

Audited Financial Statements of

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

And Independent Auditors' Report thereon

June 30, 2020

# School District No. 59 (Peace River South)

June 30, 2020

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# School District No. 59 (Peace River South)

## MANAGEMENT REPORT

Version: 4925-4179-2197

### 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.

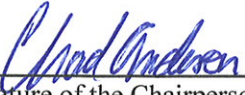
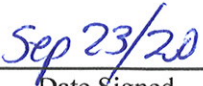

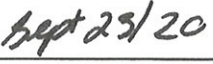
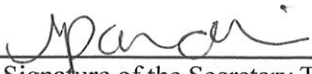
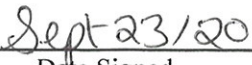
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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	Date Signed
	
Signature of the Superintendent	Date Signed
	
Signature of the Secretary Treasurer	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, 2020 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, 2020 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)

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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 23, 2020

*Sander Rose Bone Grindle LLP*  
Chartered Professional Accountants

# School District No. 59 (Peace River South)

## Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	12,567,585	11,921,861
Accounts Receivable		
Due from Province - Ministry of Education	178,048	268,437
Other (Note 3)	207,291	231,344
<b>Total Financial Assets</b>	<u>12,952,924</u>	<u>12,421,642</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	3,507,631	3,231,346
Unearned Revenue (Note 5)	96,331	403,270
Deferred Revenue (Note 6)	1,024,704	821,410
Deferred Capital Revenue (Note 7)	27,480,346	26,645,750
Employee Future Benefits (Note 8)	907,677	775,695
<b>Total Liabilities</b>	<u>33,016,689</u>	<u>31,877,471</u>
<b>Net Debt</b>	<u>(20,063,765)</u>	<u>(19,455,829)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	38,541,368	36,591,385
Prepaid Expenses	167,229	76,250
<b>Total Non-Financial Assets</b>	<u>38,708,597</u>	<u>36,667,635</u>
<b>Accumulated Surplus (Deficit) (Note 20)</b>	<u>18,644,832</u>	<u>17,211,806</u>

Unrecognized Assets (Note 13)

Contractual Rights (Note 14)

Contingent Liabilities (Note 15)

Approved by the Board

*Chad Anderson*

Signature of the Chairperson of the Board of Education

*Sep 23/20*

Date Signed

*Christy Funnell*

Signature of the Superintendent

*Sept 23/20*

Date Signed

*J. Parodi*

Signature of the Secretary Treasurer

*Sept 23/20*

Date Signed

# School District No. 59 (Peace River South)

Statement 2

Statement of Operations  
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	49,438,250	<b>49,900,752</b>	47,124,231
Other	264,348	<b>260,602</b>	276,363
Tuition	22,128	<b>22,128</b>	32,673
Other Revenue	1,654,204	<b>1,470,845</b>	1,722,581
Rentals and Leases	170,000	<b>226,339</b>	166,523
Investment Income	232,549	<b>197,049</b>	263,571
Amortization of Deferred Capital Revenue	1,512,460	<b>1,512,465</b>	1,494,591
<b>Total Revenue</b>	<u>53,293,939</u>	<u><b>53,590,180</b></u>	<u>51,080,533</u>
<b>Expenses</b>			
Instruction	38,465,295	<b>36,906,416</b>	36,492,922
District Administration	2,049,824	<b>2,011,577</b>	1,886,068
Operations and Maintenance	9,890,044	<b>9,778,533</b>	9,448,027
Transportation and Housing	3,890,493	<b>3,460,628</b>	3,742,511
<b>Total Expense</b>	<u>54,295,656</u>	<u><b>52,157,154</b></u>	<u>51,569,528</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,001,717)</u>	<u><b>1,433,026</b></u>	<u>(488,995)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>17,211,806</b>	17,700,801
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>18,644,832</b></u></u>	<u>17,211,806</u>

# School District No. 59 (Peace River South)

## Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(1,001,717)	<b>1,433,026</b>	(488,995)
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(3,481,640)	<b>(3,895,621)</b>	(2,614,201)
Amortization of Tangible Capital Assets	1,945,638	<b>1,945,638</b>	1,928,751
<b>Total Effect of change in Tangible Capital Assets</b>	<b>(1,536,002)</b>	<b>(1,949,983)</b>	(685,450)
Acquisition of Prepaid Expenses		(167,229)	(76,250)
Use of Prepaid Expenses		76,250	124,085
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>(90,979)</b>	47,835
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<b>(2,537,719)</b>	<b>(607,936)</b>	(1,126,610)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(607,936)</b>	(1,126,610)
<b>Net Debt, beginning of year</b>		<b>(19,455,829)</b>	(18,329,219)
<b>Net Debt, end of year</b>		<b>(20,063,765)</b>	(19,455,829)

