

Audited Financial Statements of

School District No. 47 (Powell River)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 47 (Powell River)

June 30, 2021

Table of Contents

Management Report	1
Independent Auditors' Report	2
Statement of Financial Position - Statement 1	3
Statement of Operations - Statement 2	4
Statement of Changes in Net Debt - Statement 4	5
Statement of Cash Flows - Statement 5	6
Notes to the Financial Statements	7-28
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	29
Schedule of Operating Operations - Schedule 2 (Unaudited)	30
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	31
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	32
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	33
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	35
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	36
Schedule of Capital Operations - Schedule 4 (Unaudited)	38
Schedule 4A - Tangible Capital Assets (Unaudited)	39
Schedule 4C - Deferred Capital Revenue (Unaudited)	40
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	41

School District No. 47 (Powell River)

MANAGEMENT REPORT

Version: 6239-5493-3510

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 47 (Powell River) 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.



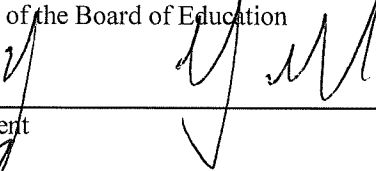

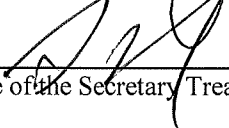
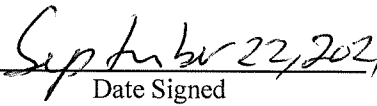
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 47 (Powell River) (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, MNP, 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. 47 (Powell River) 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. 47 (Powell River)

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

Independent Auditor's Report

To the Board of Education of School District No. 47 (Powell River) and the Minister of Education:

Opinion

We have audited the financial statements of School District No. 47 (Powell River) (the "School District"), which comprise the statement of financial position as at June 30, 2021, and the statements of operations, statement of changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present the financial position of the School District as at June 30, 2021 and the results of its operations, remeasurement gains and losses, changes in net debt and its cash flows for the year then ended in compliance with, in all material respects, the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 which describes the financial reporting framework being followed by School District No. 47 (Powell River).

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises of Unaudited Schedules 1-4 attached to the audited financial statements and Financial Statement Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we 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 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 and presentation of these financial statements in accordance with the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal 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 School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

September 22, 2021

Campbell River, BC

MNP LLP

Chartered Professional Accountants


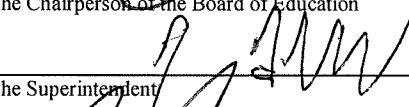
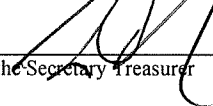
School District No. 47 (Powell River)

Statement of Financial Position
As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	7,418,399	6,420,916
Accounts Receivable		
Due from Province - Ministry of Education	142,338	-
Other (Note 3)	186,313	137,426
Total Financial Assets	<u>7,747,050</u>	<u>6,558,342</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	2,196,740	2,373,754
Unearned Revenue (Note 9)	515,518	324,083
Deferred Revenue (Note 6)	568,191	573,196
Deferred Capital Revenue (Note 7)	37,413,838	37,504,271
Employee Future Benefits (Note 8)	788,119	729,268
Total Liabilities	<u>41,482,406</u>	<u>41,504,572</u>
Net Debt	<u>(33,735,356)</u>	<u>(34,946,230)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 10)	47,009,412	46,765,129
Prepaid Expenses	90,289	84,327
Total Non-Financial Assets	<u>47,099,701</u>	<u>46,849,456</u>
Accumulated Surplus (Deficit) (Note 18)	<u>13,364,345</u>	<u>11,903,226</u>

Contingent Liabilities (Note 11)

Approved by the Board

 _____ Signature of the Chairperson of the Board of Education	_____ September 22, 2021 Date Signed
 _____ Signature of the Superintendent	_____ September 22, 2021 Date Signed
 _____ Signature of the Secretary/Treasurer	_____ September 22, 2021 Date Signed

School District No. 47 (Powell River)

Statement of Operations
Year Ended June 30, 2021

	2021 Budget (Note 17) \$	2021 Actual \$	2020 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	37,237,168	38,357,190	31,807,678
Other	88,400	128,300	101,100
Tuition	420,000	516,651	1,062,276
Other Revenue	2,557,947	1,965,962	2,593,422
Rentals and Leases	97,900	126,654	217,446
Investment Income	30,000	31,459	52,239
Amortization of Deferred Capital Revenue	1,585,275	1,615,684	1,599,999
Total Revenue	<u>42,016,690</u>	<u>42,741,900</u>	<u>37,434,160</u>
Expenses			
Instruction	33,917,023	32,361,264	28,813,537
District Administration	1,540,590	1,429,836	1,227,502
Operations and Maintenance	5,822,640	6,366,277	5,246,843
Transportation and Housing	1,125,578	1,123,404	1,110,605
Total Expense	<u>42,405,831</u>	<u>41,280,781</u>	<u>36,398,487</u>
Surplus (Deficit) for the year	<u>(389,141)</u>	<u>1,461,119</u>	<u>1,035,673</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		11,903,226	10,867,553
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>13,364,345</u></u>	<u>11,903,226</u>

