

Audited Financial Statements of

**School District No. 62 (Sooke)**

And Independent Auditors' Report thereon

June 30, 2020

# School District No. 62 (Sooke)

June 30, 2020

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# School District No. 62 (Sooke)

## MANAGEMENT REPORT

Version: 1734-9989-8006

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

The accompanying financial statements of School District No. 62 (Sooke) 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.

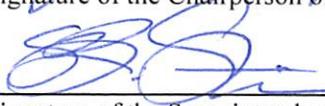
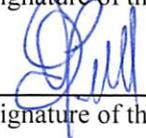
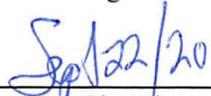
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 62 (Sooke) (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 quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 62 (Sooke) 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. 62 (Sooke)

	
Signature of the Chairperson of the Board of Education	Date Signed
	
Signature of the Superintendent	Date Signed
	
Signature of the Secretary Treasurer	Date Signed



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St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
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Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 62 (Sooke), and  
To the Minister of Education, Province of British Columbia

### **Opinion**

We have audited the financial statements of School District No. 62 (Sooke) (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 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 document and Unaudited Schedules 1-4 attached to the audited financial statements 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.

Chartered Professional Accountants

Victoria, Canada  
September 22, 2020

# School District No. 62 (Sooke)

Statement 1

## Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	26,020,112	23,395,777
Accounts Receivable		
Due from Province - Ministry of Education	4,372,504	1,699,046
Due from Province - Other	22,773	20,733
Due from First Nations	528,739	
Other (Note 3)	533,215	619,554
Portfolio Investments (Note 5)	-	133,447
<b>Total Financial Assets</b>	<b>31,477,343</b>	<b>25,868,557</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	21,793	333,793
Other (Note 5)	14,597,575	8,362,856
Unearned Revenue (Note 6)	3,327,542	4,317,878
Deferred Revenue (Note 7)	1,408,495	1,380,559
Deferred Capital Revenue (Note 8)	197,712,052	186,713,865
Employee Future Benefits (Note 9)	4,513,103	3,946,934
<b>Total Liabilities</b>	<b>221,580,560</b>	<b>205,055,885</b>
<b>Net Debt</b>	<b>(190,103,217)</b>	<b>(179,187,328)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	322,201,769	284,540,111
Restricted Assets (Endowments) (Note 12)	673,449	642,839
Prepaid Expenses (Note 4)	3,758,600	2,913,147
Other Assets	-	100,000
<b>Total Non-Financial Assets</b>	<b>326,633,818</b>	<b>288,196,097</b>
<b>Accumulated Surplus (Deficit) (Note 22)</b>	<b>136,530,601</b>	<b>109,008,769</b>

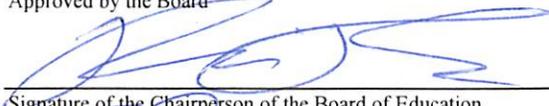
Contractual Obligations (Note 16)

Contractual Rights (Note 17)

Contingent Assets (Note 18)

Contingent Liabilities (Note 19)

Approved by the Board



Signature of the Chairperson of the Board of Education

*Sept 22, 2020*

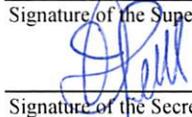
Date Signed



Signature of the Superintendent

*Sept. 22, 2020*

Date Signed



Signature of the Secretary Treasurer

*Sept 22/2020*

Date Signed

# School District No. 62 (Sooke)

Statement of Operations  
Year Ended June 30, 2020

	2020 Budget (Note 20) \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	139,882,030	<b>150,729,507</b>	138,267,744
Other		<b>9,000</b>	22,000
Municipal Grants Spent on Sites	582,000	<b>1,242,000</b>	350,000
Tuition	6,970,260	<b>6,413,919</b>	7,023,433
Other Revenue	5,666,841	<b>4,164,566</b>	5,075,789
Rentals and Leases	388,500	<b>358,415</b>	436,237
Investment Income	386,992	<b>434,036</b>	393,681
Amortization of Deferred Capital Revenue	7,369,239	<b>7,456,218</b>	7,328,966
Amortization of Deferred Capital Revenue - for lease	61,477	<b>61,477</b>	61,477
<b>Total Revenue</b>	<u>161,307,339</u>	<u><b>170,869,138</b></u>	<u>158,959,327</u>
<b>Expenses (Note 21)</b>			
Instruction	119,633,827	<b>115,785,537</b>	109,963,400
District Administration	4,951,476	<b>4,623,740</b>	4,272,160
Operations and Maintenance	19,922,284	<b>19,920,711</b>	20,849,356
Transportation and Housing	3,069,966	<b>3,047,928</b>	3,003,259
<b>Total Expense</b>	<u>147,577,553</u>	<u><b>143,377,916</b></u>	<u>138,088,175</u>
<b>Surplus (Deficit) for the year, before endowment contributions</b>	<u>13,729,786</u>	<u><b>27,491,222</b></u>	<u>20,871,152</u>
<b>Endowment Contributions</b>		<b>30,610</b>	
<b>Surplus (Deficit) for the year</b>	<u>13,729,786</u>	<u><b>27,521,832</b></u>	<u>20,871,152</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>109,008,769</b>	88,137,617
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><b>136,530,601</b></u>	<u>109,008,769</u>

# School District No. 62 (Sooke)

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

	2020 Budget (Note 20) \$	2020 Actual \$	2019 Actual \$
<b>Surplus (Deficit) for the year</b>	13,729,786	<b>27,521,832</b>	20,871,152
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(2,010,017)	<b>(45,915,188)</b>	(30,539,108)
Amortization of Tangible Capital Assets	8,141,113	<b>8,253,530</b>	8,138,805
<b>Total Effect of change in Tangible Capital Assets</b>	6,131,096	<b>(37,661,658)</b>	(22,400,303)
Acquisition of Prepaid Expenses		<b>(1,601,783)</b>	(694,853)
Use of Prepaid Expenses		<b>756,330</b>	793,873
Acquisition of Other Assets			(100,000)
Use of Other Assets		<b>100,000</b>	
Endowment Contributions		<b>(30,610)</b>	
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>(776,063)</b>	(980)
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>19,860,882</u>	<b>(10,915,889)</b>	(1,530,131)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(10,915,889)</b>	(1,530,131)
<b>Net Debt, beginning of year</b>		<b>(179,187,328)</b>	(177,657,197)
<b>Net Debt, end of year</b>		<b>(190,103,217)</b>	(179,187,328)

