

Audited Financial Statements of

School District No. 46 (Sunshine Coast)

June 30, 2018

School District No. 46 (Sunshine Coast)

June 30, 2018

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School District No. 46 (Sunshine Coast)

MANAGEMENT REPORT

Version: 4144-3399-1416

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, The Coast Group, 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

September 12, 2018

Date Signed


Signature of the Superintendent

September 12, 2018

Date Signed


Signature of the Secretary Treasurer

September 12, 2018

Date Signed

INDEPENDENT AUDITOR'S 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

We have audited the accompanying financial statements of School District No. 46 (Sunshine Coast), which comprise the statement of financial position as at June 30, 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of School District No. 46 (Sunshine Coast) for the year ended June 30, 2018, are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

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.

TCG LLP

Sechelt, British Columbia
September 12, 2018

Chartered Professional Accountants

School District No. 46 (Sunshine Coast)

Statement 1

Statement of Financial Position

As at June 30, 2018

	2018 Actual \$	2017 Actual \$
Financial Assets		
Cash and Cash Equivalents	11,164,738	10,357,452
Accounts Receivable		
Due from Province - Ministry of Education	38,592	26,405
Other	176,311	173,267
Total Financial Assets	11,379,641	10,557,124
Liabilities		
Accounts Payable and Accrued Liabilities		
Other	3,571,303	3,819,746
Unearned Revenue	165,252	181,474
Deferred Revenue	1,495,215	1,282,338
Deferred Capital Revenue	42,271,344	41,161,151
Employee Future Benefits	1,945,863	2,010,315
Debt	126,944	239,863
Total Liabilities	49,575,921	48,694,887
Net Financial Assets (Debt)	(38,196,280)	(38,137,763)
Non-Financial Assets		
Tangible Capital Assets	49,887,977	48,538,993
Prepaid Expenses	119,288	91,954
Total Non-Financial Assets	50,007,265	48,630,947
Accumulated Surplus (Deficit)	11,810,985	10,493,184

Approved by the Board

Signature of the Chairperson of the Board of Education

September 12, 2018

Date Signed

Signature of the Superintendent

September 12, 2018

Date Signed

Signature of the Secretary Treasurer

September 12, 2018

Date Signed

School District No. 46 (Sunshine Coast)

Statement 2

Statement of Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	41,047,259	41,116,910	38,726,760
Other	35,000	84,050	45,400
Tuition	78,408	118,188	106,418
Other Revenue	1,840,700	1,910,543	1,919,609
Rentals and Leases	30,000	86,396	75,816
Investment Income	87,000	145,523	94,627
Amortization of Deferred Capital Revenue	1,635,441	1,635,441	1,604,041
Total Revenue	<u>44,753,808</u>	<u>45,097,051</u>	<u>42,572,671</u>
Expenses			
Instruction	36,134,310	34,050,171	32,669,839
District Administration	2,257,716	1,994,457	1,975,843
Operations and Maintenance	6,481,130	6,419,170	6,422,740
Transportation and Housing	1,916,295	1,311,738	1,200,244
Debt Services		3,714	4,307
Total Expense	<u>46,789,451</u>	<u>43,779,250</u>	<u>42,272,973</u>
Surplus (Deficit) for the year	<u>(2,035,643)</u>	<u>1,317,801</u>	<u>299,698</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		10,493,184	10,193,486
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>11,810,985</u></u>	<u>10,493,184</u>

School District No. 46 (Sunshine Coast)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
Surplus (Deficit) for the year	<u>(2,035,643)</u>	<u>1,317,801</u>	<u>299,698</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,800,000)	(3,441,878)	(2,461,391)
Amortization of Tangible Capital Assets	2,092,893	2,092,893	2,084,981
Total Effect of change in Tangible Capital Assets	<u>(707,107)</u>	<u>(1,348,985)</u>	<u>(376,410)</u>
Acquisition of Prepaid Expenses		(119,288)	(91,954)
Use of Prepaid Expenses		91,955	165,629
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(27,333)</u>	<u>73,675</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(2,742,750)</u>	<u>(58,517)</u>	<u>(3,037)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(58,517)</u>	<u>(3,037)</u>
Net Financial Assets (Debt), beginning of year		<u>(38,137,763)</u>	<u>(38,134,726)</u>
Net Financial Assets (Debt), end of year		<u><u>(38,196,280)</u></u>	<u><u>(38,137,763)</u></u>

