

Audited Financial Statements of

School District No. 33 (Chilliwack)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 33 (Chilliwack)

June 30, 2020

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School District No. 33 (Chilliwack)

MANAGEMENT REPORT

Version: 5091-4345-2362

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 33 (Chilliwack) 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.


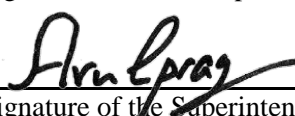
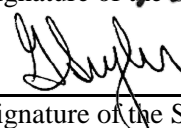
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 33 (Chilliwack) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG, 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. 33 (Chilliwack) 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. 33 (Chilliwack)

| | |
|---|--------------------|
|  | September 15, 2020 |
| Signature of the Chairperson of the Board of Education | Date Signed |
|  | September 15, 2020 |
| Signature of the Superintendent | Date Signed |
|  | September 15, 2020 |
| Signature of the Secretary Treasurer | Date Signed |



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Telephone (604) 854-2200
Fax (604) 853-2756

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 33 (Chilliwack), and
To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 33 (Chilliwack) (the Entity), which comprise:

- the statement of financial position as at June 30, 2020
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2020 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2 to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



Other Information

Management is responsible for the other information. Other information comprises:

- Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document
- Unaudited Schedules 1-4 attached to the audited financial statements

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis and unaudited schedules as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

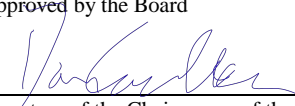
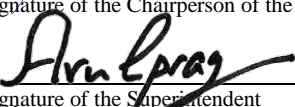
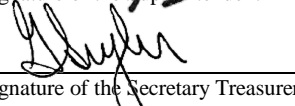
Abbotsford, Canada
September 15, 2020

School District No. 33 (Chilliwack)

Statement 1

Statement of Financial Position

As at June 30, 2020

| | 2020 Actual | 2019 Actual |
|---|----------------------|----------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash and Cash Equivalents | 32,347,549 | 28,053,907 |
| Accounts Receivable | | |
| Due from Province - Ministry of Education | 1,248,387 | 124,961 |
| Due from First Nations | 167,765 | 83,132 |
| Other (Note 3) | 199,902 | 192,186 |
| Total Financial Assets | 33,963,603 | 28,454,186 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | | |
| Other (Note 4) | 18,414,475 | 14,125,012 |
| Unearned Revenue (Note 5) | 716,681 | 1,263,882 |
| Deferred Revenue (Note 6) | 1,473,638 | 1,373,105 |
| Deferred Capital Revenue (Note 7) | 168,825,894 | 162,672,825 |
| Employee Future Benefits (Note 8) | 3,832,170 | 3,625,502 |
| Other Liabilities | 544,076 | 963,023 |
| Total Liabilities | 193,806,934 | 184,023,349 |
| Net Debt | (159,843,331) | (155,569,163) |
| Non-Financial Assets | | |
| Tangible Capital Assets (Note 9) | 230,798,095 | 224,983,765 |
| Restricted Assets (Endowments) (Note 11) | 73,261 | 73,261 |
| Prepaid Expenses | 447,956 | 647,240 |
| Total Non-Financial Assets | 231,319,312 | 225,704,266 |
| Accumulated Surplus (Deficit) (Note 18) | 71,475,981 | 70,135,103 |
| Contractual Obligations (Note 15) | | |
| Contingent Liabilities (Note 16) | | |
| Approved by the Board | | |
|  | September 15, 2020 | |
| Signature of the Chairperson of the Board of Education | Date Signed | |
|  | September 15, 2020 | |
| Signature of the Superintendent | Date Signed | |
|  | September 15, 2020 | |
| Signature of the Secretary Treasurer | Date Signed | |

School District No. 33 (Chilliwack)

Statement 2

Statement of Operations

Year Ended June 30, 2020

| | 2020 Budget (Note 14) | 2020 Actual | 2019 Actual |
|---|-----------------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 144,821,716 | 146,689,435 | 142,993,558 |
| Other | 150,000 | 291,892 | 234,490 |
| Tuition | 1,557,521 | 1,635,323 | 1,430,146 |
| Other Revenue | 6,085,516 | 5,730,402 | 6,743,670 |
| Rentals and Leases | 430,000 | 368,715 | 430,214 |
| Investment Income | 489,000 | 420,490 | 508,026 |
| Amortization of Deferred Capital Revenue | 7,001,083 | 6,999,303 | 6,912,028 |
| Total Revenue | 160,534,836 | 162,135,560 | 159,252,132 |
| Expenses | | | |
| Instruction | 129,228,655 | 128,511,721 | 124,921,202 |
| District Administration | 4,458,635 | 4,442,711 | 4,598,648 |
| Operations and Maintenance | 23,453,582 | 23,815,412 | 23,834,813 |
| Transportation and Housing | 4,192,781 | 4,024,838 | 3,761,307 |
| Total Expense | 161,333,653 | 160,794,682 | 157,115,970 |
| Surplus (Deficit) for the year | (798,817) | 1,340,878 | 2,136,162 |
| Accumulated Surplus (Deficit) from Operations, beginning of year | | 70,135,103 | 67,998,941 |
| Accumulated Surplus (Deficit) from Operations, end of year | | 71,475,981 | 70,135,103 |

School District No. 33 (Chilliwack)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2020

| | 2020 Budget (Note 14) | 2020 Actual | 2019 Actual |
|---|-----------------------------|-----------------------------|-----------------------------|
| | \$ | \$ | \$ |
| Surplus (Deficit) for the year | <u>(798,817)</u> | <u>1,340,878</u> | <u>2,136,162</u> |
| Effect of change in Tangible Capital Assets | | | |
| Acquisition of Tangible Capital Assets | | (13,926,014) | (14,992,651) |
| Amortization of Tangible Capital Assets | 8,116,922 | 8,111,684 | 8,011,679 |
| From Local Capital | (1,201,300) | | |
| From Deferred Capital Revenue | (1,652,933) | | |
| Total Effect of change in Tangible Capital Assets | <u>5,262,689</u> | <u>(5,814,330)</u> | <u>(6,980,972)</u> |
| Acquisition of Prepaid Expenses | | (447,956) | (647,240) |
| Use of Prepaid Expenses | | 647,240 | 470,210 |
| Total Effect of change in Other Non-Financial Assets | <u>-</u> | <u>199,284</u> | <u>(177,030)</u> |
| (Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses) | <u>4,463,872</u> | <u>(4,274,168)</u> | <u>(5,021,840)</u> |
| Net Remeasurement Gains (Losses) | | | |
| (Increase) Decrease in Net Debt | | <u>(4,274,168)</u> | <u>(5,021,840)</u> |
| Net Debt, beginning of year | | <u>(155,569,163)</u> | <u>(150,547,323)</u> |
| Net Debt, end of year | | <u><u>(159,843,331)</u></u> | <u><u>(155,569,163)</u></u> |

