

Audited Financial Statements of

School District No. 79 (Cowichan Valley)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 79 (Cowichan Valley)

June 30, 2020

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School District No. 79 (Cowichan Valley)

MANAGEMENT REPORT

Version: 7894-7148-5166

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 79 (Cowichan Valley) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 79 (Cowichan Valley) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, Baker Tilly Victoria Ltd., 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. 79 (Cowichan Valley) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 79 (Cowichan Valley)

Original signed by Candace Spilsbury, Board Chair

—

September 29, 2020
Date Signed

Original signed by Robyn Gray, Superintendent

—

Sept. 29, 2020
Date Signed

Original signed by Jason Sandquist, Secretary-Treasurer

—

September 29, 2020
Date Signed

INDEPENDENT AUDITORS' REPORT**To the Board of Education of
School District No. 79 (Cowichan Valley)****Report on the Audit of the Financial Statements***Opinion*

We have audited the accompanying financial statements of School District No. 79 (Cowichan Valley) (the "District"), which comprise the statements of financial position as at June 30, 2020, the statements of operations, changes in net financial debt, and cash flows for the year ended June 30, 2020, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the accounting requirements 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 report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2a to the financial statements, which discloses that the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 2a to the financial statements discloses the impact of these differences.

Other Matters

The attached supplementary information included in schedule 1 through 4 is presented for the purposes of additional analysis and has not been audited.

INDEPENDENT AUDITORS' REPORT***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting requirements of Section 23.1 of the Budget 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 District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

- 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 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 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 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.

Baker Tilly Victoria Ltd.

Chartered Professional Accountants

Victoria, Canada
September 28, 2020

School District No. 79 (Cowichan Valley)

Statement 1

Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	26,744,328	24,247,088
Accounts Receivable		
Due from Province - Ministry of Education	316,098	57,575
Due from Province - Other	392,158	48,176
Due from First Nations	1,929,211	2,181,788
Other (Note 3)	498,387	354,522
Inventories for Resale	28,604	25,593
Total Financial Assets	29,908,786	26,914,742
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	25,300	23,000
Other (Note 4)	9,369,005	9,236,547
Unearned Revenue (Note 5)	966,562	1,410,299
Deferred Revenue (Note 6)	2,928,848	2,617,688
Deferred Capital Revenue (Note 7)	84,414,749	82,721,200
Employee Future Benefits (Note 8)	3,927,003	3,643,824
Capital Lease Obligations	-	3,273
Other Liabilities (Note 4)	1,001,603	1,166,788
LEA Liability	43,836	173,500
Total Liabilities	102,676,906	100,996,119
Net Debt	(72,768,120)	(74,081,377)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	124,026,194	123,559,024
Restricted Assets (Endowments) (Note 11)	92,893	92,893
Prepaid Expenses	346,446	246,039
Total Non-Financial Assets	124,465,533	123,897,956
Accumulated Surplus (Deficit)	51,697,413	49,816,579

Contractual Obligations (Note 14)

Approved by the Board

Original signed by Candace Spilsbury, Board Chair

Original signed by Robyn Gray, Superintendent

Original signed by Jason Sandquist, Secretary-Treasurer

September 29, 2020

Date Signed

Sept 29, 2020

Date Signed

September 29, 2020

Date Signed

School District No. 79 (Cowichan Valley)

Statement 2

Statement of Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	85,764,053	89,726,802	84,867,161
Other	75,000	320,775	358,138
Tuition	2,650,000	2,208,982	2,857,425
Other Revenue	7,002,563	7,650,449	8,407,153
Rentals and Leases	85,000	95,809	113,658
Investment Income	222,000	419,590	358,217
Amortization of Deferred Capital Revenue	3,744,288	3,416,312	3,773,908
Ministry Restricted			5,511
Total Revenue	99,542,904	103,838,719	100,741,171
Expenses (Note 18)			
Instruction	80,794,451	82,612,040	81,853,016
District Administration	2,972,833	2,709,239	2,626,428
Operations and Maintenance	14,203,250	13,731,106	13,928,621
Transportation and Housing	2,909,931	2,905,479	2,814,374
Debt Services	21	21	695
Write-off/down of Buildings and Sites			193,002
Total Expense	100,880,486	101,957,885	101,416,136
Surplus (Deficit) for the year	(1,337,582)	1,880,834	(674,965)
Accumulated Surplus (Deficit) from Operations, beginning of year		49,816,579	50,491,544
Accumulated Surplus (Deficit) from Operations, end of year		51,697,413	49,816,579

School District No. 79 (Cowichan Valley)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(1,337,582)</u>	<u>1,880,834</u>	<u>(674,965)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,503,063)	(4,966,878)	(4,859,262)
Amortization of Tangible Capital Assets	4,415,057	4,499,708	4,438,276
Write-down carrying value of Tangible Capital Assets			194,070
Total Effect of change in Tangible Capital Assets	<u>911,994</u>	<u>(467,170)</u>	<u>(226,916)</u>
Acquisition of Prepaid Expenses	(250,000)	(346,446)	(238,613)
Use of Prepaid Expenses	250,000	246,039	266,499
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(100,407)</u>	<u>27,886</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(425,588)</u>	<u>1,313,257</u>	<u>(873,995)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>1,313,257</u>	<u>(873,995)</u>
Net Debt, beginning of year		<u>(74,081,377)</u>	<u>(73,207,382)</u>
Net Debt, end of year		<u><u>(72,768,120)</u></u>	<u><u>(74,081,377)</u></u>

