

Audited Financial Statements of

School District No. 5 (Southeast Kootenay)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 5 (Southeast Kootenay)

June 30, 2020

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Independent Auditor's Report

To the Board of Education of School District No. 5 (Southeast Kootenay) and
the Minister of Education of the Province of British Columbia

Opinion

We have audited the accompanying financial statements of the School District No. 5 (Southeast Kootenay), 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 years ended June 30, 2020, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the School District No. 5 (Southeast Kootenay) for the year ended June 30, 2020 are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 16 to the financial statements, which explains that certain comparative information presented for the year ended June 30, 2019 has been restated. Our opinion is not modified in respect of this.

Note 16 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

As part of our audit of the financial statements for the year ended June 30, 2020, we also audited the adjustments that were applied to restate certain of the comparative information presented for the year ended June 30, 2019. In our opinion, such adjustments are appropriate and have been properly applied.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards modified by B.C. Regulation 198/2011 "Restricted Contributions", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the School District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School District or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (Continued)

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

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

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

BDO Canada LLP

Chartered Professional Accountants

Cranbrook, BC
September 22, 2020

School District No. 5 (Southeast Kootenay)

Statement of Financial Position

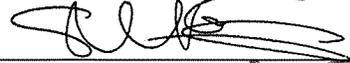
As at June 30, 2020

	2020 Actual	2019 Actual (Restated - Note 16)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	13,659,370	11,981,487
Accounts Receivable		
Due from Province - Ministry of Education	628,990	375,000
Due from First Nations	75,371	93,861
Other (Note 3)	264,082	392,364
Total Financial Assets	14,627,813	12,842,712
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	6,050,439	5,800,615
Unearned Revenue	38,509	
Deferred Revenue (Note 5)	1,723,537	1,546,747
Deferred Capital Revenue (Note 6)	60,149,382	59,638,065
Employee Future Benefits (Note 7)	479,658	381,239
Total Liabilities	68,441,525	67,366,666
Net Debt	(53,813,712)	(54,523,954)
Non-Financial Assets		
Tangible Capital Assets (Note 8)	77,605,668	76,322,871
Prepaid Expenses	975,118	665,738
Total Non-Financial Assets	78,580,786	76,988,609
Accumulated Surplus (Deficit) (Note 16)	24,767,074	22,464,655

Contractual Obligations (Note 11)

Contractual Rights (Note 12)

Approved by the Board

 Signature of the Chairperson of the Board of Education	Sept 20/20 Date Signed
 Signature of the Superintendent	Sept 20/20 Date Signed
 Signature of the Secretary Treasurer	Sept 20/20 Date Signed

School District No. 5 (Southeast Kootenay)

Statement of Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated - Note 16)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	65,308,750	67,781,775	63,679,895
Other	116,228	231,237	194,514
Tuition	519,610		
Other Revenue	2,678,003	2,854,313	3,457,429
Rentals and Leases	200,000	207,297	178,982
Investment Income	48,965	143,721	185,798
Amortization of Deferred Capital Revenue	2,843,589	2,856,382	2,843,594
Total Revenue	<u>71,715,145</u>	<u>74,074,725</u>	<u>70,540,212</u>
Expenses (Note 14)			
Instruction	57,170,371	57,840,986	55,818,473
District Administration	2,199,930	2,207,180	2,318,542
Operations and Maintenance	9,975,599	10,011,441	9,635,686
Transportation and Housing	1,823,316	1,712,699	1,750,461
Total Expense	<u>71,169,216</u>	<u>71,772,306</u>	<u>69,523,162</u>
Surplus (Deficit) for the year	<u>545,929</u>	<u>2,302,419</u>	<u>1,017,050</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		22,464,655	21,447,605
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>24,767,074</u></u>	<u>22,464,655</u>

School District No. 5 (Southeast Kootenay)

Statement of Changes in Net Debt
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated - Note 16)
	\$	\$	\$
Surplus (Deficit) for the year	545,929	2,302,419	1,017,050
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 8)	(1,812,567)	(4,691,839)	(6,334,906)
Amortization of Tangible Capital Assets (Note 8)	3,375,227	3,409,042	3,375,225
Total Effect of change in Tangible Capital Assets	1,562,660	(1,282,797)	(2,959,681)
Acquisition of Prepaid Expenses	(436,549)	(975,118)	(665,738)
Use of Prepaid Expenses	436,549	665,738	436,549
Total Effect of change in Other Non-Financial Assets	-	(309,380)	(229,189)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>2,108,589</u>	710,242	(2,171,820)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		710,242	(2,171,820)
Net Debt, beginning of year		(54,523,954)	(52,352,134)
Net Debt, end of year		<u>(53,813,712)</u>	(54,523,954)

School District No. 5 (Southeast Kootenay)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2020

