

Audited Financial Statements of

**School District No. 71 (Comox Valley)**

And Independent Auditors' Report thereon

June 30, 2020

# School District No. 71 (Comox Valley)

June 30, 2020

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# School District No. 71 (Comox Valley)

## MANAGEMENT REPORT

Version: 2240-1494-8512

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

The accompanying financial statements of School District No. 71 (Comox Valley) 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. 71 (Comox Valley) (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, The Office of the Auditor General of British Columbia, 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. 71 (Comox Valley) 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. 71 (Comox Valley)

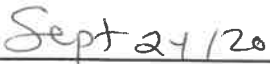
  
\_\_\_\_\_  
Signature of the Chairperson of the Board of Education

  
\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Signature of the Superintendent

  
\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Signature of the Secretary Treasurer

  
\_\_\_\_\_  
Date Signed



## **INDEPENDENT AUDITOR'S REPORT**

*To the Board of Education of School District No. 71 (Comox Valley), and  
To the Minister of Education, Province of British Columbia*

### ***Qualified Opinion***

I have audited the accompanying financial statements of School District No. 71 (Comox Valley) (“the entity”), which comprise the statement of financial position as at June 30, 2020, and the statements of operations, changes in net debt, and cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2020, and the results of its operations, change in its net debt, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

### ***Basis for Qualified Opinion***

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2a to the financial statements, the entity’s accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, the entity’s method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such the entity’s method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had the entity made an adjustment for this departure in the current year, the liability for deferred capital revenue as at June 30, 2020, would have been lower by \$99 million, the liability for deferred revenue would have been lower by \$0.1 million, revenues, annual surplus and accumulated surplus would have been higher by \$99.1 million and net debt would have been lower by \$99.1 million.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the unaudited schedules attached to the financial statements and the financial statement discussion and analysis, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report I obtained the unaudited schedules to the financial statements and the financial statement discussion and analysis. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the unaudited schedules to the financial statements and the financial statement discussion and analysis affected by this departure from PSAS.

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

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

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

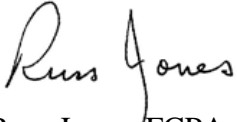
My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Russ Jones, FCPA, FCA, ICD.D  
Deputy Auditor General

Victoria, British Columbia, Canada  
September 24, 2020



# School District No. 71 (Comox Valley)

Statement of Financial Position  
As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	25,577,556	23,452,942
Accounts Receivable		
Due from Province - Ministry of Education	4,361,035	1,713,756
Other (Note 4)	468,762	555,977
<b>Total Financial Assets</b>	<u>30,407,353</u>	<u>25,722,675</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	12,011,670	9,188,567
Unearned Revenue (Note 6)	1,599,395	2,162,948
Deferred Revenue (Note 7)	1,864,136	1,572,785
Deferred Capital Revenue (Note 8)	110,801,430	102,239,252
Employee Future Benefits (Note 9)	4,063,871	4,126,343
Capital Lease Obligations (Note 10)	-	22,101
<b>Total Liabilities</b>	<u>130,340,502</u>	<u>119,311,996</u>
<b>Net Debt</b>	<u>(99,933,149)</u>	<u>(93,589,321)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	143,021,353	132,997,024
Prepaid Expenses	637,198	697,689
<b>Total Non-Financial Assets</b>	<u>143,658,551</u>	<u>133,694,713</u>
<b>Accumulated Surplus (Deficit) (Note 20)</b>	<u>43,725,402</u>	<u>40,105,392</u>

Contractual Obligations (Note 16)

Approved by the Board

  
Signature of the Chairperson of the Board of Education

  
Date Signed

  
Signature of the Superintendent

  
Date Signed

  
Signature of the Secretary Treasurer

  
Date Signed



# School District No. 71 (Comox Valley)

Statement 2

Statement of Operations  
Year Ended June 30, 2020

	2020 Budget (Note 18)	2020 Actual	2019 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	95,993,796	<b>97,410,333</b>	91,480,990
Tuition	2,770,000	<b>2,828,612</b>	3,092,617
Other Revenue	3,329,860	<b>3,409,754</b>	3,779,100
Rentals and Leases	150,000	<b>126,505</b>	142,491
Investment Income	445,000	<b>351,540</b>	439,984
Amortization of Deferred Capital Revenue	4,103,595	<b>4,148,666</b>	3,770,382
<b>Total Revenue</b>	<u>106,792,251</u>	<u><b>108,275,410</b></u>	<u>102,705,564</u>
<b>Expenses (Note 19)</b>			
Instruction	84,657,750	<b>82,996,651</b>	80,648,877
District Administration	3,763,973	<b>3,374,093</b>	3,405,057
Operations and Maintenance	16,327,401	<b>16,398,668</b>	15,304,674
Transportation and Housing	2,051,280	<b>1,885,532</b>	1,994,874
Debt Services	456	<b>456</b>	4,034
<b>Total Expense</b>	<u>106,800,860</u>	<u><b>104,655,400</b></u>	<u>101,357,516</u>
<b>Surplus (Deficit) for the year</b>	<u>(8,609)</u>	<u><b>3,620,010</b></u>	<u>1,348,048</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>40,105,392</b>	38,757,344
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>43,725,402</b></u></u>	<u>40,105,392</u>

# School District No. 71 (Comox Valley)

## Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget (Note 18) \$	2020 Actual \$	2019 Actual \$
<b>Surplus (Deficit) for the year</b>	(8,609)	<b>3,620,010</b>	1,348,048
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(6,291,646)	<b>(15,760,431)</b>	(17,178,500)
Amortization of Tangible Capital Assets	5,495,196	<b>5,736,102</b>	5,197,646
Write-down carrying value of Tangible Capital Assets			25,484
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(796,450)</u>	<u><b>(10,024,329)</b></u>	<u>(11,955,370)</u>
Acquisition of Prepaid Expenses		<b>(637,198)</b>	(697,689)
Use of Prepaid Expenses		<b>697,689</b>	692,989
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u><b>60,491</b></u>	<u>(4,700)</u>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(805,059)</u>	<u><b>(6,343,828)</b></u>	<u>(10,612,022)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(6,343,828)</b>	(10,612,022)
<b>Net Debt, beginning of year</b>		<b>(93,589,321)</b>	(82,977,299)
<b>Net Debt, end of year</b>		<u><b>(99,933,149)</b></u>	<u>(93,589,321)</u>