School District No. 79 (Cowichan Valley)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,880,834	(674,965)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(493,793)	379,623
Inventories for Resale	(3,011)	4,021
Prepaid Expenses	(100,407)	27,886
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	134,758	1,369,870
Unearned Revenue	(443,737)	(206,488)
Deferred Revenue	311,160	(83,491)
Employee Future Benefits	283,179	(46,871)
Other Liabilities	(294,849)	206,323
Amortization of Tangible Capital Assets	4,499,708	4,438,276
Amortization of Deferred Capital Revenue	(3,416,312)	(3,773,908)
Recognition of Deferred Capital Revenue Spent on Sites	(646,479)	(102,289)
Write-Off/down of Buildings and Sites		193,002
Allowance for Doubtful Accounts	(839,630)	
Total Operating Transactions	871,421	1,730,989
Capital Transactions		
Tangible Capital Assets Purchased	(4,694,603)	(4,583,850)
Tangible Capital Assets -WIP Purchased	(272,275)	(275,412)
Total Capital Transactions	(4,966,878)	(4,859,262)
Financing Transactions		
Capital Revenue Received	6,595,970	5,312,324
Capital Lease	(3,273)	(19,051)
Total Financing Transactions	6,592,697	5,293,273
Net Increase (Decrease) in Cash and Cash Equivalents	2,497,240	2,165,000
Cash and Cash Equivalents, beginning of year	24,247,088	22,082,088
Cash and Cash Equivalents, end of year	26,744,328	24,247,088
Cash and Cash Equivalents, end of year, is made up of:		
Cash	26,744,328	24,247,088
	26,744,328	24,247,088



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 2, 1996, 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. 79 (Cowichan Valley)", and operates as "School District No. 79 (Cowichan Valley)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 79 (Cowichan Valley) is exempt from federal and provincial corporate income taxes.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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(f) 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(f) 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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

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

basis as the related amortization expense. 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, 2019 – increase in annual surplus by \$1,503,401.
- June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions by \$5,278,377.
- Year-ended June 30, 2020 - increase in annual surplus by \$3,142,916.
- June 30, 2020 – increase in accumulated surplus and decrease in deferred contributions by \$6,559,228.

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

Notes to Financial Statements
For the year ended June 30, 2020

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

d) Inventories for Resale

Inventories for resale including school supplies are measured at lower of cost and net realizable value. Cost includes all costs incurred to get ready for sale including taxes. Net realizable value is the expected selling price in the ordinary course of business.

e) 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.

f) 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. See Note 2(a) for the impact of this policy on these financial statements.

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement,



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

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

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.

h) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

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

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

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

i) Tangible Capital Assets

The following criteria apply:

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

j) 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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

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

payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

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

k) Prepaid Expenses

Prepaid utilities, prepaid insurance, and prepaid services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Supplies Inventory

Supplies inventory held for consumption or use include materials and supplies, and are recorded at the lower of historical cost and replacement cost.

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 12 – Interfund Transfers and Note 19 – Internally Restricted 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:



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

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

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

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

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

o) Expenditures

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

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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

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

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.

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, bank overdraft, accounts payable and accrued liabilities, long term debt and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

s) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2021. A liability will be recognized when, as at the financial reporting date:

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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

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

- d. a reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

A modified retroactive application has been recommended by Government pending approval in the Fall of 2020. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2020	June 30, 2019
Due from Federal Government	\$ 219,400	\$ 180,003
Other	1,133,617	189,519
Allowance for Doubtful Accounts	(854,630)	(15,000)
	<u>\$498,387</u>	<u>\$ 354,522</u>

During the year, the district entered into agreements with a supplier to purchase modular childcare facilities. The district provided a construction deposit of \$1,080,795 of which \$39,793 was used for design work that has been recorded as Work in Progress. During the fiscal year, the supplier filed a notice of Intention to File Bankruptcy. Management has consulted with legal counsel regarding realization or recovery of these deposits. Due to the uncertainty of realization or recovery of these deposits, management has made an allowance for losses of \$839,630 in the June 30, 2020 financial statements.