**School District No. 62 (Sooke)**

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	27,521,832	20,871,152
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(3,117,898)	206,254
Prepaid Expenses	(745,453)	(980)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	5,922,720	2,135,821
Unearned Revenue	(990,337)	(834,238)
Deferred Revenue	27,936	292,186
Employee Future Benefits	566,169	479,968
Amortization of Tangible Capital Assets	8,253,530	8,138,805
Amortization of Deferred Capital Revenue	(7,456,218)	(7,328,966)
Recognition of Deferred Capital Revenue Spent on Sites	(25,285,205)	(19,891,360)
Deferred Capital Revenue Transferred to Revenue	(1,029,310)	(1,392,966)
Amortization of Deferred Capital Revenue - for lease	(61,477)	(61,477)
<b>Total Operating Transactions</b>	<b>3,606,289</b>	<b>2,614,199</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(25,635,105)	(20,378,480)
Tangible Capital Assets -WIP Purchased	(20,280,083)	(10,160,628)
<b>Total Capital Transactions</b>	<b>(45,915,188)</b>	<b>(30,539,108)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	44,830,397	30,255,904
Endowment Contributions	(30,610)	
<b>Total Financing Transactions</b>	<b>44,799,787</b>	<b>30,255,904</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	133,447	(1,586)
<b>Total Investing Transactions</b>	<b>133,447</b>	<b>(1,586)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,624,335</b>	<b>2,329,409</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>23,395,777</b>	<b>21,066,368</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>26,020,112</b>	<b>23,395,777</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	9,879,298	12,112,279
Cash Equivalents	16,140,814	11,283,498
	<b>26,020,112</b>	<b>23,395,777</b>

# SCHOOL DISTRICT NO. 62 (SOOKE)

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### 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. 62 (Sooke)", and operates as "School District No. 62 (Sooke)." 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. 62 (Sooke) is exempt from federal and provincial corporate income taxes.

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

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Basis of Accounting

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

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

As noted in Notes 2(g) and 2(n), 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.

#### b) Basis of Consolidation

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District has entered into trust activities with some employees; these are described in Note 13.

## **SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### **NOTE 2          SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

#### **c) Cash and Cash Equivalents**

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

#### **d) Accounts Receivable**

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

#### **e) Portfolio Investments**

Portfolio investments include investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. GIC's are reported at cost.

#### **f) 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.

#### **g) 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(n).

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.

## SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

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### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### h) 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, retirement/severance, 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 (EARSLS) 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.

#### i) 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. 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. The liability is recorded net of any expected recoveries.

# SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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

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

### k) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

### l) Prepaid Expenses

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

## **SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### **NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

#### **m) 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 14 – Interfund Transfers and Note 22 – Accumulated Surplus).

#### **n) 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. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### **NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

#### **o) Expenditures**

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

##### Categories of Salaries

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

##### Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

#### **p) 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.

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****q) 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, portfolio investments, accounts payable and accrued liabilities. The School District does not have any derivative financial instruments.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

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

**r) Measurement Uncertainty**

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

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	June 30, 2020	June 30, 2019
Due from Federal Government	\$ 211,051	\$ 193,754
Payroll accounts receivable	7,496	50,787
School site acquisition charges receivable	109,190	106,236
Other accounts receivable	205,477	268,777
	<u>\$ 533,215</u>	<u>\$ 619,554</u>

**NOTE 4 PREPAID LEASE**

The School District prepaid a long-term lease to the Federal Government for the use of the John Stubbs Memorial School site for 50 years. This lease started on July 1, 2005 and ends on June 30, 2055.

The unamortized balance of the lease represents \$2,156,817 (2019: \$2,218,294) of the prepaid expenses.

**SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	June 30, 2020	June 30, 2019
Trade payables	\$ 8,757,292	\$ 3,739,502
Salaries and benefits payable	4,983,382	3,988,899
Accrued vacation pay	856,901	634,455
	<u>\$ 14,597,575</u>	<u>\$ 8,362,856</u>

**NOTE 6 UNEARNED REVENUE**

	June 30, 2020	June 30, 2019
Balance, beginning of year	\$ 4,317,878	\$ 5,152,116
Increase:		
Tuition fees collected	5,423,583	6,318,844
	<u>5,423,583</u>	<u>6,318,844</u>
Decrease:		
Tuition fees recognized	(6,413,919)	(7,023,433)
Academy fees recognized	-	(125,590)
Rental revenue recognized	-	(4,059)
	<u>(6,413,919)</u>	<u>(7,153,082)</u>
Net change for the year	(990,336)	(834,238)
Balance, end of year	<u>\$ 3,327,542</u>	<u>\$ 4,317,878</u>

Unearned revenue includes tuition collected from International students for school terms beginning on or after September 8, 2020. Due to COVID-19 and associated restrictions by the Government of Canada, only students with a study permit application approved on or before March 18, 2020 are able to enter Canada to study. This creates uncertainty regarding students who have paid tuition before June 30, 2020 but do not have approved permits to attend school in Canada. Subsequent to June 30, 2020, tuition refunds of \$19,800 were requested to be repaid. Unearned revenue includes approximately \$1,324,000 of tuition collected by the District for which it is uncertain if students will be able to complete their studies either in person or online, and may result in future refunds of unearned revenue.

**SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**NOTE 7 DEFERRED REVENUE**

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

	June 30, 2020	June 30, 2019
Balance, beginning of year	\$ 1,380,559	\$ 1,088,373
Increase:		
Provincial Grants - Ministry of Education	16,952,943	16,036,111
Other revenue	3,359,261	4,132,928
Investment income	23,580	17,460
	<u>20,335,784</u>	<u>20,186,499</u>
Decrease:		
Transfers to revenue	<u>(20,307,848)</u>	<u>(19,894,313)</u>
	<u>(20,307,848)</u>	<u>(19,894,313)</u>
Net change for the year	27,936	292,186
Balance, end of year	<u>\$ 1,408,495</u>	<u>\$ 1,380,559</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

**NOTE 8 DEFERRED CAPITAL REVENUE**

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

	June 30, 2020	June 30, 2019
<b>Deferred Capital Revenue Subject to Amortization</b>		
Balance, beginning of year	\$ 176,954,600	\$ 181,655,964
Increases:		
Transfer from deferred capital revenue – capital additions	349,900	440,266
Transfer from deferred capital revenue – work in progress	1,741,945	2,248,813
	<u>2,091,845</u>	<u>2,689,079</u>
Decreases:		
Amortization of deferred capital revenue	(7,456,218)	(7,328,966)
Amortization of long term lease	(61,477)	(61,477)
	<u>(7,517,695)</u>	<u>(7,390,443)</u>
Net change for the year	(5,425,850)	(4,701,364)
Balance, end of year	<u>\$ 171,528,750</u>	<u>\$ 176,954,600</u>

	June 30, 2020	June 30, 2019
<b>Deferred Capital Revenue - Work In Progress</b>		
Balance, beginning of year	\$ 7,233,345	\$ 800,177
Increases:		
Transfer from deferred capital revenue - unspent	18,674,283	8,681,981
	<u>18,674,283</u>	<u>8,681,981</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	(1,741,945)	(2,248,813)
	<u>(1,741,945)</u>	<u>(2,248,813)</u>
Net change for the year	16,932,338	6,433,168
Balance, end of year	<u>\$ 24,165,683</u>	<u>\$ 7,233,345</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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

