                       |                   | 12               | 359,228   |
| 21,554                                      |   |   | 16,347            | 26,825           | 276,282   |
| 330,298                                     | 2,541,945                                   | 45,237                                      | 16,347            | 27,079           | 20,237    |
|   |   |   |                   |                  | 307,344   |
|   |   |   |                   |                  | 3,077,798 |
|   |   |   |                   |                  | 708,754   |
|   |   |   |                   |                  | 1,657,802 |
|   |   |   |                   |                  | 5,444,354 |
| -   | -   | -   | -                 | -                | -         |
| -   | -   | -   | -                 | -                | -         |
| -   | -   | -   | -                 | -                | -         |
| -   | -   | -   | -                 | -                | -         |

# School District No. 59 (Peace River South)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

|   | 2019<br>Budget   | 2019 Actual<br>Invested in Tangible<br>Capital Assets | Local<br>Capital | Fund<br>Balance   | 2018<br>Actual    |
|---|------------------|---|------------------|-------------------|-------------------|
|   | \$               | \$  | \$               | \$                | \$                |
| <b>Revenues</b>                                     |                  |   |                  |                   |                   |
| Provincial Grants                                   |                  |   |                  |                   |                   |
| Ministry of Education                               | 1,118,833        | 1,118,833   |                  | 1,118,833         | 1,191,259         |
| Investment Income                                   | 2,549            |   | 5,211            | 5,211             | 1,592             |
| Gain (Loss) on Disposal of Tangible Capital Assets  |                  |   |                  | -                 | 157,628           |
| Amortization of Deferred Capital Revenue            | 1,515,831        | 1,494,591   |                  | 1,494,591         | 1,491,198         |
| <b>Total Revenue</b>                                | <u>2,637,213</u> | <u>2,613,424</u>                                      | <u>5,211</u>     | <u>2,618,635</u>  | <u>2,841,677</u>  |
| <b>Expenses</b>                                     |                  |   |                  |                   |                   |
| Operations and Maintenance                          | 1,118,833        | 1,118,833   |                  | 1,118,833         | 1,191,259         |
| Amortization of Tangible Capital Assets             |                  |   |                  |                   |                   |
| Operations and Maintenance                          | 1,535,061        | 1,513,821   |                  | 1,513,821         | 1,495,727         |
| Transportation and Housing                          | 414,930          | 414,930   |                  | 414,930           | 416,491           |
| <b>Total Expense</b>                                | <u>3,068,824</u> | <u>3,047,584</u>                                      | <u>-</u>         | <u>3,047,584</u>  | <u>3,103,477</u>  |
| <b>Capital Surplus (Deficit) for the year</b>       | <u>(431,611)</u> | <u>(434,160)</u>                                      | <u>5,211</u>     | <u>(428,949)</u>  | <u>(261,800)</u>  |
| <b>Net Transfers (to) from other funds</b>          |                  |   |                  |                   |                   |
| Tangible Capital Assets Purchased                   | 440,221          | 520,607   |                  | 520,607           | 516,292           |
| <b>Total Net Transfers</b>                          | <u>440,221</u>   | <u>520,607</u>  | <u>-</u>         | <u>520,607</u>    | <u>516,292</u>    |
| <b>Total Capital Surplus (Deficit) for the year</b> | <u>8,610</u>     | <u>86,447</u>   | <u>5,211</u>     | <u>91,658</u>     | <u>254,492</u>    |
| <b>Capital Surplus (Deficit), beginning of year</b> |                  | 10,451,934  | 271,602          | 10,723,536        | 10,469,044        |
| <b>Capital Surplus (Deficit), end of year</b>       |                  | <u>10,538,381</u>                                     | <u>276,813</u>   | <u>10,815,194</u> | <u>10,723,536</u> |

# School District No. 59 (Peace River South)

Tangible Capital Assets  
Year Ended June 30, 2019

Schedule 4A (Unaudited)

