

Audited Financial Statements of

School District No. 46 (Sunshine Coast)

June 30, 2019

School District No. 46 (Sunshine Coast)

June 30, 2019

Table of Contents

Management Report	1
Independent Auditors' Report	2-4
Statement of Financial Position - Statement 1	5
Statement of Operations - Statement 2	6
Statement of Changes in Net Financial Assets (Debt) - Statement 4	7
Statement of Cash Flows - Statement 5	8
Notes to the Financial Statements	9-27
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	28
Schedule of Operating Operations - Schedule 2 (Unaudited)	29
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	30
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	31
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	32
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	34
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	35
Schedule of Capital Operations - Schedule 4 (Unaudited)	37
Schedule 4A - Tangible Capital Assets (Unaudited)	38
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	39
Schedule 4C - Deferred Capital Revenue (Unaudited)	40
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	41

School District No. 46 (Sunshine Coast)

MANAGEMENT REPORT

Version: 2243-1498-8515

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 46 (Sunshine Coast) 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. 46 (Sunshine Coast) (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, Crowe Mackay LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 46 (Sunshine Coast) 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. 46 (Sunshine Coast)


Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Education of School District No.46 (Sunshine Coast) and to the Minister of Education, Province of British Columbia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of School District No. 46 (Sunshine Coast), which comprise the statement of financial position as at June 30, 2019, and the statement of operations, statement of changes in net financial assets (net debt) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the district as at June 30, 2019, and its results of operations and its cash flows for the year then ended 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 2(a) to the financial statements which disclose 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 2(a) to the financial statements discloses the impact of these differences.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4D is presented for

purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

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 the 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 District's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

- 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.

Crowe MacKay LLP

Sechelt, British Columbia
September 11, 2019

Chartered Professional Accountants

School District No. 46 (Sunshine Coast)

Statement of Financial Position

As at June 30, 2019

Statement 1

	2019 Actual \$	2018 Actual \$
Financial Assets		
Cash and Cash Equivalents	12,863,479	11,164,738
Accounts Receivable		
Due from Province - Ministry of Education	174,165	38,592
Other (Note 3)	208,100	176,311
Total Financial Assets	13,245,744	11,379,641
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	3,962,482	3,571,303
Unearned Revenue (Note 5)	50,596	165,252
Deferred Revenue (Note 6)	1,394,797	1,495,215
Deferred Capital Revenue (Note 7)	43,051,505	42,271,344
Employee Future Benefits (Note 8)	1,840,755	1,945,863
Debt (Note 10)	491,745	126,944
Total Liabilities	50,791,880	49,575,921
Net Financial Assets (Debt)	(37,546,136)	(38,196,280)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	50,491,061	49,887,977
Prepaid Expenses	137,165	119,288
Total Non-Financial Assets	50,628,226	50,007,265
Accumulated Surplus (Deficit)	13,082,090	11,810,985

Approved by the Board

Signature of the Chairperson of the Board of Education

Sept 11/2019
Date Signed

Signature of the Superintendent

Sept 11/19
Date Signed

Signature of the Secretary Treasurer

Sept. 11, 2019
Date Signed

School District No. 46 (Sunshine Coast)

Statement 2

Statement of Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	43,006,724	43,460,373	41,116,910
Other	35,000	53,430	84,050
Tuition	106,208	121,178	118,188
Other Revenue	1,845,876	1,889,214	1,910,543
Rentals and Leases	60,000	75,272	86,396
Investment Income	147,000	230,110	145,523
Amortization of Deferred Capital Revenue	1,710,105	1,720,730	1,635,441
Total Revenue	<u>46,910,913</u>	<u>47,550,307</u>	<u>45,097,051</u>
Expenses			
Instruction	38,781,644	36,123,395	34,050,171
District Administration	2,432,511	2,098,442	1,994,457
Operations and Maintenance	6,669,462	6,696,939	6,419,170
Transportation and Housing	1,570,723	1,354,415	1,311,738
Debt Services		6,011	3,714
Total Expense	<u>49,454,340</u>	<u>46,279,202</u>	<u>43,779,250</u>
Surplus (Deficit) for the year	<u>(2,543,427)</u>	<u>1,271,105</u>	<u>1,317,801</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		11,810,985	10,493,184
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>13,082,090</u></u>	<u>11,810,985</u>