	June 30, 2020	June 30, 2019
<b>Deferred Capital Revenue - Unspent</b>		
Balance, beginning of year	\$ 2,525,920	\$ 2,676,589
Increases:		
Provincial Grants - Ministry of Education	43,665,985	29,381,381
Provincial Grants – Other	-	19,593
Other	1,118,167	825,896
Investment income	46,245	29,034
	<u>44,830,837</u>	<u>30,255,904</u>
Decreases:		
Transfer to deferred capital revenue – capital additions	(349,900)	(440,266)
Transfer to deferred capital revenue – work in progress	(18,674,283)	(8,681,981)
Transfer to revenue – site purchases	(25,285,205)	(19,891,360)
Transfer to revenue – expensed costs	(1,029,310)	(1,392,966)
	<u>(45,338,698)</u>	<u>(30,406,573)</u>
Net change for the year	(508,301)	(150,669)
Balance, end of year	<u>\$ 2,017,619</u>	<u>\$ 2,525,920</u>
<b>Total Deferred Capital Revenue Balance, end of year</b>	<u>\$ 197,712,052</u>	<u>\$ 186,713,865</u>

**NOTE 9 EMPLOYEE FUTURE BENEFITS**

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

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

	June 30, 2020	June 30, 2019
Discount rate - April 1	2.50%	2.75%
Discount rate - March 31	2.25%	2.50%
Long-term salary growth - April 1	2.50% + seniority	2.50% + seniority
Long-term salary growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.6 years	9.6 years

**SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**NOTE 9 EMPLOYEE FUTURE BENEFITS (continued)**

	June 30, 2020	June 30, 2019
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation - April 1	\$ 5,027,590	\$ 4,281,261
Service cost	479,614	357,304
Interest cost	131,388	122,347
Benefit payments	(276,496)	(201,357)
Actuarial loss (gain)	(137,683)	468,035
Accrued benefit obligation - March 31	\$ 5,224,414	\$ 5,027,590
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued benefit obligation - March 31	\$ 5,224,414	\$ 5,027,590
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(5,224,414)	(5,027,590)
Employer contributions after measurement date	32,139	50,423
Benefits expense after measurement date	(157,359)	(152,751)
Unamortized net actuarial loss	836,531	1,182,984
Accrued benefit liability - June 30	\$ (4,513,103)	\$ (3,946,934)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued benefit liability - July 1	\$ 3,946,934	\$ 3,466,965
Net expense for fiscal year	824,381	672,506
Employer contributions	(258,212)	(192,537)
Accrued benefit liability - June 30	\$ 4,513,103	\$ 3,946,934
<b>Components of Net Benefit Expense</b>		
Service cost	\$ 486,056	\$ 387,882
Interest cost	129,555	124,607
Amortization of net actuarial loss	208,770	160,017
Net benefit expense for fiscal year	\$ 824,381	\$ 672,506

**SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

**NOTE 10 TANGIBLE CAPITAL ASSETS**

Net Book Value	June 30, 2020	June 30, 2019
Sites	\$ 112,696,073	\$ 87,410,868
Buildings	175,033,534	179,428,110
Buildings - WIP	23,761,543	7,184,008
Furniture & Equipment	7,639,702	7,418,039
Furniture & Equipment - WIP	404,140	148,709
Vehicles	2,502,966	2,620,722
Computer Software	-	-
Computer Hardware	163,811	329,655
<b>Total</b>	<b>\$ 322,201,769</b>	<b>\$ 284,540,111</b>

**June 30, 2020**

<b>Cost:</b>	Balance at July 1, 2019	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2020
Sites	\$ 87,410,868	\$ 25,285,205	\$ -	\$ -	\$ 112,696,073
Buildings	271,707,168	-	-	2,064,898	273,772,066
Buildings - WIP	7,184,008	18,642,433	-	(2,064,898)	23,761,543
Furniture & Equipment	11,056,714	-	(284,531)	1,382,219	12,154,402
Furniture – WIP	148,709	1,637,650	-	(1,382,219)	404,140
Vehicles	4,778,816	349,900	(554,406)	-	4,574,310
Computer Software	-	-	-	-	-
Computer Hardware	967,023	-	(275,604)	-	691,419
Computer Hardware - WIP	-	-	-	-	-
<b>Total</b>	<b>\$ 383,253,306</b>	<b>\$ 45,915,188</b>	<b>\$ (1,114,541)</b>	<b>\$ -</b>	<b>\$ 428,053,953</b>

<b>Accumulated Amortization:</b>	Balance at July 1, 2019	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2020
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	92,279,058	6,459,474	-	-	98,738,532
Furniture & Equipment	3,638,675	1,160,556	(284,531)	-	4,514,700
Vehicles	2,158,094	467,656	(554,406)	-	2,071,344
Computer software	-	-	-	-	-
Computer hardware	637,368	165,844	(275,604)	-	527,608
<b>Total</b>	<b>\$ 98,713,195</b>	<b>\$ 8,253,530</b>	<b>\$ (1,114,541)</b>	<b>\$ -</b>	<b>\$ 105,852,184</b>

**SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**NOTE 10 TANGIBLE CAPITAL ASSETS (continued)****June 30, 2019**

<b>Cost:</b>	Balance at July 1, 2018	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$ 67,519,508	\$ 19,891,360	\$ -	\$ -	\$ 87,410,868
Buildings	268,713,719	(21,336)	-	3,014,785	271,707,168
Buildings - WIP	1,641,472	8,557,321	-	(3,014,785)	7,184,008
Furniture & Equipment	10,066,119	-	(576,678)	1,567,273	11,056,714
Furniture - WIP	112,675	1,603,307	-	(1,567,273)	148,709
Vehicles	4,304,384	508,456	(34,024)	-	4,778,816
Computer Software	13,764	-	(13,764)	-	-
Computer Hardware	1,215,597	-	(248,574)	-	967,023
Computer Hardware - WIP	-	-	-	-	-
<b>Total</b>	<b>\$ 353,587,238</b>	<b>\$ 30,539,108</b>	<b>\$ (873,040)</b>	<b>\$ -</b>	<b>\$ 383,253,306</b>

<b>Accumulated Amortization:</b>	Balance at July 1, 2018	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	85,870,192	6,408,866	-	-	92,279,058
Furniture & Equipment	3,159,211	1,056,142	(576,678)	-	3,638,675
Vehicles	1,737,958	454,160	(34,024)	-	2,158,094
Computer Software	12,389	1,375	(13,764)	-	-
Computer Hardware	667,680	218,262	(248,574)	-	637,368
<b>Total</b>	<b>\$ 91,447,430</b>	<b>\$ 8,138,805</b>	<b>\$ (873,040)</b>	<b>\$ -</b>	<b>\$ 98,713,195</b>

Work in progress (WIP) includes buildings, furniture and equipment and computer hardware that have not been amortized. Amortization of these assets will commence when the assets are put into service.

