

Audited Financial Statements of

School District No. 64 (Gulf Islands)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 64 (Gulf Islands)

June 30, 2021

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School District No. 64 (Gulf Islands)

MANAGEMENT REPORT

Version: 4953-4207-2225

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 64 (Gulf Islands) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

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

The external auditors, KPMG Canada, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 64 (Gulf Islands) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

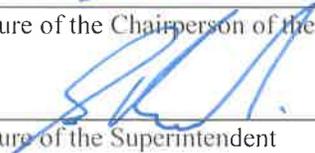
On behalf of School District No. 64 (Gulf Islands)



Signature of the Chairperson of the Board of Education

2021-09-22

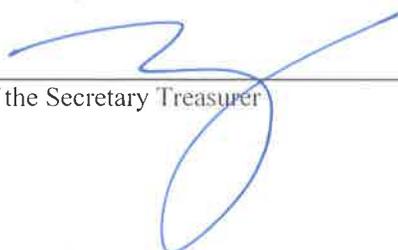
Date Signed



Signature of the Superintendent

2021-09-21

Date Signed



Signature of the Secretary Treasurer

September 21/2021

Date Signed



KPMG LLP
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800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the statement of financial position as at June 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2021 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

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

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

Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.



Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

We also:

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

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

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

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
September 15, 2021

School District No. 64 (Gulf Islands)

Statement of Financial Position

As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	6,652,802	4,611,797
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	145,507	174,792
Other (Note 3)	271,464	129,300
Portfolio Investments (Note 4)	77,794	86,420
Total Financial Assets	<u>7,147,567</u>	<u>5,002,309</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	1,717,438	1,151,876
Unearned Revenue (Note 6)	475,631	260,636
Deferred Revenue (Note 7)	863,725	648,747
Deferred Capital Revenue (Note 8)	19,518,841	18,775,260
Employee Future Benefits (Note 9)	1,016,229	1,002,022
Total Liabilities	<u>23,591,864</u>	<u>21,838,541</u>
Net Debt	<u>(16,444,297)</u>	<u>(16,836,232)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 10)	25,885,570	24,937,069
Prepaid Expenses	256,301	95,739
Total Non-Financial Assets	<u>26,141,871</u>	<u>25,032,808</u>
Accumulated Surplus (Deficit) (Note 12)	<u>9,697,574</u>	<u>8,196,576</u>

Contractual Obligations (Note 13)

Contractual Rights (Note 13)

Measurement Uncertainty (Note 20)

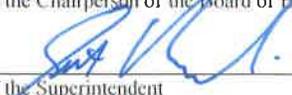
Contingent Liabilities (Note 15)

Approved by the Board


Signature of the Chairperson of the Board of Education

2021-09-22

Date Signed


Signature of the Superintendent

2021-09-21

Date Signed


Signature of the Secretary Treasurer

September 21/2021

Date Signed

School District No. 64 (Gulf Islands)

Statement of Operations
Year Ended June 30, 2021

	2021 Budget (Note 14)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	25,514,982	25,336,441	24,434,716
Other		2,778	
Tuition	384,800	375,090	811,125
Other Revenue	828,500	869,449	963,455
Rentals and Leases	15,000	9,328	14,448
Investment Income	8,000	29,365	39,448
Amortization of Deferred Capital Revenue	1,043,000	1,042,924	1,021,386
Total Revenue	27,794,282	27,665,375	27,284,578
Expenses			
Instruction	19,307,363	18,699,158	18,436,671
District Administration	1,286,283	1,218,611	1,282,074
Operations and Maintenance	4,523,432	4,481,598	4,223,511
Transportation and Housing	1,814,235	1,765,010	1,591,644
Total Expense	26,931,313	26,164,377	25,533,900
Surplus (Deficit) for the year	862,969	1,500,998	1,750,678
Accumulated Surplus (Deficit) from Operations, beginning of year		8,196,576	6,445,898
Accumulated Surplus (Deficit) from Operations, end of year		9,697,574	8,196,576

School District No. 64 (Gulf Islands)

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget (Note 14) \$	2021 Actual \$	2020 Actual \$
Surplus (Deficit) for the year	862,969	1,500,998	1,750,678
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(275,000)	(2,198,321)	(1,011,066)
Amortization of Tangible Capital Assets	1,249,000	1,249,820	1,180,032
Total Effect of change in Tangible Capital Assets	974,000	(948,501)	168,966
Acquisition of Prepaid Expenses		(301,126)	(95,739)
Use of Prepaid Expenses		140,564	119,032
Total Effect of change in Other Non-Financial Assets	-	(160,562)	23,293
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	1,836,969	391,935	1,942,937
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		391,935	1,942,937
Net Debt, beginning of year		(16,836,232)	(18,779,169)
Net Debt, end of year		(16,444,297)	(16,836,232)

