

Audited Financial Statements of

**School District No. 64 (Gulf Islands)**

June 30, 2018

# School District No. 64 (Gulf Islands)

June 30, 2018

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# School District No. 64 (Gulf Islands)

## MANAGEMENT REPORT

Version: 4264-4105-2123

Management's Responsibility for the Financial Statements.

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

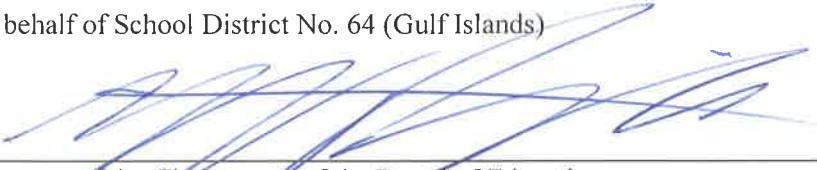
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

The external auditors, KPMG, 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

Sep 12, 2018

Date Signed



Signature of the Superintendent

September 12, 2018

Date Signed



Signature of the Secretary Treasurer

Sep 12, 2018

Date Signed



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## INDEPENDENT AUDITORS' REPORT

To the Board of Education, and  
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 64 (Gulf Islands), which comprise the statements of financial position as at June 30, 2018, the statements of operations, change in net financial assets (debt) and cash flows for the years then ended, and notes, comprising 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 financial reporting provisions 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 our 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, we consider internal control relevant to the entity's preparation and fair presentation 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 overall presentation of the financial statements.

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



*Opinion*

In our opinion, the financial statements of School District No. 64 (Gulf Islands) as at and for the year ended June 30, 2018 are prepared, in accordance with the financial reporting provisions 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 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada  
September 12, 2018

# School District No. 64 (Gulf Islands)

Statement of Financial Position  
As at June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	3,188,588	4,458,660
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	42,002	48,991
Other (Note 3)	252,075	199,888
Portfolio Investments (Note 4)	90,255	93,000
<b>Total Financial Assets</b>	<u>3,572,920</u>	<u>4,800,539</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education (Note 5)	366,847	686,945
Other (Note 5)	1,540,264	1,458,267
Unearned Revenue (Note 6)	423,545	450,560
Deferred Revenue (Note 7)	617,999	664,200
Deferred Capital Revenue (Note 8)	19,628,804	19,277,104
Employee Future Benefits (Note 9)	959,899	949,401
<b>Total Liabilities</b>	<u>23,537,358</u>	<u>23,486,477</u>
<b>Net Financial Assets (Debt)</b>	<u>(19,964,438)</u>	<u>(18,685,938)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	25,932,227	25,238,325
Prepaid Expenses	89,567	133,167
<b>Total Non-Financial Assets</b>	<u>26,021,794</u>	<u>25,371,492</u>
<b>Accumulated Surplus (Deficit) (Note 12)</b>	<u>6,057,356</u>	<u>6,685,554</u>

Contractual Obligations (Note 13)  
Contingent Liabilities (Note 15)

Approved by the Board

Signature of the Chairperson of the Board of Education

Sep 12, 2018  
Date Signed

Signature of the Superintendent

September 12, 2018  
Date Signed

Signature of the Secretary Treasurer

Sep 12, 2018  
Date Signed

# School District No. 64 (Gulf Islands)

Statement of Operations  
Year Ended June 30, 2018

	2018 Budget (Note 14) \$	2018 Actual \$	2017 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	23,152,962	23,207,493	20,936,378
Other		4,908	
Tuition	700,000	709,860	708,418
Other Revenue	989,933	1,196,297	1,035,927
Rentals and Leases	12,000	14,228	11,610
Investment Income	48,500	57,118	46,956
Amortization of Deferred Capital Revenue	956,483	956,484	912,759
<b>Total Revenue</b>	<u>25,859,878</u>	<u>26,146,388</u>	<u>23,652,048</u>
<b>Expenses</b>			
Instruction	19,225,485	19,737,857	17,617,865
District Administration	1,138,349	1,156,829	1,153,462
Operations and Maintenance	4,101,638	4,062,603	3,851,735
Transportation and Housing	1,751,102	1,817,297	1,633,848
<b>Total Expense</b>	<u>26,216,574</u>	<u>26,774,586</u>	<u>24,256,910</u>
<b>Surplus (Deficit) for the year</b>	<u>(356,696)</u>	<u>(628,198)</u>	<u>(604,862)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		6,685,554	7,290,416
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>6,057,356</u>	<u>6,685,554</u>