# School District No. 71 (Comox Valley)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	3,620,010	1,348,048
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(2,560,064)	46,977
Prepaid Expenses	60,491	(4,700)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,823,103	(1,191,156)
Unearned Revenue	(563,553)	(125,724)
Deferred Revenue	291,351	(331,961)
Employee Future Benefits	(62,472)	125,673
Amortization of Tangible Capital Assets	5,736,102	5,197,646
Amortization of Deferred Capital Revenue	(4,148,666)	(3,770,382)
<b>Total Operating Transactions</b>	<u>5,196,302</u>	<u>1,294,421</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(6,446,434)	(14,226,926)
Tangible Capital Assets -WIP Purchased	(9,313,997)	(2,951,574)
Principal Payment on Capital Lease Obligation	(22,101)	(133,436)
<b>Total Capital Transactions</b>	<u>(15,782,532)</u>	<u>(17,311,936)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	<u>12,710,844</u>	13,252,709
<b>Total Financing Transactions</b>	<u>12,710,844</u>	<u>13,252,709</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,124,614</b>	<b>(2,764,806)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>23,452,942</u>	<u>26,217,748</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>25,577,556</u>	<u>23,452,942</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>25,577,556</u>	<u>23,452,942</u>
	<u>25,577,556</u>	<u>23,452,942</u>
Supplementary Cash Flow Information (Note 23)		

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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**NOTE 1            AUTHORITY AND PURPOSE**

The School District, established in 1946, operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 71 (Comox Valley)", and operates as "School District No. 71 (Comox Valley)." 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. 71 (Comox Valley) is exempt from federal and provincial corporate income taxes.

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

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

a) Basis of Accounting

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

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(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction that the contribution is subject to is met and 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. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

a) Basis of Accounting *(continued)*

The impact of these differences on the financial statements of the School District are as follows:

Year-ended June 30, 2020

- increase in annual surplus by \$99,129,118

As at June 30, 2020:

- increase in accumulated surplus by \$99,129,118
- decrease in deferred revenue by \$131,124
- decrease in deferred capital revenue by \$98,997,994

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods. Revenue will be recognized in that future period when the courses are provided.

e) Deferred Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (m).

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

f) Deferred Capital Revenue

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 the financial statements.

g) Employee Future Benefits

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

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

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime 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. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

h) Liability for Contaminated Sites

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

- 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.

At this time the School District has determined there are no liabilities for contaminated sites.

i) Tangible Capital Assets

The following criteria apply:

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

i) Tangible Capital Assets *(continued)*

- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and 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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incidental to ownership of the property to the School District are considered capital leases.

These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

Payments for insurance, subscriptions, membership and maintenance contracts for use within the School District are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

m) 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.

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. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

n) Expenditures

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

Categories of Salaries

- Principals and Vice-Principals employed under a Principals and Vice-Principals contract are categorized as Principals and Vice-Principals.
- Superintendent, Secretary-Treasurer, Directors, Managers, 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.

o) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and other liabilities.

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. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

o) 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.

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 (a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

q) Future Changes in Accounting Policies

*PS 3280 Asset Retirement Obligations* issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective 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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

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

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.

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

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

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

- (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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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**NOTE 3 CASH AND CASH EQUIVALENTS**

	2020	2019
School Generated Funds	\$ 854,796	\$ 773,392
District Funds	17,725,539	15,923,478
Restricted Funds - Teacher Salary Deferral Program	181,677	110,199
BC Ministry of Finance Central Deposit Program	6,815,544	6,645,873
	\$ 25,577,556	\$ 23,452,942

**NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2020	2019
Due from Federal Government	\$ 318,133	\$ 220,076
Other	150,629	335,901
	\$ 468,762	\$ 555,977

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2020	2019
Trade payables	\$ 2,595,458	\$ 2,058,246
Salaries and benefits payable	2,333,597	2,268,214
Accrued vacation payable	558,777	452,409
Other	6,523,838	4,409,698
	\$ 12,011,670	\$ 9,188,567

**NOTE 6 UNEARNED REVENUE**

	2020	2019
Balance, beginning of year	\$ 2,162,948	\$ 2,288,672
Tuition fees received	2,265,059	2,966,893
Tuition fees recognized	(2,828,612)	(3,092,617)
Balance, end of year	\$ 1,599,395	\$ 2,162,948

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 7      DEFERRED REVENUE**

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	2020	2019
Balance, beginning of year	\$ 1,572,785	\$ 1,904,746
Grants received:		
Provincial Grants - Ministry of Education	11,121,912	10,635,995
School Generated Funds	2,498,563	2,735,764
Other	144,959	210,032
Subtotal	13,765,434	13,581,791
Revenue recognized:	(13,474,083)	(13,786,313)
Revenue recovered:	-	(127,439)
Subtotal	(13,474,083)	(13,913,752)
Balance, end of year	\$ 1,864,136	\$ 1,572,785

**NOTE 8      DEFERRED CAPITAL REVENUE**

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	2020	2019
<b><u>Deferred capital revenue - subject to amortization</u></b>		
Balance, beginning of year	\$ 99,154,762	\$ 66,376,895
Provincial Grants - Ministry of Education	2,502,158	10,370,516
Transfer in from deferred revenue - WIP	1,489,740	26,203,217
Write off/down of Buildings and Sites	-	(291,243)
Amortization of deferred capital revenue	(4,148,666)	(3,770,382)
Write off/down of Buildings and Sites	-	265,759
Balance, end of year	\$ 98,997,994	\$ 99,154,762