# School District No. 59 (Peace River South)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	1,433,026	(488,995)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	114,440	157,800
Prepaid Expenses	(90,979)	47,836
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	276,287	80,513
Unearned Revenue	(306,939)	267,104
Deferred Revenue	203,294	(304,387)
Employee Future Benefits	131,982	48,512
Amortization of Tangible Capital Assets	1,945,638	1,928,751
Amortization of Deferred Capital Revenue	(1,512,465)	(1,494,591)
Bylaw Capital Spent on Non-Capital Items	(1,118,833)	(1,118,833)
<b>Total Operating Transactions</b>	<u>1,075,451</u>	<u>(876,290)</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(3,895,621)	(2,614,201)
<b>Total Capital Transactions</b>	<u>(3,895,621)</u>	<u>(2,614,201)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	3,465,894	3,631,324
<b>Total Financing Transactions</b>	<u>3,465,894</u>	<u>3,631,324</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	645,724	140,833
<b>Cash and Cash Equivalents, beginning of year</b>	<u>11,921,861</u>	<u>11,781,028</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>12,567,585</u>	<u>11,921,861</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	6,535,793	4,548,043
Cash Equivalents	6,031,792	7,373,818
	<u>12,567,585</u>	<u>11,921,861</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**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.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.



**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

a) Basis of Accounting *(Continued)*

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

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

- Year-ended June 30, 2019 – increase in annual surplus by \$599,003; and,
- June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions by \$26,053,006.
- Year-ended June 30, 2020 – increase in annual surplus by \$1,263,294; and,
- June 30, 2020 – increase in accumulated surplus and decrease in deferred contributions by \$27,316,300.

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 services or products are provided.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

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.

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 (EARSL) of active employees covered under the plan.

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

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

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.
- 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 are stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

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 11 – Interfund Transfers and Note 20 – 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.

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.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

j) Revenue Recognition *(Continued)*

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

k) 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.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

l) Financial Instruments *(Continued)*

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

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

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

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

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



**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

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.

o) Future Change in Accounting Policies

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

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

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

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

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

o) Future Change in Accounting Policies *(Continued)*

**PS 3400 Revenue** issued November 2018 establishes standards on how to account for and report on revenue and is effective for years beginning on or after April 1, 2022. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

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

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

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

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

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2020	2019
Due from Federal Government	\$ 120,717	\$ 134,928
BCTF	10,890	-
Peace River Regional District	-	10,000
PRSTA	10,660	17,487
School PACs	48,173	5,168
Simon Fraser University	-	23,650
Other Accounts Receivable	16,851	40,111
	\$ 207,291	\$ 231,344

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

	2020	2019
Trade payables	\$ 450,917	\$ 758,076
Salaries and benefits payable	1,511,138	1,002,935
Source deductions	555,420	589,708
Accrued vacation pay	923,321	819,454
Other	66,835	61,173
	\$ 3,507,631	\$ 3,231,346

**NOTE 5      UNEARNED REVENUE**

	2020	2019
Balance, beginning of year	\$ 403,270	\$ 136,164
Changes for the year:		
Increase:		
Other revenue	86,511	311,250
Decrease:		
Other revenue	393,450	44,144
Balance, end of year	\$ 96,331	\$ 403,270

**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:

	2020	2019
Balance, beginning of year	\$ 821,410	\$ 1,125,797
Changes for the year:		
Increase: Contributions received		
Provincial Grants – Ministry of Education	4,529,395	3,959,999
Other	891,430	1,174,551
Investment income	767	5,417
	5,421,592	5,139,967
Decrease:		
Expenses	5,213,115	5,444,354
Recovered	5,183	-
	5,218,298	5,444,354
Net changes for the year	203,294	(304,387)
Balance, end of year	\$ 1,024,704	\$ 821,410

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 7 DEFERRED CAPITAL REVENUE**