School District No. 33 (Chilliwack)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

| | 2020 Actual | 2019 Actual |
|---|---------------------|----------------|
| | \$ | \$ |
| Operating Transactions | | |
| Surplus (Deficit) for the year | 1,340,878 | 2,136,162 |
| Changes in Non-Cash Working Capital | | |
| Decrease (Increase) | | |
| Accounts Receivable | (1,215,775) | 1,227,330 |
| Prepaid Expenses | 199,284 | (177,030) |
| Increase (Decrease) | | |
| Accounts Payable and Accrued Liabilities | 4,289,463 | 113,106 |
| Unearned Revenue | (547,201) | 66,280 |
| Deferred Revenue | 100,533 | (666,279) |
| Employee Future Benefits | 206,668 | 106,606 |
| Other Liabilities | (418,947) | 28,442 |
| Amortization of Tangible Capital Assets | 8,111,684 | 8,011,679 |
| Amortization of Deferred Capital Revenue | (6,999,303) | (6,912,028) |
| Recognition of Deferred Capital Revenue Spent on Sites | | (4,944,048) |
| Bylaw Capital Spent on Non Capital Items | (2,106,229) | (1,389,245) |
| Total Operating Transactions | 2,961,055 | (2,399,025) |
| Capital Transactions | | |
| Tangible Capital Assets Purchased | (2,480,029) | (12,997,184) |
| Tangible Capital Assets -WIP Purchased | (11,445,985) | (1,995,467) |
| Total Capital Transactions | (13,926,014) | (14,992,651) |
| Financing Transactions | | |
| Capital Revenue Received | 15,258,601 | 15,249,407 |
| Total Financing Transactions | 15,258,601 | 15,249,407 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 4,293,642 | (2,142,269) |
| Cash and Cash Equivalents, beginning of year | 28,053,907 | 30,196,176 |
| Cash and Cash Equivalents, end of year | 32,347,549 | 28,053,907 |
| Cash and Cash Equivalents, end of year, is made up of: | | |
| Cash | 32,347,549 | 28,053,907 |
| | 32,347,549 | 28,053,907 |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 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. No. 33 (Chilliwack)", and operates as "School District No. 33 (Chilliwack)." 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. 33 (Chilliwack) 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

The financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia* supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The *Budget Transparency and Accountability Act* requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (cont'd)

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

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

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

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

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

b) Cash and Cash Equivalents

Cash and cash equivalents include deposits in the Provincial Ministry of Finance Central Deposit Program that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value. These cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) Deferred Revenue and Deferred Capital Revenue

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

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.

f) Liability for Contaminated Sites

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

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

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

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

h) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Tangible Capital Assets (cont'd)

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

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

i) Prepaid Expenses

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

Materials and supplies held 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.

j) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 12 – Interfund Transfers and Note 18 – Accumulated Surplus).

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) 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.

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. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Expenses

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenses 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.

m) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

n) Financial Instruments

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

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

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

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Financial Instruments (cont'd)

incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

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.

o) 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.

p) 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, 2022. A liability will be recognized when, as at the financial reporting date:

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

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

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Future Changes in Accounting Policies (cont'd)

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.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|-------------------|----------------------|----------------------|
| Trade receivables | \$ 87,019 | \$ 109,972 |
| GST receivable | 106,864 | 76,241 |
| Rent receivable | 2,205 | 3,181 |
| Other | <u>3,814</u> | <u>2,792</u> |
| | <u>\$ 199,902</u> | <u>\$ 192,186</u> |

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|-------------------------------|----------------------|----------------------|
| Trade payables | \$ 2,411,033 | \$ 959,537 |
| Salaries and benefits payable | 13,940,828 | 11,958,558 |
| Accrued vacation pay | 646,533 | 554,095 |
| Construction holdbacks | 941,100 | - |
| Other | <u>474,981</u> | <u>652,822</u> |
| | <u>\$ 18,414,475</u> | <u>\$ 14,125,012</u> |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 5 UNEARNED REVENUE

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|----------------------------|----------------------|----------------------|
| Balance, beginning of year | \$ 1,263,882 | \$ 1,197,602 |
| Increase: | | |
| Tuition fees collected | 1,088,122 | 1,496,426 |
| Decrease: | | |
| Tuition fees recognized | <u>1,635,323</u> | <u>1,430,146</u> |
| Balance, end of year | <u>\$ 716,681</u> | <u>\$ 1,263,882</u> |

NOTE 6 DEFERRED REVENUE

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

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|---|----------------------|----------------------|
| Balance, beginning of year | \$ 1,373,105 | \$ 2,039,384 |
| Increase: Contributions received | | |
| Provincial Grants – Ministry of Education | 10,343,756 | 8,651,986 |
| Provincial Grants - Other | 66,000 | 15,598 |
| Other | 3,003,489 | 3,594,719 |
| Investment income | <u>28,277</u> | <u>33,380</u> |
| | <u>13,441,522</u> | <u>12,295,683</u> |
| Decrease: | | |
| Expenses | <u>13,340,989</u> | <u>12,961,962</u> |
| | <u>13,340,989</u> | <u>12,961,962</u> |
| Net changes for the year | <u>100,533</u> | <u>(666,279)</u> |
| Balance, end of year | <u>\$ 1,473,638</u> | <u>\$ 1,373,105</u> |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 7 DEFERRED CAPITAL REVENUE

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

| | Deferred Capital 2020 | Unspent Capital 2020 | Total Deferred Capital Revenue 2020 | Total Deferred Capital Revenue 2019 |
|--|-----------------------------|----------------------------|---|---|
| Balance, beginning of year | \$159,161,535 | \$3,511,290 | \$162,672,825 | \$160,668,739 |
| Increase: | | | | |
| Transfer from Unspent – Capital Additions | 1,331,519 | | 1,331,519 | 6,553,093 |
| Transfer from Unspent – Work in Progress | 11,445,985 | | 11,445,985 | 1,995,467 |
| Transfer from Deferred Capital Revenue – Work in Progress | | | - | 4,307,251 |
| Provincial Grants – Ministry of Education | | 14,812,208 | 14,812,208 | 14,481,125 |
| Other Income | | 446,393 | 446,393 | 768,282 |
| | 12,777,504 | 15,258,601 | 28,036,105 | 28,105,218 |
| Decrease: | | | | |
| Amortization of Deferred Capital | 6,999,303 | | 6,999,303 | 6,912,028 |
| Capital Additions–transfer to Deferred Capital | | 1,331,519 | 1,331,519 | 6,553,093 |
| Work in Progress–transfer to Deferred Capital | | 11,445,985 | 11,445,985 | 6,302,718 |
| Site Purchases - transfer to Revenue | | | - | 4,944,048 |
| Facility Improvements Not Capitalized | | 2,106,229 | 2,106,229 | 1,389,245 |
| | 6,999,303 | 14,883,733 | 21,883,036 | 26,101,132 |
| Net changes for the year | 5,778,201 | 374,868 | 6,153,069 | 2,004,086 |
| Balance, end of year | \$164,939,736 | \$3,886,158 | \$168,825,894 | \$162,672,825 |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|--|-----------------------|-----------------------|
| Reconciliation of Accrued Benefit Obligation | | |
| Accrued Benefit Obligation – April 1 | \$ 4,317,774 | \$ 4,022,028 |
| Service Cost | 389,936 | 356,501 |
| Interest Cost | 113,002 | 115,905 |
| Benefit Payments | (403,765) | (455,278) |
| Actuarial (Gain) Loss | 129,689 | 278,618 |
| Accrued Benefit Obligation – March 31 | <u>\$4,546,636</u> | <u>\$4,317,774</u> |
| Reconciliation of Funded Status at End of Fiscal Year | | |
| Accrued Benefit Obligation - March 31 | \$ 4,546,636 | \$ 4,317,774 |
| Market Value of Plan Assets - March 31 | - | - |
| Funded Status - Surplus (Deficit) | (4,546,636) | (4,317,774) |
| Employer Contributions After Measurement Date | 162,810 | 180,555 |
| Benefits Expense After Measurement Date | (130,373) | (125,734) |
| Unamortized Net Actuarial (Gain) Loss | 682,029 | 637,451 |
| Accrued Benefit Asset (Liability) - June 30 | <u>\$ (3,832,170)</u> | <u>\$ (3,625,502)</u> |
| Reconciliation of Change in Accrued Benefit Liability | | |
| Accrued Benefit Liability - July 1 | \$ 3,625,502 | \$ 3,518,896 |
| Net Expense for Fiscal Year | 592,688 | 543,038 |
| Employer Contributions | (386,020) | (436,432) |
| Accrued Benefit Liability - June 30 | <u>\$ 3,832,170</u> | <u>\$ 3,625,502</u> |
| Components of Net Benefit Expense | | |
| Service Cost | \$ 395,885 | \$ 364,860 |
| Interest Cost | 111,692 | 115,179 |
| Amortization of Net Actuarial (Gain)/Loss | 85,112 | 62,999 |
| Net Benefit Expense | <u>\$ 592,688</u> | <u>\$ 543,038</u> |
| 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 |
| EARS - March 31 | 12.6 | 12.6 |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value