**Contributed tangible capital assets**

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$0 (2019 - \$22,673).

## **SCHOOL DISTRICT NO. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

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### **NOTE 11      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The 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 \$9,670,510 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$9,534,064).

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. 62 (SOOKE)**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

**NOTE 12 RESTRICTED ASSETS – ENDOWMENT FUNDS**

Donors have provided endowment contributions with a restriction that the original contribution should not be spent. These endowments have been invested in high interest savings accounts bearing interest at 1.45%.

Other than the Victor Chen Memorial endowment, the endowments were established to provide scholarships and bursaries for one or more deserving graduate or undergraduate students in full time attendance at Edward Milne Community School. The Victor Chen Memorial endowment was established to provide annual scholarships in perpetuity to a student or students from the Westshore planning to study engineering.

Name of Endowment	Balance July 1, 2019	Contributions	Balance June 30, 2020
Cal Meyer	\$ 609,285	\$ -	\$ 609,285
Sooke Women's Institute	17,554	-	17,554
Derochie	10,000	-	10,000
STARR	6,000	-	6,000
Victor Chen Memorial	-	30,610	30,610
<b>Total</b>	<b>\$ 642,839</b>	<b>\$ 30,610</b>	<b>\$ 673,449</b>

**NOTE 13 TRUSTS UNDER ADMINISTRATION**

The School District is in a trustee relationship with employees under the deferred salary leave plan and the teachers' summer savings plan.

As at June 30, 2020, the District held the following funds in place, as directed by agreement with the employees. These amounts have not been included in the cash or accounts payable balances in the financial statements:

	June 30, 2020	June 30, 2019
Deferred Salary Leave Plan	\$ 88,954	\$ 61,331
Teachers' Summer Savings Plan	1,235,602	906,730
<b>Total</b>	<b>\$ 1,324,556</b>	<b>\$ 968,061</b>

**NOTE 14 INTERFUND TRANSFERS**

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

- Transfer to the capital fund for tangible capital assets purchased from the operating fund \$0
- Transfer to the capital fund for tangible capital assets work in progress from the operating fund \$521,201

## SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### NOTE 15 RELATED PARTY TRANSACTIONS

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

### NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2021	2022	2023	2024	2025	Thereafter
Premises leases	\$ 227,786	\$ 227,786	\$ 23,920	\$ -	\$ -	\$ -
Copier leases	95,989	92,878	56,400	30,013	5,176	-
Total	\$ 323,775	\$ 320,664	\$ 80,320	\$ 30,013	\$ 5,176	\$ -

The School District has entered into contracts related to capital projects with a remaining cost of approximately \$10,151,157.

Subsequent to June 30, 2020, the School District awarded the Pexsisen Elementary and Centre Mountain Lellum Middle School capital project totaling \$57,977,283.

### NOTE 17 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 the leasing of School District property. The following table summarizes the contractual rights of the School District for future assets.

	2021	2022	2023	2024	2025	Thereafter
Future lease/rental revenue	\$72,919	\$79,056	\$68,400	\$68,400	\$68,400	\$205,200
Total	\$72,919	\$79,056	\$68,400	\$68,400	\$68,400	\$205,200

### NOTE 18 CONTINGENT ASSETS

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the School District's control occurs, or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

At this time the School District has determined that there are no contingent assets.

**SCHOOL DISTRICT NO. 62 (SOOKE)**

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

**NOTE 19      CONTINGENT LIABILITIES**

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2020, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

**NOTE 20      BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 25, 2020. The original budget was adopted on May 28, 2019. The original and amended budgets are presented below.

	2020 Amended Annual Budget \$	2020 Annual Budget \$
<b>Revenues</b>		
Provincial Grants		
Ministry of Education	139,882,030	122,268,149
Municipal Grants Spent on Sites	582,000	-
Tuition	6,970,260	6,996,209
Other Revenue	5,666,841	5,120,651
Rentals and Leases	388,500	388,500
Investment Income	386,992	232,530
Amortization of Deferred Capital Revenue	7,369,239	7,389,098
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477
<b>Total Revenue</b>	<u>161,307,339</u>	<u>142,456,614</u>
<b>Expenses</b>		
Instruction	119,633,827	115,370,855
District Administration	4,951,476	4,895,314
Operations and Maintenance	19,922,284	19,710,702
Transportation and Housing	3,069,966	3,082,812
<b>Total Expense</b>	<u>147,577,553</u>	<u>143,059,683</u>
Net Revenue (Expense)	<u>13,729,786</u>	<u>(603,069)</u>
Budgeted Allocation (Retirement) of Surplus (Deficit)	2,061,497	-
Budgeted Surplus (Deficit), for the year	<u>15,791,283</u>	<u>(603,069)</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**NOTE 21 EXPENSE BY OBJECT**

	June 30, 2020	June 30, 2019
Salaries and benefits	\$ 117,260,286	\$ 109,553,503
Services and supplies	17,864,100	20,395,867
Amortization	8,253,530	8,138,805
<b>Total</b>	<b>\$ 143,377,916</b>	<b>\$ 138,088,175</b>

**NOTE 22 ACCUMULATED SURPLUS**

	June 30, 2020	June 30, 2019
Total Internally Restricted Fund Balances	\$ 7,192,890	\$ 5,795,361
Special Purpose Fund – endowments	673,449	642,839
Invested in Tangible Capital Assets	128,664,262	102,570,569
<b>Total Accumulated Surplus</b>	<b>\$ 136,530,601</b>	<b>\$ 109,008,769</b>

The Internally Restricted Fund Balances are composed of an Internally Restricted Operating Fund balance and an Internally Restricted Capital Fund balance. The Internally Restricted Operating Fund balance represents the amount of funds committed for planned future years' operating activities. The Internally Restricted Capital Fund balance represents the balance from the Local Capital Reserve. The use of Local Capital is entirely at the discretion of the School District. Appropriations from Local Capital are made to finance projects as determined by the Board.

	June 30, 2020	June 30, 2019
Internally Restricted – Operating Fund		
Due to nature of constraints on funds	\$ 2,674,114	\$ 222,554
Due to operations spanning the school year	1,917,197	1,838,943
Due to unanticipated unusual expenses	2,601,579	2,654,118
<b>Total Internally Restricted – Operating Fund</b>	<b>7,192,890</b>	<b>4,715,615</b>
Internally Restricted – Capital Fund		
Local capital reserve	-	1,079,746
<b>Total Internally Restricted – Capital Fund</b>	<b>-</b>	<b>1,079,746</b>
<b>Total Internally Restricted Fund Balances</b>	<b>\$ 7,192,890</b>	<b>\$ 5,795,361</b>

**NOTE 23 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. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### NOTE 24 RISK MANAGEMENT

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

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

**a) Credit risk**

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates with a fixed maturity date.