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

	Deferred Capital 2020	Unspent Capital 2020	Total Deferred Capital Revenue 2020	Total Deferred Capital Revenue 2019
Balance, beginning of year	\$26,053,006	\$592,744	\$26,645,750	\$25,627,850
Changes for the year:				
Increase:				
Transfer from Unspent – Capital Additions	2,775,759	-	2,775,759	2,093,594
Provincial Grants – Ministry of Education	-	3,463,393	3,463,393	3,611,589
Provincial Grants – Other	-	-	-	16,618
Investment income	-	2,501	2,501	3,117
	<u>2,775,759</u>	<u>3,465,894</u>	<u>6,241,653</u>	<u>5,724,918</u>
Decrease:				
Amortization of Deferred Capital	1,512,465	-	1,512,465	1,494,591
Capital Additions–transfer to Deferred Capital	-	2,775,759	2,775,759	2,093,594
Non-capital items	-	1,118,833	1,118,833	1,118,833
	<u>1,512,465</u>	<u>3,894,592</u>	<u>5,407,057</u>	<u>4,707,018</u>
Net changes for the year	<u>1,263,294</u>	<u>(428,698)</u>	<u>834,596</u>	<u>1,017,900</u>
Balance, end of year	<u>\$27,316,300</u>	<u>\$164,046</u>	<u>\$27,480,346</u>	<u>\$26,645,750</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 8 EMPLOYEE FUTURE BENEFITS**

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

	2020	2019
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 1,001,935	\$ 858,985
Service Cost	90,627	81,297
Interest Cost	25,411	24,625
Benefit Payments	(47,587)	(220,239)
Actuarial (Gain) Loss	(88,121)	257,267
Accrued Benefit Obligation – March 31	\$982,265	\$1,001,935
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$982,265	\$1,001,935
Funded Status - Surplus (Deficit)	(982,265)	(1,001,935)
Employer Contributions After Measurement Date	10,778	17,539
Benefits Expense After Measurement Date	(29,596)	(29,009)
Unamortized Net Actuarial (Gain) Loss	93,406	237,710
Accrued Benefit Asset (Liability) - June 30	(\$907,677)	(\$775,695)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	\$ 775,696	\$ 727,184
Net Expense for Fiscal Year	172,807	137,265
Employer Contributions	(40,826)	(88,753)
Accrued Benefit Liability (Asset) - June 30	\$ 907,677	\$ 775,696
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 91,830	\$ 83,630
Interest Cost	24,794	24,821
Amortization of Net Actuarial (Gain)/Loss	56,183	28,814
Net Benefit Expense (Income)	\$ 172,807	\$ 137,265

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

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

	2020	2019
Discount Rate - April 1	2.50%	2.75%
Discount Rate - March 31	2.25%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.4	9.4

Changes in significant assumptions between the March 31 measurement date and the June 30 reporting date have been evaluated, the estimated impact on the valuation is not material.

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**Net Book Value**

	Net Book Value June 30, 2020	Net Book Value June 30, 2019
Sites	\$ 5,244,779	\$ 5,244,779
Buildings	29,558,200	27,993,583
Furniture & Equipment	1,212,637	1,173,982
Vehicles	2,512,932	2,153,968
Computer Software	4,805	6,006
Computer Software	8,015	19,067
Total	\$ 38,541,368	\$ 36,591,385



**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

**June 30, 2020**

Cost:	Balance at July 1, 2019	Additions	Disposals	Balance at June 30, 2020
Sites	\$ 5,244,779	\$ -	\$ -	\$ 5,244,779
Buildings	72,976,287	2,911,605	-	75,887,892
Furniture & Equipment	2,103,403	248,995	(70,232)	2,282,166
Vehicles	3,760,569	735,021	(26,039)	4,469,551
Computer Software	6,006	-	-	6,006
Computer Hardware	55,257	-	(15,171)	40,086
<b>Total</b>	<b>\$ 84,146,301</b>	<b>\$ 3,895,621</b>	<b>\$ (111,442)</b>	<b>\$ 87,930,480</b>

Accumulated Amortization:	Balance at July 1, 2019	Amortization Expense	Disposals	Balance at June 30, 2020
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	44,982,704	1,346,988	-	46,329,692
Furniture & Equipment	929,421	210,340	(70,232)	1,069,529
Vehicles	1,606,601	376,057	(26,039)	1,956,619
Computer Software	-	1,201	-	1,201
Computer Hardware	36,190	11,052	(15,171)	32,071
<b>Total</b>	<b>\$ 47,554,916</b>	<b>\$ 1,945,638</b>	<b>\$ (111,442)</b>	<b>\$ 49,389,112</b>

**June 30, 2019**

Cost:	Balance at July 1, 2018	Additions	Disposals	Balance at 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 July 1, 2018	Additions	Disposals	Balance at 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>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 10     EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

Employers participating in the Plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plans.

The School District paid \$3,251,203 for employer contributions to these plans in the year ended June 30, 2020 (2019: \$3,248,859).

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**NOTE 11 INTERFUND TRANSFERS**

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

- A transfer in the amount of \$1,119,862 (2019: \$520,607) was made from the operating fund to the capital fund for capital equipment purchases.

**NOTE 12 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 13 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.