# School District No. 64 (Gulf Islands)

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

	2018 Budget (Note 14) \$	2018 Actual \$	2017 Actual \$
<b>Surplus (Deficit) for the year</b>	<u>(356,696)</u>	<u>(628,198)</u>	<u>(604,862)</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(123,771)	(1,857,723)	(1,446,318)
Amortization of Tangible Capital Assets	1,163,819	1,163,821	1,051,059
<b>Total Effect of change in Tangible Capital Assets</b>	<u>1,040,048</u>	<u>(693,902)</u>	<u>(395,259)</u>
Acquisition of Prepaid Expenses		(89,567)	(133,167)
Use of Prepaid Expenses		133,167	78,000
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>43,600</u>	<u>(55,167)</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>683,352</u>	<u>(1,278,500)</u>	<u>(1,055,288)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>(1,278,500)</u>	<u>(1,055,288)</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(18,685,938)</u>	<u>(17,630,650)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u>(19,964,438)</u>	<u>(18,685,938)</u>



# School District No. 64 (Gulf Islands)

Statement of Cash Flows  
Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(628,198)	(604,862)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(45,198)	(46,162)
Prepaid Expenses	43,600	(55,167)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(238,101)	815,863
Unearned Revenue	(27,015)	72,345
Deferred Revenue	(46,201)	34,952
Employee Future Benefits	10,498	(61,304)
Amortization of Tangible Capital Assets	1,163,821	1,051,059
Amortization of Deferred Capital Revenue	(956,484)	(912,759)
Expensed portion of Bylaw Capital	(97,753)	(7,022)
<b>Total Operating Transactions</b>	<u>(821,031)</u>	<u>286,943</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(1,815,097)	(1,373,586)
Tangible Capital Assets -WIP Purchased	(42,626)	(72,732)
<b>Total Capital Transactions</b>	<u>(1,857,723)</u>	<u>(1,446,318)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	1,405,937	1,590,422
<b>Total Financing Transactions</b>	<u>1,405,937</u>	<u>1,590,422</u>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	2,745	(7,812)
<b>Total Investing Transactions</b>	<u>2,745</u>	<u>(7,812)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(1,270,072)</u>	<u>423,235</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>4,458,660</u>	<u>4,035,425</u>
<b>Cash and Cash Equivalents, end of year</b>	<u><u>3,188,588</u></u>	<u><u>4,458,660</u></u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>3,188,588</u>	<u>4,458,660</u>
	<u><u>3,188,588</u></u>	<u><u>4,458,660</u></u>

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 1. Authority and purpose:

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

## 2. Significant accounting policies:

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

### (a) Basis of accounting:

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

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

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

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

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 2. Significant accounting policies (continued):

### (a) Basis of accounting (continued):

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

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

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

### (b) Basis of consolidation:

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

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

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

### (c) Cash and cash equivalents:

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

### (d) Accounts receivable:

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

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 2. Significant accounting policies (continued):

### (e) Portfolio investment:

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

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

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

### (f) Unearned revenue:

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

### (g) Deferred revenue and deferred capital revenue:

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

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

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 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 (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2018 and projected to June 30, 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.

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) 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.

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 2. Significant accounting policies (continued):

### (j) Tangible capital assets:

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the school district to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

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# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 2. Significant accounting policies (continued):

### (k) 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.

### (l) 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.

### (m) Funds and reserves:

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

### (n) Revenue recognition:

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

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

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 2. Significant accounting policies (continued):

### (n) Revenue recognition (continued):

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

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

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

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

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

### (o) Expenditures:

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

#### (i) Allocation of costs:

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



# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 2. 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, 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.