| | Net Book Value June 30, 2020 | Net Book Value June 30, 2019 |
|------------------------------|---------------------------------|---------------------------------|
| Sites | \$ 47,352,559 | \$ 47,352,559 |
| Buildings | 164,780,687 | 170,164,375 |
| Buildings - work in progress | 12,724,025 | 1,278,040 |
| Furniture & Equipment | 2,936,837 | 3,553,885 |
| Vehicles | 2,795,917 | 2,329,352 |
| Computer Software | 129,083 | 174,048 |
| Computer Hardware | 78,987 | 131,506 |
| Total | \$ 230,798,095 | \$ 224,983,765 |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2020

| Cost: | Balance at July 1, 2019 | Additions | Disposals | Transfers (WIP) | Balance at June 30, 2020 |
|------------------------------|----------------------------|----------------------|-----------------------|-----------------|-----------------------------|
| Sites | \$ 47,352,559 | | | | \$ 47,352,559 |
| Buildings | 281,968,008 | 1,340,529 | | | 283,308,537 |
| Buildings - work in progress | 1,278,040 | 11,445,985 | | | 12,724,025 |
| Furniture & Equipment | 8,424,328 | 199,833 | (710,860) | | 7,913,301 |
| Vehicles | 4,475,697 | 930,807 | (597,367) | | 4,809,137 |
| Computer Software | 318,082 | 8,860 | (106,779) | | 220,163 |
| Computer Hardware | 389,840 | - | (254,491) | | 135,349 |
| Total | \$ 344,206,554 | \$ 13,926,014 | \$ (1,669,497) | \$ - | \$ 356,463,071 |

| Accumulated Amortization: | Balance at July 1, 2019 | Additions | Disposals | Balance at June 30, 2020 |
|---------------------------|----------------------------|---------------------|-----------------------|-----------------------------|
| Sites | \$ - | | | \$ - |
| Buildings | 111,803,633 | 6,724,217 | | 118,527,850 |
| Furniture & Equipment | 4,870,443 | 816,881 | (710,860) | 4,976,464 |
| Vehicles | 2,146,345 | 464,242 | (597,367) | 2,013,220 |
| Computer Software | 144,034 | 53,825 | (106,779) | 91,080 |
| Computer Hardware | 258,334 | 52,519 | (254,491) | 56,362 |
| Total | \$ 119,222,789 | \$ 8,111,684 | \$ (1,669,497) | \$ 125,664,976 |

June 30, 2019

| Cost: | Balance at July 1, 2018 | Additions | Disposals | Transfers (WIP) | Balance at June 30, 2019 |
|------------------------------|----------------------------|----------------------|-----------------------|-----------------|-----------------------------|
| Sites | \$ 42,408,511 | \$ 4,944,048 | | | \$ 47,352,559 |
| Buildings | 269,513,626 | 6,972,931 | | 5,481,451 | 281,968,008 |
| Buildings - work in progress | 4,764,024 | 1,995,467 | | (5,481,451) | 1,278,040 |
| Furniture & Equipment | 8,578,629 | 276,282 | (430,583) | | 8,424,328 |
| Vehicles | 4,406,053 | 707,634 | (637,990) | | 4,475,697 |
| Computer Software | 385,114 | 96,289 | (163,321) | | 318,082 |
| Computer Hardware | 445,034 | | (55,194) | | 389,840 |
| Total | \$ 330,500,991 | \$ 14,992,651 | \$ (1,287,088) | \$ - | \$ 344,206,554 |

| Accumulated Amortization: | Balance at July 1, 2018 | Additions | Disposals | Balance at June 30, 2019 |
|---------------------------|----------------------------|---------------------|-----------------------|-----------------------------|
| Sites | \$ - | | | \$ - |
| Buildings | 105,239,997 | 6,563,636 | | 111,803,633 |
| Furniture & Equipment | 4,450,878 | 850,148 | (430,583) | 4,870,443 |
| Vehicles | 2,340,247 | 444,088 | (637,990) | 2,146,345 |
| Computer Software | 237,035 | 70,320 | (163,321) | 144,034 |
| Computer Hardware | 230,041 | 83,487 | (55,194) | 258,334 |
| Total | \$ 112,498,198 | \$ 8,011,679 | \$ (1,287,088) | \$ 119,222,789 |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 10 EMPLOYEE PENSION PLANS

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

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

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

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

The School District paid \$11,121,067 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$11,198,273).

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. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 11 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the School District. One restriction is that the original contribution should not be spent.

| Name of Endowment | Balance | Contributions | Balance |
|-------------------|------------------|---------------|------------------|
| | July 1, 2019 | | July 1, 2020 |
| Brunt | \$ 30,000 | \$ - | \$ 30,000 |
| Nelson | 10,000 | - | 10,000 |
| Newberry | 13,000 | - | 13,000 |
| Ford Mountain | 20,261 | - | 20,261 |
| Total | <u>\$ 73,261</u> | <u>\$ -</u> | <u>\$ 73,261</u> |

NOTE 12 INTERFUND TRANSFERS

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

- A transfer in the amount of \$1,148,510 (2019 - \$1,500,043) was made from the operating fund to the capital fund for capital equipment purchases.
- A transfer in the amount of \$1,000,000 (2019 - \$1,000,000) was made from the operating fund to the capital fund for the District share of a new school.