School District No. 46 (Sunshine Coast)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
Surplus (Deficit) for the year	<u>(2,543,427)</u>	<u>1,271,105</u>	<u>1,317,801</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,319,766)	(2,763,312)	(3,441,878)
Amortization of Tangible Capital Assets	2,160,228	2,160,228	2,092,893
Total Effect of change in Tangible Capital Assets	<u>(159,538)</u>	<u>(603,084)</u>	<u>(1,348,985)</u>
Acquisition of Prepaid Expenses		(137,165)	(119,288)
Use of Prepaid Expenses		119,288	91,955
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(17,877)</u>	<u>(27,333)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(2,702,965)</u>	<u>650,144</u>	<u>(58,517)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		650,144	(58,517)
Net Financial Assets (Debt), beginning of year		(38,196,280)	(38,137,763)
Net Financial Assets (Debt), end of year		<u>(37,546,136)</u>	<u>(38,196,280)</u>

School District No. 46 (Sunshine Coast)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2019

	2019 Actual \$	2018 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	1,271,105	1,317,801
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(167,362)	(15,231)
Prepaid Expenses	(17,877)	(27,334)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	391,179	(248,442)
Unearned Revenue	(114,656)	(16,222)
Deferred Revenue	(100,418)	212,877
Employee Future Benefits	(105,108)	(64,452)
Amortization of Tangible Capital Assets	2,160,228	2,092,893
Amortization of Deferred Capital Revenue	(1,720,730)	(1,635,441)
Total Operating Transactions	1,596,361	1,616,449
Capital Transactions		
Tangible Capital Assets Purchased	(807,892)	(1,750,725)
Tangible Capital Assets -WIP Purchased	(1,494,904)	(1,672,979)
Tangible Capital Assets Purchased - MFA Loan	(460,516)	
Total Capital Transactions	(2,763,312)	(3,423,704)
Financing Transactions		
Loan Proceeds	460,516	
Loan Payments	(95,715)	(131,093)
Capital Revenue Received	2,500,891	2,745,634
Total Financing Transactions	2,865,692	2,614,541
Net Increase (Decrease) in Cash and Cash Equivalents	1,698,741	807,286
Cash and Cash Equivalents, beginning of year	11,164,738	10,357,452
Cash and Cash Equivalents, end of year	12,863,479	11,164,738
Cash and Cash Equivalents, end of year, is made up of:		
Cash	12,863,479	11,164,738
	12,863,479	11,164,738

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 46 (Sunshine Coast)", and operates as "School District No. 46 (Sunshine Coast)." A board of education ("Board") elected for a three-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. 46 (Sunshine Coast) is exempt from federal and provincial corporate income taxes.

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 basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2018 - increase in annual surplus by \$1,110,193.

June 30, 2018 - increase in accumulated surplus and decrease in deferred contributions by \$42,271,344.

Year-ended June 30, 2019 - increase in annual surplus by \$865,450.

June 30, 2019 - increase in accumulated surplus and decrease in deferred contributions by \$43,051,505.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

b) Cash and Cash Equivalents

Cash and cash equivalents include deposits with the Provincial Treasury's Central Deposit Program 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.

d) Portfolio Investments

The School District occasionally has investments in GIC's and term deposits that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits 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 the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

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.

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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

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, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

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

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

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

h) Asset Retirement Obligations

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.

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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

i) Tangible Capital Assets *(Continued)*

- 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 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

Software licenses, property tax, equipment leases, insurance premiums, subscriptions, services, memberships and supplies 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 (see Note 20 – Internally Restricted Surplus). Funds and reserves are disclosed on unaudited Schedules 2, 3 and 4.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

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.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

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

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

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

n) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

o) Endowment Contributions

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

p) 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 or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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.

q) 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.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2019	2018
GST receivable	\$ 71,037	\$ 78,497
Other	137,063	97,814
	<u>\$208,100</u>	<u>\$176,311</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2019	2018
Trade payables	\$ 1,019,168	\$ 737,383
Salaries and benefits payable	2,588,726	2,429,768
Accrued vacation pay	351,369	404,152
Other	3,219	-
	<u>\$ 3,962,482</u>	<u>\$ 3,571,303</u>

NOTE 5 UNEARNED REVENUE

	2019	2018
Balance, beginning of year	\$ 165,252	\$ 181,474
Changes for the year:		
Increase:		
Aboriginal Support Workers - SIGD	-	131,176
Sunshine Coast Community Services	-	525
Prepayment of ACE-IT Supplies Fees	-	672
Facilities Booking Fees	2,833	999
ISP-Homestay Fees	47,763	31,880
Decrease:		
Aboriginal Support Workers – SIGD	(131,176)	(134,447)
Spani Payment	-	(4,305)
Homestay Fees	(31,880)	(42,722)
Prepayment of ACE-IT Supplies Fees	(672)	
Sunshine Coast Community Services	(525)	
Facilities Booking Fees	(999)	-
Net changes for the year	<u>(114,656)</u>	<u>(16,222)</u>
Balance, end of year	<u>\$ 50,596</u>	<u>\$ 165,252</u>

NOTE 6 DEFERRED REVENUE

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, retirement/severance, vacation and overtime. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 9.