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

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

## 3. Accounts receivable:

	2018	2017
Due from Provincial Government	\$ 42,002	\$ 48,991
Due from Federal Government	94,013	85,181
Other	158,062	114,708
	252,075	199,889
	\$ 294,077	\$ 248,880

## 4. Portfolio investments:

	2018	2017
Investments in the cost and amortized cost category:		
Debentures maturing in 2021 bearing interest at 5.4%	\$ 14,325	\$ 14,389
Investments in the fair value category:		
Equity instruments	4,684	4,166
Mutual funds	71,246	74,445
	75,930	78,611
Total investments	\$ 90,255	\$ 93,000

## 5. Accounts payable and accrued liabilities:

	2018	2017
Due to Provincial Government	\$ 366,847	\$ 686,945
Trade payables	\$ 1,046,251	\$ 932,318
Salaries and benefits payable	41,780	62,157
Accrued vacation pay	213,307	198,065
Other	238,926	265,727
	1,540,264	1,458,267
	\$ 1,907,111	\$ 2,145,212

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

## 6. Unearned revenue:

	2018	2017
Balance, beginning of year	\$ 450,560	\$ 378,215
Changes for the year:		
Increase:		
Tuition fees collected	754,080	831,610
Decrease:		
Tuition fees recognized	(781,095)	(759,265)
Net changes for the year	(27,015)	72,345
Balance, end of year	\$ 423,545	\$ 450,560

## 7. Deferred revenue:

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

	Ministry of Education	Other	Total	Total
Balance, beginning of year	\$ 137,200	\$ 527,000	\$ 664,200	\$ 629,248
Increases:				
Grants	2,388,518	-	2,388,518	1,147,879
Other	13,564	1,041,391	1,054,955	833,561
Decreases:				
Transfers to revenue	(2,497,881)	(991,793)	(3,489,674)	(1,946,488)
Net change for the year	(95,799)	49,598	(46,201)	34,952
Balance, end of year	\$ 41,401	\$ 576,598	\$ 617,999	\$ 664,200

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

## 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.

	2018	2017
<b>Deferred capital revenue subject to amortization</b>		
Balance, beginning of year	\$ 18,214,914	\$ 17,942,745
Increases:		
Capital additions	1,712,329	1,184,928
Transferred from work in progress	653,614	-
Decreases:		
Amortization	(956,484)	(912,759)
Net change for the year	1,409,459	272,169
Balance, end of year	\$ 19,624,373	\$ 18,214,914
<b>Deferred capital revenue, work in progress</b>		
Balance, beginning of year	\$ 610,988	\$ 538,256
Increases:		
Transfer from unspent deferred capital revenue	42,626	72,732
Decreases:		
Transfer to deferred capital revenue	(653,614)	-
Balance, end of year	\$ -	\$ 610,988
<b>Deferred capital revenue not subject to amortization</b>		
Balance, beginning of year	\$ 451,202	\$ 125,462
Increases:		
Provincial Grants - Ministry of Education	1,234,604	1,508,002
Provincial Grants - Other	10,313	80,166
Donations	161,020	2,000
Investment income	-	254
Decreases:		
Transfer to deferred capital revenue subject to amortization	(1,712,329)	(1,184,928)
Transferred to deferred capital revenue work in progress	(42,626)	(72,732)
Transferred to revenue	(97,753)	(7,022)
Net change for the year	446,771	(325,740)
Balance, end of year	4,431	451,202
Total deferred capital revenue balance, end of year	\$ 19,628,804	\$ 19,277,104