NOTE 13 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 14 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 11, 2020. The Board adopted a preliminary annual budget on May 28, 2019. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

| | 2020 Amended | 2020 Preliminary | Difference |
|--|---------------------|---------------------|---------------------|
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | \$ 144,821,716 | \$ 140,598,149 | \$ 4,223,567 |
| Other | 150,000 | 170,000 | (20,000) |
| Tuition | 1,557,521 | 1,500,000 | 57,521 |
| Other Revenue | 6,085,516 | 6,108,016 | (22,500) |
| Rentals and Leases | 430,000 | 365,399 | 64,601 |
| Investment Income | 489,000 | 532,800 | (43,800) |
| Amortization of Deferred Capital Revenue | 7,001,083 | 6,890,062 | 111,021 |
| Total Revenue | 160,534,836 | 156,164,426 | 4,370,410 |
| Expenses | | | |
| Instruction | 129,228,655 | 124,822,998 | 4,405,657 |
| District Administration | 4,458,635 | 4,579,327 | (120,692) |
| Operations and Maintenance | 23,453,582 | 23,418,301 | 35,281 |
| Transportation and Housing | 4,192,781 | 4,087,549 | 105,232 |
| Total Expenses | 161,333,653 | 156,908,175 | 4,425,478 |
| Deficit for the year | (798,817) | (743,749) | (55,068) |
| Effect of change in Tangible Capital Assets | | | |
| Acquisition of Tangible Capital Assets | | | |
| From Local Capital | (1,201,300) | (1,201,300) | - |
| From Deferred Capital Revenue | (1,652,933) | (1,562,933) | (90,000) |
| Total Acquisition of Tangible Capital Assets | (2,854,233) | (2,764,233) | (90,000) |
| Amortization of Tangible Capital Assets | 8,116,922 | 8,175,373 | (58,451) |
| Total Effect of change in Tangible Capital Assets | 5,262,689 | 5,411,140 | (148,451) |
| (Increase) Decrease in Net Financial Assets | \$ 4,463,872 | \$ 4,667,391 | \$ (203,519) |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has a total of \$2,473,349 of contractual obligations at year end related to the construction or renovation of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met and relate to the unperformed portion of the contracts.

Contractual Commitments:

| | | |
|--|----------------|--------------|
| Bernard Elementary - Exterior roll shutter upgrade | Contract | \$ 67,000 |
| Central Elementary - Exterior window replacement | Contract | 153,000 |
| Central Elementary - Snow & ice melting heat trace system | Contract | 25,000 |
| Chilliwack Middle (CMS) - Phase one Mechanical Upgrade | Contract | 37,000 |
| Cultus Lake Elementary - Roofing Cultus, Area 3 | Contract | 140,000 |
| Ed Centre (Kwiyeqel Secondary) - Exterior Painting Renewal | Contract | 25,000 |
| Evans Elementary - Parking Lot Upgrade Phase 1 | Contract | 50,000 |
| F.G. Leary Elementary - Roof replacement - area 1 & 12 | Contract | 110,000 |
| G.W. Graham Secondary (GWG) - Douglass lighting panel | Contract | 35,000 |
| Little Mountain Elementary - Exterior roll Shutter Upgrade | Contract | 98,000 |
| Maintenance Facility - SD33 Core Building - DDC system upgrade | Contract | 95,000 |
| Maintenance Facility - SD33 Core Building - Exterior painting | Contract | 56,450 |
| McCammon Elementary - Exterior painting | Contract | 65,120 |
| Mt Slesse Middle (MSMS) - Roof renewal and repairs | Contract | 37,970 |
| Robertson Elementary - Exterior Painting | Contract | 91,950 |
| Sardis Elementary - Fence and retaining wall renewal | Contract | 30,000 |
| Sardis Secondary (SSS) - Fire alarm renewal | Purchase Order | 112,000 |
| Sardis Secondary (SSS) - Roofing inspections/ consulting | Contract | 30,000 |
| Sardis Secondary (SSS) - High voltage upgrade | Purchase Order | 12,000 |
| Sardis Elementary - Building envelope upgrade | Contract | 1,166,550 |
| Vedder Middle - BEP Consultant work | Contract | 36,309 |
| Total Construction Commitments | | \$ 2,473,349 |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 16 CONTINGENT LIABILITIES

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

NOTE 17 EXPENSE BY OBJECT

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|-----------------------|-----------------------|-----------------------|
| Salaries and benefits | \$ 132,799,540 | \$ 126,735,120 |
| Services and supplies | 19,883,458 | 22,369,171 |
| Amortization | <u>8,111,684</u> | <u>8,011,679</u> |
| | <u>\$ 160,794,682</u> | <u>\$ 157,115,970</u> |

NOTE 18 ACCUMULATED SURPLUS

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|---|---------------------------------|---------------------------------|
| Operating Fund Accumulated Surplus | | |
| Internally Restricted (appropriated) by Board for: | | |
| School-based Carry Forwards | \$ 1,037,745 | \$ 664,475 |
| Aboriginal Education Targeted Funds Unexpended | 233,869 | 68,216 |
| Equity in Action Grant | 5,000 | - |
| International Support | <u>30,000</u> | <u>30,000</u> |
| Total Internally Operating Restricted | <u>1,306,614</u> | <u>762,691</u> |
| Unrestricted Operating Surplus | 1,969,168 | 2,208,342 |
| Total Operating Fund Accumulated Surplus | <u>\$ 3,275,782</u> | <u>\$ 2,971,033</u> |
| Special Purpose Funds Surplus | <u>\$ 73,261</u> | <u>\$ 73,261</u> |
| Capital Fund Accumulated Surplus | | |
| Contingency Reserve-Local Capital | 2,293,332 | 1,293,332 |
| Investment in Tangible Capital Assets | <u>65,833,606</u> | <u>65,797,477</u> |
| Total Capital Fund Accumulated Surplus | <u>\$ 68,126,938</u> | <u>\$ 67,090,809</u> |
| Total Accumulated Surplus | <u>\$ 71,475,981</u> | <u>\$ 70,135,103</u> |

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 19 ECONOMIC DEPENDENCE

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

NOTE 20 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

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

a) Credit risk

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

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most accounts 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 or with the Provincial Ministry of Finance Central Deposit Program.

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. It is management's opinion that the School District is not exposed to significant interest rate risk.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 20 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.

School District No. 33 (Chilliwack)

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 |
|--|-------------------|-------------------------|-----------------|----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Accumulated Surplus (Deficit), beginning of year | 2,971,033 | 73,261 | 67,090,809 | 70,135,103 | 67,998,941 |
| Changes for the year | | | | | |
| Surplus (Deficit) for the year | 2,453,259 | | (1,112,381) | 1,340,878 | 2,136,162 |
| Interfund Transfers | | | | | |
| Local Capital | (1,148,510) | | 1,148,510 | - | |
| Other | (1,000,000) | | 1,000,000 | - | |
| Net Changes for the year | 304,749 | - | 1,036,129 | 1,340,878 | 2,136,162 |
| Accumulated Surplus (Deficit), end of year - Statement 2 | 3,275,782 | 73,261 | 68,126,938 | 71,475,981 | 70,135,103 |

School District No. 33 (Chilliwack)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