School District No. 64 (Gulf Islands)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,500,998	1,750,678
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(112,879)	(74,117)
Prepaid Expenses	(160,562)	23,293
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	565,562	(484,649)
Unearned Revenue	214,995	(353,639)
Deferred Revenue	214,978	101,072
Employee Future Benefits	14,207	5,730
Amortization of Tangible Capital Assets	1,249,820	1,180,032
Amortization of Deferred Capital Revenue	(1,042,924)	(1,021,386)
Expensed Portion of Bylaw Capital	(118,528)	(341,619)
Total Operating Transactions	<u>2,325,667</u>	<u>785,395</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,894,889)	(836,274)
Tangible Capital Assets -WIP Purchased	(303,432)	(174,792)
Total Capital Transactions	<u>(2,198,321)</u>	<u>(1,011,066)</u>
Financing Transactions		
Capital Revenue Received	1,905,033	1,299,636
Total Financing Transactions	<u>1,905,033</u>	<u>1,299,636</u>
Investing Transactions		
Investments in Portfolio Investments	8,626	2,463
Total Investing Transactions	<u>8,626</u>	<u>2,463</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,041,005</u>	<u>1,076,428</u>
Cash and Cash Equivalents, beginning of year	<u>4,611,797</u>	<u>3,535,369</u>
Cash and Cash Equivalents, end of year	<u>6,652,802</u>	<u>4,611,797</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	6,652,802	4,611,797
	<u>6,652,802</u>	<u>4,611,797</u>

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

1. Authority and purpose:

School District No. 64 (Gulf Islands) (the 'school district'), established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 64 (Gulf Islands)", and operates as "School District No. 64 (Gulf Islands)". A board of education ("Board") elected for a four-year term governs the school district. The school district provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 64 is exempt from federal and provincial corporate income taxes.

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

2. Significant accounting policies:

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

(a) Basis of accounting:

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

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

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

2. Significant accounting policies (continued):

(a) Basis of accounting (continued):

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

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

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

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

(b) Basis of consolidation:

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

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

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

(c) Cash and cash equivalents:

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

(d) Accounts receivable:

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

2. Significant accounting policies (continued):

(e) Portfolio investment:

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

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

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. The loss is not reversed if there is a subsequent increase in value. 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.

(f) Unearned revenue:

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

(g) Deferred revenue and deferred capital revenue:

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

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

2. Significant accounting policies (continued):

(h) Employee future benefits:

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

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

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

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

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

(i) Tangible capital assets:

The following criteria apply:

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

2. Significant accounting policies (continued):

(i) Tangible capital assets (continued):

- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. Work in progress is not amortized until available for productive use. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

(j) Liability for contaminated sites:

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

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

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

(k) Prepaid expense:

Amounts for insurance and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

(l) Funds and reserves:

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

2. 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 must 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.

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

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

(n) Expenditures:

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

(i) Allocation of costs:

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

2. Significant accounting policies (continued):

(n) Expenditures (continued):

(i) Allocation of costs (continued):

- 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) Financial instruments:

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The school district recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, and accounts payable and accrued liabilities.

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

Unrealized gains and losses from changes in the fair value of financial instruments recorded at fair value are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

2. Significant accounting policies (continued):

(p) Measurement uncertainty:

Preparation of financial statements in accordance with the basis of accounting described in note 2 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. Areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contingencies, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

3. Accounts receivable:

	2021	2020
Due from Provincial Government	\$ 145,507	\$ 174,792
Due from Federal Government	97,131	69,367
Other	174,333	59,933
	271,464	129,300
	\$ 416,971	\$ 304,092

4. Portfolio investments:

	2021	2020
Investments in the cost and amortized cost category:		
Debentures maturing in 2021 bearing interest at 5.4% per annum	\$ -	\$ 14,313
Investments in the fair value category:		
Equity instruments	4,726	3,064
Mutual funds	73,068	69,043
	77,794	72,107
Total investments	\$ 77,794	\$ 86,420

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

5. Accounts payable and accrued liabilities:

	2021	2020
Trade payables	\$ 1,081,735	\$ 756,285
Salaries and benefits payable	130,397	26,209
Accrued vacation pay	202,371	219,392
Other	302,935	149,990
	<u>\$ 1,717,438</u>	<u>\$ 1,151,876</u>

6. Unearned revenue:

	2021	2020
Balance, beginning of year	\$ 260,636	\$ 614,275
Changes for the year:		
Increase:		
Tuition fees collected	687,054	587,336
Decrease:		
Tuition fees recognized	(472,059)	(940,975)
Net changes for the year	214,995	(353,639)
Balance, end of year	<u>\$ 475,631</u>	<u>\$ 260,636</u>