School District No. 47 (Powell River)

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget (Note 17) \$	2021 Actual \$	2020 Actual \$
Surplus (Deficit) for the year	<u>(389,141)</u>	<u>1,461,119</u>	<u>1,035,673</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(500,000)	(2,132,723)	(1,248,673)
Amortization of Tangible Capital Assets	1,854,799	1,888,440	1,928,693
Total Effect of change in Tangible Capital Assets	<u>1,354,799</u>	<u>(244,283)</u>	<u>680,020</u>
Use of Prepaid Expenses	-	(5,962)	137,029
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(5,962)</u>	<u>137,029</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>965,658</u>	<u>1,210,874</u>	<u>1,852,722</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>1,210,874</u>	<u>1,852,722</u>
Net Debt, beginning of year		<u>(34,946,230)</u>	<u>(36,798,952)</u>
Net Debt, end of year		<u>(33,735,356)</u>	<u>(34,946,230)</u>

School District No. 47 (Powell River)

Statement of Cash Flows
Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,461,119	1,035,673
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(191,225)	69,279
Prepaid Expenses	(5,962)	137,029
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(177,014)	502,089
Unearned Revenue	191,435	(311,288)
Deferred Revenue	(5,005)	415,231
Employee Future Benefits	58,851	93,071
Amortization of Tangible Capital Assets	1,888,440	1,928,693
Amortization of Deferred Capital Revenue	(1,615,684)	(1,599,999)
Total Operating Transactions	<u>1,604,955</u>	<u>2,269,778</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,132,723)	(1,248,673)
Total Capital Transactions	<u>(2,132,723)</u>	<u>(1,248,673)</u>
Financing Transactions		
Capital Revenue Received	1,525,251	1,216,348
Total Financing Transactions	<u>1,525,251</u>	<u>1,216,348</u>
Net Increase (Decrease) in Cash and Cash Equivalents	997,483	2,237,453
Cash and Cash Equivalents, beginning of year	<u>6,420,916</u>	<u>4,183,463</u>
Cash and Cash Equivalents, end of year	<u>7,418,399</u>	<u>6,420,916</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>7,418,399</u>	<u>6,420,916</u>
	<u>7,418,399</u>	<u>6,420,916</u>



POWELL RIVER BOARD OF EDUCATION SCHOOL DISTRICT NO. 47

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2021*

NOTE 1 AUTHORITY AND PURPOSE

The School District, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 47 (Powell River)", and operates as "School District No. 47 (Powell River)." 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. 47 (Powell River) 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, 2020 and full-time beginning Sept 1, 2020 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

As noted in notes 2(e) and 2(l), 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.



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (cont'd)

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

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

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

Year-ended June 30, 2020 – increase in annual surplus by \$383,651

June 30, 2020 – increase in accumulated surplus and decrease in deferred contributions by \$37,504,271

Year-ended June 30, 2021 – decrease in annual surplus by \$90,433

June 30, 2021 – increase in accumulated surplus and decrease in deferred contributions by \$37,413,838

b) 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.

c) Accounts Receivable

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



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

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 (l).

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

f) Prepaid Expenses

Insurance premiums, and software licensing and support, are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

g) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 18 – Accumulated Surplus).



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

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, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

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

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

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. 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.



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

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

i) Liability for Contaminated Sites (cont'd)

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.

j) 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.

k) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Tangible Capital Assets (cont'd)

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

l) 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.



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

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

l) Revenue Recognition (cont'd)

unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2(a) for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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

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

Allocation of Costs

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



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

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

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.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

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

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

o) Statement of Remeasurement Gains and Losses

A statement of re-measurement gains and losses has not been presented as the District does not hold any financial assets or liabilities that would give rise to remeasurement gains or losses.



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 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 [Consolidated] Statement of Operations.