| | 2020 Budget (Note 14) | 2020 Actual | 2019 Actual |
|---|-----------------------------|---------------------------|--------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 132,511,467 | 134,349,615 | 127,871,444 |
| Other | 150,000 | 213,700 | 145,590 |
| Tuition | 1,557,521 | 1,635,323 | 1,430,146 |
| Other Revenue | 2,587,516 | 2,729,473 | 2,692,809 |
| Rentals and Leases | 430,000 | 368,715 | 430,214 |
| Investment Income | 456,000 | 392,213 | 474,026 |
| Total Revenue | <u>137,692,504</u> | <u>139,689,039</u> | <u>133,044,229</u> |
| Expenses | | | |
| Instruction | 115,631,545 | 115,627,263 | 112,415,770 |
| District Administration | 4,458,635 | 4,442,711 | 4,598,648 |
| Operations and Maintenance | 13,556,769 | 13,605,210 | 14,421,446 |
| Transportation and Housing | 3,728,533 | 3,560,596 | 3,317,219 |
| Total Expense | <u>137,375,482</u> | <u>137,235,780</u> | <u>134,753,083</u> |
| Operating Surplus (Deficit) for the year | <u>317,022</u> | <u>2,453,259</u> | <u>(1,708,854)</u> |
| Budgeted Appropriation (Retirement) of Surplus (Deficit) | <u>1,884,278</u> | | |
| Net Transfers (to) from other funds | | | |
| Local Capital | (1,201,300) | (1,148,510) | (1,500,043) |
| Other | (1,000,000) | (1,000,000) | (1,000,000) |
| Total Net Transfers | <u>(2,201,300)</u> | <u>(2,148,510)</u> | <u>(2,500,043)</u> |
| Total Operating Surplus (Deficit), for the year | <u>-</u> | <u>304,749</u> | <u>(4,208,897)</u> |
| Operating Surplus (Deficit), beginning of year | | 2,971,033 | 7,179,930 |
| Operating Surplus (Deficit), end of year | | <u>3,275,782</u> | <u>2,971,033</u> |
| Operating Surplus (Deficit), end of year | | | |
| Internally Restricted | | 1,306,614 | 762,691 |
| Unrestricted | | 1,969,168 | 2,208,342 |
| Total Operating Surplus (Deficit), end of year | | <u>3,275,782</u> | <u>2,971,033</u> |

School District No. 33 (Chilliwack)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

| | 2020 Budget (Note 14) | 2020 Actual | 2019 Actual |
|--|-----------------------------|--------------------|----------------|
| | \$ | \$ | \$ |
| Provincial Grants - Ministry of Education | | | |
| Operating Grant, Ministry of Education | 132,279,299 | 134,092,807 | 128,076,655 |
| ISC/LEA Recovery | (2,292,396) | (2,356,455) | (2,237,995) |
| Other Ministry of Education Grants | | | |
| Pay Equity | 864,624 | 864,624 | 864,624 |
| Funding for Graduated Adults | 40,000 | 88,597 | 88,491 |
| Transportation Supplement | 329,456 | 329,456 | 329,456 |
| Economic Stability Dividend | | | 156,669 |
| Carbon Tax Grant | 111,000 | 110,484 | 110,484 |
| Employer Health Tax Grant | 1,055,000 | 1,055,505 | 320,747 |
| Support Staff Benefits Grant | 110,484 | 141,712 | 110,484 |
| FSA Marking | 14,000 | 14,329 | 14,329 |
| Other Grants | | 8,556 | 37,500 |
| Total Provincial Grants - Ministry of Education | 132,511,467 | 134,349,615 | 127,871,444 |
| Provincial Grants - Other | 150,000 | 213,700 | 145,590 |
| Tuition | | | |
| International and Out of Province Students | 1,557,521 | 1,635,323 | 1,430,146 |
| Total Tuition | 1,557,521 | 1,635,323 | 1,430,146 |
| Other Revenues | | | |
| Funding from First Nations | 2,292,396 | 2,366,835 | 2,237,995 |
| Miscellaneous | | | |
| Distance Learning Course Fees | 5,000 | 3,600 | (500) |
| Print Shop Recoveries | | | 48,969 |
| Transportation Fee Revenue | 135,000 | 116,116 | 132,551 |
| Energy Program Revenue | 30,000 | | 34,255 |
| Other Miscellaneous | 125,120 | 158,187 | 219,194 |
| Textbook Deposit Revenue | | 84,711 | 20,345 |
| Donations | | 24 | |
| Total Other Revenue | 2,587,516 | 2,729,473 | 2,692,809 |
| Rentals and Leases | 430,000 | 368,715 | 430,214 |
| Investment Income | 456,000 | 392,213 | 474,026 |
| Total Operating Revenue | 137,692,504 | 139,689,039 | 133,044,229 |

School District No. 33 (Chilliwack)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

| | 2020 Budget (Note 14) | 2020 Actual | 2019 Actual |
|-------------------------------------|-----------------------------|----------------|----------------|
| | \$ | \$ | \$ |
| Salaries | | | |
| Teachers | 58,627,978 | 60,079,197 | 57,521,695 |
| Principals and Vice Principals | 7,747,273 | 7,724,471 | 7,607,088 |
| Educational Assistants | 11,622,485 | 11,393,568 | 10,493,462 |
| Support Staff | 12,877,062 | 12,765,041 | 12,350,632 |
| Other Professionals | 3,129,809 | 3,316,307 | 3,018,156 |
| Substitutes | 5,272,204 | 4,640,645 | 5,211,980 |
| Total Salaries | 99,276,811 | 99,919,229 | 96,203,013 |
| Employee Benefits | 23,367,309 | 23,396,154 | 22,298,281 |
| Total Salaries and Benefits | 122,644,120 | 123,315,383 | 118,501,294 |
| Services and Supplies | | | |
| Services | 3,445,503 | 3,217,611 | 4,680,752 |
| Student Transportation | 17,000 | 51,832 | 7,640 |
| Professional Development and Travel | 1,100,626 | 890,519 | 1,098,090 |
| Rentals and Leases | 32,029 | 31,360 | 22,482 |
| Dues and Fees | 344,360 | 351,062 | 311,089 |
| Insurance | 284,748 | 274,590 | 157,518 |
| Supplies | 7,027,804 | 6,826,803 | 7,386,836 |
| Utilities | 2,479,292 | 2,276,620 | 2,587,382 |
| Total Services and Supplies | 14,731,362 | 13,920,397 | 16,251,789 |
| Total Operating Expense | 137,375,482 | 137,235,780 | 134,753,083 |

School District No. 33 (Chilliwack)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

| | Teachers Salaries | Principals and Vice Principals Salaries | Educational Assistants Salaries | Support Staff Salaries | Other Professionals Salaries | Substitutes Salaries | Total Salaries |
|---|----------------------|---|---------------------------------------|------------------------------|------------------------------------|-------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1 Instruction | | | | | | | |
| 1.02 Regular Instruction | 47,984,920 | 658,138 | 3,311 | 684,895 | | 3,255,046 | 52,586,310 |
| 1.03 Career Programs | 97,510 | | 114 | 495,988 | 88,747 | 1,292 | 683,651 |
| 1.07 Library Services | 1,295,292 | 71,754 | | 103,938 | | 30,883 | 1,501,867 |
| 1.08 Counselling | 2,109,518 | 54,037 | | | | 14,243 | 2,177,798 |
| 1.10 Special Education | 6,636,802 | 830,440 | 10,243,874 | 72,340 | | 646,937 | 18,430,393 |
| 1.30 English Language Learning | 956,553 | 64,347 | | | | 5,138 | 1,026,038 |
| 1.31 Indigenous Education | 636,434 | 15,201 | 1,139,767 | | 88,396 | 76,433 | 1,956,231 |
| 1.41 School Administration | (449) | 5,674,010 | | 2,509,520 | 406,189 | 59,391 | 8,648,661 |
| 1.60 Summer School | 97,067 | 33,063 | 6,502 | 2,086 | | | 138,718 |
| 1.61 Continuing Education | 125,038 | | | | | | 125,038 |
| 1.62 International and Out of Province Students | 140,512 | 119,366 | | 22,167 | | 424 | 282,469 |
| 1.64 Other | | | | 47,840 | 101,177 | 1,963 | 150,980 |
| Total Function 1 | 60,079,197 | 7,520,356 | 11,393,568 | 3,938,774 | 684,509 | 4,091,750 | 87,708,154 |
| 4 District Administration | | | | | | | |
| 4.11 Educational Administration | | | | | 716,583 | 2,331 | 718,914 |
| 4.40 School District Governance | | | | | 154,884 | | 154,884 |
| 4.41 Business Administration | | 204,115 | | 550,924 | 1,221,382 | 2,692 | 1,979,113 |
| Total Function 4 | - | 204,115 | - | 550,924 | 2,092,849 | 5,023 | 2,852,911 |
| 5 Operations and Maintenance | | | | | | | |
| 5.41 Operations and Maintenance Administration | | | | 79,184 | 452,795 | | 531,979 |
| 5.50 Maintenance Operations | | | | 5,711,961 | | 422,614 | 6,134,575 |
| 5.52 Maintenance of Grounds | | | | 677,036 | | | 677,036 |
| 5.56 Utilities | | | | | | | - |
| Total Function 5 | - | - | - | 6,468,181 | 452,795 | 422,614 | 7,343,590 |
| 7 Transportation and Housing | | | | | | | |
| 7.41 Transportation and Housing Administration | | | | 151,092 | 86,154 | | 237,246 |
| 7.70 Student Transportation | | | | 1,656,070 | | 121,258 | 1,777,328 |
| Total Function 7 | - | - | - | 1,807,162 | 86,154 | 121,258 | 2,014,574 |
| 9 Debt Services | | | | | | | |
| Total Function 9 | - | - | - | - | - | - | - |
| Total Functions 1 - 9 | 60,079,197 | 7,724,471 | 11,393,568 | 12,765,041 | 3,316,307 | 4,640,645 | 99,919,229 |