7. Deferred revenue:

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

	Ministry of Education	Other	2021 Total	2020 Total
Balance, beginning of year	\$ 92,554	\$ 556,193	\$ 648,747	\$ 547,675
Changes for the year:				
Increases:				
Grants	3,312,239	-	3,312,239	2,692,502
Other	-	599,485	599,485	800,009
Decreases:				
Transfers to revenue	(3,235,942)	(460,804)	(3,696,746)	(3,391,439)
Net change for the year	76,297	138,681	214,978	101,072
Balance, end of year	<u>\$ 168,851</u>	<u>\$ 694,874</u>	<u>\$ 863,725</u>	<u>\$ 648,747</u>

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

8. Deferred capital revenue:

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

	2021	2020
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 18,600,468	\$ 18,826,113
Changes for the year:		
Increases:		
Capital additions	1,703,904	795,741
Transferred from work in progress	174,792	-
Decreases:		
Amortization	(1,042,924)	(1,021,386)
Net change for the year	835,772	(225,645)
Balance, end of year	\$ 19,436,240	\$ 18,600,468
Deferred capital revenue, work in progress		
Balance, beginning of year	\$ 174,792	\$ -
Changes for the year:		
Increases:		
Transfer from unspent deferred capital revenue	82,601	174,792
Decreases:		
Transfer to deferred capital revenue	(174,792)	-
Balance, end of year	\$ 82,601	\$ 174,792
Deferred capital revenue not subject to amortization		
Balance, beginning of year	\$ -	\$ 12,517
Changes for the year:		
Increases:		
Provincial Grants - Ministry of Education	1,905,033	1,299,636
Decreases:		
Transfer to deferred capital revenue subject to amortization	(1,703,904)	(795,741)
Transferred to deferred capital revenue work in progress	(82,601)	(174,792)
Transferred to revenue	(118,528)	(341,620)
Net change for the year	(92,191)	(12,517)
Balance, end of year	\$ -	\$ -
Total deferred capital revenue balance, end of year	\$ 19,518,841	\$ 18,775,260

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

9. Employee future benefits:

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

	2021	2020
Reconciliation of accrued benefit obligation:		
Accrued obligation - April 1	\$ 989,117	\$ 1,096,669
Service cost	96,527	91,769
Interest cost	22,766	26,683
Benefit payments	(110,633)	(125,040)
Actuarial (gain) loss	(53,665)	(100,964)
Accrued benefit obligation - March 31	944,112	989,117
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation - March 31	944,112	989,117
Market value of plan assets - March 31	-	-
Funded status - surplus (deficit)	(944,112)	(989,117)
Employer contributions after measurement date	12,895	13,713
Benefits expense after measurement date	(30,228)	(29,823)
Unamortized net actuarial (gain) loss	(54,784)	3,205
Accrued benefit asset (liability) - June 30	(1,016,229)	(1,002,022)
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability (asset) - July 1	1,002,022	996,292
Net expenses for fiscal year	124,022	144,483
Employer contributions	(109,815)	(138,753)
Accrued benefit liability (asset) - June 30	1,016,229	1,002,022
Components of net benefit expense:		
Service cost	96,499	92,959
Interest cost	23,199	25,704
Amortization of net actuarial (gain) loss	4,324	25,820
Net benefit expense (income)	124,022	144,483
Assumptions:		
Discount rate - April 1	2.25%	2.50%
Discount rate - March 31	2.50%	2.25%
Long term salary growth - April 1	2.50%+seniority	2.50%+seniority
Long term salary growth - March 31	2.50%+seniority	2.50%+seniority
EARSL - March 31	9.5	9.5

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

10. Tangible capital assets:

Cost	Balance, July 1, 2020	Additions	Disposals	Transfers (WIP)	Balance, June 30, 2021
Sites	\$ 4,107,653	\$ -	\$ -	\$ -	\$ 4,107,653
Buildings	45,803,360	1,578,904	-	174,792	47,557,056
Buildings WIP	174,792	303,432	-	(174,792)	303,432
Furniture and equipment	769,605	227,295	(29,796)	-	967,104
Vehicles	1,047,015	-	-	-	1,047,015
Computer software	-	-	-	-	-
Computer hardware	236,416	88,690	(68,443)	-	256,663
Total	\$ 52,138,841	\$ 2,198,321	\$ (98,239)	\$ -	\$ 54,238,923

Accumulated amortization	Balance, July 1, 2020	Additions	Disposals	Balance, June 30, 2021
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	26,266,311	996,572	-	27,262,883
Furniture and equipment	258,448	93,828	(29,796)	322,480
Vehicles	550,210	106,428	-	656,638
Computer software	-	-	-	-
Computer hardware	126,803	52,992	(68,443)	111,352
Total	\$ 27,201,772	\$ 1,249,820	\$ (98,239)	\$ 28,353,353