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2020

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2020	June 30, 2019
Trades payable	\$1,690,935	\$1,384,715
Salaries and benefits payable	5,699,908	5,763,008
Accrued vacation and banked pay	1,914,630	2,033,317
Other	63,532	55,507
	<u>\$9,369,005</u>	<u>\$9,236,547</u>

OTHER LIABILITIES

	June 30, 2020	June 30, 2019
International Homestay payable	\$ 582,042	\$ 794,065
International Medical payable	312,112	289,645
Other	107,449	83,078
	<u>\$1,001,603</u>	<u>\$1,166,788</u>

NOTE 5 UNEARNED REVENUE

	June 30, 2020	June 30, 2019
Balance, beginning of year	\$ 1,410,299	\$ 1,616,787
Changes for the year:		
Increase:		
Tuition Fees	1,765,159	2,450,005
Busing Fees	33,040	44,222
	<u>\$ 1,798,199</u>	<u>\$ 2,494,227</u>
Decrease:		
Tuition fees	2,207,696	\$ 2,650,653
Busing Fees	34,240	50,062
	<u>\$ 2,241,936</u>	<u>\$ 2,700,715</u>
Net changes for the year	(443,737)	(206,488)
Balance, end of year	<u>\$ 966,562</u>	<u>\$ 1,410,299</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

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 is included in Schedule 3A.

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 included in Schedules 4C and 4D.

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.

	June 30, 2020	June 30, 2019
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	4,455,483	\$ 3,763,962
Service Cost	357,714	280,948
Interest Cost	111,775	104,852
Benefit Payments	(484,103)	(451,080)
Actuarial (Gain) Loss	(131,464)	756,801
Accrued Benefit Obligation – March 31	<u>4,309,405</u>	<u>\$ 4,455,483</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 4,309,405	\$ 4,455,483
Market Value of Plan Assets – March 31	0	0
Funded Status – Surplus (Deficit)	<u>(4,309,405)</u>	<u>(4,455,483)</u>
Employer Contributions after Measurement Date	20,910	144,195
Benefit Expense after Measurement Date	(119,000)	(117,372)
Unamortized Net Actuarial (Gain) Loss	480,492	784,836
Accrued Benefit Asset (Liability) – June 30	<u>\$ (3,927,003)</u>	<u>\$ (3,643,824)</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2020

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability (Asset) – July 1	\$ 3,643,824	\$ 3,690,695
Net expense for Fiscal Year	643,997	493,188
Employer Contributions	(360,818)	(540,059)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 3,927,003</u>	<u>\$ 3,643,824</u>

Components of Net Benefit Expense

	June 30, 2020	June 30, 2019
Service Cost	\$ 362,285	\$ 300,140
Interest Cost	108,832	106,583
Amortization of Net Actuarial (Gain)/Loss	172,880	86,466
Net Benefit Expense (Income)	<u>\$ 643,997</u>	<u>\$ 493,188</u>

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

Assumptions

	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	2.5% + seniority	2.5% + seniority
Long Term Salary Growth - March 31	2.5% + seniority	2.5% + seniority
EARSL - March 31	8.6	8.6

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value June 30, 2020	Net Book Value June 30, 2019
Sites	\$ 28,152,204	\$ 27,395,987
Buildings	92,489,247	92,914,990
Buildings- Work in Progress	547,687	275,412
Furniture & Equipment	909,031	954,688
Vehicles	1,898,305	1,981,684
Computer Software	7,689	3,216
Computer Hardware	22,031	33,047
Total	<u>\$ 124,026,194</u>	<u>\$ 123,559,024</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2020

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2020

Cost:	Opening Cost	Additions	Disposals	Total 2020
Sites	\$ 27,395,987	\$ 756,217	\$ -	\$ 28,152,204
Buildings	176,857,376	3,534,709	-	180,392,085
Buildings- Work in Progress	275,412	272,275	-	547,687
Furniture & Equipment	1,847,355	139,079	216,900	1,769,534
Vehicles	3,418,935	258,517	406,432	3,271,020
Computer Software	8,038	6,081	-	14,119
Computer Hardware	55,080	0	-	55,080
Total	\$ 209,858,183	\$ 4,966,878	\$ 623,332	\$ 214,201,729

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2020
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	83,942,386	3,960,452	-	87,902,838
Buildings- Work in Progress	-	-	-	-
Furniture & Equipment	892,667	184,736	216,900	860,503
Vehicles	1,437,251	341,896	406,432	1,375,715
Computer Software	4,822	1,608	-	6,430
Computer Hardware	22,033	11,016	-	33,049
Total	\$ 86,299,159	\$ 4,499,708	\$ 623,332	\$ 90,175,535

June 30, 2019

Cost:	Opening Cost	Additions	Disposals/Write Down	Total 2019
Sites	\$ 27,293,698	\$ 102,289	\$ -	\$ 27,395,987
Buildings	173,621,341	3,996,889	760,854	176,857,376
Buildings- Work in Progress	-	275,412	-	275,412
Furniture & Equipment	1,763,886	263,681	180,212	1,847,355
Vehicles	3,549,296	220,991	351,352	3,418,935
Computer Software	53,562	-	45,524	8,038
Computer Hardware	55,080	-	-	55,080
Total	\$ 206,336,863	\$ 4,859,262	\$ 1,337,942	\$ 209,858,183

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals/Write Down	Total 2019
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	80,623,942	3,885,228	566,784	83,942,386
Buildings- Work in Progress	-	-	-	-
Furniture & Equipment	896,491	176,388	180,212	892,667
Vehicles	1,433,671	354,932	351,352	1,437,251
Computer Software	39,634	10,712	45,524	4,822
Computer Hardware	11,017	11,016	-	22,033
Total	\$ 83,004,755	\$ 4,438,276	\$ 1,143,872	\$ 86,299,159

Notes to Financial Statements
For the year ended June 30, 2020

NOTE 10 EMPLOYEE PENSION PLANS

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

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

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

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

The school district paid \$7,073,217 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$7,115,409)

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



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2020

NOTE 10 EMPLOYEE PENSION PLANS *(Continued)*

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.

