

Audited Financial Statements of

School District No. 64 (Gulf Islands)

June 30, 2019

School District No. 64 (Gulf Islands)

June 30, 2019

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School District No. 64 (Gulf Islands)

MANAGEMENT REPORT

Version: 2928-2182-9200

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 64 (Gulf Islands) 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. 64 (Gulf Islands) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG Canada, 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. 64 (Gulf Islands) 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. 64 (Gulf Islands)


Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed



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INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 64 (Gulf Islands), and
To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 64 (Gulf Islands) (the Entity), which comprise:

- the statement of financial position as at June 30, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2019 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

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

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



Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

We obtained the Information, other than the financial statements and the auditors' report thereon, included in the unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada
September 11, 2019

School District No. 64 (Gulf Islands)

Statement 1

Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	3,535,369	3,188,588
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	11,681	42,002
Other (Note 3)	218,294	252,075
Portfolio Investments (Note 4)	88,883	90,255
Total Financial Assets	3,854,227	3,572,920
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education (Note 5)		366,847
Other	1,636,524	1,540,264
Unearned Revenue (Note 6)	614,275	423,545
Deferred Revenue (Note 7)	547,675	617,999
Deferred Capital Revenue (Note 8)	18,838,630	19,628,804
Employee Future Benefits (Note 9)	996,292	959,899
Total Liabilities	22,633,396	23,537,358
Net Financial Assets (Debt)	(18,779,169)	(19,964,438)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	25,106,035	25,932,227
Prepaid Expenses	119,032	89,567
Total Non-Financial Assets	25,225,067	26,021,794
Accumulated Surplus (Deficit) (Note 12)	6,445,898	6,057,356

Contractual Obligations (Note 13)

Contingent Liabilities (Note 15)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 64 (Gulf Islands)

Statement 2

Statement of Operations

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	24,715,076	24,681,343	23,207,493
Other			4,908
Tuition	751,500	755,570	709,860
Other Revenue	1,218,300	1,123,748	1,196,297
Rentals and Leases	16,000	16,418	14,228
Investment Income	43,000	47,942	57,118
Amortization of Deferred Capital Revenue	1,033,722	1,033,722	956,484
Total Revenue	27,777,598	27,658,743	26,146,388
Expenses			
Instruction	19,712,095	19,577,446	19,737,857
District Administration	1,222,545	1,255,065	1,156,829
Operations and Maintenance	4,858,664	4,678,371	4,062,603
Transportation and Housing	1,772,068	1,759,319	1,817,297
Total Expense	27,565,372	27,270,201	26,774,586
Surplus (Deficit) for the year	212,226	388,542	(628,198)
Accumulated Surplus (Deficit) from Operations, beginning of year		6,057,356	6,685,554
Accumulated Surplus (Deficit) from Operations, end of year		6,445,898	6,057,356

School District No. 64 (Gulf Islands)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

Statement 4

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>212,226</u>	<u>388,542</u>	<u>(628,198)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(132,648)	(378,450)	(1,857,723)
Amortization of Tangible Capital Assets	<u>1,204,642</u>	<u>1,204,642</u>	<u>1,163,821</u>
Total Effect of change in Tangible Capital Assets	<u>1,071,994</u>	<u>826,192</u>	<u>(693,902)</u>
Acquisition of Prepaid Expenses		(119,032)	(89,567)
Use of Prepaid Expenses		<u>89,567</u>	<u>133,167</u>
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(29,465)</u>	<u>43,600</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>1,284,220</u>	<u>1,185,269</u>	<u>(1,278,500)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>1,185,269</u>	<u>(1,278,500)</u>
Net Financial Assets (Debt), beginning of year		<u>(19,964,438)</u>	<u>(18,685,938)</u>
Net Financial Assets (Debt), end of year		<u><u>(18,779,169)</u></u>	<u><u>(19,964,438)</u></u>