School District No. 46 (Sunshine Coast)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual \$	2017 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	1,317,801	299,698
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(15,231)	(11,865)
Prepaid Expenses	(27,334)	73,675
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(248,442)	243,884
Unearned Revenue	(16,222)	189,726
Deferred Revenue	212,877	(116,390)
Employee Future Benefits	(64,452)	97,715
Amortization of Tangible Capital Assets	2,092,893	2,084,981
Amortization of Deferred Capital Revenue	(1,635,441)	(1,604,041)
Total Operating Transactions	1,616,449	1,257,383
Capital Transactions		
Tangible Capital Assets Purchased	(1,750,725)	(974,004)
Tangible Capital Assets -WIP Purchased	(1,672,979)	(1,461,286)
Total Capital Transactions	(3,423,704)	(2,435,290)
Financing Transactions		
Loan Payments	(131,093)	(23,540)
Capital Revenue Received	2,745,634	2,372,465
Capital Lease Principal Payments Made		(105,064)
Total Financing Transactions	2,614,541	2,243,861
Net Increase (Decrease) in Cash and Cash Equivalents	807,286	1,065,954
Cash and Cash Equivalents, beginning of year	10,357,452	9,291,498
Cash and Cash Equivalents, end of year	11,164,738	10,357,452
Cash and Cash Equivalents, end of year, is made up of:		
Cash	11,164,738	10,357,452
	11,164,738	10,357,452

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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, 2017 - increase in annual surplus by \$768,424.

June 30, 2017 - increase in accumulated surplus and decrease in deferred contributions by \$41,161,151.

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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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, 2018

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 (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. 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, 2018

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, 2018

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 21 – Internally Restricted Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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, 2018

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, 2018

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

	2018	2017
GST receivable	\$ 78,497	\$ 83,899
Other	97,814	89,368
	<u>\$176,311</u>	<u>\$173,267</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2018	2017
Trade payables	\$ 737,383	\$ 1,051,458
Salaries and benefits payable	2,429,768	2,367,845
Accrued vacation pay	404,152	400,443
Other	-	-
	<u>\$ 3,571,303</u>	<u>\$ 3,819,746</u>

NOTE 5 UNEARNED REVENUE

	2018	2017
Balance, beginning of year	\$ 181,474	\$ 34,588
Changes for the year:		
Increase:		
Aboriginal Support Workers - SIGD	131,176	134,447
Sunshine Coast Community Services	525	
Prepayment of ACE-IT Supplies Fees	672	
Spani Payment	-	4,305
Facilities Booking Fees	999	-
ISP-Homestay Fees	31,880	42,722
Decrease:		
Aboriginal Support Workers – SIGD	(134,447)	
Spani Payment	(4,305)	-
Homestay Fees	(42,722)	(33,975)
Facilities Booking Fees	-	(613)
Net changes for the year	<u>-16,222</u>	<u>146,886</u>
Balance, end of year	<u>\$ 165,252</u>	<u>\$ 181,474</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, 2018