**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.

**i. Currency 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.

**ii. Interest rate risk**

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

**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 exposures from 2019 related to credit, market or liquidity risks.

**School District No. 62 (Sooke)**

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

	<b>Operating Fund</b>	<b>Special Purpose Fund</b>	<b>Capital Fund</b>	<b>2020 Actual</b>	2019 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	4,715,615	642,839	103,650,315	<b>109,008,769</b>	88,137,617
<b>Changes for the year</b>					
Surplus (Deficit) for the year	2,998,476	30,610	24,492,746	<b>27,521,832</b>	20,871,152
Interfund Transfers					
Tangible Capital Assets - Work in Progress	(521,201)		521,201	-	
<b>Net Changes for the year</b>	<b>2,477,275</b>	<b>30,610</b>	<b>25,013,947</b>	<b>27,521,832</b>	<b>20,871,152</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>7,192,890</b>	<b>673,449</b>	<b>128,664,262</b>	<b>136,530,601</b>	109,008,769

# School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget (Note 20) \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	106,364,727	<b>108,492,677</b>	101,395,592
Other		<b>9,000</b>	22,000
Tuition	6,970,260	<b>6,413,919</b>	7,023,433
Other Revenue	895,195	<b>1,040,633</b>	1,003,155
Rentals and Leases	388,500	<b>358,415</b>	436,237
Investment Income	353,875	<b>409,583</b>	351,002
<b>Total Revenue</b>	<b>114,972,557</b>	<b>116,724,227</b>	<b>110,231,419</b>
<b>Expenses</b>			
Instruction	97,891,267	<b>95,814,503</b>	90,280,311
District Administration	4,951,476	<b>4,623,740</b>	4,272,160
Operations and Maintenance	10,646,086	<b>10,707,236</b>	11,373,454
Transportation and Housing	2,619,805	<b>2,580,272</b>	2,549,099
<b>Total Expense</b>	<b>116,108,634</b>	<b>113,725,751</b>	<b>108,475,024</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(1,136,077)</b>	<b>2,998,476</b>	<b>1,756,395</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>2,061,497</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(925,420)		(46,854)
Tangible Capital Assets - Work in Progress		<b>(521,201)</b>	(1,379,274)
<b>Total Net Transfers</b>	<b>(925,420)</b>	<b>(521,201)</b>	<b>(1,426,128)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>2,477,275</b>	<b>330,267</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>4,715,615</b>	<b>4,385,348</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>7,192,890</b>	<b>4,715,615</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>7,192,890</b>	<b>4,715,615</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>7,192,890</b>	<b>4,715,615</b>

# School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget (Note 20) \$	2020 Actual \$	2019 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	104,464,657	<b>104,954,991</b>	99,820,400
ISC/LEA Recovery	(323,885)	<b>(482,169)</b>	(323,885)
Other Ministry of Education Grants			
Pay Equity	931,052	<b>931,052</b>	931,052
Funding for Graduated Adults	40,000	<b>123,206</b>	79,833
Transportation Supplement	358,365	<b>358,365</b>	358,365
Economic Stability Dividend			124,163
Carbon Tax Grant	45,000	<b>74,695</b>	74,695
Employer Health Tax Grant	837,538	<b>837,538</b>	254,511
Strategic Priorities - Mental Health Grant			31,000
BCTEA - LEA Capacity Building Grant			20,550
Support Staff Wage Increase Funding		<b>435,009</b>	
Teachers' Labour Settlement Funding		<b>1,241,858</b>	
FSA and Monitored Marking	12,000	<b>12,964</b>	12,964
Access Grant			5,000
SRG3 Assessments			2,944
Equity Scan		<b>2,000</b>	4,000
Early Learning Framework Implementation		<b>3,168</b>	
<b>Total Provincial Grants - Ministry of Education</b>	<b>106,364,727</b>	<b>108,492,677</b>	101,395,592
<b>Provincial Grants - Other</b>		<b>9,000</b>	22,000
<b>Tuition</b>			
Continuing Education	110,000	<b>110,568</b>	96,249
International and Out of Province Students	6,860,260	<b>6,303,351</b>	6,927,184
<b>Total Tuition</b>	<b>6,970,260</b>	<b>6,413,919</b>	7,023,433
<b>Other Revenues</b>			
Funding from First Nations	323,885	<b>482,169</b>	353,813
Miscellaneous			
Grants for Crossing Guards	80,000	<b>70,000</b>	70,000
Miscellaneous	138,950	<b>179,482</b>	104,354
Rebates	91,000	<b>43,364</b>	77,832
Reclassified from SGF Discretionary	261,360	<b>133,934</b>	261,360
Careers Program		<b>131,684</b>	135,796
<b>Total Other Revenue</b>	<b>895,195</b>	<b>1,040,633</b>	1,003,155
<b>Rentals and Leases</b>	<b>388,500</b>	<b>358,415</b>	436,237
<b>Investment Income</b>	<b>353,875</b>	<b>409,583</b>	351,002
<b>Total Operating Revenue</b>	<b>114,972,557</b>	<b>116,724,227</b>	110,231,419

# School District No. 62 (Sooke)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2020

	2020 Budget (Note 20) \$	2020 Actual \$	2019 Actual \$
<b>Salaries</b>			
Teachers	43,821,569	<b>45,374,538</b>	42,793,923
Principals and Vice Principals	7,591,659	<b>7,555,210</b>	7,043,741
Educational Assistants	8,719,485	<b>9,249,358</b>	7,589,956
Support Staff	11,793,322	<b>11,949,830</b>	11,247,385
Other Professionals	3,897,096	<b>3,871,161</b>	3,278,964
Substitutes	3,820,202	<b>3,227,960</b>	3,536,743
<b>Total Salaries</b>	<b>79,643,333</b>	<b>81,228,057</b>	<b>75,490,712</b>
<b>Employee Benefits</b>	20,796,833	<b>19,106,794</b>	18,440,368
<b>Total Salaries and Benefits</b>	<b>100,440,166</b>	<b>100,334,851</b>	<b>93,931,080</b>
<b>Services and Supplies</b>			
Services	6,222,772	<b>6,144,288</b>	7,156,211
Professional Development and Travel	1,642,837	<b>1,023,952</b>	948,387
Rentals and Leases	268,349	<b>304,088</b>	336,185
Dues and Fees	197,842	<b>176,797</b>	172,222
Insurance	339,580	<b>338,254</b>	335,620
Supplies	5,172,244	<b>3,903,490</b>	4,012,608
Utilities	1,774,044	<b>1,490,826</b>	1,582,711
Bad Debt	50,800	<b>9,205</b>	
<b>Total Services and Supplies</b>	<b>15,668,468</b>	<b>13,390,900</b>	<b>14,543,944</b>
<b>Total Operating Expense</b>	<b>116,108,634</b>	<b>113,725,751</b>	<b>108,475,024</b>