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

## 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.

	2018	2017
Reconciliation of accrued benefit obligation:		
Accrued obligation - April 1	\$ 947,444	\$ 1,137,451
Service cost	86,356	86,266
Interest cost	26,666	26,975
Benefit payments	(146,308)	(154,251)
Increase (decrease) in obligation due to plan amendment	-	-
Actuarial (gain) loss	19,346	(148,997)
Accrued benefit obligation - March 31	933,504	947,444
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation - March 31	933,504	947,444
Market value of plan assets - March 31	-	-
Funded status - surplus (deficit)	(933,504)	(947,444)
Employer contributions after measurement date	10,382	45,227
Benefits expense after measurement date	(29,139)	(28,256)
Unamortized net actuarial (gain) loss	(7,638)	(18,928)
Accrued benefit asset (liability) - June 30	(959,899)	(949,401)
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability (asset) - July 1	949,401	1,010,705
Net expenses for fiscal year	121,961	138,173
Employer contributions	(111,463)	(199,477)
Accrued benefit liability (asset) - June 30	959,899	949,401
Components of net benefit expense:		
Service cost	87,225	86,289
Interest cost	26,680	26,896
Immediate recognition of plan amendment	-	-
Amortization of net actuarial (gain) loss	8,056	24,988
Net benefit expense (income)	121,961	138,173
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%+seniority	2.50%+seniority
Long term salary growth - March 31	2.50%+seniority	2.50%+seniority
EARSL - March 31	8.8	8.8

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

## Notes to Financial Statements

Year ended June 30, 2018

### 10. Tangible capital assets:

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

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

Cost	Balance, July 31, 2016	Additions	Disposals	Transfers (WIP)	Balance, June 30, 2017
Sites	\$ 4,107,653	\$ -	\$ -	\$ -	\$ 4,107,653
Buildings	41,728,818	953,497	-	-	42,682,315
Buildings - work-in-progress	538,256	72,732	-	-	610,988
Furniture and equipment	425,885	49,759	(38,989)	-	436,655
Vehicles	939,885	256,576	-	-	1,196,461
Computer software	12,172	-	-	-	12,172
Computer hardware	152,224	113,754	(46,225)	-	219,753
<b>Total</b>	<b>\$ 47,904,893</b>	<b>\$ 1,446,318</b>	<b>\$ (85,214)</b>	<b>\$ -</b>	<b>\$ 49,265,997</b>

Accumulated amortization	Balance, July 31, 2016	Additions	Disposals	Balance, June 30, 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	22,481,215	897,510	-	23,378,725
Furniture and equipment	183,491	40,371	(38,989)	184,873
Vehicles	333,519	93,988	-	427,507
Computer software	7,302	2,434	-	9,736
Computer hardware	56,300	16,756	(46,225)	26,831
<b>Total</b>	<b>\$ 23,061,827</b>	<b>\$ 1,051,059</b>	<b>\$ (85,214)</b>	<b>\$ 24,027,672</b>

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

## 10. Tangible capital assets (continued):

Net book value	2018	2017
Sites	\$ 4,107,653	\$ 4,107,653
Buildings	20,522,203	19,503,590
Buildings - work-in-progress	-	610,988
Furniture and equipment	438,426	251,782
Vehicles	711,140	768,954
Computer software	-	2,436
Computer hardware	152,805	192,922
	<u>\$ 25,932,227</u>	<u>\$ 25,438,325</u>

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 \$146,065 (2017 - \$nil) comprised of buildings in the amount of \$14,955 and furniture and equipment in the amount of \$146,065.

## 11. Employee pension plan:

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

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits. The next valuation will be as at December 31, 2017 with results available in 2018. 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. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The school district paid \$1,894,280 for employer contributions to these plans in the year ended June 30, 2018 (2017 - \$1,727,200).

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 12. Accumulated surplus:

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

	2018	2017
Invested in tangible capital assets	\$ 6,307,854	\$ 6,412,423
Operating (deficit) surplus	(250,498)	273,131
	<u>\$ 6,057,356</u>	<u>\$ 6,685,554</u>

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

- \$68,065 from the Operating Fund to the Capital Fund for capital purchases.
- \$34,703 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 leases premises from the District of North Vancouver to operate Windsor House School in North Vancouver, British Columbia. The term of the lease is from August 1, 2016 to July 31, 2021. During the year the school district paid \$31,532 in lease and rental fees to the District of North Vancouver. The amount to be paid to June 30 each year for the next 4 years is \$30,000.



# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

## Notes to Financial Statements

Year ended June 30, 2018

### 14. Budget figures:

The budget figures data presented in these financial statements is based upon the 2017/18 amended annual budget adopted by the Board on February 14, 2018. The chart following reconciles the originally approved annual budget bylaw approved May 10, 2017 to the amended annual budget bylaw reported in these financial statements.