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>2018</u>	<u>2017</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,876,476	1,976,379
Service Cost	172,594	171,924
Interest Cost	52,444	49,981
Benefit Payments	-244,002	-148,843
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	-38,836	-172,965
Accrued Benefit Obligation – March 31	<u><u>1,818,676</u></u>	<u><u>1,876,476</u></u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	1,818,676	1,876,476
Market Value of Plan Assets - March 31	<u>0</u>	<u>0</u>
		-
Funded Status - Surplus (Deficit)	-1,818,676	1,876,476
Employer Contributions After Measurement Date	46,848	9,666
Benefits Expense After Measurement Date	-57,350	-56,259
Unamortized Net Actuarial (Gain) Loss	<u>-116,686</u>	<u>-87,245</u>
		-
Accrued Benefit Asset (Liability) - June 30	<u><u>-1,945,864</u></u>	<u><u>2,010,315</u></u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	2,010,315	1,912,600
Net Expense for Fiscal Year	216,733	235,757
Employer Contributions	<u>-281,184</u>	<u>-138,042</u>
Accrued Benefit Liability (Asset) - June 30	<u><u>1,945,864</u></u>	<u><u>2,010,315</u></u>
Components of Net Benefit Expense		
Service Cost	173,987	172,092
Interest Cost	52,142	50,597
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	<u>-9,395</u>	<u>13,068</u>
Net Benefit Expense (Income)	<u><u>216,733</u></u>	<u><u>235,757</u></u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 8 EMPLOYEE FUTURE BENEFITS

(Continued)

Assumptions

Discount Rate - April 1	2.75%	2.50%
Discount Rate - March 31	2.75%	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	7.7	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, 2017 as previously reported	\$	511,406
Reductions during the year		<u>0</u>
Unfunded liability, as at June 30, 2018	\$	<u><u>511,406</u></u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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	2017 Balance	Payment Amount	Maturity Date
Term	2016	2.32%	5 Years	\$ 74,961	\$ 35,289	\$ 39,672	\$ 1,293	01-31-21
Term	2016	2.32%	5 Years	26,120	11,007	15,112	451	04-30-21
Term	2016	2.32%	5 Years	26,101	8,819	17,282	450	09-30-21
Term	2017	2.32%	1 Years	78,588	72,307	6,281	6,096	07-31-18
Term	2017	2.32%	2 Years	57,021	28,099	28,922	2,412	06-30-19
Term	2017	2.32%	3 Years	6,474	2,373	4,101	206	02-29-20
Term	2018	2.32%	5 Years	18,174	2,600	15,573	317	09-30-22
				<u>\$ 287,439</u>	<u>\$160,495</u>	<u>\$126,944</u>	<u>\$11,226</u>	

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

2019	\$ 66,018
2020	30,763
2021	23,533
2022	5,484
2023	1,145
Thereafter	-
	<u>\$ 126,944</u>

NOTE 11 CAPITAL LEASE OBLIGATIONS

The School District converted several capital leases held by the Municipal Finance Authority to capital loans, also held by the Municipal Finance Authority. These obligations were for multi-function business devices and technology in the classroom.

Total interest on leases for the year ended June 30, 2018 was \$0 (2017: \$2,850).

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2018	Net Book Value 2017
Sites	\$ 3,051,972	\$ 3,051,972
Buildings	44,974,176	43,412,114
Buildings – WIP	51,157	433,317
Furniture & Equipment	980,200	986,268
Vehicles	613,476	331,535
Computer Software	18,152	23,179
Computer Hardware	198,844	300,609
Total	\$ 49,887,977	\$ 48,538,994

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	\$ -	\$ 38,450,185
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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 12 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2017

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2017
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$ 3,051,972
Buildings	78,056,249	772,679		1,695,471	80,524,399
Buildings – WIP	667,502	433,317		(667,502)	433,317
Furniture & Equipment	2,003,704	185,678	(567,232)		1,622,150
Vehicles	938,851		(151,083)		787,768
Computer Software	9,773	15,361			25,134
Computer Hardware	518,477	26,387			544,864
Total	\$ 85,246,528	\$ 1,433,422	\$ (718,315)	\$ 1,027,969	\$ 86,989,604

	Opening Accumulated Amortization	Increases	Disposals	Total 2017
Buildings	\$ 35,427,209	\$ 1,685,075	\$ -	\$ 37,112,284
Furniture & Equipment	1,002,743	200,370	(567,232)	635,881
Vehicles	513,435	93,885	(151,083)	456,237
Computer Software	-	1,955		1,955
Computer Hardware	140,559	103,696		244,255
Total	\$ 37,083,946	\$ 2,084,981	\$ (718,315)	\$ 38,450,612