NOTE 11 RESTRICTED ASSETS – ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the school district. One restriction is that the original contribution should not be spent. Another potential restriction is that any investment income of the endowment funds that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	2019	2020
W.F. Marshall Scholarship	\$ 2,592	\$ 2,592
Xerox Canada Scholarship	12,500	12,500
George Alistair MacKay Scholarship	37,766	37,766
Wunderlich Safety Scholarship	2,216	2,216
V.L. Stanley-Jones Memorial Scholarship	20,000	20,000
Raoula Pedersen Memorial Fine Arts	9,426	9,426
Christina McLeod Memorial Scholarship	8,393	8,393
Total	\$ 92,893	\$ 92,893

NOTE 12 INTERFUND TRANSFERS

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

	Operating Fund	Special Purpose Fund	Capital Fund
Tangible Capital Assets purchased from Operating funds	\$ (143,564)		\$ 143,564
Tangible Capital Assets purchased from Special Purpose funds		\$ (368,148)	\$ 368,148
Total	\$ (143,564)	\$ (368,148)	\$ 511,712

NOTE 13 RELATED PARTY TRANSACTIONS

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

Notes to Financial Statements
For the year ended June 30, 2020

NOTE 14 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.

Contractual Obligations	2021	2022	2023	2024	2025	Thereafter
Facility Lease	\$ 24,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000
Equipment Contracts	537,639	215,522	31,158	-	-	-
Busing Contract	200,000	-	-	-	-	-
Building Construction	1,383,613	412,553	403,053	606,164	-	-
Commitments						
Other Supplier	940,386	30,565	30,565	-	-	-
Commitments						
	<u>\$ 3,085,638</u>	<u>\$ 679,641</u>	<u>\$ 485,776</u>	<u>\$ 627,164</u>	<u>\$ 21,000</u>	<u>\$ 21,000</u>

NOTE 15 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through adoption of an annual budget on June 4, 2019.

NOTE 16 CONTINGENCIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have 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.

NOTE 17 ASSET RETIREMENT OBLIGATION

Future legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo renovations or demolition. The amount cannot be reasonably determined.

NOTE 18 EXPENSE BY OBJECT

	2020	2019
Salaries and benefits	\$ 86,818,301	\$ 83,970,183
Services and supplies	10,639,876	12,814,675
Amortization	4,499,708	4,631,278
	<u>101,957,885</u>	<u>\$ 101,416,136</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

NOTE 19 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

2020/2021 Operating Budget	\$ 1,625,000	
Aboriginal Education Target	294,583	
BC Education Plan	175,617	
Bus Hoist	200,000	
Careers	75,652	
CUPE Professional Development Funds	5,294	
Curriculum Grants	3,490	
Distributed Learning	100,000	
Learning Resources	93,069	
Local Education Agreement Capacity Building	41,090	
PAC donation unspent	20,480	
School Rollovers 10%	74,198	
Support for Trauma Informed Practice	14,939	
Technology Resources committed	69,186	
21 st Century Furniture	40,710	\$ 2,833,308
Unrestricted Operating Surplus (Deficit)		<u>2,307,058</u>
Total Available for Future Operations		<u>\$ 5,140,366</u>

NOTE 20 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 21 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2020

NOTE 21 RISK MANAGEMENT *(Continued)*

The School District is exposed to credit risk in the event of non-performance by a debtor. 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 Canadian institutions and the Ministry of Finance.

b) **Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as funds are deposited with a primary financial institution and the Ministry of Finance.

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 its 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.



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2020

NOTE 22 COMPARATIVE NOTE

Certain prior year comparative figures have been restated to conform to the current year financial statement presentation.

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School District No. 79 (Cowichan Valley)

Additional Comments of Auditors

For the Year Ended June 30, 2020

The accompanying schedules 1 to 4D are presented as supplementary information only. In this respect, they do not form part of the financial statements of School District No. 79 (Cowichan Valley). The information in these schedules has been subject to audit procedures only to the extent necessary to report on the financial statements, and hence they are excluded from our audit report dated September 28, 2020.