Cost	Balance, July 1, 2019	Additions	Disposals	Transfers (WIP)	Balance, June 30, 2020
Sites	\$ 4,107,653	\$ -	\$ -	\$ -	\$ 4,107,653
Buildings	45,020,136	783,224	-	-	45,803,360
Buildings WIP	-	174,792	-	-	174,792
Furniture and equipment	759,361	28,831	(18,587)	-	769,605
Vehicles	1,101,982	-	(54,967)	-	1,047,015
Computer software	-	-	-	-	-
Computer hardware	212,197	24,219	-	-	236,416
Total	\$ 51,201,329	\$ 1,011,066	\$ (73,554)	\$ -	\$ 52,138,841

Accumulated amortization	Balance, July 1, 2019	Additions	Disposals	Balance, June 30, 2020
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	25,293,869	972,442	-	26,266,311
Furniture and equipment	217,862	59,173	(18,587)	258,448
Vehicles	496,704	108,473	(54,967)	550,210
Computer software	-	-	-	-
Computer hardware	86,859	39,944	-	126,803
Total	\$ 26,095,294	\$ 1,180,032	\$ (73,554)	\$ 27,201,772

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

10. Tangible capital assets (continued):

Net book value	2021	2020
Sites	\$ 4,107,653	\$ 4,107,653
Buildings	20,597,605	19,711,841
Furniture and equipment	644,624	511,157
Vehicles	390,377	496,805
Computer software	-	-
Computer hardware	145,311	109,613
	\$ 25,885,570	\$ 24,937,069

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is nil (2020 - nil).

11. Employee pension plan:

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represent plan member and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. As at December 31, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 2020,000 active members, including approximately 28,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis.

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

The school district paid \$1,660,024 for employer contributions to these plans in the year ended June 30, 2021 (2020 - \$1,590,111).

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

11. Employee pension plan (continued):

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in the last quarter of 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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

12. Accumulated surplus:

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

	2021	2020
Invested in tangible capital assets	\$ 6,366,729	\$ 6,161,809
Operating surplus (note 17)	3,330,845	2,034,767
	<u>\$ 9,697,574</u>	<u>\$ 8,196,576</u>

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

- \$190,985 from the Operating Fund to the Capital Fund for capital purchases.
- \$220,831 from the Special Purpose Fund to the Capital Fund for capital purchases.

13. Contractual obligations and rights:

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

The school district has the following annual contractual obligations:

- provision of water taxi services for which the amount of the obligation is negotiated, and multi-year contracts are entered into.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

14. Budget figures:

The budget figures data presented in these financial statements is based upon the 2020/21 amended annual budget adopted by the Board on February 10, 2021. The chart following reconciles the originally approved annual budget bylaw approved June 10, 2020, to the amended annual budget bylaw reported in these financial statements.

	2021 Amended Annual Budget	2021 Annual Budget
Revenues:		
Provincial grants:		
Ministry of Education	\$ 25,514,982	24,157,238
Tuition	384,800	500,000
Other revenue	828,500	803,125
Rentals and leases	15,000	15,000
Investment income	8,000	26,100
Amortization of deferred capital revenue	1,043,000	975,830
	<u>27,794,282</u>	<u>26,477,293</u>
Expenses:		
Instruction	19,307,363	17,852,215
District administration	1,286,283	1,319,165
Operations and maintenance	4,523,432	4,184,785
Transportation and housing	1,814,235	1,978,951
	<u>26,931,313</u>	<u>25,335,116</u>
Net revenue (expense)	862,969	1,142,177
Budgeted Surplus for the year	\$ 862,969	\$ 1,142,177

15. Contingent liabilities:

The nature of the school district's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2021, management believes the school district has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the school district's financial position.

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

16. Expense by object:

	2021	2020
Salaries and benefits	\$ 20,308,442	\$ 19,443,971
Services and supplies	4,606,115	4,909,897
Amortization	1,249,820	1,180,032
	<u>\$ 26,164,377</u>	<u>\$ 25,533,900</u>

17. Internally Restricted Surplus – Operating Fund:

	2021	2020
Internally Restricted Surplus:		
Unspent School Flex Budgets	\$ 34,233	\$ 61,290
Unspent Professional Development and Growth funds	144,553	69,158
Internally Restricted Surplus	178,786	130,448
Unrestricted Operating Surplus	3,152,059	1,904,319
Total Available for Future Operations	<u>\$ 3,330,845</u>	<u>\$ 2,034,767</u>

18. 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.

19. Related party transactions:

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

The school district has entered into a lease with Haggis Farm (the lessor), a related party through the Secretary Treasurer, for use of premises to deliver school programs. The lessor receives rental income equal to the value of a contractual donation given to the school district each year. Both transactions are recognized in the financial statements at the amount paid and received.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2021

20. Risk management:

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

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

(a) Credit risk:

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

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

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

(b) Market risk:

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

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

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

(c) Liquidity risk:

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

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

Risk Management and insurance services for all school districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposures from 2020 related to credit, market or liquidity risks.