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:

	2018	2017
School Furniture & Equipment	\$ 21,297	\$ 159,577
Computers & Software	7,208	41,748
Vehicles	360,722	-
Total	\$ 389,227	\$ 201,325

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 13 EMPLOYEE PENSION PLANS

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 represents plan members and employers and is 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. As at December 31, 2016, the Teachers' Pension Plan has about 45,000 active members and approximately 37,000 retired members. As of December 31, 2016, the Municipal Pension Plan has about 193,000 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 is then adjusted to the extent there is any amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis. As a result of the 2014 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased.

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 \$3,312,599 for employer contributions to the plans for the year ended June 30, 2018 (2017: \$3,166,935)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. 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, 2018

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2018, were as follows:

- | | |
|--|------------|
| • Purchase of Capital Assets from Operating Fund | \$ 389,227 |
| • Capital Loan payment from Operating Fund | \$ 134,807 |

NOTE 16 CONTRACTUAL OBLIGATIONS

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

The Rebuild of Gibsons Elementary School was substantially complete at June 30, 2015. There was a holdback account set up related to the project to protect the District against liens and deficiencies. At June 30, 2018 the balance in this holdback account was \$71,697, which represents the amount of outstanding work to be performed.

NOTE 17 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 18 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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 19 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, 2018 the liability cannot reasonably be determined.

NOTE 20 EXPENSE BY OBJECT

	2018	2017
Salaries and benefits	\$ 35,267,511	\$ 33,556,892
Services and supplies	6,415,132	6,626,793
Amortization	2,092,893	2,084,981
Interest	3,714	4,307
	<u>\$ 43,779,250</u>	<u>\$ 42,272,973</u>

NOTE 21 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

School Surpluses	\$ 786,392	
Appropriated for 2018/19 Year	750,000	
Financial Provisions	900,000	
Contractual Obligations	472,766	
District Programs	<u>304,147</u>	
Subtotal Internally Restricted		\$ 3,213,305
Unrestricted Operating Surplus (Deficit)		1,519,246
Unfunded Accrued Employee Future Benefits		<u>(511,406)</u>
Total Available for Future Operations		<u>\$ 4,221,145</u>

NOTE 22 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, 2018

NOTE 23 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)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2018

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,966,212		7,526,972	10,493,184	10,193,486
Changes for the year					
Surplus (Deficit) for the year	1,778,967		(461,166)	1,317,801	299,698
Interfund Transfers					
Tangible Capital Assets Purchased	(389,227)		389,227	-	
Other	(134,807)		134,807	-	
Net Changes for the year	1,254,933	-	62,868	1,317,801	299,698
Accumulated Surplus (Deficit), end of year - Statement 2	4,221,145	-	7,589,840	11,810,985	10,493,184

School District No. 46 (Sunshine Coast)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	36,872,119	36,995,871	36,617,123
Other	35,000	84,050	45,400
Tuition	78,408	118,188	106,418
Other Revenue	780,700	844,689	691,104
Rentals and Leases	30,000	86,396	75,816
Investment Income	80,000	135,827	87,308
Total Revenue	37,876,227	38,265,021	37,623,169
Expenses			
Instruction	31,088,758	29,193,219	29,666,998
District Administration	2,061,128	1,994,457	1,975,843
Operations and Maintenance	4,467,014	4,065,417	4,240,891
Transportation and Housing	1,837,518	1,232,961	1,106,359
Total Expense	39,454,418	36,486,054	36,990,091
Operating Surplus (Deficit) for the year	(1,578,191)	1,778,967	633,078
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,578,191		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(389,227)	(49,458)
Other		(134,807)	(132,911)
Total Net Transfers	-	(524,034)	(182,369)
Total Operating Surplus (Deficit), for the year	-	1,254,933	450,709
Operating Surplus (Deficit), beginning of year		2,966,212	2,515,503
Operating Surplus (Deficit), end of year		4,221,145	2,966,212
Operating Surplus (Deficit), end of year			
Internally Restricted		3,213,305	2,727,303
Unrestricted		1,519,246	750,315
Unfunded Accrued Employee Future Benefits		(511,406)	(511,406)
Total Operating Surplus (Deficit), end of year		4,221,145	2,966,212