# School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	36,580,598	209,839	145,894	1,743,976	362,160	1,780,119	40,822,586
1.03 Career Programs	166,151			191,417		8,006	365,574
1.07 Library Services	1,324,216			247,625		30,823	1,602,664
1.08 Counselling	2,080,438					8,408	2,088,846
1.10 Special Education	2,659,849	253,482	8,748,686	88,352	885,049	699,650	13,335,068
1.30 English Language Learning	1,058,392			33,018		373	1,091,783
1.31 Indigenous Education	615,775	135,032	354,778	87,808		10,570	1,203,963
1.41 School Administration		6,696,356		2,215,608		208,261	9,120,225
1.61 Continuing Education				41,087			41,087
1.62 International and Out of Province Students	886,399	260,501		341,987		2,591	1,491,478
<b>Total Function 1</b>	<b>45,371,818</b>	<b>7,555,210</b>	<b>9,249,358</b>	<b>4,990,878</b>	<b>1,247,209</b>	<b>2,748,801</b>	<b>71,163,274</b>
<b>4 District Administration</b>							
4.11 Educational Administration					794,981		794,981
4.40 School District Governance					120,248		120,248
4.41 Business Administration	2,720			493,947	1,378,096	46,731	1,921,494
<b>Total Function 4</b>	<b>2,720</b>	<b>-</b>	<b>-</b>	<b>493,947</b>	<b>2,293,325</b>	<b>46,731</b>	<b>2,836,723</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				111,580	128,300		239,880
5.50 Maintenance Operations				4,338,347	96,886	310,446	4,745,679
5.52 Maintenance of Grounds				511,237			511,237
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,961,164</b>	<b>225,186</b>	<b>310,446</b>	<b>5,496,796</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				120,718	105,441	3,744	229,903
7.70 Student Transportation				1,383,123		118,238	1,501,361
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,503,841</b>	<b>105,441</b>	<b>121,982</b>	<b>1,731,264</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>45,374,538</b>	<b>7,555,210</b>	<b>9,249,358</b>	<b>11,949,830</b>	<b>3,871,161</b>	<b>3,227,960</b>	<b>81,228,057</b>

# School District No. 62 (Sooke)

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 20)	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	40,822,586	10,167,245	50,989,831	3,345,512	54,335,343	55,969,142	51,395,147
1.03 Career Programs	365,574	92,917	458,491	339,901	798,392	800,686	852,567
1.07 Library Services	1,602,664	405,454	2,008,118	59,147	2,067,265	1,943,470	2,046,162
1.08 Counselling	2,088,846	462,951	2,551,797	3,124	2,554,921	2,278,860	2,256,423
1.10 Special Education	13,335,068	3,256,344	16,591,412	462,156	17,053,568	16,538,054	14,835,831
1.30 English Language Learning	1,091,783	266,651	1,358,434	19,976	1,378,410	1,147,135	1,043,732
1.31 Indigenous Education	1,203,963	308,138	1,512,101	189,178	1,701,279	1,747,250	1,457,292
1.41 School Administration	9,120,225	1,563,436	10,683,661	701,943	11,385,604	12,445,624	11,283,832
1.61 Continuing Education	41,087	4,175	45,262	43,750	89,012	55,134	63,602
1.62 International and Out of Province Students	1,491,478	355,774	1,847,252	2,603,457	4,450,709	4,965,912	5,045,723
<b>Total Function 1</b>	<b>71,163,274</b>	<b>16,883,085</b>	<b>88,046,359</b>	<b>7,768,144</b>	<b>95,814,503</b>	97,891,267	90,280,311
<b>4 District Administration</b>							
4.11 Educational Administration	794,981	140,139	935,120	110,004	1,045,124	995,792	1,071,020
4.40 School District Governance	120,248	5,854	126,102	164,447	290,549	262,088	237,386
4.41 Business Administration	1,921,494	386,143	2,307,637	980,430	3,288,067	3,693,596	2,963,754
<b>Total Function 4</b>	<b>2,836,723</b>	<b>532,136</b>	<b>3,368,859</b>	<b>1,254,881</b>	<b>4,623,740</b>	4,951,476	4,272,160
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	239,880	53,661	293,541	330,205	623,746	654,433	465,299
5.50 Maintenance Operations	4,745,679	1,103,371	5,849,050	1,553,949	7,402,999	7,090,352	6,981,239
5.52 Maintenance of Grounds	511,237	118,602	629,839	304,214	934,053	798,182	2,003,733
5.56 Utilities	-	-	-	1,746,438	1,746,438	2,103,119	1,923,183
<b>Total Function 5</b>	<b>5,496,796</b>	<b>1,275,634</b>	<b>6,772,430</b>	<b>3,934,806</b>	<b>10,707,236</b>	10,646,086	11,373,454
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	229,903	53,338	283,241	25,983	309,224	278,862	277,113
7.70 Student Transportation	1,501,361	362,601	1,863,962	407,086	2,271,048	2,340,943	2,271,986
<b>Total Function 7</b>	<b>1,731,264</b>	<b>415,939</b>	<b>2,147,203</b>	<b>433,069</b>	<b>2,580,272</b>	2,619,805	2,549,099
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>81,228,057</b>	<b>19,106,794</b>	<b>100,334,851</b>	<b>13,390,900</b>	<b>113,725,751</b>	116,108,634	108,475,024

# School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget (Note 20) \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	17,279,462	<b>17,164,315</b>	15,937,826
Other Revenue	4,771,646	<b>3,123,933</b>	4,072,634
Investment Income	28,266	<b>19,600</b>	9,443
<b>Total Revenue</b>	<u>22,079,374</u>	<u><b>20,307,848</b></u>	<u>20,019,903</u>
<b>Expenses</b>			
Instruction	21,742,560	<b>19,971,034</b>	19,683,089
Operations and Maintenance	336,814	<b>336,814</b>	336,814
<b>Total Expense</b>	<u>22,079,374</u>	<u><b>20,307,848</b></u>	<u>20,019,903</u>
<b>Special Purpose Surplus (Deficit) for the year, before endowment contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Endowment Contributions</b>		<b>30,610</b>	
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u><b>30,610</b></u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u><b>30,610</b></u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		<b>642,839</b>	642,839
<b>Special Purpose Surplus (Deficit), end of year</b>		<u><b>673,449</b></u>	<u>642,839</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		<b>673,449</b>	642,839
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u><b>673,449</b></u>	<u>642,839</u>