School District No. 33 (Chilliwack)

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 14) | 2019 Actual |
|---|-------------------|----------------------|--------------------------------|--------------------------|--------------------|-----------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1 Instruction | | | | | | | |
| 1.02 Regular Instruction | 52,586,310 | 12,211,191 | 64,797,501 | 5,106,584 | 69,904,085 | 69,944,225 | 69,712,295 |
| 1.03 Career Programs | 683,651 | 174,553 | 858,204 | 349,017 | 1,207,221 | 1,336,432 | 1,181,612 |
| 1.07 Library Services | 1,501,867 | 342,407 | 1,844,274 | 130,787 | 1,975,061 | 1,859,523 | 2,049,198 |
| 1.08 Counselling | 2,177,798 | 478,987 | 2,656,785 | | 2,656,785 | 2,459,935 | 2,641,102 |
| 1.10 Special Education | 18,430,393 | 4,636,532 | 23,066,925 | 538,588 | 23,605,513 | 23,675,106 | 20,813,704 |
| 1.30 English Language Learning | 1,026,038 | 233,635 | 1,259,673 | 20,879 | 1,280,552 | 1,185,644 | 1,390,020 |
| 1.31 Indigenous Education | 1,956,231 | 475,525 | 2,431,756 | 681,041 | 3,112,797 | 3,350,871 | 2,721,984 |
| 1.41 School Administration | 8,648,661 | 1,939,816 | 10,588,477 | 135,554 | 10,724,031 | 10,638,977 | 10,597,062 |
| 1.60 Summer School | 138,718 | 25,006 | 163,724 | 5,667 | 169,391 | 137,273 | 184,442 |
| 1.61 Continuing Education | 125,038 | 26,998 | 152,036 | 5,658 | 157,694 | 140,023 | 162,660 |
| 1.62 International and Out of Province Students | 282,469 | 63,258 | 345,727 | 267,403 | 613,130 | 638,879 | 663,225 |
| 1.64 Other | 150,980 | 32,689 | 183,669 | 37,334 | 221,003 | 264,657 | 298,466 |
| Total Function 1 | 87,708,154 | 20,640,597 | 108,348,751 | 7,278,512 | 115,627,263 | 115,631,545 | 112,415,770 |
| 4 District Administration | | | | | | | |
| 4.11 Educational Administration | 718,914 | 131,497 | 850,411 | 172,409 | 1,022,820 | 951,660 | 1,086,680 |
| 4.40 School District Governance | 154,884 | 6,374 | 161,258 | 127,139 | 288,397 | 318,692 | 438,127 |
| 4.41 Business Administration | 1,979,113 | 410,064 | 2,389,177 | 742,317 | 3,131,494 | 3,188,283 | 3,073,841 |
| Total Function 4 | 2,852,911 | 547,935 | 3,400,846 | 1,041,865 | 4,442,711 | 4,458,635 | 4,598,648 |
| 5 Operations and Maintenance | | | | | | | |
| 5.41 Operations and Maintenance Administration | 531,979 | 96,394 | 628,373 | 199,705 | 828,078 | 783,719 | 1,275,091 |
| 5.50 Maintenance Operations | 6,134,575 | 1,430,588 | 7,565,163 | 1,799,938 | 9,365,101 | 9,066,833 | 9,426,816 |
| 5.52 Maintenance of Grounds | 677,036 | 167,130 | 844,166 | 291,245 | 1,135,411 | 1,226,925 | 1,132,157 |
| 5.56 Utilities | - | - | - | 2,276,620 | 2,276,620 | 2,479,292 | 2,587,382 |
| Total Function 5 | 7,343,590 | 1,694,112 | 9,037,702 | 4,567,508 | 13,605,210 | 13,556,769 | 14,421,446 |
| 7 Transportation and Housing | | | | | | | |
| 7.41 Transportation and Housing Administration | 237,246 | 54,262 | 291,508 | 80,253 | 371,761 | 389,429 | 378,039 |
| 7.70 Student Transportation | 1,777,328 | 459,248 | 2,236,576 | 952,259 | 3,188,835 | 3,339,104 | 2,939,180 |
| Total Function 7 | 2,014,574 | 513,510 | 2,528,084 | 1,032,512 | 3,560,596 | 3,728,533 | 3,317,219 |
| 9 Debt Services | | | | | | | |
| Total Function 9 | - | - | - | - | - | - | - |
| Total Functions 1 - 9 | 99,919,229 | 23,396,154 | 123,315,383 | 13,920,397 | 137,235,780 | 137,375,482 | 134,753,083 |

School District No. 33 (Chilliwack)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

| | 2020 Budget (Note 14) | 2020 Actual | 2019 Actual |
|---|-----------------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 10,522,641 | 10,245,465 | 8,859,689 |
| Other | | 66,318 | 18,032 |
| Other Revenue | 3,498,000 | 3,000,929 | 4,050,861 |
| Investment Income | 33,000 | 28,277 | 33,381 |
| Total Revenue | <u>14,053,641</u> | <u>13,340,989</u> | <u>12,961,963</u> |
| Expenses | | | |
| Instruction | 13,597,110 | 12,884,458 | 12,505,432 |
| Operations and Maintenance | 456,531 | 456,531 | 456,531 |
| Total Expense | <u>14,053,641</u> | <u>13,340,989</u> | <u>12,961,963</u> |
| Special Purpose Surplus (Deficit) for the year | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Special Purpose Surplus (Deficit) for the year | <u>-</u> | <u>-</u> | <u>-</u> |
| Special Purpose Surplus (Deficit), beginning of year | | 73,261 | 73,261 |
| Special Purpose Surplus (Deficit), end of year | | <u>73,261</u> | <u>73,261</u> |
| Special Purpose Surplus (Deficit), end of year | | | |
| Endowment Contributions | | 73,261 | 73,261 |
| Total Special Purpose Surplus (Deficit), end of year | | <u>73,261</u> | <u>73,261</u> |