School District No. 46 (Sunshine Coast)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	35,762,423	35,838,970	35,321,865
Other Ministry of Education Grants			
Pay Equity	510,381	510,381	510,381
Funding for Graduated Adults	8,082	11,545	2,284
Transportation Supplement	380,465	380,465	380,465
Economic Stability Dividend		19,144	16,887
Return of Administrative Savings	182,072	182,072	182,072
Carbon Tax Grant	20,000	18,028	19,668
Student Learning Grant			157,813
FSA Scorer	8,696	8,187	8,188
Shoulder Tappers		17,079	17,500
Indigenous Language Grant		10,000	
Total Provincial Grants - Ministry of Education	36,872,119	36,995,871	36,617,123
Provincial Grants - Other	35,000	84,050	45,400
Tuition			
International and Out of Province Students	78,408	118,188	105,868
Student Fees			550
Total Tuition	78,408	118,188	106,418
Other Revenues			
Other School District/Education Authorities	575,000	582,722	537,333
Miscellaneous			
Miscellaneous	205,700	261,967	153,771
Total Other Revenue	780,700	844,689	691,104
Rentals and Leases	30,000	86,396	75,816
Investment Income	80,000	135,827	87,308
Total Operating Revenue	37,876,227	38,265,021	37,623,169

School District No. 46 (Sunshine Coast)

Schedule of Operating Expense by Object

Year Ended June 30, 2018

Schedule 2B (Unaudited)

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Salaries			
Teachers	13,462,280	13,550,071	14,185,694
Principals and Vice Principals	2,105,257	2,071,857	1,920,788
Educational Assistants	3,146,264	2,833,792	2,760,629
Support Staff	3,792,263	3,727,326	3,834,399
Other Professionals	1,436,195	1,364,197	1,361,797
Substitutes	2,188,563	1,913,690	1,715,444
Total Salaries	26,130,822	25,460,933	25,778,751
Employee Benefits	6,511,255	6,009,181	6,156,053
Total Salaries and Benefits	32,642,077	31,470,114	31,934,804
Services and Supplies			
Services	666,337	589,219	679,537
Student Transportation	1,356,469	1,187,876	1,054,191
Professional Development and Travel	136,255	147,901	146,224
Rentals and Leases	40,200	37,721	37,717
Dues and Fees	56,500	56,752	60,634
Insurance	87,125	76,119	53,766
Supplies	3,764,969	2,282,040	2,352,026
Utilities	704,486	638,312	671,192
Total Services and Supplies	6,812,341	5,015,940	5,055,287
Total Operating Expense	39,454,418	36,486,054	36,990,091

School District No. 46 (Sunshine Coast)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object
Year Ended June 30, 2018

	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	10,896,343	301,156		602,301		1,772,952	13,572,752
1.03 Career Programs	168,264						168,264
1.07 Library Services	87,932			66,060			153,992
1.08 Counselling	326,800			127,245			454,045
1.10 Special Education	1,499,018	117,111	2,743,067	264,239	132,238	96,744	4,852,417
1.30 English Language Learning	129,200						129,200
1.31 Aboriginal Education	442,514	120,926	90,725	-			654,165
1.41 School Administration		1,532,664		542,601			2,075,265
1.62 International and Out of Province Students							-
1.64 Other				43,995			43,995
Total Function 1	13,550,071	2,071,857	2,833,792	1,646,441	132,238	1,869,696	22,104,095
4 District Administration							
4.11 Educational Administration					447,151		447,151
4.40 School District Governance					111,979		111,979
4.41 Business Administration				126,789	539,840	42,415	709,044
Total Function 4	-	-	-	126,789	1,098,970	42,415	1,268,174
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				45,840	110,669		156,509
5.50 Maintenance Operations				1,785,574		-	1,785,574
5.52 Maintenance of Grounds				115,313			115,313
5.56 Utilities							-
Total Function 5	-	-	-	1,946,727	110,669	-	2,057,396
7 Transportation and Housing							
7.41 Transportation and Housing Administration					22,320		22,320
7.70 Student Transportation				7,369		1,579	8,948
7.73 Housing							-
Total Function 7	-	-	-	7,369	22,320	1,579	31,268
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	13,550,071	2,071,857	2,833,792	3,727,326	1,364,197	1,913,690	25,460,933