School District No. 64 (Gulf Islands)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	388,542	(628,198)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	64,102	(45,198)
Prepaid Expenses	(29,465)	43,600
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(270,587)	(238,101)
Unearned Revenue	190,730	(27,015)
Deferred Revenue	(70,324)	(46,201)
Employee Future Benefits	36,393	10,498
Amortization of Tangible Capital Assets	1,204,642	1,163,821
Amortization of Deferred Capital Revenue	(1,033,722)	(956,484)
Expensed Portion of Bylaw Capital	(728,928)	(97,753)
Donated Capital Assets	(15,211)	
Total Operating Transactions	(263,828)	(821,031)
Capital Transactions		
Tangible Capital Assets Purchased	(378,450)	(1,815,097)
Tangible Capital Assets -WIP Purchased		(42,626)
Donated Capital Assets	15,211	
Total Capital Transactions	(363,239)	(1,857,723)
Financing Transactions		
Capital Revenue Received	972,476	1,405,937
Total Financing Transactions	972,476	1,405,937
Investing Transactions		
Investments in Portfolio Investments	1,372	2,745
Total Investing Transactions	1,372	2,745
Net Increase (Decrease) in Cash and Cash Equivalents	346,781	(1,270,072)
Cash and Cash Equivalents, beginning of year	3,188,588	4,458,660
Cash and Cash Equivalents, end of year	3,535,369	3,188,588
Cash and Cash Equivalents, end of year, is made up of:		
Cash	3,535,369	3,188,588
	3,535,369	3,188,588

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

1. Authority and purpose:

School District No. 64 (Gulf Islands) (the 'school district'), established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 64 (Gulf Islands)", and operates as "School District No. 64 (Gulf Islands)". 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. 64 is exempt from federal and provincial corporate income taxes.

2. Significant accounting policies:

These financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the school district are as follows:

(a) Basis of accounting:

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

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

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

For British Columbia taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

2. Significant accounting policies (continued):

(a) Basis of accounting (continued):

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

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

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

(b) Basis of consolidation:

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

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

The school district does not administer any trust activities on behalf of external parties.

(c) Cash and cash equivalents:

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

(d) Accounts receivable:

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

2. Significant accounting policies (continued):

(e) Portfolio investment:

The school district has investments in bonds, equity instruments and mutual funds that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. Bonds and other investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations. During the periods presented, there are no remeasurement gains or losses, and as a result, no statement of remeasurement gains and losses has been presented.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

(f) Unearned revenue:

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

(g) Deferred revenue and deferred capital revenue:

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

2. Significant accounting policies (continued):

(h) Employee future benefits:

The school district provides post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The school district accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to June 30, 2019. The next valuation will be performed at March 31, 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.

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

2. 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.
- 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.
- 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:

Asset	Rate
Buildings	40 years
Furniture and equipment	10 years
Vehicles	10 years
Computer software	5 years
Computer hardware	5 years

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

2. Significant accounting policies (continued):

(j) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

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

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

(k) Prepaid expense:

Amounts for insurance and other 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) 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.

(m) Revenue recognition:

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

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the school district has to meet in order to receive the contributions including authorization by the transferring government.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

2. Significant accounting policies (continued):

(m) Revenue recognition (continued):

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.

Revenue related to fees or services received in advance of the fee being earned or the service being 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.

(n) Expenditures:

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

(i) 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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

2. Significant accounting policies (continued):

(o) 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, and accounts payable and accrued liabilities.

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

(p) 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 contingencies, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

3. Accounts receivable:

	2019	2018
Due from Provincial Government	\$ 11,681	\$ 42,002
Due from Federal Government	69,095	94,013
Other	149,199	158,062
	218,294	252,075
	\$ 229,975	\$ 294,077

4. Portfolio investments:

	2019	2018
Investments in the cost and amortized cost category:		
Debentures maturing in 2021 bearing interest at 5.4% per annum	\$ 14,621	\$ 14,325
Investments in the fair value category:		
Equity instruments	3,544	4,684
Mutual funds	70,718	71,246
	74,262	75,930
Total investments	\$ 88,883	\$ 90,255

5. Accounts payable and accrued liabilities:

	2019	2018
Due to Provincial Government	\$ -	\$ 366,847
Trade payables	\$ 1,049,714	\$ 1,046,251
Salaries and benefits payable	54,572	41,780
Accrued vacation pay	179,488	213,307
Other	352,750	238,926
	1,636,524	1,540,264
	\$ 1,636,524	\$ 1,907,111

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

6. Unearned revenue:

	2019	2018
Balance, beginning of year	\$ 423,545	\$ 450,560
Changes for the year:		
Increase:		
Tuition fees collected	1,059,645	754,080
Decrease:		
Tuition fees recognized	(868,915)	(781,095)
Net changes for the year	190,730	(27,015)
Balance, end of year	\$ 614,275	\$ 423,545