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

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

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

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

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



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Future Changes in Accounting Policies (Continued)

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

NOTE 3 ACCOUNTS RECEIVABLE - OTHER

	2021	2020
Due from Federal Government	\$67,119	\$53,400
Due from Others	119,194	84,026
	<u>\$186,313</u>	<u>\$137,426</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2021	2020
Trade and other payables	\$695,782	\$1,006,974
Salaries and benefits payable	81,268	17,495
Deductions Payable	1,419,690	1,349,285
	<u>\$2,196,740</u>	<u>\$2,373,754</u>

NOTE 5 EXPENSE BY OBJECT

	2021	2020
Salaries	\$23,555,174	\$20,893,083
Benefits	5,266,833	4,729,790
Services and supplies	10,570,334	8,846,921
Amortization	1,888,440	1,928,693
	<u>\$41,280,781</u>	<u>\$36,398,487</u>



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

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. Detailed information about the changes in deferred revenue are as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 573,196	\$157,965
Increases:		
Provincial Grant – MOE	\$5,494,664	\$4,394,728
Federal Grants	-	-
Other	723,302	1,653,509
Investment income		
	<u>6,217,966</u>	<u>6,048,237</u>
Decreases:		
Transfers to Revenue	<u>6,222,971</u>	<u>5,633,006</u>
Net Changes for the year	<u>5,005</u>	<u>415,231</u>
Balance, end of the year	<u>\$568,191</u>	<u>\$ 573,196</u>



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 7 DEFERRED CAPITAL REVENUE

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

	Deferred Cap Revenue	Unspent Def. Cap Revenue	Total 2021	2020
Balance, beginning of year	\$37,504,271	\$ -	\$ 37,504,271	37,887,922
Increases:				
Transfers from DC - capital additions	1,525,251		1,525,251	1,216,348
Provincial Grants – MEd		1,525,251	1,525,251	1,216,348
	1,525,251	1,525,251	3,050,502	2,432,696
Decreases:				
Amortization	1,615,684		1,615,684	1,599,999
Transfers to DCR - Capital Additions		1,525,251	1,525,251	1,216,348
Net Changes	(90,433)	-	(90,433)	(383,651)
Balance, end of the year	\$37,413,838	\$ -	\$ 37,413,838	\$ 37,504,271



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

**FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021**

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.

	2021	2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$837,805	\$824,910
Service Cost	69,999	66,407
Interest Cost	19,693	21,158
Benefit Payments	(53,660)	(37,502)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial Gain	(27,035)	(37,618)
Accrued Benefit Obligation – March 31	<u>\$846,802</u>	<u>\$837,805</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$846,802	\$837,805
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(846,802)	(837,805)
Employer Contributions After Measurement Date	6,834	-
Benefits Expense After Measurement Date	(22,967)	(22,423)
Unamortized Net Actuarial (Gain) Loss	74,816	130,960
Accrued Benefit Liability – June 30	<u>\$(788,119)</u>	<u>\$(729,268)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$729,268	\$636,197
Net expense for Fiscal Year	119,345	123,346
Employer Contributions	(60,494)	(30,274)
Accrued Benefit Liability – June 30	<u>\$788,119</u>	<u>\$729,268</u>



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	2021	2020
Components of Net Benefit Expense		
Service Cost	\$69,942	\$67,305
Interest Cost	20,295	20,792
Amortization of Net Actuarial Loss	29,109	35,249
Net Benefit Expense	<u>\$119,345</u>	<u>\$123,346</u>

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

Discount Rate – April 1	2.25%	2.50%
Discount Rate – March 31	2.50%	2.25%
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	9.7	9.7

NOTE 9 UNEARNED REVENUE

	2021	2020
Balance, beginning of year	\$324,083	\$635,371
Changes for the year:		
Increase:		
Tuition fees	505,792	322,930
Rental/Lease of facilities	9,726	6,153
	<u>515,518</u>	<u>329,083</u>
Decrease:		
Tuition fees	308,670	630,765
Rental/Lease of facilities	15,413	9,606
	<u>324,083</u>	<u>640,371</u>
Net changes for the year	<u>191,435</u>	<u>(311,288)</u>
Balance, end of year	<u>\$515,518</u>	<u>\$324,083</u>



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

**FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021**

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2021	Net Book Value 2020
Sites	\$4,151,237	\$4,038,922
Buildings	41,298,717	41,250,642
Furniture & Equipment	856,439	769,814
Vehicles	628,131	576,722
Computer Software	22,333	38,663
Computer Hardware	52,555	90,366
Total	\$47,009,412	\$46,765,129

June 30, 2021

Cost	Opening Cost	Additions	Disposals	Total 2021
Sites	\$4,038,922	\$112,315	\$-	\$4,151,237
Buildings	68,269,579	1,610,033	-	69,879,612
Furniture & Equipment	1,334,285	220,054	40,910	1,513,429
Vehicles	1,389,116	190,321	-	1,579,437
Computer Software	81,651	-	-	81,651
Computer Hardware	189,056	-	51,060	137,996
Total Cost	\$75,302,609	\$2,132,723	\$91,970	\$77,343,362