	2018 Amended Annual Budget	2018 Annual Budget
Revenues:		
Provincial grants:		
Ministry of Education	\$ 23,152,962	\$ 23,089,724
Tuition	700,000	750,000
Other revenue	989,933	872,500
Rentals and leases	12,000	12,000
Investment income	48,500	52,000
Amortization of deferred capital revenue	956,483	930,000
	<u>25,859,878</u>	<u>25,706,224</u>
Expenses:		
Instruction	19,225,485	18,941,391
District administration	1,138,349	1,136,395
Operations and maintenance	4,101,638	4,034,521
Transportation and housing	1,751,102	1,779,917
	<u>26,216,574</u>	<u>25,892,224</u>
Net revenue (expense)	(356,696)	(186,000)
Budgeted allocation of surplus	-	-
Budgeted deficit for the year	<u>\$ (356,696)</u>	<u>\$ (186,000)</u>

### 15. Contingencies:

The nature of the school district's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2018, 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.

### 16. Asset retirement obligation:

Certain schools in the school district contain asbestos. No amount has been recorded in these financial statements with regard to 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, 2018

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## 17. Expense by object:

	2018	2017
Salaries and benefits	\$ 20,138,930	\$ 18,456,100
Services and supplies	5,471,835	4,749,751
Amortization	1,163,821	1,051,059
	<hr/>	<hr/>
	\$ 26,774,586	\$ 24,256,910

## 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.

## 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.

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2018

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## 20. Risk management (continued):

### (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 GIC's 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.

# School District No. 64 (Gulf Islands)

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
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	273,131		6,412,423	6,685,554	7,290,416
<b>Changes for the year</b>					
Surplus (Deficit) for the year	(455,564)	34,703	(207,337)	(628,198)	(604,862)
Interfund Transfers	(68,065)	(34,703)	102,768	-	
Tangible Capital Assets Purchased	(523,629)	-	(104,569)	(628,198)	(604,862)
<b>Net Changes for the year</b>	<b>(250,498)</b>	<b>-</b>	<b>6,307,854</b>	<b>6,057,356</b>	<b>6,685,554</b>

Accumulated Surplus (Deficit), end of year - Statement 2

# School District No. 64 (Gulf Islands)

Schedule 2 (Unaudited)

Schedule of Operating Operations  
Year Ended June 30, 2018

	2018 Budget (Note 14) \$	2018 Actual \$	2017 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	20,569,291	20,625,133	19,813,245
Other		4,908	
Tuition	700,000	709,860	708,418
Other Revenue	166,156	201,023	225,008
Rentals and Leases	12,000	14,228	11,610
Investment Income	42,500	47,325	34,520
<b>Total Revenue</b>	<u>21,489,947</u>	<u>21,602,477</u>	<u>20,792,801</u>
<b>Expenses</b>			
Instruction	16,109,612	16,390,295	15,824,462
District Administration	1,122,915	1,153,049	1,122,221
Operations and Maintenance	2,793,925	2,817,046	2,805,786
Transportation and Housing	1,661,367	1,697,651	1,539,860
<b>Total Expense</b>	<u>21,687,819</u>	<u>22,058,041</u>	<u>21,292,329</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(197,872)</u>	<u>(455,564)</u>	<u>(499,528)</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>273,131</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(75,259)	(68,065)	(155,692)
<b>Total Net Transfers</b>	<u>(75,259)</u>	<u>(68,065)</u>	<u>(155,692)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>(523,629)</u>	<u>(655,220)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		273,131	928,351
<b>Operating Surplus (Deficit), end of year</b>		<u>(250,498)</u>	<u>273,131</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted			127,924
Unrestricted		(250,498)	145,207
<b>Total Operating Surplus (Deficit), end of year</b>		<u>(250,498)</u>	<u>273,131</u>

# School District No. 64 (Gulf Islands)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source  
Year Ended June 30, 2018