School District No. 33 (Chilliwack)

Schedule 3A (Unaudited)

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

| | Annual Facility Grant | Learning Improvement Fund | Special Education Equipment | Scholarships and Bursaries | School Generated Funds | Strong Start | Ready, Set, Learn | OLEP | CommunityLINK |
|---|-----------------------------|---------------------------------|-----------------------------------|----------------------------------|------------------------------|-----------------|-------------------------|---------|---------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred Revenue, beginning of year | | | 21,481 | 226,409 | 1,023,229 | 6,390 | 4,105 | | 31,557 |
| Add: Restricted Grants | | | | | | | | | |
| Provincial Grants - Ministry of Education | 456,531 | 497,024 | | | | 225,106 | 49,681 | 137,537 | 709,553 |
| Provincial Grants - Other | | | | | | | | | |
| Other | | | | 125,203 | 2,878,286 | | | | |
| Investment Income | | | | 5,472 | 22,805 | | | | |
| | 456,531 | 497,024 | - | 130,675 | 2,901,091 | 225,106 | 49,681 | 137,537 | 709,553 |
| Less: Allocated to Revenue | 456,531 | 495,298 | 18,945 | 73,025 | 2,943,181 | 231,003 | 53,758 | 122,201 | 741,037 |
| Deferred Revenue, end of year | - | 1,726 | 2,536 | 284,059 | 981,139 | 493 | 28 | 15,336 | 73 |
| Revenues | | | | | | | | | |
| Provincial Grants - Ministry of Education | 456,531 | 495,298 | 18,945 | | | 231,003 | 53,758 | 122,201 | 741,037 |
| Provincial Grants - Other | | | | | | | | | |
| Other Revenue | | | | 67,553 | 2,920,376 | | | | |
| Investment Income | | | | 5,472 | 22,805 | | | | |
| | 456,531 | 495,298 | 18,945 | 73,025 | 2,943,181 | 231,003 | 53,758 | 122,201 | 741,037 |
| Expenses | | | | | | | | | |
| Salaries | | | | | | | | | |
| Teachers | | | | | | | | 46,950 | |
| Principals and Vice Principals | | | | | | | 24,178 | | |
| Educational Assistants | | 377,357 | | | | | | | 517,487 |
| Support Staff | | | | | | 162,836 | | | |
| Other Professionals | | | | | | | | | |
| Substitutes | | 14,903 | | | 8,365 | | 2,570 | 1,271 | |
| | - | 392,260 | - | - | 8,365 | 162,836 | 26,748 | 48,221 | 517,487 |
| Employee Benefits | | 103,038 | | | 58 | 56,857 | 4,957 | 11,130 | 135,041 |
| Services and Supplies | 456,531 | | 18,945 | 73,025 | 2,934,758 | 11,310 | 22,053 | 62,850 | 88,509 |
| | 456,531 | 495,298 | 18,945 | 73,025 | 2,943,181 | 231,003 | 53,758 | 122,201 | 741,037 |
| Net Revenue (Expense) before Interfund Transfers | - | - | - | - | - | - | - | - | - |
| Interfund Transfers | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| Net Revenue (Expense) | - | - | - | - | - | - | - | - | - |

School District No. 33 (Chilliwack)

Schedule 3A (Unaudited)

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 | After School Sports Initiatives | Miscellaneous Grants | TOTAL |
|---|---|---|---|---|--------------------------------|---|------------------------------------|-------------------------|------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred Revenue, beginning of year | | | | | | | 27,702 | 32,232 | 1,373,105 |
| Add: Restricted Grants | | | | | | | | | |
| Provincial Grants - Ministry of Education | 438,218 | 7,473,434 | 191,389 | 126,677 | 26,500 | 12,106 | | | 10,343,756 |
| Provincial Grants - Other | | | | | | | 66,000 | | 66,000 |
| Other | | | | | | | | | 3,003,489 |
| Investment Income | | | | | | | | | 28,277 |
| | 438,218 | 7,473,434 | 191,389 | 126,677 | 26,500 | 12,106 | 66,000 | - | 13,441,522 |
| Less: Allocated to Revenue | 438,218 | 7,473,434 | 114,474 | 69,382 | 26,500 | 4,684 | 66,262 | 13,056 | 13,340,989 |
| Deferred Revenue, end of year | - | - | 76,915 | 57,295 | - | 7,422 | 27,440 | 19,176 | 1,473,638 |
| Revenues | | | | | | | | | |
| Provincial Grants - Ministry of Education | 438,218 | 7,473,434 | 114,474 | 69,382 | 26,500 | 4,684 | | | 10,245,465 |
| Provincial Grants - Other | | | | | | | 66,262 | 56 | 66,318 |
| Other Revenue | | | | | | | | 13,000 | 3,000,929 |
| Investment Income | | | | | | | | | 28,277 |
| | 438,218 | 7,473,434 | 114,474 | 69,382 | 26,500 | 4,684 | 66,262 | 13,056 | 13,340,989 |
| Expenses | | | | | | | | | |
| Salaries | | | | | | | | | |
| Teachers | | 6,041,214 | 100,368 | | | | | | 6,188,532 |
| Principals and Vice Principals | 156,433 | | | | | | | | 180,611 |
| Educational Assistants | | | | | | | 3,725 | | 898,569 |
| Support Staff | 51,650 | | | | | 1,132 | 705 | | 216,323 |
| Other Professionals | 9,998 | | | | | | 1,295 | | 11,293 |
| Substitutes | 131,032 | | | | | | | | 158,141 |
| | 349,113 | 6,041,214 | 100,368 | - | - | 1,132 | 5,725 | - | 7,653,469 |
| Employee Benefits | 73,279 | 1,432,220 | 14,106 | | | | | | 1,830,686 |
| Services and Supplies | 15,826 | | | 69,382 | 26,500 | 3,552 | 60,537 | 13,056 | 3,856,834 |
| | 438,218 | 7,473,434 | 114,474 | 69,382 | 26,500 | 4,684 | 66,262 | 13,056 | 13,340,989 |
| Net Revenue (Expense) before Interfund Transfers | - | - | - | - | - | - | - | - | - |
| Interfund Transfers | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| Net Revenue (Expense) | - | - | - | - | - | - | - | - | - |

School District No. 33 (Chilliwack)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