School District No. 79 (Cowichan Valley)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2020

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	3,345,179	92,893	46,378,507	49,816,579	50,491,544
Changes for the year					
Surplus (Deficit) for the year	1,942,045	368,148	(429,359)	1,880,834	(674,965)
Interfund Transfers					
Tangible Capital Assets Purchased	(143,564)	(368,148)	511,712	-	
Other	(3,294)		3,294	-	
Net Changes for the year	1,795,187	-	85,647	1,880,834	(674,965)
Accumulated Surplus (Deficit), end of year - Statement 2	5,140,366	92,893	46,464,154	51,697,413	49,816,579

School District No. 79 (Cowichan Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	75,795,585	77,705,125	73,673,025
Other	75,000	320,775	358,138
Tuition	2,650,000	2,208,982	2,857,425
Other Revenue	5,972,729	6,454,448	6,571,394
Rentals and Leases	85,000	95,809	113,658
Investment Income	220,000	390,570	338,737
Total Revenue	84,798,314	87,175,709	83,912,377
Expenses			
Instruction	70,554,219	70,412,068	69,344,898
District Administration	2,972,833	2,709,239	2,583,299
Operations and Maintenance	10,061,860	9,507,591	9,766,580
Transportation and Housing	2,606,571	2,604,766	2,505,446
Total Expense	86,195,483	85,233,664	84,200,223
Operating Surplus (Deficit) for the year	(1,397,169)	1,942,045	(287,846)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,529,475		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(67,014)		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(62,000)	(143,564)	(816,293)
Other	(3,292)	(3,294)	(19,746)
Total Net Transfers	(65,292)	(146,858)	(836,039)
Total Operating Surplus (Deficit), for the year	-	1,795,187	(1,123,885)
Operating Surplus (Deficit), beginning of year		3,345,179	4,469,064
Operating Surplus (Deficit), end of year		5,140,366	3,345,179
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 19)		2,833,308	2,356,542
Unrestricted		2,307,058	1,055,651
Unfunded Accrued Employee Future Benefits		-	(67,014)
Total Operating Surplus (Deficit), end of year		5,140,366	3,345,179

School District No. 79 (Cowichan Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	80,286,674	81,190,435	78,584,964
ISC/LEA Recovery	(5,810,729)	(6,180,976)	(6,145,142)
Other Ministry of Education Grants			
Pay Equity	363,682	363,682	363,682
Funding for Graduated Adults		11,039	21,427
Transportation Supplement	283,524	283,524	283,524
Economic Stability Dividend			92,401
Carbon Tax Grant		64,116	64,116
Employer Health Tax Grant	672,434	672,434	204,339
Strategic Priorities - Mental Health Grant			33,000
Support Staff Benefits Grant		132,836	114,660
BCTEA - LEA Capacity Building Grant			41,090
Support Staff Wage Increase Funding		366,389	
Teachers' Labour Settlement Funding		785,800	
FSA & Exam Allocation		12,964	12,964
Miscellaneous Grants		2,882	2,000
Total Provincial Grants - Ministry of Education	75,795,585	77,705,125	73,673,025
Provincial Grants - Other	75,000	320,775	358,138
Tuition			
Continuing Education		1,285	206,772
International and Out of Province Students	2,650,000	2,207,697	2,650,653
Total Tuition	2,650,000	2,208,982	2,857,425
Other Revenues			
Funding from First Nations	5,810,729	6,180,976	6,190,755
Miscellaneous			
International Program Registration and Activity Fees	132,000	106,063	180,136
Transportation Fees - International	30,000	34,240	41,580
Homestay Placement Fees		61,985	73,800
Miscellaneous		71,184	85,123
Total Other Revenue	5,972,729	6,454,448	6,571,394
Rentals and Leases	85,000	95,809	113,658
Investment Income	220,000	390,570	338,737
Total Operating Revenue	84,798,314	87,175,709	83,912,377

School District No. 79 (Cowichan Valley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	34,977,148	35,527,776	33,843,880
Principals and Vice Principals	5,487,265	5,609,920	5,366,707
Educational Assistants	7,232,653	7,017,050	6,916,577
Support Staff	9,141,169	9,004,218	8,734,457
Other Professionals	2,126,872	2,237,528	2,167,093
Substitutes	3,799,092	3,119,894	3,501,908
Total Salaries	62,764,199	62,516,386	60,530,622
Employee Benefits	14,890,439	14,530,028	13,927,846
Total Salaries and Benefits	77,654,638	77,046,414	74,458,468
Services and Supplies			
Services	3,034,126	2,817,026	3,876,431
Student Transportation	231,350	196,422	394,872
Professional Development and Travel	537,700	569,120	645,710
Rentals and Leases	62,100	37,600	59,901
Dues and Fees	102,310	82,122	99,792
Insurance	250,134	257,365	198,306
Supplies	2,977,995	2,981,303	3,109,884
Utilities	1,345,130	1,246,292	1,356,859
Total Services and Supplies	8,540,845	8,187,250	9,741,755
Total Operating Expense	86,195,483	85,233,664	84,200,223