	<u>2019</u>	<u>2018</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,818,676	1,876,476
Service Cost	178,162	172,594
Interest Cost	51,237	52,444
Benefit Payments	-242,295	-244,002
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	44,549	-38,836
Accrued Benefit Obligation – March 31	<u>1,850,329</u>	<u>1,818,676</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	1,850,329	1,818,676
Market Value of Plan Assets - March 31	<u>0</u>	<u>0</u>
		-
Funded Status - Surplus (Deficit)	-1,850,329	1,818,676
Employer Contributions After Measurement Date	128,543	46,848
Benefits Expense After Measurement Date	-61,271	-57,350
Unamortized Net Actuarial (Gain) Loss	<u>-57,698</u>	<u>-116,686</u>
		-
Accrued Benefit Asset (Liability) - June 30	<u>-1,840,755</u>	<u>1,945,863</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	1,945,864	2,010,315
Net Expense for Fiscal Year	218,881	216,733
Employer Contributions	<u>-323,989</u>	<u>-281,184</u>
Accrued Benefit Liability (Asset) - June 30	<u>1,840,755</u>	<u>1,945,863</u>
Components of Net Benefit Expense		
Service Cost	183,099	173,986
Interest Cost	50,221	52,142
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	<u>-14,439</u>	<u>-9,395</u>
Net Benefit Expense (Income)	<u>218,881</u>	<u>216,733</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 8 EMPLOYEE FUTURE BENEFITS *(Continued)*

Assumptions	2019	2018
Discount Rate - April 1	2.75%	2.75%
Discount Rate - March 31	2.50%	2.75%
Long Term Salary Growth - April 1	2.50%	2.50%
Long Term Salary Growth - March 31	2.50%	2.50%
EARSL - March 31	9.2	7.7

NOTE 9 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

It is planned that the initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards will be eliminated in eight (8) years, after payments commence.

Unfunded liability, as at July 1, 2018 as previously reported	\$ 511,406
Reductions during the year	<u> 0</u>
Unfunded liability, as at June 30, 2019	<u><u> \$ 511,406</u></u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 DEBT

The following loans approved under *Section 144* of the *School Act* are outstanding:

Type	Year Borrowed	Interest Rate	Term	Amount Borrowed	Principal Repaid	2019 Balance	Payment Amount	Maturity Date
Term	2016	2.45%	5 Years	\$ 74,961	\$ 50,363	\$ 24,981	\$ 1,293	01-31-21
Term	2016	2.45%	5 Years	26,120	16,251	10,016	451	04-30-21
Term	2016	2.45%	5 Years	26,101	14,022	12,250	450	09-30-21
Term	2017	2.45%	1 Years	78,588	78,588	-	6,096	07-31-18
Term	2017	2.45%	2 Years	57,021	57,021	-	2,412	06-30-19
Term	2017	2.45%	3 Years	6,474	4,812	1,662	206	02-29-20
Term	2018	2.45%	5 Years	18,174	6,180	12,115	317	09-30-22
Term	2018	2.45%	5 Years	7,508	1,312	6,208	133	07-31-23
Term	2019	2.45%	5 Years	335,313	26,301	308,668	5,996	01-31-24
Term	2019	2.45%	5 Years	117,695	1,849	115,845	2,088	05-31-24
				<u>\$ 747,955</u>	<u>\$256,699</u>	<u>\$491,745</u>	<u>\$19,443</u>	

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2020	\$ 119,624
2021	114,833
2022	98,998
2023	97,002
2024	61,289
Thereafter	-
	<u>\$ 491,745</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2019	Net Book Value 2018
Sites	\$ 3,051,972	\$ 3,051,972
Buildings	45,279,207	44,974,176
Buildings – WIP	165,020	51,157
Furniture & Equipment	884,467	980,200
Vehicles	555,831	613,476
Computer Software	13,125	18,152
Computer Hardware	541,437	198,844
Total	\$ 50,491,059	\$ 49,887,977