School District No. 46 (Sunshine Coast)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	13,572,752	2,928,304	16,501,056	1,231,462	17,732,518	18,832,086	17,493,919
1.03 Career Programs	168,264	43,749	212,013	10,452	222,465	312,763	179,389
1.07 Library Services	153,992	46,110	200,102	51,969	252,071	265,662	455,498
1.08 Counselling	454,045	115,038	569,083	74	569,157	573,459	659,628
1.10 Special Education	4,852,417	1,314,592	6,167,009	259,820	6,426,829	6,989,604	7,187,399
1.30 English Language Learning	129,200	33,592	162,792	7,232	170,024	268,800	169,878
1.31 Aboriginal Education	654,165	161,687	815,852	157,523	973,375	1,184,411	878,282
1.41 School Administration	2,075,265	488,881	2,564,146	79,823	2,643,969	2,489,163	2,452,939
1.62 International and Out of Province Students	-	-	-	29,942	29,942	29,747	44,811
1.64 Other	43,995	7,544	51,539	121,330	172,869	143,063	145,255
Total Function 1	22,104,095	5,139,497	27,243,592	1,949,627	29,193,219	31,088,758	29,666,998
4 District Administration							
4.11 Educational Administration	447,151	99,633	546,784	22,164	568,948	526,026	531,795
4.40 School District Governance	111,979	2,641	114,620	95,592	210,212	196,441	211,130
4.41 Business Administration	709,044	155,481	864,525	350,772	1,215,297	1,338,661	1,232,918
Total Function 4	1,268,174	257,755	1,525,929	468,528	1,994,457	2,061,128	1,975,843
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	156,509	34,465	190,974	102,923	293,897	346,683	299,844
5.50 Maintenance Operations	1,785,574	545,538	2,331,112	617,066	2,948,178	3,212,863	3,140,085
5.52 Maintenance of Grounds	115,313	27,128	142,441	42,589	185,030	202,982	129,770
5.56 Utilities	-	-	-	638,312	638,312	704,486	671,192
Total Function 5	2,057,396	607,131	2,664,527	1,400,890	4,065,417	4,467,014	4,240,891
7 Transportation and Housing							
7.41 Transportation and Housing Administration	22,320	4,391	26,711		26,711	27,217	26,567
7.70 Student Transportation	8,948	407	9,355	1,196,895	1,206,250	1,810,301	1,078,838
7.73 Housing	-	-	-		-		954
Total Function 7	31,268	4,798	36,066	1,196,895	1,232,961	1,837,518	1,106,359
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	25,460,933	6,009,181	31,470,114	5,015,940	36,486,054	39,454,418	36,990,091

School District No. 46 (Sunshine Coast)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	4,175,140	4,121,039	2,109,637
Other Revenue	1,060,000	1,065,854	1,228,505
Investment Income	7,000	9,696	7,319
Total Revenue	<u>5,242,140</u>	<u>5,196,589</u>	<u>3,345,461</u>
Expenses			
Instruction	5,045,552	4,856,952	3,002,841
District Administration	196,588		
Operations and Maintenance		339,637	190,753
Total Expense	<u>5,242,140</u>	<u>5,196,589</u>	<u>3,193,594</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>151,867</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(151,867)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(151,867)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 46 (Sunshine Coast)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2018