Accumulated Amortization	Opening Accumulated Amortization	Additions	Disposals	Total 2021
Sites	\$	\$	\$	\$
Buildings	27,018,937	1,561,958	-	28,580,895
Furniture & Equipment	564,471	133,429	40,910	656,990
Vehicles	812,394	138,912	-	951,306
Computer Software	42,988	16,330	-	59,318
Computer Hardware	98,690	37,811	51,060	85,441
Total Amortization	\$28,537,480	\$1,888,440	\$91,970	\$30,333,950



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

**FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021**

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2020

Cost	Opening Cost	Additions	Disposals	Total 2020
Sites	\$4,038,922	\$-	\$-	\$4,038,922
Buildings	67,053,231	1,216,348	-	68,269,579
Furniture & Equipment	1,457,091	28,446	151,252	1,334,285
Vehicles	1,496,166	3,879	110,929	1,389,116
Computer Software	103,495	-	21,844	81,651
Computer Hardware	372,365	-	183,309	189,056
Total Cost	\$74,521,270	\$1,248,673	\$467,334	\$75,302,609

Accumulated Amortization	Opening Accumulated Amortization	Additions	Disposals	Total 2020
Sites	\$	\$	\$	\$
Buildings	25,480,742	1,538,195	-	27,018,937
Furniture & Equipment	570,014	145,709	151,252	564,471
Vehicles	773,706	149,617	110,929	812,394
Computer Software	44,133	20,699	21,844	42,988
Computer Hardware	207,526	74,473	183,309	98,690
Total Amortization	\$27,076,121	\$1,928,693	\$467,334	\$28,537,480

NOTE 11 CONTINGENCIES

Ongoing Legal Proceedings

In the ordinary course of operations, the School District has legal proceedings brought against it and provision has been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 12 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, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 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 \$2,367,687 for employer contributions to the plans for the year ended June 30, 2021 (2020: \$2,113,129)

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.



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2021, were as follows:

- \$1,044,000 from the Operating Fund to the Local Capital Fund

NOTE 14 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 15 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 16 ASSET RETIREMENT OBLIGATION

The School District presently is unable to estimate future obligations related to the removal and disposal of asbestos which is believed to be prevalent throughout School District owned buildings built prior to the mid 1980s. At present such estimates can only be provided for buildings that are in the process of being decommissioned. Over the period to the required implementation in 2022 of a new PSAS standard PS3280 Asset Retirement Obligations the School District will be working towards establishing reliable estimates in respect of asbestos removal and disposal throughout all relevant School District buildings.



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 10, 2021. The Board adopted a preliminary annual budget on June 10, 2020. 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:

	2021 Amended	2021 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	37,237,168	31,502,943	5,734,225
Other	88,400	50,000	38,400
Tuition	420,000	540,000	(120,000)
Other Revenue	2,557,947	2,357,142	200,805
Rentals and Leases	97,900	122,900	(25,000)
Investment Income	30,000	28,000	2,000
Amortization of Deferred Capital Revenue	1,585,275	1,585,275	-
Total Revenue	42,016,690	36,186,260	5,830,430
Expenses			
Instruction	33,917,023	29,354,329	4,562,694
District Administration	1,540,590	1,327,863	212,727
Operations and Maintenance	5,822,640	5,333,384	489,256
Transportation and Housing	1,125,578	1,063,519	62,059
Total Expenses	42,405,831	37,079,095	5,326,736
Surplus (Deficit) for the year	(389,141)	(892,835)	(503,694)
Effects of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	-	-	-
Amortization of Tangible Capital Assets	1,854,799	1,854,799	-
Total Effect of change in Tangible Capital Assets	1,854,799	1,854,799	(500,000)
Capital Assets	1,354,799	1,854,799	(500,000)
(Increase) Decrease in Net Financial Assets			
(Debt)	965,658	961,964	3,694