7. Deferred revenue:

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

	Ministry of Education	Other	Total	Total
Balance, beginning of year	\$ 41,401	\$ 576,598	\$ 617,999	\$ 664,200
Changes for the year:				
Increases:				
Grants	2,752,337	-	2,752,337	2,388,518
Other	-	885,609	885,609	1,054,955
Decreases:				
Transfers to revenue	(2,781,160)	(927,110)	(3,708,270)	(3,489,674)
Net change for the year	(28,823)	(41,501)	(70,324)	(46,201)
Balance, end of year	\$ 12,578	\$ 535,097	\$ 547,675	\$ 617,999

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

8. Deferred capital revenue:

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

	2019	2018
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 19,624,373	\$ 18,214,914
Increases:		
Capital additions	235,462	1,712,329
Transferred from work in progress	-	653,614
Decreases:		
Amortization	(1,033,722)	(956,484)
Net change for the year	(798,260)	1,409,459
Balance, end of year	\$ 18,826,113	\$ 19,624,373
Deferred capital revenue, work in progress		
Balance, beginning of year	\$ -	\$ 610,988
Increases:		
Transfer from unspent deferred capital revenue	-	42,626
Decreases:		
Transfer to deferred capital revenue	-	(653,614)
Net change for the year	-	(610,988)
Balance, end of year	\$ -	\$ -
Deferred capital revenue not subject to amortization		
Balance, beginning of year	\$ 4,431	\$ 451,202
Increases:		
Provincial Grants - Ministry of Education	945,189	1,234,604
Provincial Grants - Other	12,076	10,313
Donations	15,211	161,020
Investment income	-	-
Decreases:		
Transfer to deferred capital revenue subject to amortization	(235,462)	(1,712,329)
Transferred to deferred capital revenue work in progress	-	(42,626)
Transferred to revenue	(728,928)	(97,753)
Net change for the year	8,086	446,771
Balance, end of year	12,517	4,431
Total deferred capital revenue balance, end of year	\$ 18,838,630	\$ 19,628,804

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

9. Employee future benefits:

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

	2019	2018
Reconciliation of accrued benefit obligation:		
Accrued obligation - April 1	\$ 933,504	\$ 947,444
Service cost	89,831	86,356
Interest cost	26,723	26,666
Benefit payments	(101,272)	(146,308)
Actuarial loss (gain)	147,883	19,346
Accrued benefit obligation - March 31	1,096,669	933,504
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation - March 31	1,096,669	933,504
Market value of plan assets - March 31	-	-
Funded status - surplus (deficit)	(1,096,669)	(933,504)
Employer contributions after measurement date	-	10,382
Benefits expense after measurement date	(29,613)	(29,139)
Unamortized net actuarial (gain) loss	129,990	(7,638)
Accrued benefit asset (liability) - June 30	(996,292)	(959,899)
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability (asset) - July 1	959,899	949,401
Net expenses for fiscal year	127,283	121,961
Employer contributions	(90,890)	(111,463)
Accrued benefit liability (asset) - June 30	996,292	959,899
Components of net benefit expense:		
Service cost	90,316	87,225
Interest cost	26,713	26,680
Amortization of net actuarial (gain) loss	10,254	8,056
Net benefit expense (income)	127,283	121,961
Assumptions:		
Discount rate - April 1	2.75%	2.75%
Discount rate - March 31	2.50%	2.75%
Long term salary growth - April 1	2.50%+seniority	2.50%+seniority
Long term salary growth - March 31	2.50%+seniority	2.50%+seniority
EARS - March 31	9.5	8.8

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

10. Tangible capital assets:

Cost	Balance, July 31, 2018	Additions	Disposals	Transfers (WIP)	Balance, June 30, 2019
Sites	\$ 4,107,653	\$ -	\$ -	\$ -	\$ 4,107,653
Buildings	44,839,129	181,007	-	-	45,020,136
Furniture and equipment	646,297	167,711	(54,647)	-	759,361
Vehicles	1,231,173	17,255	(146,446)	-	1,101,982
Computer software	-	-	-	-	-
Computer hardware	199,720	12,477	-	-	212,197
Total	\$ 51,023,972	\$ 378,450	\$ (201,093)	\$ -	\$ 51,201,329

Accumulated amortization	Balance, July 31, 2018	Additions	Disposals	Balance, June 30, 2019
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	24,316,926	976,943	-	25,293,869
Furniture and equipment	207,871	64,638	(54,647)	217,862
Vehicles	520,033	123,117	(146,446)	496,704
Computer software	-	-	-	-
Computer hardware	46,915	39,944	-	86,859
Total	\$ 25,091,745	\$ 1,204,642	\$ (201,093)	\$ 26,095,294