	2020 Actual	2019 Actual
		(Restated - Note 16)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,302,419	1,017,050
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(107,218)	(473,745)
Prepaid Expenses	(309,380)	(229,190)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	249,825	1,228,785
Unearned Revenue	38,509	
Deferred Revenue	176,790	103,241
Employee Future Benefits	98,418	52,735
Amortization of Tangible Capital Assets	3,409,042	3,375,225
Amortization of Deferred Capital Revenue	(2,856,382)	(2,843,594)
Total Operating Transactions	<u>3,002,023</u>	<u>2,230,507</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,691,839)	(6,334,906)
Total Capital Transactions	<u>(4,691,839)</u>	<u>(6,334,906)</u>
Financing Transactions		
Capital Revenue Received	3,367,699	3,179,931
Total Financing Transactions	<u>3,367,699</u>	<u>3,179,931</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,677,883	(924,468)
Cash and Cash Equivalents, beginning of year	<u>11,981,487</u>	<u>12,905,955</u>
Cash and Cash Equivalents, end of year	<u>13,659,370</u>	<u>11,981,487</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	10,207,255	8,692,753
Cash Equivalents	3,452,115	3,288,734
	<u>13,659,370</u>	<u>11,981,487</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
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. 5 (Southeast Kootenay)", and operates as "School District No. 5 (Southeast Kootenay)." 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.

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(d) and 2(i).

In September 2010, the Province of British Columbia Treasury Board ("Treasury Board") provided directive through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sector to adopt PSA standards of the Canadian Institute of Chartered Accountants ("CICA") without not-for-profit provisions from their first fiscal year commencing after January 1, 2012. In March 2011, PSAB released a new *Section PS 3410 "Government Transfers"*. 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. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Notes 2(d) and 2(i).

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As noted in notes 2 (d) and 2 (i), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2019 - understatement of revenue and annual surplus of \$927,536

June 30, 2019 - understatement of accumulated surplus and an overstatement of deferred capital revenue by \$59,495,336

Year-ended June 30, 2020 - overstatement of revenue and annual surplus of \$109,760

June 30, 2020 - understatement of accumulated surplus and an overstatement of deferred capital revenue by \$59,385,576

b) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments 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) 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 (i).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2 (a) for the impact of this policy on these financial statements.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) 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 prorated 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, 2021. 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. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) 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.

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. 5 (SOUTHEAST KOOTENAY)
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.
- 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.
- 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 Hardware	5 years

h) Prepaid Expenses

Prepaid membership dues, insurance, travel expenses and software licensing fees are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

i) Funds and Reserves

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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 restricted 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. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Expenditures

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

- 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.

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under a personal services contract are categorized as Principals and Vice-Principals.
- Superintendents, Secretary-Treasurers, Exempt Staff, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Financial Instruments

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

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

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

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

Financial instruments have been accounted for prospectively since June 30, 2013 in accordance with public sector accounting standards as described above.

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. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2020	June 30, 2019
Due from Federal Government	\$177,157	\$210,761
Other	86,925	181,603
	\$264,082	\$392,264

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2020	June 30, 2019
Trade payables	\$1,211,822	\$993,189
Salaries and benefits payable	4,838,617	4,807,426
	\$6,050,439	\$5,800,615

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 5 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.

	June 30, 20120	June 30, 2019
Ministry of Education Grants	\$612,636	\$434,058
Province of BC Grants	17,803	17,614
School Generated	293,624	303,585
Scholarships	786,336	791,490
Other	13,138	-
	<u>\$1,723,537</u>	<u>\$1,546,747</u>
	June 30, 2020	June 30, 2019
Balance, beginning of year	\$1,546,747	\$2,405,348
Prior period adjustment – School Generated	-	(961,842)
Balance, beginning of year, restated	<u>1,546,747</u>	<u>1,443,506</u>
Changes for the year:		
Increase: Grants and contributions received		
Provincial	4,166,065	4,191,531
Other	2,092,423	2,680,075
Decrease: Grants and contributions recognized		
Provincial	(3,987,298)	(4,167,656)
Other	(2,094,400)	(2,557,871)
Prior Period Adjustment – School Generated	-	(42,838)
Balance, end of year	<u>\$1,723,537</u>	<u>\$1,546,747</u>

NOTE 6 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.

	June 30, 2020	June 30, 2019
Balance, beginning of year	\$59,638,065	\$59,301,728
Changes for the year:		
Increase:		
Grants and contributions received	3,367,699	3,179,931
Decrease:		
Amortization of deferred capital revenue	(2,856,382)	(2,843,594)
Balance, end of year	<u>\$60,149,382</u>	<u>\$59,638,065</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 7 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.