**NOTE 14 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	2021	2022	2023	2024	2025	Thereafter
Future rental revenue	\$ 174,668	\$171,744	\$ 155,402	\$ 151,851	\$ 155,032	\$ 462,677

**NOTE 15 CONTINGENT LIABILITIES**

Each year the School District is involved in a number of legal actions and arbitrations.

The School District has been named as the defendant in a potential lawsuit related to the remediation of an environmental contamination in which damages have been sought. These matters may give rise to future liabilities. The potential amount claimed is undetermined at this time. The outcome of these actions is not determinable as at June 30, 2020, and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

Management believes all other legal and arbitration matters that are not determinable at this time will not have a material adverse effect on the School District's financial position or operations.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 16 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 20, 2020. The Board adopted a preliminary annual budget on June 19, 2019. 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:

	2020 Amended	2020 Preliminary	Difference
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	\$ 49,438,250	\$ 47,423,839	\$ 2,014,411
Other	264,348	279,460	(15,112)
Tuition	22,128	32,673	(10,545)
Other Revenue	1,654,204	1,180,000	474,204
Rentals and Leases	170,000	155,000	15,000
Investment Income	232,549	227,549	5,000
Amortization of Deferred Capital Revenue	1,512,460	1,531,097	(18,637)
<b>Total Revenue</b>	<u>53,293,939</u>	<u>50,829,618</u>	<u>2,464,321</u>
<b>Expenses</b>			
Instruction	38,465,295	36,711,165	1,754,130
District Administration	2,049,824	1,973,768	76,056
Operations and Maintenance	9,890,044	9,965,377	(75,333)
Transportation and Housing	3,890,493	3,887,548	2,945
<b>Total Expenses</b>	<u>54,295,656</u>	<u>52,537,858</u>	<u>1,757,798</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,001,717)</u>	<u>(1,708,240)</u>	<u>706,523</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets			
From Operating and Special Purpose Funds	(1,282,000)	(1,194,139)	(87,861)
From Deferred Capital Revenue	(2,199,640)	(2,109,640)	(90,000)
<b>Total Acquisition of Tangible Capital Assets</b>	<u>(3,481,640)</u>	<u>(3,303,779)</u>	<u>(177,861)</u>
Amortization of Tangible Capital Assets	1,945,638	1,962,390	(16,752)
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(1,536,002)</u>	<u>(1,341,389)</u>	<u>(194,613)</u>
<b>(Increase) Decrease in Net Financial Assets</b>	<u>\$ (2,537,719)</u>	<u>\$ (3,049,629)</u>	<u>\$ 511,910</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 17 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, 2020, the liability is not reasonably determinable.

**NOTE 18 EXPENSE BY OBJECT**

	<u>2020</u>	<u>2019</u>
Salaries and benefits	\$ 41,330,228	\$ 39,898,730
Services and supplies	8,881,290	9,742,047
Amortization	1,945,638	1,928,751
	<u>\$ 52,157,156</u>	<u>\$ 51,569,528</u>

**NOTE 19 ECONOMIC DEPENDENCE**

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

**NOTE 20 ACCUMULATED SURPLUS**

	<u>2020</u>	<u>2019</u>
<b>OPERATING</b>		
Internally Restricted (appropriated) by Board for:		
School-based Surpluses	\$ 483,810	\$ 395,250
Aboriginal Education Surplus	106,431	-
Digital Content Strategist	-	80,000
Capacity Building	16,000	268,000
Distance Learning Project	-	76,838
Renovation Chetwynd Senior Secondary	500,000	1,750,000
Strategic Plan Initiatives	150,000	-
Subtotal Internally Restricted	<u>1,256,241</u>	<u>2,570,088</u>
Unrestricted Operating Surplus (Deficit)	<u>5,882,422</u>	<u>3,826,524</u>
Total Available for Future Operations	<u>\$ 7,138,663</u>	<u>\$ 6,396,612</u>
<b>CAPITAL</b>		
Investment in Tangible Capital Assets	11,225,070	10,538,381
Local Capital	281,099	276,813
Capital Surplus	<u>11,506,169</u>	<u>10,815,194</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 18,644,832</u>	<u>\$ 17,211,806</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 21     SUBSEQUENT EVENTS**

On May 7, 2020 the School District accepted an offer to sell the property known as the O'Brien Education Centre. Conditions were removed June 30, 2020 and the deal is scheduled to close August 31, 2020. The net book value of the property on June 30, 2020 was \$0 and the proceeds on sale will be \$450,000.