June 30, 2019

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$3,051,972
Buildings	83,824,361	2,116,554			85,940,915
Buildings – WIP	51,157	165,022		(51,157)	165,022
Furniture & Equipment	1,365,665	40,834	(58,938)		1,347,561
Vehicles	966,975	39,050	(170,353)		835,672
Computer Software	25,134				25,134
Computer Hardware	552,072	453,008	(351,399)		653,681
Total	\$89,837,336	\$2,814,468	\$ (580,690)	\$ (51,157)	\$92,019,957

	Opening Accumulated Amortization	Increases	Disposals	Total 2019
Buildings	\$ 38,850,185	\$ 1,811,522	\$ -	\$ 40,661,707
Furniture & Equipment	385,465	136,567	(58,938)	463,094
Vehicles	353,499	96,697	(170,354)	279,842
Computer Software	6,982	5,027	-	12,009
Computer Hardware	353,228	110,415	(351,399)	112,244
Total	\$ 39,949,355	\$ 2,160,228	\$ (580,691)	\$ 41,528,896

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2018

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2018
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$ 3,051,972
Buildings	80,524,399	3,299,962			83,824,361
Buildings – WIP	433,317	51,157		(433,317)	51,157
Furniture & Equipment	1,622,150	156,146	(412,631)		1,365,665
Vehicles	787,768	360,722	(181,515)		966,975
Computer Software	25,134				25,134
Computer Hardware	544,864	7,208			552,072
Total	\$86,989,604	\$3,875,195	\$ (594,146)	\$ (433,317)	\$89,837,336

	Opening Accumulated Amortization	Increases	Disposals	Total 2018
Buildings	\$ 37,112,284	\$ 1,737,901	\$ -	\$ 38,850,185
Furniture & Equipment	635,881	162,215	(412,631)	385,465
Vehicles	456,237	78,777	(181,515)	353,499
Computer Software	1,955	5,027	-	6,982
Computer Hardware	244,255	108,973	-	353,228
Total	\$ 38,450,612	\$ 2,092,893	\$(594,146)	\$ 39,949,359

Funds contributed by Operating Fund for the purchase of tangible capital assets:

Additions to Furniture & Equipment and Vehicles include the following tangible capital assets purchased using funds contributed by the Operating Fund:

	2019	2018
School Furniture & Equipment	\$ 17,571	\$ 21,297
Computers & Software	-	7,208
Vehicles	39,051	360,722
Total	\$ 56,622	\$ 389,227

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 12 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2017, the Teachers' Pension Plan has about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 24,000 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, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The school district paid \$3,176,665 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$3,312,599)

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, 2018, with results available in 2019.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

NOTE 14 INTERFUND TRANSFERS

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

- Purchase of Capital Assets from Operating Fund \$ 56,622
- Purchase of Capital Assets from Special Purpose Fund \$ 6,009
- Capital Loan payment from Operating Fund \$ 101,725

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has no multiple-year contract for the delivery of services and the construction of tangible capital assets at this time.

NOTE 16 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an *amended* annual budget on *February 14, 2018*.

The *amended* annual budget figures are adjusted to reflect more current enrolment information and grant figures. The revision of the annual budget is a provincial requirement, and the inclusion of amended budgets in the financial statements presents the most relevant information to the user.

NOTE 17 CONTINGENCIES

The School District, in conducting its usual business activities, is involved in various legal claims and litigation. In the event that any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

NOTE 18 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2019 the liability cannot reasonably be determined.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 19 EXPENSE BY OBJECT

	2019	2018
Salaries and benefits	\$ 37,041,283	\$ 35,267,511
Services and supplies	7,071,680	6,415,132
Amortization	2,160,228	2,092,893
Interest	6,011	3,714
	<u>\$ 46,279,202</u>	<u>\$ 43,779,250</u>

NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:		
School Surpluses	\$ 1,105,774	
Appropriated for 2019/20 Year	1,519,026	
Financial Provisions	900,000	
Contractual Obligations	349,032	
District Programs	<u>337,287</u>	
Subtotal Internally Restricted		\$ 4,211,119
 Unrestricted Operating Surplus (Deficit)		 2,073,690
Unfunded Accrued Employee Future Benefits		<u>(511,406)</u>
Total Available for Future Operations		<u>\$ 5,773,403</u>

NOTE 21 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 22 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 is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in the Provincial Treasury's Central Deposit Program, GICs and term deposits.