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 18 ACCUMULATED SURPLUS

	2021	2020
Internally Restricted (appropriated) by Board for:		
School & Program Based Resources :		
Technology Initiatives – IBM Review	\$ 62,500	\$161,393
MOE Holdback Funds – COVID Learning Loss	104,642	-
COVID – Day Cleaning	300,690	-
Dual Credit Course Fees	-	195,000
Student Achievement Initiatives	205,788	299,138
Committee Initiatives (e.g. SOGI etc)	30,000	-
Policy Review & Update Project	50,000	-
Elementary VP & District Indigenous Principal	89,042	-
Teacher Mentorship	45,671	-
Student Furniture	75,000	-
School Resources Carried Forward	198,831	122,117
Contingency Fund	275,000	275,000
	<hr/>	<hr/>
Subtotal Internally Restricted Operating Surplus	1,437,164	1,052,648
Unrestricted Operating Surplus	<u>1,272,874</u>	<u>970,515</u>
	2,710,038	2,023,163
Local Capital:		
Replacement Fund for Artificial Playfield	384,500	375,000
Ongoing Investment into Outdoor Learning Centre	75,000	169,205
Equipment & Playground Replacement Fund	125,483	75,000
Two Portables for Brooks Secondary	427,300	-
Outdoor Furniture	46,450	-
	<hr/>	<hr/>
	1,058,733	619,205
Investment In Capital Assets	9,595,574	9,260,858
	<hr/>	<hr/>
Total Available for Future Operations	<u>\$13,364,345</u>	<u>\$11,903,226</u>



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 19 RISK MANAGEMENT

All significant financial assets, financial liabilities and equity instruments of the School District are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

- **Credit Risk**

Financial instruments that potentially subject the School District to concentrations of credit risk consist primarily of other receivables. The maximum credit risk exposure is \$328,651 (2020 - \$137,426).

The School District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities.

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 to 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.

- **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the School District does not hold significant funds in U.S. dollars in order to reduce their risk against adverse movements in the foreign exchange rates.

- **Financial Asset Impairment**

At each year-end date, the School District is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the School District has compared the carrying value of each of these financial assets to its fair value as at June 30, 2021. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.



**POWELL RIVER BOARD OF EDUCATION
SCHOOL DISTRICT NO. 47**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2021***

NOTE 19 RISK MANAGEMENT *(Continued)*

- **Fair Values of Financial Instruments**
The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.
- **Risk Management Policy**
The School District, as part of its operations, has established objectives (i.e. hedging of risk exposures and avoidance of undue concentrations of risk) to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the School District follows a risk management policy approved by its Board of Trustees.

School District No. 47 (Powell River)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2021

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,023,163		9,880,063	11,903,226	10,867,553
Changes for the year					
Surplus (Deficit) for the year	1,730,875		(269,756)	1,461,119	1,035,673
Interfund Transfers					
Local Capital	(1,044,000)		1,044,000	-	
Net Changes for the year	686,875	-	774,244	1,461,119	1,035,673
Accumulated Surplus (Deficit), end of year - Statement 2	2,710,038	-	10,654,307	13,364,345	11,903,226

School District No. 47 (Powell River)

Schedule of Operating Operations

Year Ended June 30, 2021

Schedule 2 (Unaudited)

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	31,741,800	32,920,874	27,483,822
Other	88,400	128,300	101,100
Tuition	420,000	516,651	1,062,276
Other Revenue	1,255,447	1,179,307	1,284,272
Rentals and Leases	97,900	126,654	217,446
Investment Income	27,500	28,459	48,239
Total Revenue	33,631,047	34,900,245	30,197,155
Expenses			
Instruction	27,919,763	26,897,024	23,491,015
District Administration	1,440,083	1,333,489	1,134,948
Operations and Maintenance	3,461,424	4,009,525	3,249,837
Transportation and Housing	931,894	929,332	960,988
Total Expense	33,753,164	33,169,370	28,836,788
Operating Surplus (Deficit) for the year	(122,117)	1,730,875	1,360,367
Budgeted Appropriation (Retirement) of Surplus (Deficit)	622,117		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(500,000)		
Local Capital		(1,044,000)	(250,000)
Total Net Transfers	(500,000)	(1,044,000)	(250,000)
Total Operating Surplus (Deficit), for the year	-	686,875	1,110,367
Operating Surplus (Deficit), beginning of year		2,023,163	912,796
Operating Surplus (Deficit), end of year		2,710,038	2,023,163
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 18)		1,437,164	1,052,648
Unrestricted		1,272,874	970,515
Total Operating Surplus (Deficit), end of year		2,710,038	2,023,163