**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 debtor. 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.

b) Market risk

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

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



**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 22     RISK MANAGEMENT** *(continued)*

c) Liquidity risk

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

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

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 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	6,396,612		10,815,194	17,211,806	17,700,801
<b>Changes for the year</b>					
Surplus (Deficit) for the year	1,861,913		(428,887)	1,433,026	(488,995)
Interfund Transfers	(1,119,862)		1,119,862	-	
Tangible Capital Assets Purchased	742,051	-	690,975	1,433,026	(488,995)
<b>Net Changes for the year</b>	<b>742,051</b>	<b>-</b>	<b>690,975</b>	<b>1,433,026</b>	<b>(488,995)</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>7,138,663</b>	<b>-</b>	<b>11,506,169</b>	<b>18,644,832</b>	<b>17,211,806</b>

# School District No. 59 (Peace River South)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	43,675,657	44,345,626	41,709,207
Other	264,348	260,602	276,363
Tuition	22,128	22,128	32,673
Other Revenue	482,204	694,790	579,811
Rentals and Leases	170,000	226,339	166,523
Investment Income	230,000	191,996	252,967
<b>Total Revenue</b>	<u>44,844,337</u>	<u>45,741,481</u>	<u>43,017,544</u>
<b>Expenses</b>			
Instruction	32,997,858	31,953,499	31,491,356
District Administration	2,049,824	2,011,577	1,886,068
Operations and Maintenance	6,853,307	6,829,921	6,372,585
Transportation and Housing	3,514,436	3,084,571	3,327,581
<b>Total Expense</b>	<u>45,415,425</u>	<u>43,879,568</u>	<u>43,077,590</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(571,088)</u>	<u>1,861,913</u>	<u>(60,046)</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>1,853,088</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,282,000)	(1,119,862)	(520,607)
<b>Total Net Transfers</b>	<u>(1,282,000)</u>	<u>(1,119,862)</u>	<u>(520,607)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>742,051</u>	<u>(580,653)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		6,396,612	6,977,265
<b>Operating Surplus (Deficit), end of year</b>		<u>7,138,663</u>	<u>6,396,612</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		1,256,241	2,570,088
Unrestricted		5,882,422	3,826,524
<b>Total Operating Surplus (Deficit), end of year</b>		<u>7,138,663</u>	<u>6,396,612</u>

# School District No. 59 (Peace River South)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	41,854,836	42,169,813	40,000,867
Other Ministry of Education Grants			
Pay Equity	944,395	708,297	944,395
Funding for Graduated Adults		298	
Transportation Supplement	441,458	441,458	441,458
Economic Stability Dividend			40,998
Carbon Tax Grant	98,000	118,934	118,934
Employer Health Tax Grant	323,050	323,049	98,167
Strategic Priorities - Mental Health Grant			35,000
Support Staff Benefits Grant	3,333	3,933	
BCTEA - LEA Capacity Building Grant			13,700
Support Staff Wage Increase Funding		185,025	
Teachers' Labour Settlement Funding		382,234	
Access Grant			5,000
Other	10,585	12,585	10,688
<b>Total Provincial Grants - Ministry of Education</b>	<b>43,675,657</b>	<b>44,345,626</b>	<b>41,709,207</b>
<b>Provincial Grants - Other</b>	<b>264,348</b>	<b>260,602</b>	<b>276,363</b>
<b>Tuition</b>			
International and Out of Province Students	22,128	22,128	32,673
<b>Total Tuition</b>	<b>22,128</b>	<b>22,128</b>	<b>32,673</b>
<b>Other Revenues</b>			
Miscellaneous			
Seconded Teacher Recoveries	132,400	135,306	201,502
Substitute Staff Recoveries	120,000	107,733	125,177
Bus Fees	50,000	39,387	55,882
Swim Grant	10,000	10,000	10,000
Miscellaneous	169,804	402,364	187,250
<b>Total Other Revenue</b>	<b>482,204</b>	<b>694,790</b>	<b>579,811</b>
<b>Rentals and Leases</b>	<b>170,000</b>	<b>226,339</b>	<b>166,523</b>
<b>Investment Income</b>	<b>230,000</b>	<b>191,996</b>	<b>252,967</b>
<b>Total Operating Revenue</b>	<b>44,844,337</b>	<b>45,741,481</b>	<b>43,017,544</b>