**School District No. 62 (Sooke)**

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Rural Education Enhancement Fund
<b>Deferred Revenue, beginning of year</b>	\$ -	\$ -	\$ 18,266	\$ 644,538	\$ 48,614	\$ 2,896	\$ -	\$ 84,222	\$ -
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	336,814	391,077			192,948	44,684	222,543	755,222	242,000
Other				2,304,372				22,338	
Investment Income			18,567		600	100			
	336,814	391,077	18,567	2,304,372	193,548	44,784	222,543	777,560	242,000
<b>Less:</b> Allocated to Revenue	336,814	391,077	16,200	2,173,359	230,387	42,343	222,543	774,757	242,000
<b>Deferred Revenue, end of year</b>	-	-	<b>20,633</b>	<b>775,551</b>	<b>11,775</b>	<b>5,337</b>	-	<b>87,025</b>	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	336,814	391,077			229,787	42,243	222,543	754,119	242,000
Other Revenue				2,173,359				20,638	
Investment Income			16,200		600	100			
	336,814	391,077	16,200	2,173,359	230,387	42,343	222,543	774,757	242,000
<b>Expenses</b>									
Salaries									
Teachers							43,163		90,556
Principals and Vice Principals								35,534	
Educational Assistants		305,527							24,976
Support Staff				6,608	171,553	316	386	87,318	37,185
Other Professionals								161,814	
Substitutes				4,461		16,380	18,392	10,951	8,099
	-	305,527	-	11,069	171,553	16,696	61,941	295,617	160,816
Employee Benefits		85,550		518	41,058	3,727	15,666	65,898	50,982
Services and Supplies	336,814		16,200	2,161,772	17,776	21,920	144,936	413,242	30,202
	336,814	391,077	16,200	2,173,359	230,387	42,343	222,543	774,757	242,000
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 62 (Sooke)**

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

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Quality Teaching	Nature K	ACE-IT	Academies
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	239,756	-	-	174	130	5,200	-	245,759
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	1,604,033	13,086,808	9,080	26,500	10,800				
Other								30,000	868,021
Investment Income							100		
	1,604,033	13,086,808	9,080	26,500	10,800	-	100	30,000	868,021
<b>Less:</b> Allocated to Revenue	1,577,782	13,326,564	-	26,500	4,445	-	86	30,000	825,990
<b>Deferred Revenue, end of year</b>	<b>26,251</b>	<b>-</b>	<b>9,080</b>	<b>-</b>	<b>6,529</b>	<b>130</b>	<b>5,214</b>	<b>-</b>	<b>287,790</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	1,577,782	13,326,564		26,500	4,271				
Other Revenue					174			30,000	825,990
Investment Income							86		
	1,577,782	13,326,564	-	26,500	4,445	-	86	30,000	825,990
<b>Expenses</b>									
Salaries									
Teachers	27,541	10,790,740						25,000	49,179
Principals and Vice Principals									15,541
Educational Assistants	172,500								
Support Staff	258,645								40,469
Other Professionals	95,600								
Substitutes	670,400			9,439	2,146				2,987
	1,224,686	10,790,740	-	9,439	2,146	-	-	25,000	108,176
Employee Benefits	280,527	2,535,824		1,514	402			5,000	18,697
Services and Supplies	72,569			15,547	1,897		86		699,117
	1,577,782	13,326,564	-	26,500	4,445	-	86	30,000	825,990
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**School District No. 62 (Sooke)**

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

	Ab Ed Commercial Fishing	Art Starts	Donations	Theaters	Horner	GISP	SEY2K	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	11,975	2,731	6,526	62,772	-	7,000	-	1,380,559
<b>Add:</b> Restricted Grants								
Provincial Grants - Ministry of Education							30,434	16,952,943
Other		7,500	97,392	9,713	19,925			3,359,261
Investment Income		201	1,977	2,035				23,580
	-	7,701	99,369	11,748	19,925	-	30,434	20,335,784
<b>Less:</b> Allocated to Revenue	-	4,644	33,757	28,975	9,010	2,732	7,883	20,307,848
<b>Deferred Revenue, end of year</b>	<b>11,975</b>	<b>5,788</b>	<b>72,138</b>	<b>45,545</b>	<b>10,915</b>	<b>4,268</b>	<b>22,551</b>	<b>1,408,495</b>
<b>Revenues</b>								
Provincial Grants - Ministry of Education						2,732	7,883	17,164,315
Other Revenue		4,544	31,943	28,275	9,010			3,123,933
Investment Income		100	1,814	700				19,600
	-	4,644	33,757	28,975	9,010	2,732	7,883	20,307,848
<b>Expenses</b>								
Salaries								
Teachers								11,026,179
Principals and Vice Principals								51,075
Educational Assistants								503,003
Support Staff				125			105	602,710
Other Professionals								257,414
Substitutes							1,519	744,774
	-	-	-	125	-	-	1,624	13,185,155
Employee Benefits				6			256	3,105,625
Services and Supplies		4,644	33,757	28,844	9,010	2,732	6,003	4,017,068
	-	4,644	33,757	28,975	9,010	2,732	7,883	20,307,848
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-

# School District No. 62 (Sooke)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2020

	2020	2020 Actual			2019
	Budget (Note 20)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	16,237,841	25,072,515		25,072,515	20,934,326
Municipal Grants Spent on Sites	582,000	1,242,000		1,242,000	350,000
Investment Income	4,851		4,853	4,853	33,236
Amortization of Deferred Capital Revenue	7,369,239	7,456,218		7,456,218	7,328,966
Amortization of Deferred Capital Revenue - for lease	61,477	61,477		61,477	61,477
<b>Total Revenue</b>	<b>24,255,408</b>	<b>33,832,210</b>	<b>4,853</b>	<b>33,837,063</b>	<b>28,708,005</b>
<b>Expenses</b>					
Operations and Maintenance	1,248,432	1,090,787		1,090,787	1,454,443
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,690,952	7,785,874		7,785,874	7,684,645
Transportation and Housing	450,161	467,656		467,656	454,160
<b>Total Expense</b>	<b>9,389,545</b>	<b>9,344,317</b>	<b>-</b>	<b>9,344,317</b>	<b>9,593,248</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>14,865,863</b>	<b>24,487,893</b>	<b>4,853</b>	<b>24,492,746</b>	<b>19,114,757</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	925,420			-	46,854
Tangible Capital Assets - Work in Progress		521,201		521,201	1,379,274
<b>Total Net Transfers</b>	<b>925,420</b>	<b>521,201</b>	<b>-</b>	<b>521,201</b>	<b>1,426,128</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets WIP Purchased from Local Capital		1,084,599	(1,084,599)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>1,084,599</b>	<b>(1,084,599)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>15,791,283</b>	<b>26,093,693</b>	<b>(1,079,746)</b>	<b>25,013,947</b>	<b>20,540,885</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>102,570,569</b>	<b>1,079,746</b>	<b>103,650,315</b>	<b>83,109,430</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>128,664,262</b>	<b>-</b>	<b>128,664,262</b>	<b>103,650,315</b>