	June 30, 2020	June 30, 2019
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	771,158	521,423
Service Cost	70,161	42,886
Interest Cost	20,316	14,917
Benefit Payments	(52,998)	(52,235)
Actuarial Loss	13,450	244,167
Accrued Benefit Obligation – March 31	<u>822,087</u>	<u>771,158</u>
Reconciliation of Funded Status at End of Fiscal Year		
Funded Status - Deficit	(822,087)	(771,158)
Employer Contributions After Measurement Date	-	5,838
Benefit Expenses After Measurement Date	(23,454)	(22,618)
Unamortized Net Actuarial Loss	365,883	406,699
Accrued Benefit Liability - June 30	<u>(479,658)</u>	<u>(381,239)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	381,239	328,505
Net Expense for Fiscal Year	145,578	97,834
Employer Contributions	(47,159)	(45,100)
Accrued Benefit Liability - June 30	<u>479,658</u>	<u>381,239</u>
Components of Net Benefit Expense		
Service Cost	71,178	49,704
Interest Cost	20,134	16,267
Amortization of Net Actuarial Loss	54,266	31,863
Net Benefit Expense	<u>145,578</u>	<u>97,834</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 7 EMPLOYEE FUTURE BENEFITS (Continued)

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Discount Rate – April 1	2.50%	2.75%
Discount Rate – March 31	2.25%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.9	10.9

NOTE 8 TANGIBLE CAPITAL ASSETS

June 30, 2020

Cost:	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2020</u>
Sites	\$ 5,987,977	\$	\$	\$ 5,987,977
Buildings	141,968,795	4,154,475		146,123,270
Furniture & Equipment	1,666,836	189,271	153,318	1,702,789
Vehicles	3,628,628	304,917	564,775	3,368,770
Computer Hardware	178,681	43,176	24,977	196,880
Total	\$153,430,917	\$4,691,839	\$743,070	\$157,379,686

Accumulated Amortization:	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2020</u>
Sites	\$	\$	\$	\$
Buildings	74,453,871	2,843,759		77,297,630
Furniture & Equipment	733,394	166,684	153,318	746,760
Vehicles	1,839,921	362,863	564,775	1,638,009
Computer Hardware	80,860	35,736	24,977	91,619
Total	\$77,108,046	\$3,409,042	\$743,070	\$79,774,018

Net Book Value	<u>Net Book Value June 30, 2019</u>	<u>Net Book Value June 30, 2020</u>
Sites	\$ 5,987,977	\$ 5,987,977
Buildings	67,514,924	68,825,640
Furniture & Equipment	933,442	956,029
Vehicles	1,788,707	1,730,761
Computer Hardware	97,821	105,261
Total	\$76,322,871	\$77,605,668

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 8 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2019

Cost:	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
Sites	\$ 5,987,977	\$	\$	\$ 5,987,977
Buildings	136,222,719	5,746,076		141,968,795
Furniture & Equipment	2,112,571	152,809	598,544	1,666,836
Vehicles	3,460,494	410,445	242,311	3,628,628
Computer Hardware	471,307	25,576	318,202	178,681
Total	\$148,255,068	\$6,334,906	\$1,159,057	\$153,430,917

Accumulated Amortization:	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
Sites	\$	\$	\$	\$
Buildings	71,730,211	2,723,660		74,453,871
Furniture & Equipment	1,120,681	211,257	598,544	733,394
Vehicles	1,736,186	346,046	242,311	1,839,921
Computer Hardware	304,800	94,262	318,202	80,860
Total	\$74,891,878	\$3,375,225	\$1,159,057	\$77,108,046

Net Book Value	Net Book Value June 30, 2018	Net Book Value June 30, 2019
Sites	\$ 5,987,977	\$ 5,987,977
Buildings	64,492,508	67,514,924
Furniture & Equipment	991,890	933,442
Vehicles	1,724,308	1,788,707
Computer Hardware	166,507	97,821
Total	\$73,363,190	\$76,322,871

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 9 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2019 the Teachers' Pension Plan has about 49,000 active members from school districts, and approximately 39,000 retired members from school districts. As of December 31, 2019 the Municipal Pension Plan has about 213,000 active members, of which approximately 27,000 are 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 latest actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits. 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 next valuation will be December 31, 2020, with results available in 2021.

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 will be 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 plans 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. 5 (Southeast Kootenay) expensed \$4,805,072 (2019- \$4,845,686) for employer contributions to these plans in the year ended June 30, 2020.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

NOTE 10 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 11 CONTRACTUAL OBLIGATIONS

Lease Commitments:

The School District has equipment under operating leases. Lease commitments over the next two years are due as follows:

Fiscal Year	Amount
2020-21	\$ 74,332
2021-22	\$ 2,022

NOTE 12 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 lease. The following table summarizes the contractual rights of the School District for future revenue.