School District No. 64 (Gulf Islands)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,034,767		6,161,809	8,196,576	6,445,898
Changes for the year					
Surplus (Deficit) for the year	1,487,063	220,831	(206,896)	1,500,998	1,750,678
Interfund Transfers	(190,985)			-	
Tangible Capital Assets Purchased			190,985		
Tangible Capital Assets - Work in Progress		(220,831)	220,831		
Net Changes for the year	1,296,078	-	204,920	1,500,998	1,750,678
Accumulated Surplus (Deficit), end of year - Statement 2	3,330,845	-	6,366,729	9,697,574	8,196,576

School District No. 64 (Gulf Islands)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget (Note 14)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	21,880,389	21,981,971	21,480,571
Other		2,778	
Tuition	384,800	375,090	811,125
Other Revenue	100,500	422,420	192,648
Rentals and Leases	15,000	9,328	14,448
Investment Income	8,000	15,590	31,342
Total Revenue	<u>22,388,689</u>	<u>22,807,177</u>	<u>22,530,134</u>
Expenses			
Instruction	15,548,399	15,443,109	15,148,861
District Administration	1,286,283	1,218,611	1,282,074
Operations and Maintenance	2,977,803	2,999,812	2,706,704
Transportation and Housing	1,707,235	1,658,582	1,483,171
Total Expense	<u>21,519,720</u>	<u>21,320,114</u>	<u>20,620,810</u>
Operating Surplus (Deficit) for the year	<u>868,969</u>	<u>1,487,063</u>	<u>1,909,324</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(75,000)	(190,985)	(40,533)
Total Net Transfers	<u>(75,000)</u>	<u>(190,985)</u>	<u>(40,533)</u>
Total Operating Surplus (Deficit), for the year	<u>793,969</u>	<u>1,296,078</u>	<u>1,868,791</u>
Operating Surplus (Deficit), beginning of year		2,034,767	165,976
Operating Surplus (Deficit), end of year		<u>3,330,845</u>	<u>2,034,767</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		178,786	130,448
Unrestricted		3,152,059	1,904,319
Total Operating Surplus (Deficit), end of year		<u>3,330,845</u>	<u>2,034,767</u>

School District No. 64 (Gulf Islands)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget (Note 14)	2021 Actual	2020 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	20,931,597	21,023,855	20,545,700
Other Ministry of Education Grants			
Pay Equity	102,398	102,398	102,398
Student Transportation Fund	328,264	328,264	328,264
Carbon Tax Grant			9,698
Employer Health Tax Grant			161,098
Support Staff Benefits Grant	25,601	25,601	13,970
Support Staff Wage Increase Funding			98,069
Teachers' Labour Settlement Funding	457,529	457,529	188,909
Early Career Mentorship Funding	35,000	35,000	
FSA Scorer Grant		7,506	7,506
Equity Scan Grant and Shoulder Tappers			2,000
Other			5,788
French Monitor Programs			17,171
Early Learning Framework		1,818	
Total Provincial Grants - Ministry of Education	21,880,389	21,981,971	21,480,571
Provincial Grants - Other		2,778	
Tuition			
International and Out of Province Students	384,800	375,090	811,125
Total Tuition	384,800	375,090	811,125
Other Revenues			
Miscellaneous			
Miscellaneous	83,500	403,808	169,873
GISPA Registration	17,000	18,612	22,775
Total Other Revenue	100,500	422,420	192,648
Rentals and Leases	15,000	9,328	14,448
Investment Income	8,000	15,590	31,342
Total Operating Revenue	22,388,689	22,807,177	22,530,134

School District No. 64 (Gulf Islands)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

Schedule 2B (Unaudited)

	2021 Budget (Note 14)	2021 Actual	2020 Actual
	\$	\$	\$
Salaries			
Teachers	7,239,620	7,262,781	7,176,209
Principals and Vice Principals	1,883,687	1,900,201	1,804,687
Educational Assistants	914,875	822,476	844,268
Support Staff	2,275,331	2,311,899	2,247,710
Other Professionals	1,368,997	1,386,461	1,306,232
Substitutes	612,216	604,240	462,871
Total Salaries	14,294,726	14,288,058	13,841,977
Employee Benefits	3,416,476	3,372,275	3,276,133
Total Salaries and Benefits	17,711,202	17,660,333	17,118,110
Services and Supplies			
Services	881,365	1,011,648	1,007,032
Student Transportation	1,021,600	1,002,509	898,497
Professional Development and Travel	389,561	238,699	395,332
Rentals and Leases	3,000	2,880	21,333
Dues and Fees	40,025	35,513	41,985
Insurance	53,281	55,214	53,407
Supplies	837,686	762,862	626,582
Utilities	582,000	550,456	458,532
Total Services and Supplies	3,808,518	3,659,781	3,502,700
Total Operating Expense	21,519,720	21,320,114	20,620,810