# School District No. 62 (Sooke)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	87,410,868	271,707,168	11,056,714	4,778,816		967,023	<b>375,920,589</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	23,137,332			349,900			<b>23,487,232</b>
Deferred Capital Revenue - Other	2,147,873						<b>2,147,873</b>
Transferred from Work in Progress		2,064,898	1,382,219				<b>3,447,117</b>
	<u>25,285,205</u>	<u>2,064,898</u>	<u>1,382,219</u>	<u>349,900</u>	<u>-</u>	<u>-</u>	<b><u>29,082,222</u></b>
Decrease:							
Deemed Disposals			284,531	554,406		275,604	<b>1,114,541</b>
	<u>-</u>	<u>-</u>	<u>284,531</u>	<u>554,406</u>	<u>-</u>	<u>275,604</u>	<b><u>1,114,541</u></b>
<b>Cost, end of year</b>	<u>112,696,073</u>	<u>273,772,066</u>	<u>12,154,402</u>	<u>4,574,310</u>	<u>-</u>	<u>691,419</u>	<b><u>403,888,270</u></b>
<b>Work in Progress, end of year</b>		23,761,543	404,140				<b>24,165,683</b>
<b>Cost and Work in Progress, end of year</b>	<u>112,696,073</u>	<u>297,533,609</u>	<u>12,558,542</u>	<u>4,574,310</u>	<u>-</u>	<u>691,419</u>	<b><u>428,053,953</u></b>
<b>Accumulated Amortization, beginning of year</b>		92,279,058	3,638,675	2,158,094		637,368	<b>98,713,195</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		6,459,474	1,160,556	467,656		165,844	<b>8,253,530</b>
Decrease:							
Deemed Disposals			284,531	554,406		275,604	<b>1,114,541</b>
			<u>-</u>	<u>284,531</u>	<u>-</u>	<u>275,604</u>	<b><u>1,114,541</u></b>
<b>Accumulated Amortization, end of year</b>		<u>98,738,532</u>	<u>4,514,700</u>	<u>2,071,344</u>	<u>-</u>	<u>527,608</u>	<b><u>105,852,184</u></b>
<b>Tangible Capital Assets - Net</b>	<u><b>112,696,073</b></u>	<u><b>198,795,077</b></u>	<u><b>8,043,842</b></u>	<u><b>2,502,966</b></u>	<u><b>-</b></u>	<u><b>163,811</b></u>	<u><b>322,201,769</b></u>

# School District No. 62 (Sooke)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	7,184,008	148,709			7,332,717
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	17,146,299	1,461,911			18,608,210
Deferred Capital Revenue - Other	316	65,757			66,073
Operating Fund	411,219	109,982			521,201
Local Capital	1,084,599				1,084,599
	<u>18,642,433</u>	<u>1,637,650</u>	-	-	<u>20,280,083</u>
Decrease:					
Transferred to Tangible Capital Assets	2,064,898	1,382,219			3,447,117
	<u>2,064,898</u>	<u>1,382,219</u>	-	-	<u>3,447,117</u>
<b>Net Changes for the Year</b>	<u>16,577,535</u>	<u>255,431</u>	-	-	<u>16,832,966</u>
<b>Work in Progress, end of year</b>	<u><u>23,761,543</u></u>	<u><u>404,140</u></u>	-	-	<u><u>24,165,683</u></u>

# School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	156,500,171	19,823,784	630,645	<b>176,954,600</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	349,900			<b>349,900</b>
Transferred from Work in Progress	1,675,872	66,073		<b>1,741,945</b>
	<u>2,025,772</u>	<u>66,073</u>	<u>-</u>	<u><b>2,091,845</b></u>
Decrease:				
Amortization of Deferred Capital Revenue	6,671,868	742,403	41,947	<b>7,456,218</b>
Amortization of Deferred Capital Revenue - for long term lease	61,477			<b>61,477</b>
	<u>6,733,345</u>	<u>742,403</u>	<u>41,947</u>	<u><b>7,517,695</b></u>
<b>Net Changes for the Year</b>	<u>(4,707,573)</u>	<u>(676,330)</u>	<u>(41,947)</u>	<u><b>(5,425,850)</b></u>
<b>Deferred Capital Revenue, end of year</b>	<u>151,792,598</u>	<u>19,147,454</u>	<u>588,698</u>	<u><b>171,528,750</b></u>
<b>Work in Progress, beginning of year</b>	7,233,345			<b>7,233,345</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	18,608,210	66,073		<b>18,674,283</b>
	<u>18,608,210</u>	<u>66,073</u>	<u>-</u>	<u><b>18,674,283</b></u>
Decrease				
Transferred to Deferred Capital Revenue	1,675,872	66,073		<b>1,741,945</b>
	<u>1,675,872</u>	<u>66,073</u>	<u>-</u>	<u><b>1,741,945</b></u>
<b>Net Changes for the Year</b>	<u>16,932,338</u>	<u>-</u>	<u>-</u>	<u><b>16,932,338</b></u>
<b>Work in Progress, end of year</b>	<u>24,165,683</u>	<u>-</u>	<u>-</u>	<u><b>24,165,683</b></u>
<b>Total Deferred Capital Revenue, end of year</b>	<u><b>175,958,281</b></u>	<u><b>19,147,454</b></u>	<u><b>588,698</b></u>	<u><b>195,694,433</b></u>

# School District No. 62 (Sooke)

## Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	56,954	1,949,986	65,757	453,223	-	<b>2,525,920</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	43,665,985					<b>43,665,985</b>
Other				1,045,167	73,000	<b>1,118,167</b>
Investment Income		46,245				<b>46,245</b>
Transfer project surplus to MEd Restricted (from) Bylaw	(597,463)	597,463				<b>-</b>
	<u>43,068,522</u>	<u>643,708</u>	<u>-</u>	<u>1,045,167</u>	<u>73,000</u>	<u><b>44,830,397</b></u>
Decrease:						
Transferred to DCR - Capital Additions	349,900					<b>349,900</b>
Transferred to DCR - Work in Progress	18,608,210	316	65,757			<b>18,674,283</b>
Transferred to Revenue - Site Purchases	23,137,332	905,873		1,242,000		<b>25,285,205</b>
Transferred to Revenue - Expensed Costs	1,029,310					<b>1,029,310</b>
	<u>43,124,752</u>	<u>906,189</u>	<u>65,757</u>	<u>1,242,000</u>	<u>-</u>	<u><b>45,338,698</b></u>
<b>Net Changes for the Year</b>	<u>(56,230)</u>	<u>(262,481)</u>	<u>(65,757)</u>	<u>(196,833)</u>	<u>73,000</u>	<u><b>(508,301)</b></u>
<b>Balance, end of year</b>	<u><b>724</b></u>	<u><b>1,687,505</b></u>	<u><b>-</b></u>	<u><b>256,390</b></u>	<u><b>73,000</b></u>	<u><b>2,017,619</b></u>