School District No. 79 (Cowichan Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	26,420,515	1,109,437	125,450	317,382	70,804	1,559,344	29,602,932
1.03 Career Programs	441,176	61,766		130,966		44,905	678,813
1.07 Library Services	1,219,252			154,484		70,565	1,444,301
1.08 Counselling	1,063,941			401,330		25,342	1,490,613
1.10 Special Education	4,720,475	377,224	6,093,005	96,323	169,885	704,239	12,161,151
1.30 English Language Learning	423,958					1,561	425,519
1.31 Indigenous Education	545,757	128,725	798,595	52,995		73,562	1,599,634
1.41 School Administration		3,591,370		1,432,067		237,974	5,261,411
1.61 Continuing Education	12,999						12,999
1.62 International and Out of Province Students	679,703	276,649		109,250	135,304	45,593	1,246,499
1.64 Other							
Total Function 1	35,527,776	5,545,171	7,017,050	2,694,797	375,993	2,763,085	53,923,872
4 District Administration							
4.11 Educational Administration		64,749		22,532	430,116	3,943	521,340
4.40 School District Governance					268,406		268,406
4.41 Business Administration				503,599	605,308	48,250	1,157,157
Total Function 4	-	64,749	-	526,131	1,303,830	52,193	1,946,903
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				115,918	469,241	23,622	608,781
5.50 Maintenance Operations				3,954,050		189,550	4,143,600
5.52 Maintenance of Grounds				397,692			397,692
5.56 Utilities							
Total Function 5	-	-	-	4,467,660	469,241	213,172	5,150,073
7 Transportation and Housing							
7.41 Transportation and Housing Administration				107,775	88,464	7,883	204,122
7.70 Student Transportation				1,207,855		83,561	1,291,416
Total Function 7	-	-	-	1,315,630	88,464	91,444	1,495,538
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	35,527,776	5,609,920	7,017,050	9,004,218	2,237,528	3,119,894	62,516,386

School District No. 79 (Cowichan Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	29,602,932	7,142,071	36,745,003	1,942,152	38,687,155	40,151,530	38,986,747
1.03 Career Programs	678,813	150,230	829,043	712,347	1,541,390	1,158,047	1,776,937
1.07 Library Services	1,444,301	337,053	1,781,354	59,095	1,840,449	1,394,566	1,288,651
1.08 Counselling	1,490,613	327,654	1,818,267	1,249	1,819,516	1,559,564	1,587,149
1.10 Special Education	12,161,151	2,824,130	14,985,281	65,283	15,050,564	15,169,943	14,610,743
1.30 English Language Learning	425,519	101,379	526,898	2,316	529,214	480,483	428,954
1.31 Indigenous Education	1,599,634	369,584	1,969,218	141,015	2,110,233	2,235,900	1,858,120
1.41 School Administration	5,261,411	1,102,623	6,364,034	98,929	6,462,963	6,162,372	6,152,545
1.61 Continuing Education	12,999	2,939	15,938	3,166	19,104	79,485	66,336
1.62 International and Out of Province Students	1,246,499	278,431	1,524,930	818,817	2,343,747	2,149,129	2,573,031
1.64 Other	-	-	-	7,733	7,733	13,200	15,685
Total Function 1	53,923,872	12,636,094	66,559,966	3,852,102	70,412,068	70,554,219	69,344,898
4 District Administration							
4.11 Educational Administration	521,340	95,241	616,581	34,610	651,191	602,221	646,593
4.40 School District Governance	268,406	29,599	298,005	109,014	407,019	450,929	395,997
4.41 Business Administration	1,157,157	249,744	1,406,901	244,128	1,651,029	1,919,683	1,540,709
Total Function 4	1,946,903	374,584	2,321,487	387,752	2,709,239	2,972,833	2,583,299
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	608,781	126,447	735,228	221,598	956,826	887,543	854,807
5.50 Maintenance Operations	4,143,600	911,793	5,055,393	1,408,274	6,463,667	6,931,942	6,591,397
5.52 Maintenance of Grounds	397,692	108,118	505,810	84,767	590,577	616,298	647,172
5.56 Utilities	-	-	-	1,496,521	1,496,521	1,626,077	1,673,204
Total Function 5	5,150,073	1,146,358	6,296,431	3,211,160	9,507,591	10,061,860	9,766,580
7 Transportation and Housing							
7.41 Transportation and Housing Administration	204,122	45,229	249,351	15,247	264,598	273,393	248,468
7.70 Student Transportation	1,291,416	327,763	1,619,179	720,989	2,340,168	2,333,178	2,256,978
Total Function 7	1,495,538	372,992	1,868,530	736,236	2,604,766	2,606,571	2,505,446
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	62,516,386	14,530,028	77,046,414	8,187,250	85,233,664	86,195,483	84,200,223

School District No. 79 (Cowichan Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	9,593,468	11,375,198	11,097,358
Other Revenue	1,029,834	1,196,001	1,835,759
Investment Income	1,000	21,441	3,206
Total Revenue	10,624,302	12,592,640	12,936,323
Expenses			
Instruction	10,240,232	12,199,972	12,508,118
District Administration			43,129
Operations and Maintenance	32,693	24,520	32,693
Total Expense	10,272,925	12,224,492	12,583,940
Special Purpose Surplus (Deficit) for the year	351,377	368,148	352,383
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(351,377)	(368,148)	(352,383)
Total Net Transfers	(351,377)	(368,148)	(352,383)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year		92,893	92,893
Special Purpose Surplus (Deficit), end of year		92,893	92,893
Special Purpose Surplus (Deficit), end of year		92,893	92,893
Endowment Contributions		92,893	92,893
Total Special Purpose Surplus (Deficit), end of year		92,893	92,893