School District No. 64 (Gulf Islands)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	6,171,855	591,117	104,987	98,990		424,675	7,391,624
1.03 Career Programs	67,052	21,530	105,159	1,499	70,833	1,933	268,006
1.07 Library Services	127,646	9,190		30,280		1,001	168,117
1.08 Counselling	269,172						269,172
1.10 Special Education	489,327	179,050	534,355	44,333	219,042	43,690	1,509,797
1.30 English Language Learning	43,391						43,391
1.31 Indigenous Education		66,120	58,484			6,722	131,326
1.41 School Administration		1,011,679		374,883		22,938	1,409,500
1.62 International and Out of Province Students	94,338	21,515			151,773		267,626
1.64 Other							
Total Function 1	7,262,781	1,900,201	802,985	549,985	441,648	500,959	11,458,559
4 District Administration							
4.11 Educational Administration				832	263,622		264,454
4.40 School District Governance					107,988		107,988
4.41 Business Administration				90,761	378,994	785	470,540
Total Function 4	-	-	-	91,593	750,604	785	842,982
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				73,977	175,067	3,857	252,901
5.50 Maintenance Operations				1,052,480		82,075	1,134,555
5.52 Maintenance of Grounds				168,960			168,960
5.56 Utilities				13,944			13,944
Total Function 5	-	-	-	1,309,361	175,067	85,932	1,570,360
7 Transportation and Housing							
7.41 Transportation and Housing Administration				19,718	19,142		38,860
7.70 Student Transportation			19,491	341,242		16,564	377,297
7.73 Housing							
Total Function 7	-	-	19,491	360,960	19,142	16,564	416,157
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	7,262,781	1,900,201	822,476	2,311,899	1,386,461	604,240	14,288,058

School District No. 64 (Gulf Islands)

Operating Expense by Function, Program and Object
Year Ended June 30, 2021

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget (Note 14)	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	7,391,624	1,878,801	9,270,425	524,364	9,794,789	9,577,351	9,199,049
1.03 Career Programs	268,006	57,554	325,560	47,485	373,045	367,021	434,074
1.07 Library Services	168,117	35,909	204,026	20,643	224,669	321,430	202,273
1.10 Counselling	269,172	61,117	330,289		330,289	294,702	312,568
1.10 Special Education	1,509,797	334,865	1,844,662	176,332	2,020,994	2,399,763	2,012,817
1.30 English Language Learning	43,391	9,067	52,458		52,458	146,480	51,133
1.31 Indigenous Education	131,326	30,076	161,402	67,822	229,224	228,725	197,272
1.41 School Administration	1,409,500	297,555	1,707,055	104,127	1,811,182	1,841,177	1,827,540
1.62 International and Out of Province Students	267,626	62,500	330,126	276,333	606,459	371,750	903,835
1.64 Other	-	-	-	-	-	-	8,300
Total Function 1	11,458,559	2,767,444	14,226,003	1,217,106	15,443,109	15,348,399	15,148,861
4 District Administration							
4.11 Educational Administration	264,454	51,170	315,624	22,829	338,453	364,169	333,104
4.40 School District Governance	107,988	6,573	114,561	41,594	156,155	164,794	159,060
4.41 Business Administration	470,540	96,220	566,760	157,243	724,003	757,320	789,910
Total Function 4	842,982	153,963	996,945	221,666	1,218,611	1,286,283	1,282,074
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	252,901	66,247	319,148	68,554	387,702	393,409	355,867
5.50 Maintenance Operations	1,134,555	250,104	1,384,659	389,615	1,774,274	1,730,120	1,607,876
5.52 Maintenance of Grounds	168,960	35,923	204,883	65,123	270,006	198,093	233,437
5.56 Utilities	13,944	3,429	17,373	550,457	567,830	656,181	509,324
Total Function 5	1,570,360	355,703	1,926,063	1,073,749	2,999,812	2,977,803	2,706,704
7 Transportation and Housing							
7.41 Transportation and Housing Administration	38,860	9,742	48,602	2,337	50,939	67,339	51,104
7.70 Student Transportation	377,297	85,423	462,720	1,121,575	1,584,295	1,604,896	1,400,182
7.73 Housing	-	-	-	23,348	23,348	35,000	31,885
Total Function 7	416,157	95,165	511,322	1,147,260	1,658,582	1,707,235	1,483,171
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,288,058	3,372,275	17,660,333	3,659,781	21,320,114	21,519,720	20,620,810

School District No. 64 (Gulf Islands)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget (Note 14)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	3,334,593	3,235,942	2,612,526
Other Revenue	728,000	447,029	770,807
Investment Income		13,775	8,106
Total Revenue	4,062,593	3,696,746	3,391,439
Expenses			
Instruction	3,758,964	3,256,049	3,287,810
Operations and Maintenance	103,629	219,866	103,629
Total Expense	3,862,593	3,475,915	3,391,439
Special Purpose Surplus (Deficit) for the year	200,000	220,831	-
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(200,000)		
Tangible Capital Assets - Work in Progress		(220,831)	
Total Net Transfers	(200,000)	(220,831)	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 64 (Gulf Islands)