Fiscal Year	Amount
2020-21	\$ 167,271

NOTE 13 CONTINGENCIES

In the ordinary course of operations, the School District has legal proceedings brought against it which remain outstanding at the year end. It is the opinion of management that final determination of these claims will not have material effect on the financial position or operations of the School District.

NOTE 14 EXPENSE BY OBJECT

	June 30, 2020	June 30, 2019
Salaries and benefits	\$59,024,965	\$56,022,221
Services and supplies	9,303,052	10,087,516
Scholarships	35,247	38,200
Amortization	3,409,042	3,375,225
	<u>\$71,772,306</u>	<u>\$69,523,162</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Appropriations Summary	June 2020	June 2019 (Restated)
<u>Special Education</u>		
- District Summary	\$ 504,995	\$ 344,465
- Itinerant Summary 707	94,295	(7,850)
	<hr/>	<hr/>
	599,290	336,615
<u>Schools</u>		
- Operating	194,708	42,940
- Learning Resources	104,259	52,547
- Growth Plans	56,818	43,620
- School Based Special Ed	101,437	83,571
	<hr/>	<hr/>
	457,222	222,678
<u>Other appropriations</u>		
Contractual Pro-D	119,956	90,850
Aboriginal Education 131	350,933	120,647
Technology Program 701	353,813	56,381
Student Learning 702	17,485	13,569
Education Accounts 703	57,488	81,659
Resource Center 704	-	(10,446)
Education Plan 708	85	(23,210)
Capital support fund - Major Projects	600,000	600,000
Capital support fund - Kootenay Learning Campus	-	600,000
Employee Pro-D	120,000	-
School Generated Funds (Note 16)	1,036,807	1,004,680
Capital Expansion – IDES	500,000	-
Covid-19 Related Costs	250,000	-
Operating Projects	141,972	125,551
Transportation Fund	547,806	531,590
5 year Technology Plan	400,000	500,000
	<hr/>	<hr/>
Appropriations - Restricted	\$5,552,857	\$4,250,564
 <u>Surplus Summary June 2020</u>		
Surplus Beginning of year	\$4,712,828	\$4,454,132
Surplus/Deficit for year	2,723,132	2,258,696
Transfer to Local Capital	(1,200,000)	(2,000,000)
	<hr/>	<hr/>
Accumulated Surplus	\$6,235,960	\$4,712,828
Appropriations - Restricted	\$5,552,857	\$4,250,564
Appropriations - Unrestricted	683,103	462,264
	<hr/>	<hr/>
Accumulated Surplus	\$6,235,960	\$4,712,828

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 16 PRIOR PERIOD ADJUSTMENT

The School District has determined that the deferred revenue prior to June 30, 2019 year ends for school generated funds under special purpose funds has been overstated due to the inclusion of internally restricted funds held at each school.

As a result, a prior period adjustment was made to allocate the internally restricted funds of \$1,004,680 from deferred revenue to operating surplus (Note 5).

As at July 1, 2018, an adjustment of \$961,842 was made to decrease deferred revenue and increase the operating surplus, beginning of year.

As at June 30, 2019, an additional adjustment of \$42,838 was made to decrease the deferred revenue and increase the other income.

Following table details the prior period adjustments to accumulated surplus:

	June 30, 2019
Accumulated Surplus, beginning of year	\$20,485,763
Prior period adjustment	<u>961,842</u>
Accumulated Surplus, beginning of year, restated	21,447,605
Surplus, for the year	974,212
Prior period adjustment to other income	<u>42,838</u>
Accumulated Surplus, end of the year, restated	<u><u>\$22,464,655</u></u>

NOTE 17 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 18 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit 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 recognized British Columbia institutions and the School District invests solely in term deposits.

b) 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.



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Cranbrook, BC V1C 2M9 Canada

Notice to Reader

Management has compiled the supplementary schedules of School District No. 5 (Southeast Kootenay) for the year ended June 30, 2020 and are for the purpose of additional analysis and are not a required part of the financial statements.

We have not performed an audit or a review engagement in respect to this financial information and, accordingly, we express no assurance thereon.

Readers are cautioned that this financial information may not be appropriate for their purposes.

BDO Canada LLP

Chartered Professional Accountants

September 22, 2020
Cranbrook, BC

School District No. 5 (Southeast Kootenay)

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 (Restated - Note 16)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,712,828		17,751,827	22,464,655	20,485,763
Prior Period Adjustments					961,842
Accumulated Surplus (Deficit), beginning of year, as restated	4,712,828	-	17,751,827	22,464,655	21,447,605
Changes for the year					
Surplus (Deficit) for the year	2,723,132	124,421	(545,134)	2,302,419	1,017,050
Interfund Transfers					
Tangible Capital Assets Purchased		(124,421)	124,421	-	
Local Capital	(1,200,000)		1,200,000	-	
Net Changes for the year	1,523,132	-	779,287	2,302,419	1,017,050
Accumulated Surplus (Deficit), end of year - Statement 2	6,235,960	-	18,531,114	24,767,074	22,464,655