School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	968,618	-	22,095	16,197	-	1,248,008	56,752	52,833	37,917
Add: Restricted Grants									
Provincial Grants - Ministry of Education	384,070	301,279					192,948	37,334	155,331
Other				2,994		1,240,718			400
Investment Income	20,142			2,751					
	404,212	301,279	-	5,745	-	1,240,718	192,948	37,334	155,731
Less: Allocated to Revenue	392,668	232,903	6,170	4,300	-	1,179,300	208,649	36,215	128,799
Deferred Revenue, end of year	980,162	68,376	15,925	17,642	-	1,309,426	41,051	53,952	64,849
Revenues									
Provincial Grants - Ministry of Education	372,527	232,903	6,170				208,649	36,215	128,799
Other Revenue				3,000		1,179,300			
Investment Income	20,141			1,300					
	392,668	232,903	6,170	4,300	-	1,179,300	208,649	36,215	128,799
Expenses									
Salaries									
Teachers									13,394
Principals and Vice Principals									25,515
Educational Assistants		195,909							
Support Staff							1,517		
Substitutes		1,624						8,569	6,218
	-	197,533				-	1,517	8,569	45,127
Employee Benefits		35,370					348		8,504
Services and Supplies	24,520		6,170	4,300		1,179,300	206,784	27,646	75,168
	24,520	232,903	6,170	4,300	-	1,179,300	208,649	36,215	128,799
Net Revenue (Expense) before Interfund Transfers	368,148	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(368,148)								
	(368,148)								
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

Schedule 3A (Unaudited)

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	BC Hydro	Early Learning
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			4,214	4,396				155,648	27,468
Add: Restricted Grants									
Provincial Grants - Ministry of Education	649,036	983,899	8,018,368	760,566	83,480	28,500	2,025		29,959
Other									
Investment Income									
	649,036	983,899	8,018,368	760,566	83,480	28,500	2,025	-	29,959
Less: Allocated to Revenue	649,036	983,899	7,973,779	764,962	-	11,241	2,025	-	6,324
Deferred Revenue, end of year	-	-	48,603	-	83,480	17,259	-	155,648	51,103
Revenues									
Provincial Grants - Ministry of Education	649,036	983,899	7,973,779	764,962		11,241	2,025		4,993
Other Revenue									1,331
Investment Income									
	649,036	983,899	7,973,779	764,962		11,241	2,025		6,324
Expenses									
Salaries									
Teachers			6,434,894						
Principals and Vice Principals									
Educational Assistants	374,628	429,159							
Support Staff									
Substitutes	26,033	235,384		29,794		4,159	494		
	400,661	664,543	6,434,894	29,794	-	4,159	494	-	-
Employee Benefits	105,045	284,963	1,538,885	9,931		1,386	164		
Services and Supplies	143,330	34,393		725,237		5,696	1,367		6,324
	649,036	983,899	7,973,779	764,962	-	11,241	2,025	-	6,324
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

Schedule 3A (Unaudited)

	Student Inspiration	Wendy's House	Cultural Trust	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year	2,911	20,619	12	2,617,688
Add: Restricted Grants				
Provincial Grants - Ministry of Education				11,626,795
Other			10,000	1,254,112
Investment Income				22,893
			10,000	12,903,800
Less: Allocated to Revenue	1,455	915	10,000	12,592,640
Deferred Revenue, end of year	1,456	19,704	12	2,928,848
Revenues				
Provincial Grants - Ministry of Education				11,375,198
Other Revenue	1,455	915	10,000	1,196,001
Investment Income				21,441
	1,455	915	10,000	12,592,640
Expenses				
Salaries				
Teachers				6,448,288
Principals and Vice Principals				25,515
Educational Assistants				999,696
Support Staff				1,517
Substitutes				312,275
			-	7,787,291
Employee Benefits				1,984,596
Services and Supplies	1,455	915	10,000	2,452,605
	1,455	915	10,000	12,224,492
Net Revenue (Expense) before Interfund Transfers	-	-	-	368,148
Interfund Transfers				
Tangible Capital Assets Purchased				(368,148)
				(368,148)
Net Revenue (Expense)	-	-	-	-