Cost	Balance, July 31, 2017	Additions	Disposals	Transfers (WIP)	Balance, June 30, 2018
Sites	\$ 4,107,653	\$ -	\$ -	\$ -	\$ 4,107,653
Buildings	42,682,315	1,503,200	-	653,614	44,839,129
Buildings - work-in-progress	610,988	42,626	-	(653,614)	-
Furniture and equipment	436,655	232,542	(22,900)	-	646,297
Vehicles	1,196,461	61,832	(27,120)	-	1,231,173
Computer software	12,172	-	(12,172)	-	-
Computer hardware	219,753	17,523	(37,556)	-	199,720
Total	\$ 49,265,997	\$ 1,857,723	\$ (99,748)	\$ -	\$ 51,023,972

Accumulated amortization	Balance, July 31, 2017	Additions	Disposals	Balance, June 30, 2018
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	23,378,725	938,201	-	24,316,926
Furniture and equipment	184,873	45,898	(22,900)	207,871
Vehicles	427,507	119,646	(27,120)	520,033
Computer software	9,736	2,436	(12,172)	-
Computer hardware	26,831	57,640	(37,556)	46,915
Total	\$ 24,027,672	\$ 1,163,821	\$ (99,748)	\$ 25,091,745

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

10. Tangible capital assets (continued):

Net book value	2019	2018
Sites	\$ 4,107,653	\$ 4,107,653
Buildings	19,726,267	20,522,203
Furniture and equipment	541,499	438,426
Vehicles	605,278	711,140
Computer software	-	-
Computer hardware	125,338	152,805
	\$ 25,106,035	\$ 25,932,227

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$15,211 (2018 - \$146,065) comprised of buildings.

11. Employee pension plan:

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represent plan member and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 37,000 retired members from school districts. The Municipal Pension Plan has about 193,000 active members, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. 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. The next valuation will be as at December 31, 2020 with results available in 2021. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits. The next valuation will be as at December 31, 2018 with results available in 2019. Results for this actuarial valuation are not available at the time of publishing these notes.

Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The school district paid \$1,786,657 for employer contributions to these plans in the year ended June 30, 2019 (2018 - \$1,894,280).

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

12. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2019	2018
Invested in tangible capital assets	\$ 6,279,922	\$ 6,307,854
Operating (deficit) surplus	165,976	(250,498)
	<u>\$ 6,445,898</u>	<u>\$ 6,057,356</u>

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2019, were as follows:

- \$76,450 from the Operating Fund to the Capital Fund for capital purchases.
- \$66,538 from the Special Purpose Fund to the Capital Fund for capital purchases.

13. Contractual obligations and rights:

On June 21, 2012 the school district signed a 50 year lease agreement in which land use will be provided to the Capital Regional District for \$1 per year for 50 years with an option to renew for a further 50 years. There is no transfer of title contained in the lease agreement.

The school district has the following annual contractual obligations:

- provision of water taxi services for which the amount of the obligation is negotiated, and multi-year contracts are entered into.
- provision of school-based counselling services for which the contract is renewed on an annual basis.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

14. Budget figures:

The budget figures data presented in these financial statements is based upon the 2018/19 amended annual budget adopted by the Board on February 27, 2019. The chart following reconciles the originally approved annual budget bylaw approved May 9, 2018 to the amended annual budget bylaw reported in these financial statements.

	2019 Amended Annual Budget	2019 Annual Budget
Revenues:		
Provincial grants:		
Ministry of Education	\$ 24,715,076	\$ 22,424,634
Tuition	751,500	941,500
Other revenue	1,218,300	957,500
Rentals and leases	16,000	12,000
Investment income	43,000	21,000
Amortization of deferred capital revenue	1,033,722	949,480
	27,777,598	25,306,114
Expenses:		
Instruction	19,712,095	18,326,326
District administration	1,222,545	1,215,321
Operations and maintenance	4,858,664	4,174,286
Transportation and housing	1,772,068	1,768,929
	27,565,372	25,484,862
Net revenue (expense)	212,226	(178,748)
Budgeted allocation of surplus	(250,498)	-
Budgeted deficit for the year	\$ (38,272)	\$ (178,748)

15. Contingencies:

The nature of the school district's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2019, management believes the school district has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the school district's financial position.