School District No. 47 (Powell River)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	31,729,935	32,761,556	27,562,477
ISC/LEA Recovery	(1,020,247)	(877,909)	(1,018,738)
Other Ministry of Education Grants			
Pay Equity	243,303	243,304	243,304
Funding for Graduated Adults	10,000	4,223	11,936
Student Transportation Fund	91,754	91,754	91,754
Carbon Tax Grant			30,978
Employer Health Tax Grant			185,528
Support Staff Wage Increase Funding			99,565
Teachers' Labour Settlement Funding	629,555	629,555	259,938
Early Career Mentorship Funding	50,000	50,000	
FSA Scorer Grant	7,500	7,506	7,506
District Capacity Building - Early Learning		6,000	9,574
Equity Scan Implementation		3,000	
Early Learning Framework Implementation		1,885	
Total Provincial Grants - Ministry of Education	31,741,800	32,920,874	27,483,822
Provincial Grants - Other	88,400	128,300	101,100
Tuition			
Summer School Fees			15,784
International and Out of Province Students	420,000	516,651	1,046,492
Total Tuition	420,000	516,651	1,062,276
Other Revenues			
Other School District/Education Authorities	151,200	151,200	164,296
Funding from First Nations	1,020,247	877,909	1,018,738
Miscellaneous			
Misc. Billings & Recoveries	50,000	28,225	69,570
Purchase Card Rebate	14,000	16,433	14,287
North Van. Island Aboriginal Training Society	20,000	20,688	
Art Starts Grant		14,590	6,400
Cosmotology Revenues		1,889	10,981
Cafeteria Revenues		68,373	
Total Other Revenue	1,255,447	1,179,307	1,284,272
Rentals and Leases	97,900	126,654	217,446
Investment Income	27,500	28,459	48,239
Total Operating Revenue	33,631,047	34,900,245	30,197,155

School District No. 47 (Powell River)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
Salaries			
Teachers	11,620,268	11,523,292	10,235,792
Principals and Vice Principals	1,733,022	1,697,346	1,711,122
Educational Assistants	2,059,768	1,900,703	2,079,263
Support Staff	2,502,154	2,484,387	2,206,047
Other Professionals	1,649,463	1,665,643	1,224,681
Substitutes	1,178,450	983,921	851,842
Total Salaries	20,743,125	20,255,292	18,308,747
Employee Benefits	4,693,745	4,597,570	4,239,053
Total Salaries and Benefits	25,436,870	24,852,862	22,547,800
Services and Supplies			
Services	3,581,608	3,728,167	2,008,414
Student Transportation	13,200	7,181	6,391
Professional Development and Travel	268,349	185,522	298,562
Rentals and Leases	295,199	296,850	225,397
Dues and Fees	200,250	213,555	371,245
Insurance	82,500	81,498	74,139
Supplies	3,266,988	3,167,020	2,748,164
Utilities	608,200	636,715	556,676
Total Services and Supplies	8,316,294	8,316,508	6,288,988
Total Operating Expense	33,753,164	33,169,370	28,836,788

School District No. 47 (Powell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	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	9,160,730	309,433		217,015	348,762	748,283	10,784,223
1.03 Career Programs	95,681	50,000					145,681
1.07 Library Services	121,377	2,020		16,463			139,860
1.08 Counselling	317,823	11,368		24,714			353,905
1.10 Special Education	1,333,422	22,383	1,900,703	12,561	373,833	101,028	3,743,930
1.30 English Language Learning	40,000						40,000
1.31 Indigenous Education	325,066					8,442	333,508
1.41 School Administration		1,280,900		532,484		16,976	1,830,360
1.60 Summer School							-
1.61 Continuing Education	81,352				54,633		135,985
1.62 International and Out of Province Students	47,841	21,242			18,217	2,510	89,810
Total Function 1	11,523,292	1,697,346	1,900,703	803,237	795,445	877,239	17,597,262
4 District Administration							
4.11 Educational Administration					467,886		467,886
4.40 School District Governance					80,741		80,741
4.41 Business Administration				109,059	222,828		331,887
Total Function 4	-	-	-	109,059	771,455	-	880,514
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				17,328	57,764		75,092
5.50 Maintenance Operations				994,638	7,900	85,717	1,088,255
5.52 Maintenance of Grounds				82,388			82,388
5.56 Utilities							-
Total Function 5	-	-	-	1,094,354	65,664	85,717	1,245,735
7 Transportation and Housing							
7.41 Transportation and Housing Administration				18,625	33,079		51,704
7.70 Student Transportation				459,112		20,965	480,077
Total Function 7	-	-	-	477,737	33,079	20,965	531,781
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	11,523,292	1,697,346	1,900,703	2,484,387	1,665,643	983,921	20,255,292