- b) 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 they invest solely in Provincial Treasury's Central Deposit Program, GICs and term deposits that have a maturity date of no more than 3 years.

- c) 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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 23 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in The current year.

School District No. 46 (Sunshine Coast)

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	4,221,145		7,589,840	11,810,985	10,493,184
Changes for the year					
Surplus (Deficit) for the year	1,710,605	6,009	(445,509)	1,271,105	1,317,801
Interfund Transfers					
Tangible Capital Assets Purchased	(56,622)	(6,009)	62,631	-	
Other	(101,725)		101,725	-	
Net Changes for the year	1,552,258	-	(281,153)	1,271,105	1,317,801
Accumulated Surplus (Deficit), end of year - Statement 2	5,773,403	-	7,308,687	13,082,090	11,810,985

School District No. 46 (Sunshine Coast)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	38,816,147	39,149,703	36,995,871
Other	35,000	53,430	84,050
Tuition	106,208	121,178	118,188
Other Revenue	785,876	731,117	844,689
Rentals and Leases	60,000	75,272	86,396
Investment Income	140,000	217,026	135,827
Total Revenue	39,943,231	40,347,726	38,265,021
Expenses			
Instruction	33,723,637	30,952,532	29,193,219
District Administration	2,232,941	2,098,442	1,994,457
Operations and Maintenance	4,605,931	4,328,429	4,065,417
Transportation and Housing	1,474,026	1,257,718	1,232,961
Total Expense	42,036,535	38,637,121	36,486,054
Operating Surplus (Deficit) for the year	(2,093,304)	1,710,605	1,778,967
Budgeted Appropriation (Retirement) of Surplus (Deficit)	2,093,304		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(56,622)	(389,227)
Other		(101,725)	(134,807)
Total Net Transfers	-	(158,347)	(524,034)
Total Operating Surplus (Deficit), for the year	-	1,552,258	1,254,933
Operating Surplus (Deficit), beginning of year		4,221,145	2,966,212
Operating Surplus (Deficit), end of year		5,773,403	4,221,145
Operating Surplus (Deficit), end of year			
Internally Restricted		4,211,119	3,213,305
Unrestricted		2,073,690	1,519,246
Unfunded Accrued Employee Future Benefits		(511,406)	(511,406)
Total Operating Surplus (Deficit), end of year		5,773,403	4,221,145

School District No. 46 (Sunshine Coast)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	37,891,322	38,045,057	35,838,970
Other Ministry of Education Grants			
Pay Equity	510,381	510,381	510,381
Funding for Graduated Adults	5,283	6,752	11,545
Transportation Supplement	380,465	380,465	380,465
Economic Stability Dividend			19,144
Return of Administrative Savings			182,072
Carbon Tax Grant	20,000	20,415	18,028
Employer Health Tax Grant		94,274	
Strategic Priorities - Mental Health Grant		35,000	
Support Staff Benefits Grant		37,322	
BCTEA - LEA Capacity Building Grant		6,850	
FSA Scorer	8,696	8,187	8,187
Shoulder Tappers		5,000	17,079
Indigenous Language Grant			10,000
Total Provincial Grants - Ministry of Education	38,816,147	39,149,703	36,995,871
Provincial Grants - Other	35,000	53,430	84,050
Tuition			
International and Out of Province Students	106,208	121,178	118,188
Total Tuition	106,208	121,178	118,188
Other Revenues			
Other School District/Education Authorities	583,000	583,322	582,722
Miscellaneous			
Miscellaneous	202,876	147,795	261,967
Total Other Revenue	785,876	731,117	844,689
Rentals and Leases	60,000	75,272	86,396
Investment Income	140,000	217,026	135,827
Total Operating Revenue	39,943,231	40,347,726	38,265,021

School District No. 46 (Sunshine Coast)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual (Recast)
	\$	\$	\$
Salaries			
Teachers	14,483,619	14,428,283	13,550,071
Principals and Vice Principals	2,106,352	2,435,647	2,352,392
Educational Assistants	3,297,498	2,998,547	2,833,792
Support Staff	4,201,060	4,061,797	3,727,326
Other Professionals	1,453,495	1,211,544	1,083,662
Substitutes	2,395,543	1,791,538	1,913,690
Total Salaries	27,937,567	26,927,356	25,460,933
Employee Benefits	6,862,729	6,207,122	6,009,181
Total Salaries and Benefits	34,800,296	33,134,478	31,470,114
Services and Supplies			
Services	809,990	667,245	589,219
Student Transportation	1,376,384	1,202,251	1,187,876
Professional Development and Travel	166,850	161,231	147,901
Rentals and Leases	40,200	37,490	37,721
Dues and Fees	56,500	56,231	56,752
Insurance	87,125	76,626	76,119
Supplies	4,015,304	2,691,473	2,282,040
Utilities	683,886	610,096	638,312
Total Services and Supplies	7,236,239	5,502,643	5,015,940
Total Operating Expense	42,036,535	38,637,121	36,486,054