	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	22,367		20,989	519,565	575,283			15,230	
Add: Restricted Grants									
Provincial Grants - Ministry of Education	196,588	140,214				192,000	22,050	5	493,656
Other				156,153	864,885				
Investment Income				9,696					
District Entered								-	
	196,588	140,214	-	165,849	864,885	192,000	22,050	5	493,656
Less: Allocated to Revenue	77,657	140,214	4,184	102,418	879,908	192,000	22,050	15,235	493,656
Deferred Revenue, end of year	141,298	-	16,805	582,996	560,260	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	77,657	140,214	4,184			192,000	22,050	15,235	493,656
Other Revenue				92,722	879,908				
Investment Income				9,696					
	77,657	140,214	4,184	102,418	879,908	192,000	22,050	15,235	493,656
Expenses									
Salaries									
Teachers									75,621
Educational Assistants		107,034				116,129			124,712
Support Staff	44,342								
Substitutes									
	44,342	107,034	-	-	-	116,129	-	-	200,333
Employee Benefits	10,946	33,180				45,871			58,323
Services and Supplies	22,369		4,184	102,418	879,908	30,000	22,050	15,235	235,000
	77,657	140,214	4,184	102,418	879,908	192,000	22,050	15,235	493,656
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2018

	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Misc Other Grants	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	23,464			105,440	1,282,338
Add: Restricted Grants					
Provincial Grants - Ministry of Education		318,834	2,840,633		4,203,980
Other				174,752	1,195,790
Investment Income					9,696
District Entered				-	-
	-	318,834	2,840,633	174,752	5,409,466
Less: Allocated to Revenue	16,576	318,834	2,840,633	93,224	5,196,589
Deferred Revenue, end of year	6,888	-	-	186,968	1,495,215
Revenues					
Provincial Grants - Ministry of Education	16,576	318,834	2,840,633		4,121,039
Other Revenue				93,224	1,065,854
Investment Income					9,696
	16,576	318,834	2,840,633	93,224	5,196,589
Expenses					
Salaries					
Teachers			2,280,508	5,150	2,361,279
Educational Assistants					347,875
Support Staff		189,935			234,277
Substitutes	4,743	56,854		10,617	72,214
	4,743	246,789	2,280,508	15,767	3,015,645
Employee Benefits		72,045	560,125	1,262	781,752
Services and Supplies	11,833			76,195	1,399,192
	16,576	318,834	2,840,633	93,224	5,196,589
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-
Interfund Transfers					
	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-

School District No. 46 (Sunshine Coast)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual			2017 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	1,635,441	1,635,441		1,635,441	1,604,041
Total Revenue	1,635,441	1,635,441	-	1,635,441	1,604,041
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,014,116	2,014,116		2,014,116	1,991,096
Transportation and Housing	78,777	78,777		78,777	93,885
Debt Services					
Capital Lease Interest				-	2,850
Capital Loan Interest			3,714	3,714	1,457
Total Expense	2,092,893	2,092,893	3,714	2,096,607	2,089,288
Capital Surplus (Deficit) for the year	(457,452)	(457,452)	(3,714)	(461,166)	(485,247)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		389,227		389,227	201,325
Capital Lease Payment				-	107,914
Capital Loan Payment			134,807	134,807	24,997
Total Net Transfers	-	389,227	134,807	524,034	334,236
Other Adjustments to Fund Balances					
Principal Payment					
Capital Loan		131,093	(131,093)	-	
Total Other Adjustments to Fund Balances		131,093	(131,093)	-	
Total Capital Surplus (Deficit) for the year	(457,452)	62,868	-	62,868	(151,011)
Capital Surplus (Deficit), beginning of year		7,526,972		7,526,972	7,677,983
Capital Surplus (Deficit), end of year		7,589,840	-	7,589,840	7,526,972