School District No. 47 (Powell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget (Note 17)	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	10,784,223	2,525,443	13,309,666	3,075,783	16,385,449	16,407,419	14,587,103
1.03 Career Programs	145,681	30,943	176,624	1,067	177,691	184,126	169,696
1.07 Library Services	139,860	32,116	171,976	16,352	188,328	204,473	234,217
1.08 Counselling	353,905	73,430	427,335	6,330	433,665	278,129	301,311
1.10 Special Education	3,743,930	883,736	4,627,666	1,525,803	6,153,469	6,931,591	4,631,688
1.30 English Language Learning	40,000	8,000	48,000	9,473	57,473	52,438	17,436
1.31 Indigenous Education	333,508	74,890	408,398	27,199	435,597	448,481	373,634
1.41 School Administration	1,830,360	367,023	2,197,383	95,091	2,292,474	2,449,275	1,950,890
1.60 Summer School	-	-	-	-	-	-	186,924
1.61 Continuing Education	135,985	33,552	169,537	237,398	406,935	557,891	451,893
1.62 International and Out of Province Students	89,810	18,393	108,203	257,740	365,943	405,940	586,223
Total Function 1	17,597,262	4,047,526	21,644,788	5,252,236	26,897,024	27,919,763	23,491,015
4 District Administration							
4.11 Educational Administration	467,886	101,366	569,252	53,143	622,395	694,544	515,204
4.40 School District Governance	80,741	4,505	85,246	44,258	129,504	138,000	120,067
4.41 Business Administration	331,887	74,699	406,586	175,004	581,590	607,539	499,677
Total Function 4	880,514	180,570	1,061,084	272,405	1,333,489	1,440,083	1,134,948
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	75,092	15,024	90,116	64,972	155,088	183,605	171,488
5.50 Maintenance Operations	1,088,255	229,412	1,317,667	1,688,122	3,005,789	2,503,349	2,363,500
5.52 Maintenance of Grounds	82,388	17,435	99,823	106,014	205,837	166,270	158,173
5.56 Utilities	-	-	-	642,811	642,811	608,200	556,676
Total Function 5	1,245,735	261,871	1,507,606	2,501,919	4,009,525	3,461,424	3,249,837
7 Transportation and Housing							
7.41 Transportation and Housing Administration	51,704	10,676	62,380	2,384	64,764	66,961	63,751
7.70 Student Transportation	480,077	96,927	577,004	287,564	864,568	864,933	897,237
Total Function 7	531,781	107,603	639,384	289,948	929,332	931,894	960,988
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	20,255,292	4,597,570	24,852,862	8,316,508	33,169,370	33,753,164	28,836,788

School District No. 47 (Powell River)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

Schedule 3 (Unaudited)

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	5,495,368	5,436,316	4,323,856
Other Revenue	1,302,500	786,655	1,309,150
Total Revenue	<u>6,797,868</u>	<u>6,222,971</u>	<u>5,633,006</u>
Expenses			
Instruction	5,997,260	5,464,240	5,322,522
District Administration	100,507	96,347	92,554
Operations and Maintenance	644,941	607,224	217,930
Transportation and Housing	55,160	55,160	
Total Expense	<u>6,797,868</u>	<u>6,222,971</u>	<u>5,633,006</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>-</u></u>	<u><u>-</u></u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 47 (Powell River)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			13,420	487,542			1,267	69,605	
Transfer			191,346	(191,346)					
Deferred Revenue, beginning of year, as restated	-	-	204,766	296,196	-	-	1,267	69,605	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	122,930	100,916			128,000	14,700	56,361	205,122	120,435
Other			72,926	650,376					
	122,930	100,916	72,926	650,376	128,000	14,700	56,361	205,122	120,435
Less: Allocated to Revenue	122,930	100,916	70,288	716,367	101,273	10,345	52,690	181,527	120,435
Deferred Revenue, end of year	-	-	207,404	230,205	26,727	4,355	4,938	93,200	-
Revenues									
Provincial Grants - Ministry of Education	122,930	100,916			101,273	10,345	52,690	181,527	120,435
Other Revenue			70,288	716,367					
	122,930	100,916	70,288	716,367	101,273	10,345	52,690	181,527	120,435
Expenses									
Salaries									
Teachers							22,517	42,500	
Educational Assistants		80,733						33,175	
Support Staff	34,887				73,477	1,016			45,480
Other Professionals								61,933	
Substitutes									62,560
	34,887	80,733	-	-	73,477	1,016	22,517	137,608	108,040
Employee Benefits	4,231	20,183			21,734		4,503	31,479	3,510
Services and Supplies	83,812		70,288	716,367	6,062	9,329	25,670	12,440	8,885
	122,930	100,916	70,288	716,367	101,273	10,345	52,690	181,527	120,435
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 47 (Powell River)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Safe Return to School Grant	Federal Safe Return to Class Fund	Auditory Outreach Program	New Life Society	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year							1,362	573,196
Transfer								-
Deferred Revenue, beginning of year, as restated	-	-	-	-	-	-	1,362	573,196
Add: Restricted Grants								
Provincial Grants - Ministry of Education	1,763,914	319,914	55,000	180,570	1,011,119	1,415,683		5,494,664
Other								723,302
	1,763,914	319,914	55,000	180,570	1,011,119	1,415,683	-	6,217,966
Less: Allocated to Revenue	1,763,914	319,914	55,000	180,570	1,011,119	1,415,683	-	6,222,971
Deferred Revenue, end of year	-	-	-	-	-	-	1,362	568,191
Revenues								
Provincial Grants - Ministry of Education	1,763,914	319,914	55,000	180,570	1,011,119	1,415,683		5,436,316
Other Revenue								786,655
	1,763,914	319,914	55,000	180,570	1,011,119	1,415,683	-	6,222,971
Expenses								
Salaries								
Teachers	1,434,078	281,228			430,142	18,761		2,229,226
Educational Assistants		4,410			45,000			163,318
Support Staff				75,944	172,935	86,916		490,655
Other Professionals						239,990		301,923
Substitutes			7,200		45,000			114,760
	1,434,078	285,638	7,200	75,944	693,077	345,667	-	3,299,882
Employee Benefits	329,836	34,276		15,189	127,821	76,501		669,263
Services and Supplies			47,800	89,437	190,221	993,515		2,253,826
	1,763,914	319,914	55,000	180,570	1,011,119	1,415,683	-	6,222,971
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 47 (Powell River)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021	2021 Actual			2020
	Budget (Note 17)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Investment Income	2,500		3,000	3,000	4,000
Amortization of Deferred Capital Revenue	1,585,275	1,615,684		1,615,684	1,599,999
Total Revenue	1,587,775	1,615,684	3,000	1,618,684	1,603,999
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,716,275	1,749,528		1,749,528	1,779,076
Transportation and Housing	138,524	138,912		138,912	149,617
Total Expense	1,854,799	1,888,440	-	1,888,440	1,928,693
Capital Surplus (Deficit) for the year	(267,024)	(272,756)	3,000	(269,756)	(324,694)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	500,000			-	
Local Capital			1,044,000	1,044,000	250,000
Total Net Transfers	500,000	-	1,044,000	1,044,000	250,000
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		607,472	(607,472)	-	
Total Other Adjustments to Fund Balances		607,472	(607,472)	-	
Total Capital Surplus (Deficit) for the year	232,976	334,716	439,528	774,244	(74,694)
Capital Surplus (Deficit), beginning of year		9,260,858	619,205	9,880,063	9,954,757
Capital Surplus (Deficit), end of year		9,595,574	1,058,733	10,654,307	9,880,063