School District No. 46 (Sunshine Coast)

Operating Expense by Function, Program and Object
Year Ended June 30, 2019

	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	11,572,780	244,507		598,269		1,664,736	14,080,292
1.03 Career Programs	146,350						146,350
1.07 Library Services	184,855			58,678			243,533
1.08 Counselling	395,491			130,604			526,095
1.10 Special Education	1,582,029	258,462	2,880,314	381,777		119,685	5,222,267
1.30 English Language Learning	112,888						112,888
1.31 Aboriginal Education	433,890	127,628	118,233			4,421	684,172
1.41 School Administration		1,666,464		552,316			2,218,780
1.62 International and Out of Province Students							-
1.64 Other				45,396			45,396
Total Function 1	14,428,283	2,297,061	2,998,547	1,767,040	-	1,788,842	23,279,773
4 District Administration							
4.11 Educational Administration		138,586			292,320		430,906
4.40 School District Governance					116,174		116,174
4.41 Business Administration				127,258	617,749	2,246	747,253
Total Function 4	-	138,586	-	127,258	1,026,243	2,246	1,294,333
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				47,948	162,531		210,479
5.50 Maintenance Operations				2,017,620			2,017,620
5.52 Maintenance of Grounds				89,100			89,100
5.56 Utilities							-
Total Function 5	-	-	-	2,154,668	162,531	-	2,317,199
7 Transportation and Housing							
7.41 Transportation and Housing Administration					22,770		22,770
7.70 Student Transportation				12,831		450	13,281
Total Function 7	-	-	-	12,831	22,770	450	36,051
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,428,283	2,435,647	2,998,547	4,061,797	1,211,544	1,791,538	26,927,356

School District No. 46 (Sunshine Coast)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	14,080,292	2,972,807	17,053,099	1,478,773	18,531,872	20,972,777	17,732,518
1.03 Career Programs	146,350	37,035	183,385	15,913	199,298	220,062	222,465
1.07 Library Services	243,533	66,820	310,353	64,606	374,959	313,854	252,071
1.08 Counselling	526,095	133,131	659,226		659,226	591,347	569,157
1.10 Special Education	5,222,267	1,394,965	6,617,232	394,144	7,011,376	7,456,791	6,426,829
1.30 English Language Learning	112,888	29,414	142,302	14,975	157,277	308,718	170,024
1.31 Aboriginal Education	684,172	165,176	849,348	181,438	1,030,786	1,154,376	973,375
1.41 School Administration	2,218,780	530,299	2,749,079	74,556	2,823,635	2,548,354	2,643,969
1.62 International and Out of Province Students	-	-	-	19,609	19,609	33,000	29,942
1.64 Other	45,396	7,827	53,223	91,271	144,494	124,358	172,869
Total Function 1	23,279,773	5,337,474	28,617,247	2,335,285	30,952,532	33,723,637	29,193,219
4 District Administration							
4.11 Educational Administration	430,906	92,671	523,577	48,832	572,409	569,690	568,948
4.40 School District Governance	116,174	1,113	117,287	132,563	249,850	236,912	210,212
4.41 Business Administration	747,253	167,444	914,697	361,486	1,276,183	1,426,339	1,215,297
Total Function 4	1,294,333	261,228	1,555,561	542,881	2,098,442	2,232,941	1,994,457
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	210,479	46,636	257,115	115,203	372,318	347,826	293,897
5.50 Maintenance Operations	2,017,620	530,270	2,547,890	640,000	3,187,890	3,365,939	2,948,178
5.52 Maintenance of Grounds	89,100	23,900	113,000	45,125	158,125	208,280	185,030
5.56 Utilities	-	-	-	610,096	610,096	683,886	638,312
Total Function 5	2,317,199	600,806	2,918,005	1,410,424	4,328,429	4,605,931	4,065,417
7 Transportation and Housing							
7.41 Transportation and Housing Administration	22,770	4,576	27,346		27,346	27,217	26,711
7.70 Student Transportation	13,281	3,038	16,319	1,214,053	1,230,372	1,446,809	1,206,250
Total Function 7	36,051	7,614	43,665	1,214,053	1,257,718	1,474,026	1,232,961
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	26,927,356	6,207,122	33,134,478	5,502,643	38,637,121	42,036,535	36,486,054