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 8**      **DEFERRED CAPITAL REVENUE (Continued)**

	2020	2019
<b><u>Deferred capital revenue - work in progress</u></b>		
Work in progress, beginning of year	\$ 3,084,490	\$ 26,336,133
Transfer in from deferred capital revenue - Unspent	9,313,997	2,951,574
Transfer to deferred capital revenue	(1,489,740)	(26,203,217)
	\$ 10,908,747	\$ 3,084,490

	2020	2019
<b><u>Deferred capital revenue - unspent</u></b>		
Unspent deferred capital revenue, beginning of year	\$ -	\$ 69,381
Provincial Grants - Ministry of Education	11,727,576	13,252,709
Provincial Grants - Other	893,268	-
Other	90,000	-
Transfer to deferred capital revenue	(2,502,158)	(10,370,516)
- subject to amortization		
Transfer to deferred capital revenue - work in progress	(9,313,997)	(2,951,574)
	\$ 894,689	\$ -

Total deferred capital revenue balance, end of year	\$ 110,801,430	\$ 102,239,252
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**NOTE 9**      **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><i>Reconciliation of Accrued Benefit Obligation</i></b>		
Accrued Benefit Obligation - April 1	\$ 3,416,857	\$ 3,226,938
Service Cost	273,649	280,473
Interest Cost	85,760	91,425
Benefit Payments	(278,119)	(134,889)
Actuarial (Gain) Loss	(193,696)	(47,090)
	\$ 3,304,451	\$ 3,416,857

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 9**      **EMPLOYEE FUTURE BENEFITS (Continued)**

	2020	2019
<b><i>Reconciliation of Funded Status at End of Fiscal Year</i></b>		
Accrued Benefit Obligation - March 31	\$ 3,304,451	\$ 3,416,857
Funded Status - Surplus (Deficit)	(3,304,451)	(3,416,857)
Employer Contributions after Measurement Date	40,396	16,965
Benefits Expense After Measurement Date	(90,836)	(89,852)
Unamortized Net Actuarial (Gain) Loss	(708,980)	(636,599)
Accrued Benefit Asset (Liability) - June 30	\$ (4,063,871)	\$ (4,126,343)

<b><i>Reconciliation of Change in Accrued Benefit Liability</i></b>		
Accrued Benefit Liability (Asset) - July 1	\$ 4,126,343	\$ 4,000,670
Net Expense for Fiscal Year	239,078	253,134
Employer Contributions	(301,551)	(127,461)
Accrued Benefit Liability (Asset) - June 30	\$ 4,063,871	\$ 4,126,343

<b><i>Components of Net Benefit Expense</i></b>		
Service Cost	\$ 276,944	\$ 278,767
Interest Cost	83,449	90,009
Amortization of Net Actuarial (Gain)/Loss	(121,315)	(115,641)
Net Benefit Expense (Income)	\$ 239,078	\$ 253,135

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

	June 30, 2020	June 30, 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	8.3 years	8.3



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 10 CAPITAL LEASE OBLIGATIONS**

Capital leases for the purchase of computer hardware with MacQuarie Equipment Finance are no longer outstanding as the remaining lease expired on June 30, 2020 and was not renewed.

Total interest expense for the year was \$456 (2019 - \$4,034)

**NOTE 11 TANGIBLE CAPITAL ASSETS**

<b>Net Book Value:</b>	<b>June 30, 2020</b>	June 30, 2019
Sites	\$ 14,151,889	\$ 14,151,889
Buildings	121,720,049	115,075,330
Furniture & Equipment	3,790,052	1,069,398
Vehicles	1,188,225	845,891
Computer Hardware	2,171,138	1,854,516
<b>Total</b>	<b>\$ 143,021,353</b>	<b>\$ 132,997,024</b>

**June 30, 2020**

<b>Cost:</b>	<b>Balance at July 1, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2020</b>
Sites	\$ 14,151,889	\$ -	\$ -	\$ -	\$ 14,151,889
Buildings	202,102,151	3,515,868	-	7,696,919	213,314,938
Furniture & Equipment	1,313,527	2,863,521	86,473	127,338	4,217,913
Vehicles	1,231,789	490,014	-	-	1,721,803
Computer Hardware	4,207,097	1,066,771	1,979,475	-	3,294,393
<b>Total</b>	<b>\$ 223,006,453</b>	<b>\$ 7,936,174</b>	<b>\$ 2,065,948</b>	<b>7,824,257</b>	<b>\$ 236,700,936</b>

**June 30, 2020**

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2020</b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	87,026,821	4,568,068	-	91,594,889
Furniture & Equipment	244,129	270,205	86,473	427,861
Vehicles	385,898	147,680	-	533,578
Computer Hardware	2,352,581	750,149	1,979,475	1,123,255
<b>Total</b>	<b>\$ 90,009,429</b>	<b>\$ 5,736,102</b>	<b>\$ 2,065,948</b>	<b>\$ 93,679,583</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2019**

<b>Cost:</b>	<b>Balance at July 1, 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2019</b>
Sites	\$ 14,151,889	\$ -	\$ -	\$ -	\$ 14,151,889
Buildings	187,327,691	38,383,964	291,243	(23,318,261)	202,102,151
Furniture & Equipment	793,674	519,853	-	-	1,313,527
Vehicles	860,846	370,943	-	-	1,231,789
Computer Hardware	5,018,698	1,222,001	2,033,602	-	4,207,097
<b>Total</b>	<b>\$ 208,152,798</b>	<b>\$ 40,496,761</b>	<b>\$ 2,324,845</b>	<b>\$ (23,318,261)</b>	<b>\$ 223,006,453</b>

**June 30, 2019**

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2019</b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	83,227,506	4,065,074	265,759	87,026,821
Furniture & Equipment	138,769	105,360	-	244,129
Vehicles	281,266	104,632	-	385,898
Computer Hardware	3,463,603	922,580	2,033,602	2,352,581
<b>Total</b>	<b>\$ 87,111,144</b>	<b>\$ 5,197,646</b>	<b>\$ 2,299,361</b>	<b>\$ 90,009,429</b>

**NOTE 12 DISPOSAL OF SITES AND BUILDINGS**

During the 2016-17 school year land legally described as Lot 2, Plan VIP81287 was exchanged with the Corporation of the City of Courtenay and concurrently sold to the Comox Valley Regional District. Proceeds were recorded as \$600,000 cash and \$265,000 prepaid rent, resulting in a gain on disposal. The prepaid rent will not be utilized until the sale of a second parcel of land to the Comox Valley Regional District completes which is expected to occur by June 30, 2021. Upon completion of this sale, the District will receive proceeds of \$700,000, of which \$600,000 will be recorded as cash, and \$100,000 as prepaid rent.