| | 2020 Budget (Note 14) | 2020 Actual | | | 2019 Actual |
|--|-----------------------------|--|--------------------|--------------------|-------------------|
| | | Invested in Tangible Capital Assets | Local Capital | Fund Balance | |
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | |
| Provincial Grants | | | | | |
| Ministry of Education | 1,787,608 | 2,094,355 | | 2,094,355 | 6,262,425 |
| Other | | 11,874 | | 11,874 | 70,868 |
| Investment Income | | | | - | 619 |
| Amortization of Deferred Capital Revenue | 7,001,083 | 6,999,303 | | 6,999,303 | 6,912,028 |
| Total Revenue | <u>8,788,691</u> | <u>9,105,532</u> | <u>-</u> | <u>9,105,532</u> | <u>13,245,940</u> |
| Expenses | | | | | |
| Operations and Maintenance | 1,787,608 | 2,106,229 | | 2,106,229 | 1,389,245 |
| Amortization of Tangible Capital Assets | | | | | |
| Operations and Maintenance | 7,652,674 | 7,647,442 | | 7,647,442 | 7,567,591 |
| Transportation and Housing | 464,248 | 464,242 | | 464,242 | 444,088 |
| Total Expense | <u>9,904,530</u> | <u>10,217,913</u> | <u>-</u> | <u>10,217,913</u> | <u>9,400,924</u> |
| Capital Surplus (Deficit) for the year | <u>(1,115,839)</u> | <u>(1,112,381)</u> | <u>-</u> | <u>(1,112,381)</u> | <u>3,845,016</u> |
| Net Transfers (to) from other funds | | | | | |
| Local Capital | 1,201,300 | | 1,148,510 | 1,148,510 | 1,500,043 |
| Transfer to Local Capital for New School | 1,000,000 | | 1,000,000 | 1,000,000 | 1,000,000 |
| Total Net Transfers | <u>2,201,300</u> | <u>-</u> | <u>2,148,510</u> | <u>2,148,510</u> | <u>2,500,043</u> |
| Other Adjustments to Fund Balances | | | | | |
| Tangible Capital Assets Purchased from Local Capital | | 1,148,510 | (1,148,510) | - | |
| Total Other Adjustments to Fund Balances | | <u>1,148,510</u> | <u>(1,148,510)</u> | <u>-</u> | |
| Total Capital Surplus (Deficit) for the year | <u>1,085,461</u> | <u>36,129</u> | <u>1,000,000</u> | <u>1,036,129</u> | <u>6,345,059</u> |
| Capital Surplus (Deficit), beginning of year | | <u>65,797,477</u> | <u>1,293,332</u> | <u>67,090,809</u> | <u>60,745,750</u> |
| Capital Surplus (Deficit), end of year | | <u>65,833,606</u> | <u>2,293,332</u> | <u>68,126,938</u> | <u>67,090,809</u> |

School District No. 33 (Chilliwack)

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 | 47,352,559 | 281,968,008 | 8,424,328 | 4,475,697 | 318,082 | 389,840 | 342,928,514 |
| Changes for the Year | | | | | | | |
| Increase: | | | | | | | |
| Purchases from: | | | | | | | |
| Deferred Capital Revenue - Bylaw | | 655,935 | 90,000 | 525,933 | | | 1,271,868 |
| Deferred Capital Revenue - Other | | | 59,651 | | | | 59,651 |
| Local Capital | | 684,594 | 50,182 | 404,874 | 8,860 | | 1,148,510 |
| | - | 1,340,529 | 199,833 | 930,807 | 8,860 | - | 2,480,029 |
| Decrease: | | | | | | | |
| Deemed Disposals | | | 710,860 | 597,367 | 106,779 | 254,491 | 1,669,497 |
| | - | - | 710,860 | 597,367 | 106,779 | 254,491 | 1,669,497 |
| Cost, end of year | 47,352,559 | 283,308,537 | 7,913,301 | 4,809,137 | 220,163 | 135,349 | 343,739,046 |
| Work in Progress, end of year | | 12,724,025 | | | | | 12,724,025 |
| Cost and Work in Progress, end of year | 47,352,559 | 296,032,562 | 7,913,301 | 4,809,137 | 220,163 | 135,349 | 356,463,071 |
| Accumulated Amortization, beginning of year | | 111,803,633 | 4,870,443 | 2,146,345 | 144,034 | 258,334 | 119,222,789 |
| Changes for the Year | | | | | | | |
| Increase: Amortization for the Year | | 6,724,217 | 816,881 | 464,242 | 53,825 | 52,519 | 8,111,684 |
| Decrease: | | | | | | | |
| Deemed Disposals | | | 710,860 | 597,367 | 106,779 | 254,491 | 1,669,497 |
| | | - | 710,860 | 597,367 | 106,779 | 254,491 | 1,669,497 |
| Accumulated Amortization, end of year | | 118,527,850 | 4,976,464 | 2,013,220 | 91,080 | 56,362 | 125,664,976 |
| Tangible Capital Assets - Net | 47,352,559 | 177,504,712 | 2,936,837 | 2,795,917 | 129,083 | 78,987 | 230,798,095 |

School District No. 33 (Chilliwack)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

| | Buildings | Furniture and Equipment | Computer Software | Computer Hardware | Total |
|--|-------------------|------------------------------------|------------------------------|------------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Work in Progress, beginning of year | 1,278,040 | | | | 1,278,040 |
| Changes for the Year | | | | | |
| Increase: | | | | | |
| Deferred Capital Revenue - Bylaw | 11,445,985 | | | | 11,445,985 |
| | 11,445,985 | - | - | - | 11,445,985 |
| Net Changes for the Year | 11,445,985 | - | - | - | 11,445,985 |
| Work in Progress, end of year | 12,724,025 | - | - | - | 12,724,025 |

School District No. 33 (Chilliwack)

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 | 157,181,783 | 159,301 | 668,211 | 158,009,295 |
| Changes for the Year | | | | |
| Increase: | | | | |
| Transferred from Deferred Revenue - Capital Additions | 1,271,868 | | 59,651 | 1,331,519 |
| | 1,271,868 | - | 59,651 | 1,331,519 |
| Decrease: | | | | |
| Amortization of Deferred Capital Revenue | 6,915,947 | 12,559 | 70,797 | 6,999,303 |
| | 6,915,947 | 12,559 | 70,797 | 6,999,303 |
| Net Changes for the Year | (5,644,079) | (12,559) | (11,146) | (5,667,784) |
| Deferred Capital Revenue, end of year | 151,537,704 | 146,742 | 657,065 | 152,341,511 |
| Work in Progress, beginning of year | 680,541 | 471,699 | | 1,152,240 |
| Changes for the Year | | | | |
| Increase | | | | |
| Transferred from Deferred Revenue - Work in Progress | 11,445,985 | | | 11,445,985 |
| | 11,445,985 | - | - | 11,445,985 |
| Net Changes for the Year | 11,445,985 | - | - | 11,445,985 |
| Work in Progress, end of year | 12,126,526 | 471,699 | - | 12,598,225 |
| Total Deferred Capital Revenue, end of year | 163,664,230 | 618,441 | 657,065 | 164,939,736 |

School District No. 33 (Chilliwack)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

| | Bylaw Capital | MEd Restricted Capital | Other Provincial Capital | Land Capital | Other Capital | Total |
|---|------------------|------------------------------|--------------------------------|------------------|------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, beginning of year | | 1 | 11,939 | 3,332,289 | 167,061 | 3,511,290 |
| Changes for the Year | | | | | | |
| Increase: | | | | | | |
| Provincial Grants - Ministry of Education | 14,812,208 | | | | | 14,812,208 |
| Other | | | | | 3,167 | 3,167 |
| Investment Income | | | | 54,127 | | 54,127 |
| Municipal Contributions | | | | 359,099 | 30,000 | 389,099 |
| | 14,812,208 | - | - | 413,226 | 33,167 | 15,258,601 |
| Decrease: | | | | | | |
| Transferred to DCR - Capital Additions | 1,271,868 | | | | 59,651 | 1,331,519 |
| Transferred to DCR - Work in Progress | 11,445,985 | | | | | 11,445,985 |
| Facility Improvements Not Capitalized | 2,094,355 | | 11,874 | | | 2,106,229 |
| | 14,812,208 | - | 11,874 | - | 59,651 | 14,883,733 |
| Net Changes for the Year | - | - | (11,874) | 413,226 | (26,484) | 374,868 |
| Balance, end of year | - | 1 | 65 | 3,745,515 | 140,577 | 3,886,158 |