School District No. 5 (Southeast Kootenay)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated - Note 16)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	61,461,085	63,904,452	59,643,464
Other		121,262	85,900
Tuition	519,610		
Other Revenue	361,284	780,456	922,063
Rentals and Leases	200,000	207,297	178,982
Investment Income	33,965	115,652	112,970
Total Revenue	62,575,944	65,129,119	60,943,379
Expenses			
Instruction	51,284,326	51,886,492	49,317,061
District Administration	2,167,930	2,207,180	2,318,542
Operations and Maintenance	6,600,372	6,602,399	6,260,461
Transportation and Housing	1,823,316	1,709,916	1,750,461
Total Expense	61,875,944	62,405,987	59,646,525
Operating Surplus (Deficit) for the year	700,000	2,723,132	1,296,854
Net Transfers (to) from other funds			
Local Capital	(700,000)	(1,200,000)	(2,000,000)
Total Net Transfers	(700,000)	(1,200,000)	(2,000,000)
Total Operating Surplus (Deficit), for the year	-	1,523,132	(703,146)
Operating Surplus (Deficit), beginning of year		4,712,828	4,454,132
Prior Period Adjustments			
Adjustment for SGF balance as at June 30, 2018			961,842
Operating Surplus (Deficit), beginning of year, as restated		4,712,828	5,415,974
Operating Surplus (Deficit), end of year		6,235,960	4,712,828
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 15)		5,552,857	4,250,564
Unrestricted		683,103	462,264
Total Operating Surplus (Deficit), end of year		6,235,960	4,712,828

School District No. 5 (Southeast Kootenay)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated - Note 16)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	60,273,068	61,749,031	58,582,332
ISC/LEA Recovery	(245,484)	(209,965)	(223,097)
Other Ministry of Education Grants			
Pay Equity	457,171	457,171	457,171
Funding for Graduated Adults		22,074	14,089
Transportation Supplement	361,459	361,459	361,459
Economic Stability Dividend			63,550
Carbon Tax Grant	80,000	94,835	94,835
Employer Health Tax Grant	473,691	473,691	143,945
Support Staff Benefits Grant	52,993	68,257	52,993
Support Staff Wage Increase Funding		248,912	
Teachers' Labour Settlement Funding		623,582	
FSA	8,187	8,187	8,187
Growing Innovations		5,000	55,000
Early Action Initiatives			33,000
Early Learning Framework		2,218	
Total Provincial Grants - Ministry of Education	61,461,085	63,904,452	59,643,464
Provincial Grants - Other		121,262	85,900
Tuition			
International and Out of Province Students	519,610		
Total Tuition	519,610	-	-
Other Revenues			
Other School District/Education Authorities		379,652	447,155
Funding from First Nations	245,484	209,965	223,097
Miscellaneous			
Miscellaneous	10,000	108,394	57,375
Courtesy Riders		12,518	13,798
Art Start	10,800	10,800	10,800
Health Promoting Schools	27,000	27,000	27,000
BC PSEA Benefit Reserve			100,000
ITA	68,000		
Unrestricted Portion of School Generated Funds		32,127	42,838
Total Other Revenue	361,284	780,456	922,063
Rentals and Leases	200,000	207,297	178,982
Investment Income	33,965	115,652	112,970
Total Operating Revenue	62,575,944	65,129,119	60,943,379

School District No. 5 (Southeast Kootenay)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated - Note 16)
	\$	\$	\$
Salaries			
Teachers	25,435,826	25,801,992	24,151,950
Principals and Vice Principals	4,202,108	4,236,482	4,186,125
Educational Assistants	4,658,529	5,335,931	4,738,184
Support Staff	5,445,230	5,313,499	5,151,387
Other Professionals	1,896,323	1,884,339	1,875,998
Substitutes	2,000,238	2,138,213	2,189,259
Total Salaries	43,638,254	44,710,456	42,292,903
Employee Benefits	10,737,091	10,801,005	10,163,228
Total Salaries and Benefits	54,375,345	55,511,461	52,456,131
Services and Supplies			
Services	1,986,783	1,975,663	2,268,375
Student Transportation	137,292	77,868	121,524
Professional Development and Travel	741,739	543,908	690,348
Rentals and Leases	69,150	92,814	69,070
Dues and Fees	61,900	56,672	65,085
Insurance	151,600	137,507	126,923
Supplies	3,078,531	2,768,584	2,715,950
Utilities	1,273,604	1,241,510	1,133,119
Total Services and Supplies	7,500,599	6,894,526	7,190,394
Total Operating Expense	61,875,944	62,405,987	59,646,525