|   | Sites      | Buildings  | Furniture and<br>Equipment | Vehicles  | Computer<br>Software | Computer<br>Hardware | Total      |
|---|------------|------------|----------------------------|-----------|----------------------|----------------------|------------|
|   | \$         | \$         | \$                         | \$        | \$                   | \$                   | \$         |
| Cost, beginning of year                     | 5,244,779  | 70,757,151 | 1,952,411                  | 4,149,295 |                      | 55,257               | 82,158,893 |
| Changes for the Year                        |            |            |                            |           |                      |                      |            |
| Increase:                                   |            |            |                            |           |                      |                      |            |
| Purchases from:                             |            |            |                            |           |                      |                      |            |
| Deferred Capital Revenue - Bylaw            |            | 1,831,828  | 92,550                     | 137,178   |                      |                      | 2,061,556  |
| Deferred Capital Revenue - Other            |            |            | 32,038                     |           |                      |                      | 32,038     |
| Operating Fund                              |            | 387,308    | 127,293                    |           | 6,006                |                      | 520,607    |
| Decrease:                                   |            |            |                            |           |                      |                      |            |
| Deemed Disposals                            |            | 2,219,136  | 251,881                    | 137,178   | 6,006                | -                    | 2,614,201  |
| Cost, end of year                           |            |            |                            |           |                      |                      |            |
| Work in Progress, end of year               |            |            | 100,889                    | 525,904   |                      |                      | 626,793    |
| Cost and Work in Progress, end of year      |            |            | 100,889                    | 525,904   |                      |                      | 626,793    |
|   | 5,244,779  | 72,976,287 | 2,103,403                  | 3,760,569 | 6,006                | 55,257               | 84,146,301 |
|   | 5,244,779  | 72,976,287 | 2,103,403                  | 3,760,569 | 6,006                | 55,257               | 84,146,301 |
| Accumulated Amortization, beginning of year |            |            |                            |           |                      |                      |            |
| Changes for the Year                        |            |            |                            |           |                      |                      |            |
| Increase: Amortization for the Year         |            | 43,675,176 | 835,069                    | 1,717,575 | -                    | 25,138               | 46,252,958 |
| Decrease:                                   |            |            |                            |           |                      |                      |            |
| Deemed Disposals                            |            | 1,307,528  | 195,241                    | 414,930   |                      | 11,052               | 1,928,751  |
| Accumulated Amortization, end of year       |            |            |                            |           |                      |                      |            |
|   |            |            | 100,889                    | 525,904   |                      |                      | 626,793    |
|   |            |            | 100,889                    | 525,904   |                      |                      | 626,793    |
|   | 44,982,704 | 929,421    | 929,421                    | 1,606,601 | -                    | 36,190               | 47,554,916 |
| Tangible Capital Assets - Net               | 5,244,779  | 27,993,583 | 1,173,982                  | 2,153,968 | 6,006                | 19,067               | 36,591,385 |

**School District No. 59 (Peace River South)**

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

|   | <b>Bylaw<br/>Capital</b> | <b>Other<br/>Provincial</b> | <b>Other<br/>Capital</b> | <b>Total<br/>Capital</b> |
|---|--------------------------|-----------------------------|--------------------------|--------------------------|
|   | <b>\$</b>                | <b>\$</b>                   | <b>\$</b>                | <b>\$</b>                |
| <b>Deferred Capital Revenue, beginning of year</b>    | 23,716,661               | 581,264                     | 1,156,078                | 25,454,003               |
| <b>Changes for the Year</b>                           |                          |                             |                          |                          |
| Increase:   |                          |                             |                          |                          |
| Transferred from Deferred Revenue - Capital Additions | 2,061,556                | 32,038                      |                          | 2,093,594                |
|   | 2,061,556                | 32,038                      | -                        | 2,093,594                |
| Decrease:   |                          |                             |                          |                          |
| Amortization of Deferred Capital Revenue              | 1,424,584                | 24,340                      | 45,667                   | 1,494,591                |
|   | 1,424,584                | 24,340                      | 45,667                   | 1,494,591                |
| <b>Net Changes for the Year</b>                       | 636,972                  | 7,698                       | (45,667)                 | 599,003                  |
| <b>Deferred Capital Revenue, end of year</b>          | 24,353,633               | 588,962                     | 1,110,411                | 26,053,006               |
| <b>Work in Progress, beginning of year</b>            |                          |                             |                          | -                        |
| <b>Changes for the Year</b>                           |                          |                             |                          |                          |
| <b>Net Changes for the Year</b>                       | -                        | -                           | -                        | -                        |
| <b>Work in Progress, end of year</b>                  | -                        | -                           | -                        | -                        |
| <b>Total Deferred Capital Revenue, end of year</b>    | 24,353,633               | 588,962                     | 1,110,411                | 26,053,006               |

# School District No. 59 (Peace River South)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

Schedule 4D (Unaudited)

|   | Bylaw<br>Capital | ME'd<br>Restricted<br>Capital | Other<br>Provincial<br>Capital | Land<br>Capital | Other<br>Capital | Total     |
|---|------------------|-------------------------------|--------------------------------|-----------------|------------------|-----------|
|   | \$               | \$                            | \$                             | \$              | \$               | \$        |
| Balance, beginning of year                | (1)              | 158,428                       | 15,420                         |                 |                  | 173,847   |
| Changes for the Year                      |                  |                               |                                |                 |                  |           |
| Increase:                                 |                  |                               |                                |                 |                  |           |
| Provincial Grants - Ministry of Education | 3,611,589        |                               |                                |                 |                  | 3,611,589 |
| Provincial Grants - Other                 |                  |                               | 16,618                         |                 |                  | 16,618    |
| Investment Income                         |                  | 3,117                         |                                |                 |                  | 3,117     |
|   | 3,611,589        | 3,117                         | 16,618                         | -               | -                | 3,631,324 |
| Decrease:                                 |                  |                               |                                |                 |                  |           |
| Transferred to DCR - Capital Additions    | 2,061,556        |                               | 32,038                         |                 |                  | 2,093,594 |
| Facility Improvements Not Capitalized     | 1,118,833        |                               |                                |                 |                  | 1,118,833 |
|   | 3,180,389        | -                             | 32,038                         | -               | -                | 3,212,427 |
| Net Changes for the Year                  | 431,200          | 3,117                         | (15,420)                       | -               | -                | 418,897   |
| Balance, end of year                      | 431,199          | 161,545                       | -                              | -               | -                | 592,744   |