Certain schools in the school district contain asbestos. No amount has been recorded in these financial statements regarding this potential liability since the fair value of future removal costs cannot be reasonably estimated due to unknown timelines.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

16. Expense by object:

	2019	2018
Salaries and benefits	\$ 20,499,934	\$ 20,138,930
Services and supplies	5,578,336	5,471,835
Amortization	1,204,642	1,163,821
	<u>\$ 27,282,912</u>	<u>\$ 26,774,586</u>

17. Economic dependence:

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

18. Related party transactions:

The school district is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The school district has entered into a lease with Haggis Farm (the lessor), a related party through the Secretary Treasurer. The lessor receives rental income equal to the value of a contractual donation given to the school district each year. Both of these transactions are recognized in the financial statements.

19. Risk management:

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

The Board ensures that the school district has identified its risks and ensures that management monitors and controls them.

(a) Credit risk:

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

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2019

18. Related party transactions (continued):

(a) Credit risk (continued):

It is management's opinion that the school district is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions.

(b) Market risk:

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

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

(ii) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The school district is exposed to interest rate risk through its investments. It is management's opinion that the school district is not exposed to significant interest rate risk as it invests primarily in Mutual Funds and Provincial Bonds.

(c) Liquidity risk:

Liquidity risk is the risk that the school district will not be able to meet its financial obligations as they become due.

The school district manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the school district's reputation.

Risk Management and insurance services for all school districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposures from 2018 related to credit, market or Liquidity risks.

School District No. 64 (Gulf Islands)**Schedule 1 (Unaudited)**

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	(250,498)		6,307,854	6,057,356	6,685,554
Changes for the year					
Surplus (Deficit) for the year	492,924	66,538	(170,920)	388,542	(628,198)
Interfund Transfers					
Tangible Capital Assets Purchased	(76,450)	(66,538)	142,988	-	
Net Changes for the year	416,474	-	(27,932)	388,542	(628,198)
Accumulated Surplus (Deficit), end of year - Statement 2	165,976	-	6,279,922	6,445,898	6,057,356

School District No. 64 (Gulf Islands)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	21,088,637	21,171,255	20,625,133
Other			4,908
Tuition	751,500	755,570	709,860
Other Revenue	208,875	206,928	201,023
Rentals and Leases	16,000	16,418	14,228
Investment Income	35,000	37,652	47,325
Total Revenue	<u>22,100,012</u>	<u>22,187,823</u>	<u>21,602,477</u>
Expenses			
Instruction	16,084,237	16,039,343	16,390,295
District Administration	1,222,545	1,255,065	1,153,049
Operations and Maintenance	2,813,558	2,764,289	2,817,046
Transportation and Housing	1,648,951	1,636,202	1,697,651
Total Expense	<u>21,769,291</u>	<u>21,694,899</u>	<u>22,058,041</u>
Operating Surplus (Deficit) for the year	<u>330,721</u>	<u>492,924</u>	<u>(455,564)</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(80,223)	(76,450)	(68,065)
Total Net Transfers	<u>(80,223)</u>	<u>(76,450)</u>	<u>(68,065)</u>
Total Operating Surplus (Deficit), for the year	<u>250,498</u>	<u>416,474</u>	<u>(523,629)</u>
Operating Surplus (Deficit), beginning of year		(250,498)	273,131
Operating Surplus (Deficit), end of year		<u>165,976</u>	<u>(250,498)</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		53,879	
Unrestricted		112,097	(250,498)
Total Operating Surplus (Deficit), end of year		<u>165,976</u>	<u>(250,498)</u>

School District No. 64 (Gulf Islands)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	20,585,911	20,592,981	19,996,111
Other Ministry of Education Grants			
Pay Equity	102,398	102,398	102,398
Funding for Graduated Adults	1,088	587	5,484
Transportation Supplement	328,264	328,264	328,264
Economic Stability Dividend		19,896	10,173
Return of Administrative Savings			99,976
Carbon Tax Grant	7,500	9,698	9,218
Employer Health Tax Grant		48,955	
Strategic Priorities - Mental Health Grant	37,000	37,000	
FSA Exam Marking	7,506	7,506	7,506
Support Staff Benefits Grant	13,970	13,970	11,730
Equity Scan Grant & Shoulder Tappers	5,000	10,000	
SRG3 Assessments			39,900
Enrolment Audit Recovery			14,373
Total Provincial Grants - Ministry of Education	21,088,637	21,171,255	20,625,133
Provincial Grants - Other			4,908
Tuition			
International and Out of Province Students	751,500	755,570	709,860
Total Tuition	751,500	755,570	709,860
Other Revenues			
Other School District/Education Authorities			51,282
Miscellaneous			
Miscellaneous	169,875	168,928	122,266
GISPA Registration	39,000	38,000	27,475
Total Other Revenue	208,875	206,928	201,023
Rentals and Leases	16,000	16,418	14,228
Investment Income	35,000	37,652	47,325
Total Operating Revenue	22,100,012	22,187,823	21,602,477