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,064,350	1,163,788		328,605	60,556	1,270,195	23,887,494
1.03 Career Programs	80,560					4,270	84,830
1.07 Library Services	694,212			133,828		34,352	862,392
1.08 Counselling	860,020					36,640	896,660
1.10 Special Education	2,990,060	129,469	4,701,145	20,005	474,501	497,309	8,812,489
1.30 English Language Learning	112,790					4,810	117,600
1.31 Indigenous Education		75,013	634,786		95,437	3,543	808,779
1.41 School Administration		2,741,294		917,282		83,429	3,742,005
Total Function 1	25,801,992	4,109,564	5,335,931	1,399,720	630,494	1,934,548	39,212,249
4 District Administration							
4.11 Educational Administration		126,918			201,500	23,352	351,770
4.40 School District Governance					133,091		133,091
4.41 Business Administration				209,861	747,057	2,767	959,685
Total Function 4	-	126,918	-	209,861	1,081,648	26,119	1,444,546
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				66,862	118,364	70,129	255,355
5.50 Maintenance Operations				2,727,906		63,005	2,790,911
5.52 Maintenance of Grounds				59,297			59,297
5.56 Utilities							-
Total Function 5	-	-	-	2,854,065	118,364	133,134	3,105,563
7 Transportation and Housing							
7.41 Transportation and Housing Administration					53,833		53,833
7.70 Student Transportation				849,853		44,412	894,265
Total Function 7	-	-	-	849,853	53,833	44,412	948,098
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	25,801,992	4,236,482	5,335,931	5,313,499	1,884,339	2,138,213	44,710,456

School District No. 5 (Southeast Kootenay)

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 (Restated - Note 16)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	23,887,494	5,564,026	29,451,520	2,486,138	31,937,658	31,394,726	30,563,147
1.03 Career Programs	84,830	20,010	104,840	45,270	150,110	182,576	174,515
1.07 Library Services	862,392	218,749	1,081,141	107,383	1,188,524	1,152,247	1,134,707
1.08 Counselling	896,660	213,560	1,110,220	4,368	1,114,588	1,113,200	1,116,001
1.10 Special Education	8,812,489	2,234,442	11,046,931	262,680	11,309,611	11,096,607	10,453,834
1.30 English Language Learning	117,600	28,000	145,600	7,300	152,900	152,900	153,890
1.31 Indigenous Education	808,779	233,673	1,042,452	232,243	1,274,695	1,391,889	1,197,597
1.41 School Administration	3,742,005	913,681	4,655,686	102,720	4,758,406	4,800,181	4,523,370
Total Function 1	39,212,249	9,426,141	48,638,390	3,248,102	51,886,492	51,284,326	49,317,061
4 District Administration							
4.11 Educational Administration	351,770	77,344	429,114	103,936	533,050	556,723	552,723
4.40 School District Governance	133,091	6,007	139,098	104,988	244,086	242,410	273,972
4.41 Business Administration	959,685	234,593	1,194,278	235,766	1,430,044	1,368,797	1,491,847
Total Function 4	1,444,546	317,944	1,762,490	444,690	2,207,180	2,167,930	2,318,542
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	255,355	55,649	311,004	178,955	489,959	348,979	319,524
5.50 Maintenance Operations	2,790,911	735,801	3,526,712	987,812	4,514,524	4,621,102	4,516,287
5.52 Maintenance of Grounds	59,297	15,268	74,565	281,841	356,406	356,687	291,531
5.56 Utilities	-	-	-	1,241,510	1,241,510	1,273,604	1,133,119
Total Function 5	3,105,563	806,718	3,912,281	2,690,118	6,602,399	6,600,372	6,260,461
7 Transportation and Housing							
7.41 Transportation and Housing Administration	53,833	11,859	65,692	440	66,132	71,936	65,757
7.70 Student Transportation	894,265	238,343	1,132,608	511,176	1,643,784	1,751,380	1,684,704
Total Function 7	948,098	250,202	1,198,300	511,616	1,709,916	1,823,316	1,750,461
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	44,710,456	10,801,005	55,511,461	6,894,526	62,405,987	61,875,944	59,646,525

School District No. 5 (Southeast Kootenay)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

Schedule 3 (Unaudited)