	2018 Budget (Note 14)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	19,986,576	19,996,111	19,831,182
Other Ministry of Education Grants			
Pay Equity	102,398	102,398	102,398
Funding for Graduated Adults	10,968	5,484	7,991
Transportation Supplement	328,264	328,264	328,264
Economic Stability Dividend		10,173	9,140
Return of Administrative Savings	99,976	99,976	99,976
Carbon Tax Grant	7,500	9,218	10,061
Student Learning Grant			87,344
French Monitor Program			16,328
FSA Exam marking	7,506	7,506	7,506
Enrolment audit recovery	14,373	14,373	(686,945)
Benefit Funding	11,730	11,730	
SRG3 Assessments		39,900	
<b>Total Provincial Grants - Ministry of Education</b>	<b>20,569,291</b>	<b>20,625,133</b>	<b>19,813,245</b>
<b>Provincial Grants - Other</b>		<b>4,908</b>	
<b>Tuition</b>			
International and Out of Province Students	700,000	709,860	708,418
<b>Total Tuition</b>	<b>700,000</b>	<b>709,860</b>	<b>708,418</b>
<b>Other Revenues</b>			
Other School District/Education Authorities		51,282	
Miscellaneous			
Miscellaneous	136,106	122,266	178,533
GISPA Registration	30,050	27,475	37,075
Connecting Generations Grant			1,400
Innovation Grant			8,000
<b>Total Other Revenue</b>	<b>166,156</b>	<b>201,023</b>	<b>225,008</b>
<b>Rentals and Leases</b>	<b>12,000</b>	<b>14,228</b>	<b>11,610</b>
<b>Investment Income</b>	<b>42,500</b>	<b>47,325</b>	<b>34,520</b>
<b>Total Operating Revenue</b>	<b>21,489,947</b>	<b>21,602,477</b>	<b>20,792,801</b>

**School District No. 64 (Gulf Islands)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2018

	2018 Budget (Note 14)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	7,783,040	8,017,813	7,729,901
Principals and Vice Principals	1,600,576	1,566,695	1,429,088
Educational Assistants	994,345	1,017,039	989,653
Support Staff	2,220,794	2,194,539	2,300,952
Other Professionals	1,100,479	1,148,443	1,145,980
Substitutes	703,445	694,075	749,114
<b>Total Salaries</b>	<b>14,402,679</b>	<b>14,638,604</b>	<b>14,344,688</b>
<b>Employee Benefits</b>	<b>3,339,603</b>	<b>3,453,490</b>	<b>3,337,853</b>
<b>Total Salaries and Benefits</b>	<b>17,742,282</b>	<b>18,092,094</b>	<b>17,682,541</b>
<b>Services and Supplies</b>			
Services	1,127,248	1,145,496	1,036,879
Student Transportation	1,012,000	1,051,755	888,422
Professional Development and Travel	446,733	403,005	438,474
Rentals and Leases	170,500	169,881	128,620
Dues and Fees	40,227	39,005	34,217
Insurance	50,611	56,368	49,165
Supplies	638,218	598,213	580,616
Utilities	460,000	502,224	453,395
<b>Total Services and Supplies</b>	<b>3,945,537</b>	<b>3,965,947</b>	<b>3,609,788</b>
<b>Total Operating Expense</b>	<b>21,687,819</b>	<b>22,058,041</b>	<b>21,292,329</b>