# School District No. 59 (Peace River South)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	15,251,612	15,042,502	14,523,386
Principals and Vice Principals	3,578,825	3,383,361	3,062,716
Educational Assistants	3,366,328	3,180,646	2,694,630
Support Staff	5,570,176	5,485,621	5,324,908
Other Professionals	1,554,354	1,751,949	1,659,853
Substitutes	1,252,435	1,236,586	1,751,505
<b>Total Salaries</b>	<b>30,573,730</b>	<b>30,080,665</b>	<b>29,016,998</b>
<b>Employee Benefits</b>	7,489,870	6,947,460	6,748,776
<b>Total Salaries and Benefits</b>	<b>38,063,600</b>	<b>37,028,125</b>	<b>35,765,774</b>
<b>Services and Supplies</b>			
Services	1,455,652	1,584,394	1,453,111
Student Transportation	1,042,068	839,915	979,458
Professional Development and Travel	483,507	345,597	461,308
Rentals and Leases	23,500	30,144	27,911
Dues and Fees	266,395	328,307	393,783
Insurance	154,123	164,493	147,602
Supplies	1,939,580	1,763,622	2,488,056
Utilities	1,987,000	1,794,971	1,360,587
<b>Total Services and Supplies</b>	<b>7,351,825</b>	<b>6,851,443</b>	<b>7,311,816</b>
<b>Total Operating Expense</b>	<b>45,415,425</b>	<b>43,879,568</b>	<b>43,077,590</b>

# School District No. 59 (Peace River South)

Schedule 2C (Unaudited)

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

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	12,422,688	1,015,294	139,355	497,375	161,738	635,244	14,871,694
1.03 Career Programs	80,004	87,419			158,435	4,280	330,138
1.07 Library Services	226,374		121,485			32,677	380,536
1.08 Counselling	492,974			65,636	23,364	2,030	584,004
1.10 Special Education	1,380,998		2,571,801	116,903	31,298	133,378	4,234,378
1.30 English Language Learning	34,173		53,254			1,871	89,298
1.31 Indigenous Education	405,291	342,399	274,329	102,487	66,947	8,569	1,200,022
1.41 School Administration		1,720,965		583,772		49,981	2,354,718
1.62 International and Out of Province Students							
<b>Total Function 1</b>	<b>15,042,502</b>	<b>3,166,077</b>	<b>3,160,224</b>	<b>1,366,173</b>	<b>441,782</b>	<b>868,030</b>	<b>24,044,788</b>
<b>4 District Administration</b>							
4.11 Educational Administration		217,284		19,214	298,236		534,734
4.40 School District Governance					118,518		118,518
4.41 Business Administration				163,577	521,838	403	685,818
<b>Total Function 4</b>	<b>-</b>	<b>217,284</b>	<b>-</b>	<b>182,791</b>	<b>938,592</b>	<b>403</b>	<b>1,339,070</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				47,040	279,897	903	327,840
5.50 Maintenance Operations				2,386,029		249,364	2,635,393
5.52 Maintenance of Grounds				349,236		41,331	390,567
5.56 Utilities							
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,782,305</b>	<b>279,897</b>	<b>291,598</b>	<b>3,353,800</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				50,983	91,678		142,661
7.70 Student Transportation			20,422	1,103,369		76,555	1,200,346
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>20,422</b>	<b>1,154,352</b>	<b>91,678</b>	<b>76,555</b>	<b>1,343,007</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>15,042,502</b>	<b>3,383,361</b>	<b>3,180,646</b>	<b>5,485,621</b>	<b>1,751,949</b>	<b>1,236,586</b>	<b>30,080,665</b>

# School District No. 59 (Peace River South)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	14,871,694	3,575,914	18,447,608	1,532,024	19,979,632	20,207,042	19,940,195
1.03 Career Programs	330,138	78,752	408,890	155,340	564,230	563,881	417,127
1.07 Library Services	380,536	85,142	465,678	43,649	509,327	515,722	483,275
1.08 Counselling	584,004	124,188	708,192	8,840	717,032	712,600	799,899
1.10 Special Education	4,234,378	994,381	5,228,759	132,554	5,361,313	6,000,135	5,027,817
1.30 English Language Learning	89,298	20,468	109,766	10,642	120,408	131,986	127,445
1.31 Indigenous Education	1,200,022	283,635	1,483,657	75,962	1,559,619	1,672,848	1,505,880
1.41 School Administration	2,354,718	511,427	2,866,145	149,625	3,015,770	3,068,199	3,032,914
1.62 International and Out of Province Students	-	-	-	126,168	126,168	125,445	156,804
<b>Total Function 1</b>	<b>24,044,788</b>	<b>5,673,907</b>	<b>29,718,695</b>	<b>2,234,804</b>	<b>31,953,499</b>	<b>32,997,858</b>	<b>31,491,356</b>
<b>4 District Administration</b>							
4.11 Educational Administration	534,734	104,833	639,567	46,817	686,384	718,220	576,486
4.40 School District Governance	118,518	7,177	125,695	74,145	199,840	230,462	238,833
4.41 Business Administration	685,818	147,577	833,395	291,958	1,125,353	1,101,142	1,070,749
<b>Total Function 4</b>	<b>1,339,070</b>	<b>259,587</b>	<b>1,598,657</b>	<b>412,920</b>	<b>2,011,577</b>	<b>2,049,824</b>	<b>1,886,068</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	327,840	71,042	398,882	185,125	584,007	589,459	571,485
5.50 Maintenance Operations	2,635,393	581,626	3,217,019	1,097,522	4,314,541	4,221,936	3,806,263
5.52 Maintenance of Grounds	390,567	80,186	470,753	108,665	579,418	674,912	633,832
5.56 Utilities	-	-	-	1,351,955	1,351,955	1,367,000	1,361,005
<b>Total Function 5</b>	<b>3,353,800</b>	<b>732,854</b>	<b>4,086,654</b>	<b>2,743,267</b>	<b>6,829,921</b>	<b>6,853,307</b>	<b>6,372,585</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	142,661	31,760	174,421	29,899	204,320	218,705	178,310
7.70 Student Transportation	1,200,346	249,352	1,449,698	1,430,553	2,880,251	3,295,731	3,149,271
<b>Total Function 7</b>	<b>1,343,007</b>	<b>281,112</b>	<b>1,624,119</b>	<b>1,460,452</b>	<b>3,084,571</b>	<b>3,514,436</b>	<b>3,327,581</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>30,080,665</b>	<b>6,947,460</b>	<b>37,028,125</b>	<b>6,851,443</b>	<b>43,879,568</b>	<b>45,415,425</b>	<b>43,077,590</b>