School District No. 46 (Sunshine Coast)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	4,190,577	4,310,670	4,121,039
Other Revenue	1,060,000	1,158,097	1,065,854
Investment Income	7,000	13,084	9,696
Total Revenue	<u>5,257,577</u>	<u>5,481,851</u>	<u>5,196,589</u>
Expenses			
Instruction	5,058,007	5,170,863	4,856,952
District Administration	199,570		
Operations and Maintenance		304,979	339,637
Total Expense	<u>5,257,577</u>	<u>5,475,842</u>	<u>5,196,589</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>6,009</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(6,009)	
Total Net Transfers	<u>-</u>	<u>(6,009)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 46 (Sunshine Coast)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	141,298		16,805	582,996	560,260				
Add: Restricted Grants									
Provincial Grants - Ministry of Education	196,588	140,534				192,000	22,050	15,235	496,707
Other				90,791	917,326				
Investment Income				13,084					
	196,588	140,534	-	103,875	917,326	192,000	22,050	15,235	496,707
Less: Allocated to Revenue	302,185	140,534	520	126,623	871,765	192,000	22,050	10,141	496,707
Deferred Revenue, end of year	35,701	-	16,285	560,248	605,821	-	-	5,094	-
Revenues									
Provincial Grants - Ministry of Education	302,185	140,534	520			192,000	22,050	10,141	496,707
Other Revenue				113,539	871,765				
Investment Income				13,084					
	302,185	140,534	520	126,623	871,765	192,000	22,050	10,141	496,707
Expenses									
Salaries									
Teachers									6,605
Principals and Vice Principals									69,891
Educational Assistants		100,000				116,128			130,837
Support Staff	125,798								
Substitutes									
	125,798	100,000	-	-	-	116,128	-	-	207,333
Employee Benefits	35,244	40,534				45,872			54,374
Services and Supplies	141,143		520	126,623	865,756	30,000	22,050	10,141	235,000
	302,185	140,534	520	126,623	865,756	192,000	22,050	10,141	496,707
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	6,009	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased					(6,009)				
	-	-	-	-	(6,009)	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)

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

	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Misc Other Grants	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	6,888				186,968	1,495,215
Add: Restricted Grants						
Provincial Grants - Ministry of Education		216,728	2,861,522	61,463		4,202,827
Other					157,405	1,165,522
Investment Income						13,084
	-	216,728	2,861,522	61,463	157,405	5,381,433
Less: Allocated to Revenue	6,820	216,728	2,861,522	61,463	172,793	5,481,851
Deferred Revenue, end of year	68	-	-	-	171,580	1,394,797
Revenues						
Provincial Grants - Ministry of Education	6,820	216,728	2,861,522	61,463		4,310,670
Other Revenue					172,793	1,158,097
Investment Income						13,084
	6,820	216,728	2,861,522	61,463	172,793	5,481,851
Expenses						
Salaries						
Teachers			2,271,050		32,913	2,310,568
Principals and Vice Principals						69,891
Educational Assistants						346,965
Support Staff		107,952			5,701	239,451
Substitutes		72,791		61,463		134,254
	-	180,743	2,271,050	61,463	38,614	3,101,129
Employee Benefits		35,985	590,472		3,195	805,676
Services and Supplies	6,820				130,984	1,569,037
	6,820	216,728	2,861,522	61,463	172,793	5,475,842
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	6,009
Interfund Transfers						
Tangible Capital Assets Purchased						(6,009)
	-	-	-	-	-	(6,009)
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	1,710,105	1,720,730		1,720,730	1,635,441
Total Revenue	1,710,105	1,720,730	-	1,720,730	1,635,441
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,063,531	2,063,531		2,063,531	2,014,116
Transportation and Housing	96,697	96,697		96,697	78,777
Debt Services					
Capital Loan Interest			6,011	6,011	3,714
Total Expense	2,160,228	2,160,228	6,011	2,166,239	2,096,607
Capital Surplus (Deficit) for the year	(450,123)	(439,498)	(6,011)	(445,509)	(461,166)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		62,631		62,631	389,227
Capital Loan Payment			101,725	101,725	134,807
Total Net Transfers	-	62,631	101,725	164,356	524,034
Other Adjustments to Fund Balances					
Principal Payment					
Capital Loan		95,714	(95,714)	-	
Total Other Adjustments to Fund Balances		95,714	(95,714)	-	
Total Capital Surplus (Deficit) for the year	(450,123)	(281,153)	-	(281,153)	62,868
Capital Surplus (Deficit), beginning of year		7,589,840		7,589,840	7,526,972
Capital Surplus (Deficit), end of year		7,308,687	-	7,308,687	7,589,840