# School District No. 64 (Gulf Islands)

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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	6,555,637	454,096	136,829	95,257		495,773	7,737,592
1.03 Career Programs	115,902		90,580	997	65,394	3,921	276,794
1.07 Library Services	105,069	15,261		51,920		938	173,188
1.08 Counselling	205,893						205,893
1.10 Special Education	845,691	86,498	701,722	66,089	137,269	91,887	1,929,156
1.30 English Language Learning	66,520						66,520
1.31 Aboriginal Education		27,648	65,722		17,633	2,934	113,937
1.41 School Administration		947,655		391,096		22,802	1,361,553
1.62 International and Out of Province Students	123,101	35,537		5,364	116,608	336	280,946
1.64 Other							
<b>Total Function 1</b>	<b>8,017,813</b>	<b>1,566,695</b>	<b>994,853</b>	<b>610,723</b>	<b>336,904</b>	<b>618,591</b>	<b>12,145,579</b>
<b>4 District Administration</b>							
4.11 Educational Administration				9,544	210,116		219,660
4.40 School District Governance					101,088		101,088
4.41 Business Administration				137,981	289,385	2,340	429,706
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,525</b>	<b>600,589</b>	<b>2,340</b>	<b>750,454</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				63,802	178,436	4,843	247,081
5.50 Maintenance Operations				910,780		53,597	964,377
5.52 Maintenance of Grounds				116,646			116,646
5.56 Utilities				12,406			12,406
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,103,634</b>	<b>178,436</b>	<b>58,440</b>	<b>1,340,510</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				14,120	32,514	674	47,308
7.70 Student Transportation			22,186	318,537		14,030	354,753
7.73 Housing							
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>22,186</b>	<b>332,657</b>	<b>32,514</b>	<b>14,704</b>	<b>402,061</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>8,017,813</b>	<b>1,566,695</b>	<b>1,017,039</b>	<b>2,194,539</b>	<b>1,148,443</b>	<b>694,075</b>	<b>14,638,604</b>



# School District No. 64 (Gulf Islands)

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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	7,737,592	1,985,167	9,722,759	582,578	10,305,337	9,986,154	9,928,185
1.03 Career Programs	276,794	62,340	339,134	76,209	415,343	411,195	383,936
1.07 Library Services	173,188	38,569	211,757	25,939	237,696	235,500	237,781
1.08 Counselling	205,893	46,748	252,641	9,790	262,431	261,782	366,936
1.10 Special Education	1,929,156	399,501	2,328,657	191,779	2,520,436	2,539,772	2,438,258
1.30 English Language Learning	66,520	14,964	81,484	69	81,553	87,609	76,808
1.31 Aboriginal Education	113,937	26,682	140,619	55,371	195,990	195,979	165,503
1.41 School Administration	1,361,553	303,399	1,664,952	66,870	1,731,822	1,756,157	1,519,233
1.62 International and Out of Province Students	280,946	56,479	337,425	282,659	620,084	623,264	696,689
1.64 Other	-	-	-	19,603	19,603	12,200	11,133
<b>Total Function 1</b>	<b>12,145,579</b>	<b>2,933,849</b>	<b>15,079,428</b>	<b>1,310,867</b>	<b>16,390,295</b>	<b>16,109,612</b>	<b>15,824,462</b>
<b>4 District Administration</b>							
4.11 Educational Administration	219,660	40,035	259,695	51,784	311,479	296,425	309,426
4.40 School District Governance	101,088	2,067	103,155	67,282	170,437	164,957	151,570
4.41 Business Administration	429,706	86,947	516,653	154,480	671,133	661,533	661,225
<b>Total Function 4</b>	<b>750,454</b>	<b>129,049</b>	<b>879,503</b>	<b>273,546</b>	<b>1,153,049</b>	<b>1,122,915</b>	<b>1,122,221</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	247,081	54,738	301,819	54,601	356,420	352,619	321,646
5.50 Maintenance Operations	964,377	207,755	1,172,132	549,848	1,721,980	1,668,563	1,729,431
5.52 Maintenance of Grounds	116,646	26,785	143,431	34,899	178,330	225,168	204,870
5.56 Utilities	12,406	2,960	15,366	544,950	560,316	547,575	549,839
<b>Total Function 5</b>	<b>1,340,510</b>	<b>292,238</b>	<b>1,632,748</b>	<b>1,184,298</b>	<b>2,817,046</b>	<b>2,793,925</b>	<b>2,805,786</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	47,308	8,764	56,072	3,061	59,133	56,440	56,712
7.70 Student Transportation	354,753	89,590	444,343	1,113,376	1,557,719	1,527,427	1,408,728
7.73 Housing	-	-	-	80,799	80,799	77,500	74,420
<b>Total Function 7</b>	<b>402,061</b>	<b>98,354</b>	<b>500,415</b>	<b>1,197,236</b>	<b>1,697,651</b>	<b>1,661,367</b>	<b>1,539,860</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>14,638,604</b>	<b>3,453,490</b>	<b>18,092,094</b>	<b>3,965,947</b>	<b>22,058,041</b>	<b>21,687,819</b>	<b>21,292,329</b>