School District No. 64 (Gulf Islands)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	7,744,971	7,859,027	8,017,813
Principals and Vice Principals	1,766,917	1,808,433	1,566,695
Educational Assistants	1,069,638	913,935	1,017,039
Support Staff	2,191,881	2,197,422	2,194,539
Other Professionals	1,232,770	1,266,732	1,148,443
Substitutes	629,501	609,229	694,075
Total Salaries	14,635,678	14,654,778	14,638,604
Employee Benefits	3,174,909	3,358,566	3,453,490
Total Salaries and Benefits	17,810,587	18,013,344	18,092,094
Services and Supplies			
Services	1,115,339	1,004,029	1,145,496
Student Transportation	1,001,800	1,000,476	1,051,755
Professional Development and Travel	487,950	457,242	403,005
Rentals and Leases	182,000	165,778	169,881
Dues and Fees	40,786	44,901	39,005
Insurance	57,316	51,357	56,368
Supplies	599,513	486,398	598,213
Utilities	474,000	471,374	502,224
Total Services and Supplies	3,958,704	3,681,555	3,965,947
Total Operating Expense	21,769,291	21,694,899	22,058,041

School District No. 64 (Gulf Islands)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C (Unaudited)

	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	6,563,527	511,457	136,012	60,310		456,936	7,728,242
1.03 Career Programs	147,554		87,714	245	67,133	3,684	306,330
1.07 Library Services	56,148	1,948		49,861		832	108,789
1.08 Counselling	179,481						179,481
1.10 Special Education	649,524	120,055	597,619	97,046	140,309	65,582	1,670,135
1.30 English Language Learning	40,977						40,977
1.31 Aboriginal Education		43,205	70,417		14,622	3,975	132,219
1.41 School Administration		1,104,107		394,868		12,786	1,511,761
1.62 International and Out of Province Students	221,816	27,661			119,046		368,523
1.64 Other							-
Total Function 1	7,859,027	1,808,433	891,762	602,330	341,110	543,795	12,046,457
4 District Administration							
4.11 Educational Administration				9,870	195,471		205,341
4.40 School District Governance					103,532		103,532
4.41 Business Administration				120,910	392,713	1,402	515,025
Total Function 4	-	-	-	130,780	691,716	1,402	823,898
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				64,224	199,534	6,869	270,627
5.50 Maintenance Operations				925,942		41,167	967,109
5.52 Maintenance of Grounds				127,876			127,876
5.56 Utilities				13,210			13,210
Total Function 5	-	-	-	1,131,252	199,534	48,036	1,378,822
7 Transportation and Housing							
7.41 Transportation and Housing Administration				14,373	34,372	603	49,348
7.70 Student Transportation			22,173	318,687		15,393	356,253
7.73 Housing							-
Total Function 7	-	-	22,173	333,060	34,372	15,996	405,601
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	7,859,027	1,808,433	913,935	2,197,422	1,266,732	609,229	14,654,778