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

Schedule of Special Purpose Operations  
 Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	4,643,760	4,436,293	4,296,191
Other Revenue	1,172,000	776,055	1,142,770
Investment Income		767	5,393
<b>Total Revenue</b>	<u>5,815,760</u>	<u>5,213,115</u>	<u>5,444,354</u>
<b>Expenses</b>			
Instruction	5,467,437	4,952,917	5,001,566
Operations and Maintenance	348,323	260,198	442,788
<b>Total Expense</b>	<u>5,815,760</u>	<u>5,213,115</u>	<u>5,444,354</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)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	62,588	277	1,303	648,912				46,444	
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	285,735	152,650			198,182	37,334	107,793	366,623	328,702
Other Investment Income				850,284					
<b>Less:</b> Allocated to Revenue Recovered	285,735	152,650		850,284	198,182	37,334	107,793	366,623	328,702
	260,198	140,755	1,303	756,225	177,577	33,183	86,056	405,548	328,702
<b>Deferred Revenue, end of year</b>	<b>88,125</b>	<b>12,172</b>	<b>-</b>	<b>742,971</b>	<b>20,605</b>	<b>4,151</b>	<b>21,737</b>	<b>7,519</b>	<b>-</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	260,198	140,755	1,303		177,577	33,183	86,056	405,548	328,702
Other Revenue Investment Income				756,225					
<b>Expenses</b>									
Salaries									
Teachers									
Principals and Vice Principals						17,797		19,256	
Educational Assistants								12,953	
Support Staff	55,950	109,954			115,769	27,917		194,347	
Other Professionals								23,553	17,012
Substitutes		350			10,712	9,569		38,205	209,487
Employee Benefits	55,950	110,304			126,481	9,569	47,619	250,551	264,704
Services and Supplies	14,056	30,451			31,640	2,366	13,111	64,333	54,767
	190,192		1,303	756,225	19,456	21,248	25,326	90,664	9,231
	260,198	140,755	1,303	756,225	177,577	33,183	86,056	405,548	328,702
<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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, 2020

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Career Grants	Early Learning Funds	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		5,183			7,796	48,907	821,410
Add: Restricted Grants							
Provincial Grants - Ministry of Education	2,887,715	116,112	18,049	30,500			4,529,395
Other					25,000	16,146	891,430
Investment Income						767	767
Less: Allocated to Revenue	2,887,715	116,112	18,049	30,500	25,000	16,913	5,421,592
Recovered	2,870,662	116,112	289	15,908	8,605	11,992	5,213,115
Deferred Revenue, end of year	<u>17,053</u>	<u>-</u>	<u>17,760</u>	<u>14,592</u>	<u>24,191</u>	<u>53,828</u>	<u>1,024,704</u>
<b>Revenues</b>							
Provincial Grants - Ministry of Education	2,870,662	116,112	289	15,908	8,605	11,225	4,436,293
Other Revenue						767	776,055
Investment Income	2,870,662	116,112	289	15,908	8,605	11,992	5,213,115
<b>Expenses</b>							
Salaries							
Teachers	2,338,039						2,375,092
Principals and Vice Principals							12,953
Educational Assistants							332,218
Support Staff							212,284
Other Professionals							58,486
Substitutes		42,349		5,745			260,278
Employee Benefits	2,338,039	42,349	-	5,745	-	-	3,251,311
Services and Supplies	532,623	5,812	289	613	8,605	11,992	749,772
	2,870,662	116,112	289	15,908	8,605	11,992	1,212,032
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-