**NOTE 13 WRITE-OFF OF BUILDING**

On August 26, 2018 Hornby Island Community School was substantially damaged by fire leaving the school inoperable and unsafe to carry out classroom instruction. As a result of this event, approximately one-third of the school was demolished. The portion of the school that was demolished was built in 1983 and was not fully amortized. One-third of the original cost of the school was written off (\$291,243), resulting in recognition of unamortized deferred capital revenue in the amount of \$25,484.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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**NOTE 14**      **EMPLOYEE PENSION PLANS**

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

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$6,992,962 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$7,108,906).

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

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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**NOTE 15**      **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 16**      **CONTRACTUAL OBLIGATIONS**

The School District has entered into multiple-year contracts for the construction of tangible capital assets, specifically the structural seismic mitigation to Lake Trail Middle School. This contractual obligation will become a liability in the future when the terms of the contracts are met. The Lake Trail Middle School capital project funding agreement estimates the maximum potential project funding to be \$25,672,195. As of June 30, 2020, \$9,905,706 has been spent and recorded as work in progress with an expected project completion date of August 31, 2021.

On May 23, 2017 the School District entered into a multiple-year contract for transportation services. This contract commenced September 1, 2017 for a minimum duration of five years. Assuming that factors relating directly to pricing remain consistent with the 2019-20 school year, contractual costs can be estimated and incrementally increased by at least 2.5% annually based on the contract terms.

	2021		2022
Transportation Contract	\$ 1,949,687	\$	1,998,429

**NOTE 17**      **CONTINGENCIES**

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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**NOTE 18      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 25, 2020.

	<b>AMENDED</b>			
	<b>Annual Budget</b>	<b>Annual Budget</b>	<b>Annual Budget</b>	<b>Change</b>
<b>Revenues</b>				
Provincial Grants				
Ministry of Education	\$ 95,993,796	\$ 92,046,564	\$	(3,947,232)
Tuition	2,770,000	4,670,000		1,900,000
Other Revenue	3,329,860	3,212,083		(117,777)
Rentals and Leases	150,000	150,000		-
Investment Income	445,000	420,000		(25,000)
Amortization of Deferred Capital Revenue	4,103,595	4,078,441		(25,154)
<b>Total Revenue</b>	<b>\$ 106,792,251</b>	<b>\$ 104,577,088</b>	<b>\$</b>	<b>(2,215,163)</b>
<b>Expenses</b>				
Instruction	\$ 84,657,750	\$ 82,736,394	\$	(1,921,356)
District Administration	3,763,973	3,768,950		4,977
Operations and Maintenance	16,327,401	15,778,167		(549,234)
Transportation and Housing	2,051,280	1,948,739		(102,541)
Debt Services	456	456		-
<b>Total Expense</b>	<b>\$ 106,800,860</b>	<b>\$ 104,232,706</b>	<b>\$</b>	<b>(2,568,154)</b>
<b>Net Revenue (Expense)</b>	<b>\$ (8,609)</b>	<b>344,382</b>		<b>352,991</b>
<b>Budgeted Allocation of Surplus</b>	<b>3,641,924</b>	<b>-</b>		<b>(3,641,924)</b>
<b>Budgeted Surplus (Deficit) for the year</b>	<b>\$ 3,633,315</b>	<b>\$ 344,382</b>	<b>\$</b>	<b>(3,288,933)</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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**NOTE 19      EXPENSE BY OBJECT**

	2020	2019
Salaries and benefits	\$ <b>84,407,735</b>	\$    80,029,272
Services and supplies	<b>14,511,563</b>	16,130,598
Amortization	<b>5,736,102</b>	5,197,646
	<b>\$    104,655,400</b>	\$    101,357,516

**NOTE 20      ACCUMULATED SURPLUS**

The School District has established a number of funds to demonstrate compliance with legislation and to reflect the School District’s intentions to undertake certain future activities.

The Operating Fund accounts for the School District’s operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund carried forward from previous years.

The Capital Fund accounts for the School District’s investment in its existing capital infrastructure, including the existing buildings, furniture, vehicles, computers and equipment. It also reflects intentions to make future capital asset purchases.

The Special Purpose Funds account for grants and contributions received which are directed by agreement with a third party towards specific activities.

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

- \$ 1,637,926 was transferred from the operating fund to the capital fund for the purchase of capital assets;
- \$ 4,700,372 was transferred from the operating fund to local capital.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 20 ACCUMULATED SURPLUS (Continued)**

	2020	2019
<b>Operating Fund</b>		
Internally restricted (appropriated):		
Net School Surpluses	\$ 310,430	\$ 145,025
Mental Health Grant	11,411	24,890
LEA Capacity Building Grant	6,850	6,850
Aboriginal Education	165,333	-
Purchase Order Commitments	342,378	-
District/Program Initiatives	1,197,918	19,789
Modulars/Furniture	300,000	250,000
Board Operating Reserve	1,746,210	1,688,654
Subtotal (internally restricted)	\$ 4,080,530	\$ 2,135,208
Unrestricted operating surplus	-	3,195,372
	<b>\$ 4,080,530</b>	<b>\$ 5,330,580</b>
<b>Capital Fund</b>		
Invested in tangible capital assets	\$ 33,114,615	\$ 30,735,674
Local Capital	6,530,257	4,039,138
	<b>\$ 39,644,872</b>	<b>\$ 34,774,812</b>
<b>Total Accumulated Surplus</b>	<b>\$ 43,725,402</b>	<b>\$ 40,105,392</b>