School District No. 46 (Sunshine Coast)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	3,051,972	80,524,399	1,622,150	787,768	25,134	544,864	86,556,287
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,244,823	10,425				1,255,248
Deferred Capital Revenue - Other			106,250				106,250
Operating Fund			21,297	360,722		7,208	389,227
Capital Loan			18,174				18,174
Transferred from Work in Progress		2,055,139					2,055,139
	-	3,299,962	156,146	360,722	-	7,208	3,824,038
Decrease:							
Deemed Disposals			412,631	181,515			594,146
	-	-	412,631	181,515	-	-	594,146
Cost, end of year	3,051,972	83,824,361	1,365,665	966,975	25,134	552,072	89,786,179
Work in Progress, end of year		51,157					51,157
Cost and Work in Progress, end of year	3,051,972	83,875,518	1,365,665	966,975	25,134	552,072	89,837,336
Accumulated Amortization, beginning of year		37,112,284	635,881	456,237	1,955	244,255	38,450,612
Changes for the Year							
Increase: Amortization for the Year		1,737,901	162,215	78,777	5,027	108,973	2,092,893
Decrease:							
Deemed Disposals			412,631	181,515			594,146
		-	412,631	181,515	-	-	594,146
Accumulated Amortization, end of year		38,850,185	385,465	353,499	6,982	353,228	39,949,359
Tangible Capital Assets - Net	3,051,972	45,025,333	980,200	613,476	18,152	198,844	49,887,977

School District No. 46 (Sunshine Coast)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2018

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	433,317				433,317
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	1,672,979				1,672,979
	1,672,979	-	-	-	1,672,979
Decrease:					
Transferred to Tangible Capital Assets	2,055,139				2,055,139
	2,055,139	-	-	-	2,055,139
Net Changes for the Year	(382,160)	-	-	-	(382,160)
Work in Progress, end of year	51,157	-	-	-	51,157

School District No. 46 (Sunshine Coast)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	40,338,841			40,338,841
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,255,248	106,250		1,361,498
Transferred from Work in Progress	2,055,139			2,055,139
	<u>3,310,387</u>	<u>106,250</u>	<u>-</u>	<u>3,416,637</u>
Decrease:				
Amortization of Deferred Capital Revenue	1,635,441			1,635,441
	<u>1,635,441</u>	<u>-</u>	<u>-</u>	<u>1,635,441</u>
Net Changes for the Year	<u>1,674,946</u>	<u>106,250</u>	<u>-</u>	<u>1,781,196</u>
Deferred Capital Revenue, end of year	<u>42,013,787</u>	<u>106,250</u>	<u>-</u>	<u>42,120,037</u>
Work in Progress, beginning of year	433,317			433,317
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	1,672,979			1,672,979
	<u>1,672,979</u>	<u>-</u>	<u>-</u>	<u>1,672,979</u>
Decrease				
Transferred to Deferred Capital Revenue	2,055,139			2,055,139
	<u>2,055,139</u>	<u>-</u>	<u>-</u>	<u>2,055,139</u>
Net Changes for the Year	<u>(382,160)</u>	<u>-</u>	<u>-</u>	<u>(382,160)</u>
Work in Progress, end of year	<u>51,157</u>	<u>-</u>	<u>-</u>	<u>51,157</u>
Total Deferred Capital Revenue, end of year	<u>42,064,944</u>	<u>106,250</u>	<u>-</u>	<u>42,171,194</u>

School District No. 46 (Sunshine Coast)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	246,074	33,119	109,800			388,993
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,659,181					2,659,181
Provincial Grants - Other			52,436			52,436
Accrued Draws for Capital Projects	34,017					34,017
	2,693,198	-	52,436	-	-	2,745,634
Decrease:						
Transferred to DCR - Capital Additions	1,255,248		106,250			1,361,498
Transferred to DCR - Work in Progress	1,672,979					1,672,979
	2,928,227	-	106,250	-	-	3,034,477
Net Changes for the Year	(235,029)	-	(53,814)	-	-	(288,843)
Balance, end of year	11,045	33,119	55,986	-	-	100,150