School District No. 64 (Gulf Islands)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$	\$	(Note 14)	\$	\$
1 Instruction							
1.02 Regular Instruction	7,728,242	1,907,893	9,636,135	505,974	10,142,109	10,168,709	10,305,337
1.03 Career Programs	306,330	69,260	375,590	18,626	394,216	415,254	415,343
1.07 Library Services	108,789	23,485	132,274	17,070	149,344	144,694	237,696
1.08 Counselling	179,481	40,360	219,841	10,085	229,926	226,216	262,431
1.10 Special Education	1,670,135	347,144	2,017,279	126,674	2,143,953	2,185,300	2,520,436
1.30 English Language Learning	40,977	8,370	49,347	256	49,603	49,696	81,553
1.31 Aboriginal Education	132,219	25,658	157,877	57,432	215,309	215,309	195,990
1.41 School Administration	1,511,761	322,995	1,834,756	88,326	1,923,082	1,886,414	1,731,822
1.62 International and Out of Province Students	368,523	83,765	452,288	333,207	785,495	780,645	620,084
1.64 Other	-	-	-	6,306	6,306	12,000	19,603
Total Function 1	12,046,457	2,828,930	14,875,387	1,163,956	16,039,343	16,084,237	16,390,295
4 District Administration							
4.11 Educational Administration	205,341	38,330	243,671	42,194	285,865	292,047	311,479
4.40 School District Governance	103,532	4,048	107,580	65,405	172,985	156,761	170,437
4.41 Business Administration	515,025	99,959	614,984	181,231	796,215	773,737	671,133
Total Function 4	823,898	142,337	966,235	288,830	1,255,065	1,222,545	1,153,049
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	270,627	62,827	333,454	62,541	395,995	382,108	356,420
5.50 Maintenance Operations	967,109	201,675	1,168,784	464,855	1,633,639	1,703,479	1,721,980
5.52 Maintenance of Grounds	127,876	29,766	157,642	35,036	192,678	172,133	178,330
5.56 Utilities	13,210	3,017	16,227	525,750	541,977	555,838	560,316
Total Function 5	1,378,822	297,285	1,676,107	1,088,182	2,764,289	2,813,558	2,817,046
7 Transportation and Housing							
7.41 Transportation and Housing Administration	49,348	9,517	58,865	2,894	61,759	54,008	59,133
7.70 Student Transportation	356,253	80,497	436,750	1,073,923	1,510,673	1,519,943	1,557,719
7.73 Housing	-	-	-	63,770	63,770	75,000	80,799
Total Function 7	405,601	90,014	495,615	1,140,587	1,636,202	1,648,951	1,697,651
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,654,778	3,358,566	18,013,344	3,681,555	21,694,899	21,769,291	22,058,041

School District No. 64 (Gulf Islands)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,766,487	2,781,160	2,484,607
Other Revenue	1,009,425	916,820	995,274
Investment Income	8,000	10,290	9,793
Total Revenue	3,783,912	3,708,270	3,489,674
Expenses			
Instruction	3,627,858	3,538,103	3,347,562
District Administration			3,780
Operations and Maintenance	103,629	103,629	103,629
Total Expense	3,731,487	3,641,732	3,454,971
Special Purpose Surplus (Deficit) for the year	52,425	66,538	34,703
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(52,425)	(66,538)	(34,703)
Total Net Transfers	(52,425)	(66,538)	(34,703)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 64 (Gulf Islands)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education
Other
Investment Income

Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Other Revenue
Investment Income

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes
Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
\$	\$	\$	\$	\$	\$	\$	\$	\$
		181,929	12,043	29,358				
103,629	77,764		128,000	22,050	71,840	161,090	364,002	1,637,977
103,629	77,764	682,727	128,000	22,050	71,840	161,090	364,002	1,637,977
		681,312	140,043	38,830	71,840	161,090	364,002	1,637,977
-	-	183,344	-	12,578	-	-	-	-
103,629	77,764	680,972	140,043	38,830	71,840	161,090	364,002	1,637,977
		340						
103,629	77,764	681,312	140,043	38,830	71,840	161,090	364,002	1,637,977
			8,195	5,393	22,931			1,352,277
	70,354		71,291	15,511	8,850	4,000	115,087	
			3,086	5,219		530	76,139	
			4,511	2,032	5,642		42,743	
			87,083	28,155	37,423	11,353	60,483	
	7,410		21,911	6,725	7,960	3,697	294,452	1,352,277
103,629		681,312	31,049	3,950	26,457	146,040	59,550	285,700
103,629	77,764	681,312	140,043	38,830	71,840	161,090	364,002	1,637,977
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 64 (Gulf Islands)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

Deferred Revenue, beginning of year									
Add: Restricted Grants									
Provincial Grants - Ministry of Education	185,985								
Other		136,132							2,752,337
Investment Income		9,950							875,319
									10,290
	185,985	146,082							3,637,946
Less: Allocated to Revenue	185,985	183,854							3,708,270
Deferred Revenue, end of year	-	309,506		11,654		3,713	26,880		547,675
Revenues									
Provincial Grants - Ministry of Education	185,985								2,781,160
Other Revenue		173,904							916,820
Investment Income		9,950							10,290
	185,985	183,854		-		31,884	30,060		3,708,270
Expenses									
Salaries									
Teachers	81,394								1,470,190
Principals and Vice Principals									4,000
Educational Assistants									287,916
Support Staff						15,683	4,939		105,596
Other Professionals									42,743
Substitutes	73,875						1,206		147,749
	155,269	-		-		15,683	6,145		2,058,194
Employee Benefits	30,716					4,044	683		428,396
Services and Supplies		117,316				12,157	23,232		1,155,142
	185,985	117,316		-		31,884	30,060		3,641,732
Net Revenue (Expense) before Interfund Transfers	-	66,538		-		-	-		66,538
Interfund Transfers									
Tangible Capital Assets Purchased	-	(66,538)							(66,538)
	-	(66,538)		-		-	-		(66,538)
Net Revenue (Expense)	-	-		-		-	-		-