	2020 Budget	2020 Actual	2019 Actual (Restated - Note 16)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	3,847,665	3,877,323	4,036,431
Other	116,228	109,975	108,614
Other Revenue	2,316,719	2,073,857	2,535,366
Investment Income		20,543	22,505
Total Revenue	<u>6,280,612</u>	<u>6,081,698</u>	<u>6,702,916</u>
Expenses			
Instruction	5,886,045	5,954,494	6,501,412
District Administration	32,000		
Transportation and Housing		2,783	
Total Expense	<u>5,918,045</u>	<u>5,957,277</u>	<u>6,501,412</u>
Special Purpose Surplus (Deficit) for the year	<u>362,567</u>	<u>124,421</u>	<u>201,504</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(362,567)	(124,421)	(201,504)
Total Net Transfers	<u>(362,567)</u>	<u>(124,421)</u>	<u>(201,504)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 5 (Southeast Kootenay)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	368,405		791,490	21,935	1,308,265		1,356	21,790	577
Prior Period Adjustment for Internally Restricted Transfer					(1,004,680)				
Deferred Revenue, beginning of year, as restated	368,405	-	791,490	21,935	303,585	-	1,356	21,790	577
Add: Restricted Grants									
Provincial Grants - Ministry of Education	286,997	225,410				128,632	27,339	144,131	361,913
Provincial Grants - Other									
Other			9,550		2,014,865				
Investment Income			20,543						
	286,997	225,410	30,093	-	2,014,865	128,632	27,339	144,131	361,913
Less: Allocated to Revenue	142,743	225,410	35,247	21,935	2,024,826	116,812	13,196	131,204	362,490
Recovered									
Deferred Revenue, end of year	512,659	-	786,336	-	293,624	11,820	15,499	34,717	-
Revenues									
Provincial Grants - Ministry of Education	142,743	225,410		21,935		116,812	13,196	131,204	362,490
Provincial Grants - Other									
Other Revenue			14,704		2,024,826				
Investment Income			20,543						
	142,743	225,410	35,247	21,935	2,024,826	116,812	13,196	131,204	362,490
Expenses									
Salaries									
Teachers								31,560	
Educational Assistants		184,450						20,547	266,686
Support Staff									
Other Professionals				16,890					
Substitutes							630	2,221	
	-	184,450	-	16,890	-	-	630	54,328	266,686
Employee Benefits		40,960		5,045				16,585	80,006
Services and Supplies	18,322				2,024,826	116,812	12,566	60,291	15,798
Scholarships			35,247						
	18,322	225,410	35,247	21,935	2,024,826	116,812	13,196	131,204	362,490
Net Revenue (Expense) before Interfund Transfers	124,421	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(124,421)								
	(124,421)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 5 (Southeast Kootenay)

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

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	MCF Programs	CBT Plays	Clear Sky Summit
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	3,727		16,268				17,614		
Prior Period Adjustment for Internally Restricted Transfer									
Deferred Revenue, beginning of year, as restated	3,727	-	16,268	-	-	-	17,614	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	166,975	2,636,298	52,179	2,783	28,500	14,739			
Provincial Grants - Other							110,164		
Other								43,465	4,000
Investment Income									
	166,975	2,636,298	52,179	2,783	28,500	14,739	110,164	43,465	4,000
Less: Allocated to Revenue	160,056	2,636,298	52,179	2,783	362	11,855	109,975	30,327	4,000
Recovered	3,727		16,268						
Deferred Revenue, end of year	6,919	-	-	-	28,138	2,884	17,803	13,138	-
Revenues									
Provincial Grants - Ministry of Education	160,056	2,636,298	52,179	2,783	362	11,855			
Provincial Grants - Other							109,975		
Other Revenue								30,327	4,000
Investment Income									
	160,056	2,636,298	52,179	2,783	362	11,855	109,975	30,327	4,000
Expenses									
Salaries									
Teachers		2,051,039							
Educational Assistants									
Support Staff	38,185								
Other Professionals							82,095		
Substitutes		84,362	40,178			6,598			
	38,185	2,135,401	40,178	-	-	6,598	82,095	-	-
Employee Benefits	11,079	500,897	12,001			1,970	19,520		
Services and Supplies	110,792			2,783	362	3,287	8,360	30,327	4,000
Scholarships									
	160,056	2,636,298	52,179	2,783	362	11,855	109,975	30,327	4,000
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 5 (Southeast Kootenay)

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

	<u>TOTAL</u>
	\$
Deferred Revenue, beginning of year	2,551,427
Prior Period Adjustment for Internally Restricted Transfer	(1,004,680)
Deferred Revenue, beginning of year, as restated	<u>1,546,747</u>
Add: Restricted Grants	
Provincial Grants - Ministry of Education	4,075,896
Provincial Grants - Other	110,164
Other	2,071,880
Investment Income	20,543
	<u>6,278,483</u>
Less: Allocated to Revenue	6,081,698
Recovered	19,995
Deferred Revenue, end of year	<u><u>1,723,537</u></u>
Revenues	
Provincial Grants - Ministry of Education	3,877,323
Provincial Grants - Other	109,975
Other Revenue	2,073,857
Investment Income	20,543
	<u>6,081,698</u>
Expenses	
Salaries	
Teachers	2,082,599
Educational Assistants	471,683
Support Staff	38,185
Other Professionals	98,985
Substitutes	133,989
	<u>2,825,441</u>
Employee Benefits	688,063
Services and Supplies	2,408,526
Scholarships	35,247
	<u>5,957,277</u>
Net Revenue (Expense) before Interfund Transfers	<u>124,421</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(124,421)
	<u>(124,421)</u>
Net Revenue (Expense)	<u><u>-</u></u>