The local capital surplus has been internally restricted by the Board for:

Information Technology Reserve	\$ 595,348
Lake Trail Seismic Project - Board Contribution	1,000,000
Contingency Reserve	685,669
Board Office - Prepaid Rent and Updates	1,630,598
Youth Trades Tools/Equipment Replacement	47,506
Equipment Initiatives - 21st Century Learning	19,138
Furniture and Equipment	94,242
Fine Arts Equipment	30,862
Accessibility	29,441
Fleet	54,622
Facility Reserve	1,300,000
Laptop Carts	44,817
Classroom Renovations - Miracle Beach	50,000
Classroom Renovations - Cumberland	150,000
Modulars - Cumberland	246,048
Modulars - Royston	451,966
Washrooms - Royston	100,000
	<b>\$ 6,530,257</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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**NOTE 21      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 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, amounts receivable and investments.

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

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



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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**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. There have been no changes to risk exposure from 2019 related to credit, market or liquidity risks.

**NOTE 23**      **SUPPLEMENTARY CASH FLOW INFORMATION**

Interest collected and paid during the year was as follows:

	<u>2020</u>	<u>2019</u>
Interest collected	\$ 351,540	\$ 439,984
Interest paid	456	4,034

# School District No. 71 (Comox Valley)

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>	5,330,580		34,774,812	<b>40,105,392</b>	38,757,344
<b>Changes for the year</b>					
Surplus (Deficit) for the year	5,088,248		(1,468,238)	<b>3,620,010</b>	1,348,048
Interfund Transfers					
Tangible Capital Assets Purchased	(1,637,926)		1,637,926	-	
Local Capital	(4,700,372)		4,700,372	-	
<b>Net Changes for the year</b>	<b>(1,250,050)</b>	-	<b>4,870,060</b>	<b>3,620,010</b>	<b>1,348,048</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>4,080,530</b>	-	<b>39,644,872</b>	<b>43,725,402</b>	40,105,392

# School District No. 71 (Comox Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget (Note 18) \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	84,891,868	<b>86,434,556</b>	80,690,831
Tuition	2,770,000	<b>2,828,612</b>	3,092,617
Other Revenue	559,083	<b>925,540</b>	800,702
Rentals and Leases	150,000	<b>126,505</b>	142,491
Investment Income	375,000	<b>217,794</b>	329,939
<b>Total Revenue</b>	<b>88,745,951</b>	<b>90,533,007</b>	<b>85,056,580</b>
<b>Expenses</b>			
Instruction	71,135,473	<b>69,872,996</b>	67,212,992
District Administration	3,763,973	<b>3,374,093</b>	3,405,057
Operations and Maintenance	10,481,777	<b>10,312,138</b>	9,756,600
Transportation and Housing	2,051,280	<b>1,885,532</b>	1,994,874
<b>Total Expense</b>	<b>87,432,503</b>	<b>85,444,759</b>	<b>82,369,523</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>1,313,448</b>	<b>5,088,248</b>	<b>2,687,057</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>3,641,924</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(255,000)	<b>(1,637,926)</b>	(1,804,241)
Local Capital	(4,700,372)	<b>(4,700,372)</b>	(1,560,000)
<b>Total Net Transfers</b>	<b>(4,955,372)</b>	<b>(6,338,298)</b>	<b>(3,364,241)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(1,250,050)</b>	<b>(677,184)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>5,330,580</b>	6,007,764
<b>Operating Surplus (Deficit), end of year</b>		<b>4,080,530</b>	<b>5,330,580</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>4,080,530</b>	2,135,208
Unrestricted		-	3,195,372
<b>Total Operating Surplus (Deficit), end of year</b>		<b>4,080,530</b>	<b>5,330,580</b>

# School District No. 71 (Comox Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget (Note 18)	2020 Actual	2019 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	82,876,217	<b>83,472,347</b>	79,370,609
ISC/LEA Recovery	(129,083)	<b>(146,001)</b>	(129,083)
Other Ministry of Education Grants			
Pay Equity	451,831	<b>451,831</b>	451,831
Funding for Graduated Adults	112,762	<b>167,068</b>	112,118
Transportation Supplement	421,375	<b>421,375</b>	421,375
Economic Stability Dividend			94,877
Carbon Tax Grant	60,000	<b>59,287</b>	59,287
Employer Health Tax Grant	611,726	<b>611,726</b>	185,891
Strategic Priorities - Mental Health Grant			33,000
Support Staff Benefits Grant	77,661	<b>77,661</b>	63,112
BCTEA - LEA Capacity Building Grant			6,850
Support Staff Wage Increase Funding	357,738	<b>357,738</b>	
Teachers' Labour Settlement Funding		<b>912,883</b>	
FSA Exam Marking	18,964	<b>15,964</b>	18,964
Other Ministry of Education Grants		-	2,000
Early Learning Grant	32,677	<b>32,677</b>	-
<b>Total Provincial Grants - Ministry of Education</b>	<b>84,891,868</b>	<b>86,434,556</b>	80,690,831
<b>Tuition</b>			
International and Out of Province Students	2,770,000	<b>2,828,612</b>	3,092,617
<b>Total Tuition</b>	<b>2,770,000</b>	<b>2,828,612</b>	3,092,617
<b>Other Revenues</b>			
Funding from First Nations	129,083	<b>146,001</b>	129,083
Miscellaneous			
Instructional Cafeteria	120,000	<b>95,991</b>	136,784
Other Miscellaneous	310,000	<b>683,548</b>	534,835
<b>Total Other Revenue</b>	<b>559,083</b>	<b>925,540</b>	800,702
<b>Rentals and Leases</b>	<b>150,000</b>	<b>126,505</b>	142,491
<b>Investment Income</b>	<b>375,000</b>	<b>217,794</b>	329,939
<b>Total Operating Revenue</b>	<b>88,745,951</b>	<b>90,533,007</b>	85,056,580