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

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	1,118,833	1,118,833		1,118,833	1,118,833
Investment Income	2,549		4,286	4,286	5,211
Amortization of Deferred Capital Revenue	1,512,460	1,512,465		1,512,465	1,494,591
<b>Total Revenue</b>	<b>2,633,842</b>	<b>2,631,298</b>	<b>4,286</b>	<b>2,635,584</b>	<b>2,618,635</b>
<b>Expenses</b>					
Operations and Maintenance	1,118,833	1,118,833		1,118,833	1,118,833
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,569,581	1,569,581		1,569,581	1,513,821
Transportation and Housing	376,057	376,057		376,057	414,930
<b>Total Expense</b>	<b>3,064,471</b>	<b>3,064,471</b>	<b>-</b>	<b>3,064,471</b>	<b>3,047,584</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(430,629)</b>	<b>(433,173)</b>	<b>4,286</b>	<b>(428,887)</b>	<b>(428,949)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	1,282,000	1,119,862		1,119,862	520,607
<b>Total Net Transfers</b>	<b>1,282,000</b>	<b>1,119,862</b>	<b>-</b>	<b>1,119,862</b>	<b>520,607</b>
<b>Total Capital Surplus (Deficit) for the year</b>	<b>851,371</b>	<b>686,689</b>	<b>4,286</b>	<b>690,975</b>	<b>91,658</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>10,538,381</b>	<b>276,813</b>	<b>10,815,194</b>	<b>10,723,536</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>11,225,070</b>	<b>281,099</b>	<b>11,506,169</b>	<b>10,815,194</b>

# School District No. 59 (Peace River South)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,244,779	72,976,287	2,103,403	3,760,569	6,006	55,257	84,146,301
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,008,647	87,450	679,662			2,775,759
Operating Fund		902,958	161,545	55,359			1,119,862
	-	2,911,605	248,995	735,021	-	-	3,895,621
Decrease:							
Deemed Disposals			70,232	26,039		15,171	111,442
	-	-	70,232	26,039	-	15,171	111,442
Cost, end of year	5,244,779	75,887,892	2,282,166	4,469,551	6,006	40,086	87,930,480
Work in Progress, end of year							
Cost and Work in Progress, end of year	5,244,779	75,887,892	2,282,166	4,469,551	6,006	40,086	87,930,480
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		44,982,704	929,421	1,606,601		36,190	47,554,916
Decrease:							
Deemed Disposals		1,346,988	210,340	376,057	1,201	11,052	1,945,638
		-	70,232	26,039		15,171	111,442
		46,329,692	1,069,529	1,956,619	1,201	32,071	49,389,112
Accumulated Amortization, end of year		29,558,200	1,212,637	2,512,932	4,805	8,015	38,541,368
Tangible Capital Assets - Net	5,244,779	29,558,200	1,212,637	2,512,932	4,805	8,015	38,541,368

# School District No. 59 (Peace River South)

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	24,353,633	588,962	1,110,411	26,053,006
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,775,759			2,775,759
	<u>2,775,759</u>	<u>-</u>	<u>-</u>	<u>2,775,759</u>
Decrease:				
Amortization of Deferred Capital Revenue	1,439,249	27,544	45,672	1,512,465
	<u>1,439,249</u>	<u>27,544</u>	<u>45,672</u>	<u>1,512,465</u>
<b>Net Changes for the Year</b>	<u>1,336,510</u>	<u>(27,544)</u>	<u>(45,672)</u>	<u>1,263,294</u>
<b>Deferred Capital Revenue, end of year</b>	<u>25,690,143</u>	<u>561,418</u>	<u>1,064,739</u>	<u>27,316,300</u>
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Work in Progress, end of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>25,690,143</u>	<u>561,418</u>	<u>1,064,739</u>	<u>27,316,300</u>

# School District No. 59 (Peace River South)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	431,199	161,545	-	-	-	592,744
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education Investment Income	3,463,393	2,501	-	-	-	3,463,393
Decrease:						
Transferred to DCR - Capital Additions Facility Improvements Not Capitalized	(2,775,759) 1,118,833	-	-	-	-	2,775,759 1,118,833
	3,894,592	-	-	-	-	3,894,592
Net Changes for the Year	(431,199)	2,501	-	-	-	(428,698)
Balance, end of year	-	164,046	-	-	-	164,046