School District No. 47 (Powell River)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,038,922	68,269,579	1,334,285	1,389,116	81,651	189,056	75,302,609
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,222,348	125,000	177,903			1,525,251
Local Capital	112,315	387,685	95,054	12,418			607,472
	112,315	1,610,033	220,054	190,321	-	-	2,132,723
Decrease:							
Deemed Disposals			40,910			51,060	91,970
	-	-	40,910	-	-	51,060	91,970
Cost, end of year	4,151,237	69,879,612	1,513,429	1,579,437	81,651	137,996	77,343,362
Work in Progress, end of year							-
Cost and Work in Progress, end of year	4,151,237	69,879,612	1,513,429	1,579,437	81,651	137,996	77,343,362
Accumulated Amortization, beginning of year		27,018,937	564,471	812,394	42,988	98,690	28,537,480
Changes for the Year							
Increase: Amortization for the Year		1,561,958	133,429	138,912	16,330	37,811	1,888,440
Decrease:							
Deemed Disposals			40,910			51,060	91,970
			40,910			51,060	91,970
Accumulated Amortization, end of year		28,580,895	656,990	951,306	59,318	85,441	30,333,950
Tangible Capital Assets - Net	4,151,237	41,298,717	856,439	628,131	22,333	52,555	47,009,412

School District No. 47 (Powell River)

Deferred Capital Revenue
Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	34,307,206	2,401,745	795,320	37,504,271
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,525,251			1,525,251
	1,525,251	-	-	1,525,251
Decrease:				
Amortization of Deferred Capital Revenue	1,501,259	88,506	25,919	1,615,684
	1,501,259	88,506	25,919	1,615,684
Net Changes for the Year	23,992	(88,506)	(25,919)	(90,433)
Deferred Capital Revenue, end of year	34,331,198	2,313,239	769,401	37,413,838
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	34,331,198	2,313,239	769,401	37,413,838

School District No. 47 (Powell River)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2021

	Bylaw Capital \$	MEd Restricted Capital \$	Other Provincial Capital \$	Land Capital \$	Other Capital \$	Total \$
Balance, beginning of year						-
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,525,251					1,525,251
	1,525,251	-	-	-	-	1,525,251
Decrease:						
Transferred to DCR - Capital Additions	1,525,251					1,525,251
	1,525,251	-	-	-	-	1,525,251
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	-	-	-	-	-