# School District No. 71 (Comox Valley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget (Note 18)	2020 Actual	2019 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	34,855,588	<b>35,945,125</b>	33,559,087
Principals and Vice Principals	5,113,767	<b>4,994,211</b>	4,878,982
Educational Assistants	5,665,398	<b>5,605,122</b>	5,049,291
Support Staff	8,239,656	<b>8,050,315</b>	7,205,327
Other Professionals	2,877,843	<b>2,953,909</b>	2,686,669
Substitutes	2,575,177	<b>2,066,415</b>	2,934,699
<b>Total Salaries</b>	<b>59,327,429</b>	<b>59,615,097</b>	56,314,055
<b>Employee Benefits</b>	14,472,584	<b>14,309,070</b>	13,498,095
<b>Total Salaries and Benefits</b>	<b>73,800,013</b>	<b>73,924,167</b>	69,812,150
<b>Services and Supplies</b>			
Services	2,792,207	<b>2,273,147</b>	2,511,957
Student Transportation	2,035,255	<b>1,870,141</b>	1,980,241
Professional Development and Travel	717,500	<b>488,838</b>	711,875
Dues and Fees	72,900	<b>68,728</b>	58,649
Insurance	202,300	<b>189,321</b>	179,027
Supplies	5,881,328	<b>4,918,763</b>	5,339,108
Utilities	1,931,000	<b>1,711,654</b>	1,776,516
<b>Total Services and Supplies</b>	<b>13,632,490</b>	<b>11,520,592</b>	12,557,373
<b>Total Operating Expense</b>	<b>87,432,503</b>	<b>85,444,759</b>	82,369,523

# School District No. 71 (Comox Valley)

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	28,348,766	599,729	-	41,707	-	1,268,554	30,258,756
1.03 Career Programs	513,658	-	158,051	-	-	10,847	682,556
1.07 Library Services	241,872	-	-	703,465	-	36,603	981,940
1.08 Counselling	1,542,775	-	-	-	-	3,898	1,546,673
1.10 Special Education	4,046,515	124,715	4,702,504	76,672	178,574	237,944	9,366,924
1.30 English Language Learning	156,030	-	-	-	-	415	156,445
1.31 Indigenous Education	253,519	132,504	711,959	131,577	53,615	9,821	1,292,995
1.41 School Administration	-	3,905,171	-	1,747,428	-	215,759	5,868,358
1.62 International and Out of Province Students	841,990	232,092	-	134,915	208,707	30,967	1,448,671
1.64 Other	-	-	32,608	82,589	-	2,198	117,395
<b>Total Function 1</b>	<b>35,945,125</b>	<b>4,994,211</b>	<b>5,605,122</b>	<b>2,918,353</b>	<b>440,896</b>	<b>1,817,006</b>	<b>51,720,713</b>
<b>4 District Administration</b>							
4.11 Educational Administration	-	-	-	-	876,120	-	876,120
4.40 School District Governance	-	-	-	-	181,433	-	181,433
4.41 Business Administration	-	-	-	368,875	916,437	-	1,285,312
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368,875</b>	<b>1,973,990</b>	<b>-</b>	<b>2,342,865</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	-	-	-	-	525,978	-	525,978
5.50 Maintenance Operations	-	-	-	4,295,684	-	249,409	4,545,093
5.52 Maintenance of Grounds	-	-	-	467,403	-	-	467,403
5.56 Utilities	-	-	-	-	-	-	-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,763,087</b>	<b>525,978</b>	<b>249,409</b>	<b>5,538,474</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	-	-	-	-	13,045	-	13,045
7.70 Student Transportation	-	-	-	-	-	-	-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,045</b>	<b>-</b>	<b>13,045</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>35,945,125</b>	<b>4,994,211</b>	<b>5,605,122</b>	<b>8,050,315</b>	<b>2,953,909</b>	<b>2,066,415</b>	<b>59,615,097</b>

# School District No. 71 (Comox Valley)

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 (Note 18)	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	30,258,756	7,746,565	38,005,321	3,198,257	41,203,578	42,835,321	40,756,388
1.03 Career Programs	682,556	150,754	833,310	257,447	1,090,757	1,168,676	1,030,355
1.07 Library Services	981,940	226,629	1,208,569	313,594	1,522,163	1,557,015	1,363,457
1.08 Counselling	1,546,673	365,732	1,912,405	211	1,912,616	1,730,314	1,882,003
1.10 Special Education	9,366,924	2,224,447	11,591,371	114,516	11,705,887	11,579,734	10,786,226
1.30 English Language Learning	156,445	38,195	194,640	877	195,517	172,990	175,852
1.31 Indigenous Education	1,292,995	285,572	1,578,567	238,249	1,816,816	1,982,149	1,798,863
1.41 School Administration	5,868,358	1,283,147	7,151,505	662,807	7,814,312	7,332,618	6,889,989
1.62 International and Out of Province Students	1,448,671	336,837	1,785,508	514,430	2,299,938	2,420,070	2,124,051
1.64 Other	117,395	29,308	146,703	164,709	311,412	356,586	405,808
<b>Total Function 1</b>	<b>51,720,713</b>	<b>12,687,186</b>	<b>64,407,899</b>	<b>5,465,097</b>	<b>69,872,996</b>	<b>71,135,473</b>	<b>67,212,992</b>
<b>4 District Administration</b>							
4.11 Educational Administration	876,120	136,217	1,012,337	43,030	1,055,367	1,050,848	1,103,725
4.40 School District Governance	181,433	22,232	203,665	66,468	270,133	353,582	378,940
4.41 Business Administration	1,285,312	267,451	1,552,763	495,830	2,048,593	2,359,543	1,922,392
<b>Total Function 4</b>	<b>2,342,865</b>	<b>425,900</b>	<b>2,768,765</b>	<b>605,328</b>	<b>3,374,093</b>	<b>3,763,973</b>	<b>3,405,057</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	525,978	104,935	630,913	338,963	969,876	1,019,674	857,223
5.50 Maintenance Operations	4,545,093	999,421	5,544,514	1,327,122	6,871,636	6,780,721	6,581,463
5.52 Maintenance of Grounds	467,403	89,283	556,686	202,286	758,972	750,382	541,398
5.56 Utilities	-	-	-	1,711,654	1,711,654	1,931,000	1,776,516
<b>Total Function 5</b>	<b>5,538,474</b>	<b>1,193,639</b>	<b>6,732,113</b>	<b>3,580,025</b>	<b>10,312,138</b>	<b>10,481,777</b>	<b>9,756,600</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	13,045	2,345	15,390	5,687	21,077	23,025	20,268
7.70 Student Transportation	-	-	-	1,864,455	1,864,455	2,028,255	1,974,606
<b>Total Function 7</b>	<b>13,045</b>	<b>2,345</b>	<b>15,390</b>	<b>1,870,142</b>	<b>1,885,532</b>	<b>2,051,280</b>	<b>1,994,874</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>59,615,097</b>	<b>14,309,070</b>	<b>73,924,167</b>	<b>11,520,592</b>	<b>85,444,759</b>	<b>87,432,503</b>	<b>82,369,523</b>