School District No. 5 (Southeast Kootenay)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual (Restated - Note 16)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	15,000		7,526	7,526	50,323
Amortization of Deferred Capital Revenue	2,843,589	2,856,382		2,856,382	2,843,594
Total Revenue	2,858,589	2,856,382	7,526	2,863,908	2,893,917
Expenses					
Amortization of Tangible Capital Assets Operations and Maintenance	3,375,227	3,409,042		3,409,042	3,375,225
Total Expense	3,375,227	3,409,042	-	3,409,042	3,375,225
Capital Surplus (Deficit) for the year	(516,638)	(552,660)	7,526	(545,134)	(481,308)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	362,567	124,421		124,421	201,504
Local Capital	700,000		1,200,000	1,200,000	2,000,000
Total Net Transfers	1,062,567	124,421	1,200,000	1,324,421	2,201,504
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,820,796	(1,820,796)	-	
Total Other Adjustments to Fund Balances		1,820,796	(1,820,796)	-	
Total Capital Surplus (Deficit) for the year	545,929	1,392,557	(613,270)	779,287	1,720,196
Capital Surplus (Deficit), beginning of year		16,827,535	924,292	17,751,827	16,031,631
Capital Surplus (Deficit), end of year		18,220,092	311,022	18,531,114	17,751,827

School District No. 5 (Southeast Kootenay)

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	5,987,977	141,968,795	1,666,836	3,628,628		178,681	153,430,917
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,128,503		304,917			2,433,420
Deferred Capital Revenue - Other		302,248	10,954				313,202
Special Purpose Funds		124,421					124,421
Local Capital		1,599,303	178,317			43,176	1,820,796
	-	4,154,475	189,271	304,917	-	43,176	4,691,839
Decrease:							
Deemed Disposals			153,318	564,775		24,977	743,070
	-	-	153,318	564,775	-	24,977	743,070
Cost, end of year	5,987,977	146,123,270	1,702,789	3,368,770	-	196,880	157,379,686
Work in Progress, end of year							-
Cost and Work in Progress, end of year	5,987,977	146,123,270	1,702,789	3,368,770	-	196,880	157,379,686
Accumulated Amortization, beginning of year		74,453,871	733,394	1,839,921		80,860	77,108,046
Changes for the Year							
Increase: Amortization for the Year		2,843,759	166,684	362,863		35,736	3,409,042
Decrease:							
Deemed Disposals			153,318	564,775		24,977	743,070
			-	153,318	-	24,977	743,070
Accumulated Amortization, end of year		77,297,630	746,760	1,638,009	-	91,619	79,774,018
Tangible Capital Assets - Net	5,987,977	68,825,640	956,029	1,730,761	-	105,261	77,605,668

School District No. 5 (Southeast Kootenay)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	56,471,382	2,299,484	724,470	59,495,336
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,433,420	815	312,387	2,746,622
	<u>2,433,420</u>	<u>815</u>	<u>312,387</u>	<u>2,746,622</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,744,039	72,706	39,637	2,856,382
	<u>2,744,039</u>	<u>72,706</u>	<u>39,637</u>	<u>2,856,382</u>
Net Changes for the Year	<u>(310,619)</u>	<u>(71,891)</u>	<u>272,750</u>	<u>(109,760)</u>
Deferred Capital Revenue, end of year	<u>56,160,763</u>	<u>2,227,593</u>	<u>997,220</u>	<u>59,385,576</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>56,160,763</u>	<u>2,227,593</u>	<u>997,220</u>	<u>59,385,576</u>

School District No. 5 (Southeast Kootenay)

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	980	61,931	23,584	-	56,234	142,729
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,735,613					2,735,613
Other					629,938	629,938
Investment Income		2,148				2,148
Transfer project surplus to MEd Restricted (from) Bylaw	(301,520)	301,520				-
	<u>2,434,093</u>	<u>303,668</u>	<u>-</u>	<u>-</u>	<u>629,938</u>	<u>3,367,699</u>
Decrease:						
Transferred to DCR - Capital Additions	2,433,420		815		312,387	2,746,622
	<u>2,433,420</u>	<u>-</u>	<u>815</u>	<u>-</u>	<u>312,387</u>	<u>2,746,622</u>
Net Changes for the Year	<u>673</u>	<u>303,668</u>	<u>(815)</u>	<u>-</u>	<u>317,551</u>	<u>621,077</u>
Balance, end of year	<u>1,653</u>	<u>365,599</u>	<u>22,769</u>	<u>-</u>	<u>373,785</u>	<u>763,806</u>