School District No. 46 (Sunshine Coast)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	3,051,972	83,824,361	1,365,665	966,975	25,134	552,072	89,786,179
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		735,515	70				735,585
Deferred Capital Revenue - Other			9,676				9,676
Operating Fund			17,571	39,051			56,622
Special Purpose Funds			6,009				6,009
Loan			7,508			453,008	460,516
Transferred from Work in Progress		1,381,039					1,381,039
	-	2,116,554	40,834	39,051	-	453,008	2,649,447
Decrease:							
Deemed Disposals			58,938	170,354		351,399	580,691
	-	-	58,938	170,354	-	351,399	580,691
Cost, end of year	3,051,972	85,940,915	1,347,561	835,672	25,134	653,681	91,854,935
Work in Progress, end of year		165,022					165,022
Cost and Work in Progress, end of year	3,051,972	86,105,937	1,347,561	835,672	25,134	653,681	92,019,957
Accumulated Amortization, beginning of year		38,850,185	385,465	353,499	6,982	353,228	39,949,359
Changes for the Year							
Increase: Amortization for the Year		1,811,522	136,567	96,697	5,027	110,415	2,160,228
Decrease:							
Deemed Disposals			58,938	170,354		351,399	580,691
		-	58,938	170,354	-	351,399	580,691
Accumulated Amortization, end of year		40,661,707	463,094	279,842	12,009	112,244	41,528,896
Tangible Capital Assets - Net	3,051,972	45,444,230	884,467	555,830	13,125	541,437	50,491,061

School District No. 46 (Sunshine Coast)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	51,157				51,157
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	1,494,904				1,494,904
	1,494,904	-	-	-	1,494,904
Decrease:					
Transferred to Tangible Capital Assets	1,381,039				1,381,039
	1,381,039	-	-	-	1,381,039
Net Changes for the Year	113,865	-	-	-	113,865
Work in Progress, end of year	165,022	-	-	-	165,022

School District No. 46 (Sunshine Coast)

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	42,013,787	106,250		42,120,037
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	735,585	9,676		745,261
Transferred from Work in Progress	1,381,039			1,381,039
	<u>2,116,624</u>	<u>9,676</u>	<u>-</u>	<u>2,126,300</u>
Decrease:				
Amortization of Deferred Capital Revenue	1,710,105	10,625		1,720,730
	<u>1,710,105</u>	<u>10,625</u>	<u>-</u>	<u>1,720,730</u>
Net Changes for the Year	<u>406,519</u>	<u>(949)</u>	<u>-</u>	<u>405,570</u>
Deferred Capital Revenue, end of year	<u>42,420,306</u>	<u>105,301</u>	<u>-</u>	<u>42,525,607</u>
Work in Progress, beginning of year	51,157			51,157
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	1,494,904			1,494,904
	<u>1,494,904</u>	<u>-</u>	<u>-</u>	<u>1,494,904</u>
Decrease				
Transferred to Deferred Capital Revenue	1,381,039			1,381,039
	<u>1,381,039</u>	<u>-</u>	<u>-</u>	<u>1,381,039</u>
Net Changes for the Year	<u>113,865</u>	<u>-</u>	<u>-</u>	<u>113,865</u>
Work in Progress, end of year	<u>165,022</u>	<u>-</u>	<u>-</u>	<u>165,022</u>
Total Deferred Capital Revenue, end of year	<u>42,585,328</u>	<u>105,301</u>	<u>-</u>	<u>42,690,629</u>

School District No. 46 (Sunshine Coast)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	11,045	33,119	55,986			100,150
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,450,769					2,450,769
Provincial Grants - Other			50,122			50,122
	2,450,769	-	50,122	-	-	2,500,891
Decrease:						
Transferred to DCR - Capital Additions	735,585		9,676			745,261
Transferred to DCR - Work in Progress	1,494,904					1,494,904
	2,230,489	-	9,676	-	-	2,240,165
Net Changes for the Year	220,280	-	40,446	-	-	260,726
Balance, end of year	231,325	33,119	96,432	-	-	360,876