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

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			177,188						
Add: Restricted Grants									
Provincial Grants - Ministry of Education	103,629	75,860	286,403	128,000	19,600	65,378	161,656	324,480	1,540,873
Other			291						
Investment Income									
Less: Allocated to Revenue Recovered	103,629	75,860	286,694	128,000	19,600	65,378	161,656	324,480	1,540,873
103,629	75,860	277,426	128,000	19,600	65,378	81,079	324,480	1,540,873	
Deferred Revenue, end of year	-	-	186,456	-	-	-	80,577	-	-
Revenues	103,629	75,860	277,135	128,000	19,600	65,378	81,079	324,480	1,540,873
Provincial Grants - Ministry of Education			277,135						
Other Revenue			291						
Investment Income									
Expenses	103,629	75,860	277,426	128,000	19,600	65,378	81,079	324,480	1,540,873
Salaries									
Teachers				12,467	2,200	26,935			(1,211,094)
Educational Assistants				86,319	9,447	1,882	15,807	124,991	
Support Staff		61,387		923	1,932			52,811	
Other Professionals								32,583	
Substitutes				1,111	2,124	1,340		50,362	
Employee Benefits		61,387		100,820	15,703	30,157	15,807	260,747	1,211,094
Services and Supplies	103,629	14,473	277,426	26,263	3,337	6,287	3,222	53,644	329,779
	103,629	75,860	277,426	917	560	28,934	62,050	10,089	
				128,000	19,600	65,378	81,079	324,480	1,540,873
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets - Work in Progress									
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 64 (Gulf Islands)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2021

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund	ACE IT	CES Apprenticeships	Education Trust	Drake Road Transfer
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	62,906	29,648				37,610		329,741	11,654
Add: Restricted Grants									
Provincial Grants - Ministry of Education	189,158	57,000	6,750	149,789	552,972	4,600	40,581	254,126	
Other Investment Income								13,484	
Less: Allocated to Revenue	189,158	57,000	6,750	149,789	552,972	4,600	40,581	267,610	
Recovered	140,314	47,218	6,750	149,789	552,972	1,947	40,581	140,850	
Deferred Revenue, end of year	48,844	39,430	-	-	-	40,263	-	456,501	11,654
Revenues									
Provincial Grants - Ministry of Education	140,314	47,218	6,750	149,789	552,972	1,947	40,581	127,366	
Other Revenue								13,484	
Investment Income	140,314	47,218	6,750	149,789	552,972	1,947	40,581	140,850	
Expenses									
Salaries									
Teachers	47,249		4,975		130,489				
Educational Assistants					564				
Support Staff	186			69,130	86,762		17,295		
Other Professionals									
Substitutes	68,392	3,238			480				
Employee Benefits	115,827	3,238	4,975	69,130	218,295		17,295		
Services and Supplies	24,487	547	1,244	15,024	39,312		6,015		
	140,314	43,433	531	32,083	108,086	1,947	17,271	140,850	
		47,218	6,750	116,237	365,693	1,947	40,581	140,850	
Net Revenue (Expense) before Interfund Transfers				33,552	187,279				
Interfund Transfers									
Tangible Capital Assets - Work in Progress				(33,552)	(187,279)				
Net Revenue (Expense)									

School District No. 64 (Gulf Islands)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2021

	<u>TOTAL</u>
	<u>\$</u>
Deferred Revenue, beginning of year	648,747
Add:	
Restricted Grants	
Provincial Grants - Ministry of Education	3,375,145
Other	585,710
Investment Income	13,775
Allocated to Revenue	3,974,630
Recovered	3,696,746
Deferred Revenue, end of year	<u>863,725</u>
Revenues	
Provincial Grants - Ministry of Education	3,235,942
Other Revenue	447,029
Investment Income	13,775
	<u>3,696,746</u>
Expenses	
Salaries	
Teachers	1,435,409
Educational Assistants	300,397
Support Staff	229,039
Other Professionals	32,583
Substitutes	127,047
	<u>2,124,475</u>
Employee Benefits	523,634
Services and Supplies	827,806
	<u>3,475,915</u>
Net Revenue (Expense) before Interfund Transfers	<u>220,831</u>
Interfund Transfers	
Tangible Capital Assets - Work in Progress	(220,831)
	<u>(220,831)</u>
Net Revenue (Expense)	<u>-</u>