# School District No. 71 (Comox Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget (Note 18)	2020 Actual	2019 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	11,101,928	10,975,777	10,790,159
Other Revenue	2,770,777	2,484,214	2,978,398
Investment Income	-	14,092	17,756
<b>Total Revenue</b>	<b>13,872,705</b>	<b>13,474,083</b>	13,786,313
<b>Expenses</b>			
Instruction	13,522,277	13,123,655	13,435,885
Operations and Maintenance	350,428	350,428	350,428
<b>Total Expense</b>	<b>13,872,705</b>	<b>13,474,083</b>	13,786,313
<b>Special Purpose Surplus (Deficit) for the year</b>	-	-	-
<b>Total Special Purpose Surplus (Deficit) for the year</b>	-	-	-
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		-	-



# School District No. 71 (Comox Valley)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			776,069	700,947					
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	350,428	302,555			160,790	39,686	195,944	604,563	1,650,966
Other			34,751	2,498,563					
Investment Income			13,872						
	350,428	302,555	48,623	2,498,563	160,790	39,686	195,944	604,563	1,650,966
<b>Less:</b> Allocated to Revenue	350,428	302,555	65,807	2,361,156	160,790	39,686	185,411	604,563	1,556,130
<b>Deferred Revenue, end of year</b>	-	-	<b>758,885</b>	<b>838,354</b>	-	-	<b>10,533</b>	-	<b>94,836</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	350,428	302,555			160,790	39,686	185,411	604,563	1,556,130
Other Revenue			51,935	2,361,156					
Investment Income			13,872						
	350,428	302,555	65,807	2,361,156	160,790	39,686	185,411	604,563	1,556,130
<b>Expenses</b>									
Salaries									
Teachers							22,860		
Principals and Vice Principals							22,416		274,319
Educational Assistants		241,642						297,990	652,305
Support Staff	268,898				120,187	29,962	132	2,402	142,183
Substitutes		7,062			69		4,086	976	175,208
	268,898	248,704	-	-	120,256	29,962	49,494	301,368	1,244,015
Employee Benefits	59,158	53,851			29,009	6,833	11,542	74,480	299,115
Services and Supplies	22,372		65,807	2,361,156	11,525	2,891	124,375	228,715	13,000
	350,428	302,555	65,807	2,361,156	160,790	39,686	185,411	604,563	1,556,130
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 71 (Comox Valley)

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	Changing Results for Young Children	Professional Development	CVCF Student Travel	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>						95,769		1,572,785
<b>Add:</b> Restricted Grants								
Provincial Grants - Ministry of Education	7,673,037	103,177	1,904	28,500	10,362			11,121,912
Other						70,339	25,777	2,629,430
Investment Income							220	14,092
	7,673,037	103,177	1,904	28,500	10,362	70,339	25,997	13,765,434
<b>Less:</b> Allocated to Revenue	7,673,037	103,177	-	-	-	60,869	10,474	13,474,083
<b>Deferred Revenue, end of year</b>	-	-	<b>1,904</b>	<b>28,500</b>	<b>10,362</b>	<b>105,239</b>	<b>15,523</b>	<b>1,864,136</b>
<b>Revenues</b>								
Provincial Grants - Ministry of Education	7,673,037	103,177						10,975,777
Other Revenue						60,869	10,254	2,484,214
Investment Income							220	14,092
	7,673,037	103,177	-	-	-	60,869	10,474	13,474,083
<b>Expenses</b>								
Salaries								
Teachers	5,850,029							5,872,889
Principals and Vice Principals								296,735
Educational Assistants								1,191,937
Support Staff								563,764
Substitutes	300,529	11,239						499,169
	6,150,558	11,239	-	-	-	-	-	8,424,494
Employee Benefits	1,522,479	2,607						2,059,074
Services and Supplies		89,331				60,869	10,474	2,990,515
	7,673,037	103,177	-	-	-	60,869	10,474	13,474,083
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-