School District No. 79 (Cowichan Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual Invested in Tangible Capital Assets	2020 Actual Local Capital	Fund Balance	2019 Actual
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	375,000	646,479		646,479	96,778
Investment Income	1,000		7,579	7,579	16,274
Amortization of Deferred Capital Revenue	3,744,288	3,416,312		3,416,312	3,773,908
Ministry Restricted				-	5,511
Total Revenue	<u>4,120,288</u>	<u>4,062,791</u>	<u>7,579</u>	<u>4,070,370</u>	<u>3,892,471</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,108,697	4,198,995		4,198,995	4,129,348
Transportation and Housing	303,360	300,713		300,713	308,928
Write-off/down of Buildings and Sites					193,002
Debt Services					
Capital Lease Interest	21		21	21	695
Total Expense	<u>4,412,078</u>	<u>4,499,708</u>	<u>21</u>	<u>4,499,729</u>	<u>4,631,973</u>
Capital Surplus (Deficit) for the year	<u>(291,790)</u>	<u>(436,917)</u>	<u>7,558</u>	<u>(429,359)</u>	<u>(739,502)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	413,377	511,712		511,712	1,168,676
Capital Lease Payment	3,292		3,294	3,294	19,746
Total Net Transfers	<u>416,669</u>	<u>511,712</u>	<u>3,294</u>	<u>515,006</u>	<u>1,188,422</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		23,966	(23,966)	-	
Principal Payment					
Capital Lease		3,273	(3,273)	-	
Tangible Capital Assets WIP Purchased from Bylaw Capital		(275,412)	275,412	-	
Total Other Adjustments to Fund Balances		<u>(248,173)</u>	<u>248,173</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>124,879</u>	<u>(173,378)</u>	<u>259,025</u>	<u>85,647</u>	<u>448,920</u>
Capital Surplus (Deficit), beginning of year		<u>46,028,792</u>	<u>349,715</u>	<u>46,378,507</u>	<u>45,929,587</u>
Capital Surplus (Deficit), end of year		<u>45,855,414</u>	<u>608,740</u>	<u>46,464,154</u>	<u>46,378,507</u>

School District No. 79 (Cowichan Valley)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	27,395,987	176,857,376	1,847,355	3,418,935	8,038	55,080	209,582,771
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	646,479	3,235,141	105,000	172,305			4,158,925
Operating Fund	9,520	22,860	18,890	86,212	6,082		143,564
Special Purpose Funds	100,218	267,930					368,148
Local Capital		8,776	15,190				23,966
	756,217	3,534,707	139,080	258,517	6,082	-	4,694,603
Decrease:							
Deemed Disposals			216,900	406,432			623,332
			216,900	406,432			623,332
Cost, end of year	28,152,204	180,392,083	1,769,535	3,271,020	14,120	55,080	213,654,042
Work in Progress, end of year		547,687					547,687
Cost and Work in Progress, end of year	28,152,204	180,939,770	1,769,535	3,271,020	14,120	55,080	214,201,729
Accumulated Amortization, beginning of year		83,942,386	892,667	1,437,251	4,822	22,033	86,299,159
Changes for the Year							
Increase: Amortization for the Year		3,960,452	184,736	341,896	1,608	11,016	4,499,708
Decrease:							
Deemed Disposals			216,900	406,432			623,332
			216,900	406,432			623,332
Accumulated Amortization, end of year		87,902,838	860,503	1,372,715	6,430	33,049	90,175,535
Tangible Capital Assets - Net	28,152,204	93,036,932	909,032	1,898,305	7,690	22,031	124,026,194

School District No. 79 (Cowichan Valley)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	275,412				275,412
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	507,894				507,894
Deferred Capital Revenue - Other	39,793				39,793
Purchased from Bylaw Capital not Local Capital	(275,412)				(275,412)
	272,275	-	-	-	272,275
Net Changes for the Year	272,275	-	-	-	272,275
Work in Progress, end of year	547,687	-	-	-	547,687

School District No. 79 (Cowichan Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	74,062,448	3,079,653	384,857	77,526,958
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,512,446			3,512,446
	3,512,446	-	-	3,512,446
Decrease:				
Amortization of Deferred Capital Revenue	3,235,668	138,300	42,344	3,416,312
	3,235,668	138,300	42,344	3,416,312
Net Changes for the Year	276,778	(138,300)	(42,344)	96,134
Deferred Capital Revenue, end of year	74,339,226	2,941,353	342,513	77,623,092
Work in Progress, beginning of year				
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	507,894		39,793	547,687
	507,894	-	39,793	547,687
Net Changes for the Year	507,894	-	39,793	547,687
Work in Progress, end of year	507,894	-	39,793	547,687
Total Deferred Capital Revenue, end of year	74,847,120	2,941,353	382,306	78,170,779

School District No. 79 (Cowichan Valley)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	687,798	1,855,614	2,650,830			5,194,242
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,979,021					3,979,021
Provincial Grants - Other			2,580,207			2,580,207
Investment Income		36,742				36,742
	<u>3,979,021</u>	<u>36,742</u>	<u>2,580,207</u>	<u>-</u>	<u>-</u>	<u>6,595,970</u>
Decrease:						
Transferred to DCR - Capital Additions	3,512,446					3,512,446
Transferred to DCR - Work in Progress	507,894		39,793			547,687
Transferred to Revenue - Site Purchases	646,479					646,479
Allowance for Doubtful Accounts			839,630			839,630
	<u>4,666,819</u>	<u>-</u>	<u>879,423</u>	<u>-</u>	<u>-</u>	<u>5,546,242</u>
Net Changes for the Year	<u>(687,798)</u>	<u>36,742</u>	<u>1,700,784</u>	<u>-</u>	<u>-</u>	<u>1,049,728</u>
Balance, end of year	<u>-</u>	<u>1,892,356</u>	<u>4,351,614</u>	<u>-</u>	<u>-</u>	<u>6,243,970</u>