School District No. 64 (Gulf Islands)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021	2021 Actual			2020
	Budget (Note 14)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	300,000	118,528		118,528	341,619
Amortization of Deferred Capital Revenue	1,043,000	1,042,924		1,042,924	1,021,386
Total Revenue	<u>1,343,000</u>	<u>1,161,452</u>	<u>-</u>	<u>1,161,452</u>	<u>1,363,005</u>
Expenses					
Operations and Maintenance	300,000	118,528		118,528	341,619
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,142,000	1,143,392		1,143,392	1,071,559
Transportation and Housing	107,000	106,428		106,428	108,473
Total Expense	<u>1,549,000</u>	<u>1,368,348</u>	<u>-</u>	<u>1,368,348</u>	<u>1,521,651</u>
Capital Surplus (Deficit) for the year	<u>(206,000)</u>	<u>(206,896)</u>	<u>-</u>	<u>(206,896)</u>	<u>(158,646)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	275,000	190,985		190,985	40,533
Tangible Capital Assets - Work in Progress		220,831		220,831	
Total Net Transfers	<u>275,000</u>	<u>411,816</u>	<u>-</u>	<u>411,816</u>	<u>40,533</u>
Total Capital Surplus (Deficit) for the year	<u>69,000</u>	<u>204,920</u>	<u>-</u>	<u>204,920</u>	<u>(118,113)</u>
Capital Surplus (Deficit), beginning of year		<u>6,161,809</u>		<u>6,161,809</u>	<u>6,279,922</u>
Capital Surplus (Deficit), end of year		<u>6,366,729</u>	<u>-</u>	<u>6,366,729</u>	<u>6,161,809</u>

School District No. 64 (Gulf Islands)

Tangible Capital Assets
Year Ended June 30, 2021

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
Cost, beginning of year	\$ 4,107,653	\$ 45,803,360	\$ 769,605	\$ 1,047,015	\$ -	\$ 236,416	\$ 51,964,049
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw Operating Fund	1,578,904		125,000				1,703,904
Transferred from Work in Progress	174,792		102,295			88,690	190,985
Decrease:							
Deemed Disposals	-	1,753,696	227,295	-	-	88,690	2,069,681
Cost, end of year	4,107,653	47,557,056	967,104	1,047,015	-	256,663	53,935,491
Work in Progress, end of year	4,107,653	47,860,488	967,104	1,047,015	-	256,663	54,238,923
Accumulated Amortization, beginning of year		26,266,311	258,448	550,210		126,803	27,201,772
Changes for the Year		996,572	93,828	106,428		52,992	1,249,820
Increase:							
Amortization for the Year			29,796			68,443	98,239
Decrease:							
Deemed Disposals		27,262,883	322,480	656,638		111,532	28,353,353
Accumulated Amortization, end of year		20,597,605	644,624	390,377		145,311	25,885,570
Tangible Capital Assets - Net							

School District No. 64 (Gulf Islands)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	174,792				174,792
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	82,601				82,601
Special Purpose Funds	220,831				220,831
	<u>303,432</u>	-	-	-	<u>303,432</u>
Decrease:					
Transferred to Tangible Capital Assets	174,792				174,792
	<u>174,792</u>	-	-	-	<u>174,792</u>
Net Changes for the Year	<u>128,640</u>	-	-	-	<u>128,640</u>
Work in Progress, end of year	<u><u>303,432</u></u>	-	-	-	<u><u>303,432</u></u>

School District No. 64 (Gulf Islands)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	17,521,704	867,139	211,625	18,600,468
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,703,904			1,703,904
Transferred from Work in Progress	174,792			174,792
	<u>1,878,696</u>	-	-	<u>1,878,696</u>
Decrease:				
Amortization of Deferred Capital Revenue	988,312	32,176	22,436	1,042,924
	<u>988,312</u>	<u>32,176</u>	<u>22,436</u>	<u>1,042,924</u>
Net Changes for the Year	<u>890,384</u>	<u>(32,176)</u>	<u>(22,436)</u>	<u>835,772</u>
Deferred Capital Revenue, end of year	<u><u>18,412,088</u></u>	<u><u>834,963</u></u>	<u><u>189,189</u></u>	<u><u>19,436,240</u></u>
Work in Progress, beginning of year	174,792			174,792
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	82,601			82,601
	<u>82,601</u>	-	-	<u>82,601</u>
Decrease				
Transferred to Deferred Capital Revenue	174,792			174,792
	<u>174,792</u>	-	-	<u>174,792</u>
Net Changes for the Year	<u>(92,191)</u>	<u>-</u>	<u>-</u>	<u>(92,191)</u>
Work in Progress, end of year	<u><u>82,601</u></u>	<u>-</u>	<u>-</u>	<u><u>82,601</u></u>
Total Deferred Capital Revenue, end of year	<u><u>18,494,689</u></u>	<u><u>834,963</u></u>	<u><u>189,189</u></u>	<u><u>19,518,841</u></u>

School District No. 64 (Gulf Islands)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year						-
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,905,033	-	-	-	-	1,905,033
	1,905,033	-	-	-	-	1,905,033
Decrease:						
Transferred to DCR - Capital Additions	1,703,904					1,703,904
Transferred to DCR - Work in Progress	82,601					82,601
Expensed Portion of Bylaw Capital	118,528					118,528
	1,905,033	-	-	-	-	1,905,033
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	-	-	-	-	-