# School District No. 71 (Comox Valley)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2020

	2020	2020 Actual			2019
	Budget (Note 18)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income	70,000		119,654	119,654	92,289
Amortization of Deferred Capital Revenue	4,103,595	4,148,666		4,148,666	3,770,382
<b>Total Revenue</b>	4,173,595	4,148,666	119,654	4,268,320	3,862,671
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,495,196	5,736,102		5,736,102	5,197,646
Debt Services					
Capital Lease Interest	456		456	456	4,034
<b>Total Expense</b>	5,495,652	5,736,102	456	5,736,558	5,201,680
<b>Capital Surplus (Deficit) for the year</b>	(1,322,057)	(1,587,436)	119,198	(1,468,238)	(1,339,009)
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	255,000	1,637,926		1,637,926	1,804,241
Local Capital	4,700,372		4,700,372	4,700,372	1,560,000
<b>Total Net Transfers</b>	4,955,372	1,637,926	4,700,372	6,338,298	3,364,241
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		2,306,350	(2,306,350)	-	
Principal Payment					
Capital Lease		22,101	(22,101)	-	
<b>Total Other Adjustments to Fund Balances</b>		2,328,451	(2,328,451)	-	
<b>Total Capital Surplus (Deficit) for the year</b>	3,633,315	2,378,941	2,491,119	4,870,060	2,025,232
<b>Capital Surplus (Deficit), beginning of year</b>		30,735,674	4,039,138	34,774,812	32,749,580
<b>Capital Surplus (Deficit), end of year</b>		33,114,615	6,530,257	39,644,872	34,774,812

# School District No. 71 (Comox Valley)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	14,151,889	199,017,661	1,313,527	1,231,789	-	4,207,097	<b>219,921,963</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,128,676	1,373,482				<b>2,502,158</b>
Operating Fund		223,154	992,043	223,444		199,285	<b>1,637,926</b>
Local Capital		674,298	497,996	266,570		867,486	<b>2,306,350</b>
Transferred from Work in Progress		1,489,740					<b>1,489,740</b>
	-	3,515,868	2,863,521	490,014	-	1,066,771	<b>7,936,174</b>
Decrease:							
Deemed Disposals			86,473			1,979,475	<b>2,065,948</b>
	-	-	86,473	-	-	1,979,475	<b>2,065,948</b>
<b>Cost, end of year</b>	14,151,889	202,533,529	4,090,575	1,721,803	-	3,294,393	<b>225,792,189</b>
<b>Work in Progress, end of year</b>		10,781,409	127,338				<b>10,908,747</b>
<b>Cost and Work in Progress, end of year</b>	14,151,889	213,314,938	4,217,913	1,721,803	-	3,294,393	<b>236,700,936</b>
<b>Accumulated Amortization, beginning of year</b>		87,026,821	244,129	385,898	-	2,352,581	<b>90,009,429</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		4,568,068	270,205	147,680		750,149	<b>5,736,102</b>
Decrease:							
Deemed Disposals			86,473			1,979,475	<b>2,065,948</b>
		-	86,473	-	-	1,979,475	<b>2,065,948</b>
<b>Accumulated Amortization, end of year</b>		91,594,889	427,861	533,578	-	1,123,255	<b>93,679,583</b>
<b>Tangible Capital Assets - Net</b>	<b>14,151,889</b>	<b>121,720,049</b>	<b>3,790,052</b>	<b>1,188,225</b>	<b>-</b>	<b>2,171,138</b>	<b>143,021,353</b>

**School District No. 71 (Comox Valley)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	3,084,490				<b>3,084,490</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	9,098,080	127,338			<b>9,225,418</b>
Deferred Capital Revenue - Other	88,579				<b>88,579</b>
	<u>9,186,659</u>	<u>127,338</u>	-	-	<u><b>9,313,997</b></u>
Decrease:					
Transferred to Tangible Capital Assets	1,489,740				<b>1,489,740</b>
	<u>1,489,740</u>	-	-	-	<u><b>1,489,740</b></u>
<b>Net Changes for the Year</b>	<u>7,696,919</u>	<u>127,338</u>	-	-	<u><b>7,824,257</b></u>
<b>Work in Progress, end of year</b>	<u><b>10,781,409</b></u>	<u><b>127,338</b></u>	-	-	<u><b>10,908,747</b></u>

# School District No. 71 (Comox Valley)

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>	\$ 95,013,113	\$ 4,141,649	\$ -	\$ 99,154,762
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,502,158			2,502,158
Transferred from Work in Progress	1,489,740			1,489,740
	<u>3,991,898</u>	<u>-</u>	<u>-</u>	<u>3,991,898</u>
Decrease:				
Amortization of Deferred Capital Revenue	4,012,198	136,468		4,148,666
	<u>4,012,198</u>	<u>136,468</u>	<u>-</u>	<u>4,148,666</u>
<b>Net Changes for the Year</b>	<u>(20,300)</u>	<u>(136,468)</u>	<u>-</u>	<u>(156,768)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>94,992,813</u>	<u>4,005,181</u>	<u>-</u>	<u>98,997,994</u>
<b>Work in Progress, beginning of year</b>	3,084,490			3,084,490
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	9,225,418	88,579		9,313,997
	<u>9,225,418</u>	<u>88,579</u>	<u>-</u>	<u>9,313,997</u>
Decrease				
Transferred to Deferred Capital Revenue	1,489,740			1,489,740
	<u>1,489,740</u>	<u>-</u>	<u>-</u>	<u>1,489,740</u>
<b>Net Changes for the Year</b>	<u>7,735,678</u>	<u>88,579</u>	<u>-</u>	<u>7,824,257</u>
<b>Work in Progress, end of year</b>	<u>10,820,168</u>	<u>88,579</u>	<u>-</u>	<u>10,908,747</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>105,812,981</u>	<u>4,093,760</u>	<u>-</u>	<u>109,906,741</u>

# School District No. 71 (Comox Valley)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	-					-
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	11,727,576					11,727,576
Provincial Grants - Other			893,268			893,268
Other					90,000	90,000
	11,727,576	-	893,268	-	90,000	12,710,844
Decrease:						
Transferred to DCR - Capital Additions	2,502,158					2,502,158
Transferred to DCR - Work in Progress	9,225,418		88,579			9,313,997
	11,727,576	-	88,579	-	-	11,816,155
<b>Net Changes for the Year</b>	-	-	804,689	-	90,000	894,689
<b>Balance, end of year</b>	-	-	804,689	-	90,000	894,689