School District No. 64 (Gulf Islands)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual			2018 Actual
	\$	Invested in Tangible Capital Assets	Local Capital	Fund Balance	\$
Revenues					
Provincial Grants					
Ministry of Education	859,952	728,928		728,928	97,753
Amortization of Deferred Capital Revenue	1,033,722	1,033,722		1,033,722	956,484
Total Revenue	<u>1,893,674</u>	<u>1,762,650</u>	<u>-</u>	<u>1,762,650</u>	<u>1,054,237</u>
Expenses					
Operations and Maintenance	859,952	728,928		728,928	97,753
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,081,525	1,081,525		1,081,525	1,044,175
Transportation and Housing	123,117	123,117		123,117	119,646
Total Expense	<u>2,064,594</u>	<u>1,933,570</u>	<u>-</u>	<u>1,933,570</u>	<u>1,261,574</u>
Capital Surplus (Deficit) for the year	<u>(170,920)</u>	<u>(170,920)</u>	<u>-</u>	<u>(170,920)</u>	<u>(207,337)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	132,648	142,988		142,988	102,768
Total Net Transfers	<u>132,648</u>	<u>142,988</u>	<u>-</u>	<u>142,988</u>	<u>102,768</u>
Total Capital Surplus (Deficit) for the year	<u>(38,272)</u>	<u>(27,932)</u>	<u>-</u>	<u>(27,932)</u>	<u>(104,569)</u>
Capital Surplus (Deficit), beginning of year		6,307,854		6,307,854	6,412,423
Capital Surplus (Deficit), end of year		<u>6,279,922</u>	<u>-</u>	<u>6,279,922</u>	<u>6,307,854</u>

School District No. 64 (Gulf Islands)

Tangible Capital Assets

Year Ended June 30, 2019

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,107,653	44,839,129	646,297	1,231,173	-	199,720	51,023,972
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		126,261	90,000				216,261
Deferred Capital Revenue - Other		15,211	3,990				19,201
Operating Fund		5,379	41,339	17,255		12,477	76,450
Special Purpose Funds		34,156	32,382				66,538
	-	181,007	167,711	17,255	-	12,477	378,450
Decrease:							
Deemed Disposals			54,647	146,446			201,093
	-	-	54,647	146,446	-	-	201,093
Cost, end of year	4,107,653	45,020,136	759,361	1,101,982	-	212,197	51,201,329
Work in Progress, end of year							-
Cost and Work in Progress, end of year	4,107,653	45,020,136	759,361	1,101,982	-	212,197	51,201,329
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		24,316,926	207,871	520,033		46,915	25,091,745
Decrease:							
Deemed Disposals		976,943	64,638	123,117		39,944	1,204,642
	-	-	54,647	146,446	-	-	201,093
	-	-	54,647	146,446	-	-	201,093
Accumulated Amortization, end of year	25,293,869		217,862	496,704	-	86,859	26,095,294
Tangible Capital Assets - Net	4,107,653	19,726,267	541,499	605,278	-	125,338	25,106,035

School District No. 64 (Gulf Islands)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	18,480,523	913,450	230,400	19,624,373
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	216,261	3,990	15,211	235,462
	216,261	3,990	15,211	235,462
Decrease:				
Amortization of Deferred Capital Revenue	982,474	34,445	16,803	1,033,722
	982,474	34,445	16,803	1,033,722
Net Changes for the Year	(766,213)	(30,455)	(1,592)	(798,260)
Deferred Capital Revenue, end of year	17,714,310	882,995	228,808	18,826,113
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	17,714,310	882,995	228,808	18,826,113

School District No. 64 (Gulf Islands)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year			4,431			4,431
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	945,189		12,076			945,189
Provincial Grants - Other					15,211	12,076
Other					15,211	15,211
	945,189	-	12,076	-	15,211	972,476
Decrease:						
Transferred to DCR - Capital Additions	216,261		3,990		15,211	235,462
Expensed Portion of Bylaw Capital	728,928					728,928
	945,189	-	3,990	-	15,211	964,390
	-	-	8,086	-	-	8,086
Net Changes for the Year						
	-	-	12,517	-	-	12,517
Balance, end of year						