# School District No. 64 (Gulf Islands)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget (Note 14)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	2,453,671	2,484,607	1,123,133
Other Revenue	823,777	995,274	810,919
Investment Income	6,000	9,793	12,436
<b>Total Revenue</b>	<b>3,283,448</b>	<b>3,489,674</b>	<b>1,946,488</b>
<b>Expenses</b>			
Instruction	3,115,873	3,347,562	1,793,403
District Administration	15,434	3,780	31,241
Operations and Maintenance	103,629	103,629	88,878
<b>Total Expense</b>	<b>3,234,936</b>	<b>3,454,971</b>	<b>1,913,522</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>48,512</b>	<b>34,703</b>	<b>32,966</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(48,512)	(34,703)	(32,966)
<b>Total Net Transfers</b>	<b>(48,512)</b>	<b>(34,703)</b>	<b>(32,966)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	<b>-</b>

# School District No. 64 (Gulf Islands)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2018

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
Add: Restricted Grants									
Provincial Grants - Ministry of Education	103,629	81,258	772	-	133,498	32,046	37,937	-	-
Other					819,481	128,000	22,050	71,840	160,931
Investment Income					196	290		13,274	
Less: Allocated to Revenue	103,629	81,258	-	-	819,677	128,290	22,050	85,114	160,931
Deferred Revenue, end of year	103,629	81,258	772	-	771,246	148,293	30,629	85,114	160,931
					<b>181,929</b>	<b>12,043</b>	<b>29,358</b>		
Revenues	103,629	81,258	772	-	771,050	148,293	30,629	71,840	160,931
Provincial Grants - Ministry of Education									
Other Revenue					771,050			13,274	
Investment Income					196				
Expenses	103,629	81,258	772	-	771,246	148,293	30,629	85,114	160,931
Salaries									
Teachers									
Principals and Vice Principals						12,805	12,223	17,391	4,000
Educational Assistants		66,000				46,262		7,011	
Support Staff						6,196			
Other Professionals								8,636	
Substitutes						1,684	483	7,343	
Employee Benefits		66,000				66,947	21,342	31,745	6,116
Services and Supplies	103,629	15,258	772	-	765,937	18,206	4,407	6,878	588
	103,629	81,258	772	-	765,937	63,140	4,880	46,491	154,227
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	5,309	148,293	30,629	85,114	160,931
Interfund Transfers									
Tangible Capital Assets Purchased					(5,309)				
Net Revenue (Expense)									

**School District No. 64 (Gulf Islands)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2018

	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement		Educational Trust	Drake Rd Transfer	Apprenticeship		ACE-IT	TOTAL
			Fund - Overhead	Fund - Staffing			Apprenticeship	ACE-IT		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	31,998	34,447	-	-	356,181	3,074	-	34,247	-	664,200
Add: Restricted Grants										
Provincial Grants - Ministry of Education			461,853	1,358,957	135,237	12,360	52,061	12,459		2,388,518
Other					9,597					1,045,162
Investment Income										9,793
Less: Allocated to Revenue			461,853	1,358,957	144,834	12,360	52,061	12,459		3,443,473
Deferred Revenue, end of year	31,998	34,447	461,853	1,358,957	153,737	3,780	41,464	21,566		3,489,674
					<b>347,278</b>	<b>11,654</b>	<b>10,597</b>	<b>25,140</b>		<b>617,999</b>
Revenues	31,998	34,447	461,853	1,358,957	144,140	3,780	41,464	21,566		2,484,607
Provincial Grants - Ministry of Education					144,140					995,274
Other Revenue					9,597					9,793
Investment Income					153,737	3,780	41,464	21,566		3,489,674
Expenses	31,998	34,447	461,853	1,358,957	153,737	3,780	41,464	21,566		3,489,674
Salaries										
Teachers		27,600		1,058,922						1,128,941
Principals and Vice Principals										4,000
Educational Assistants			168,576	4,580						292,429
Support Staff			95,770							128,627
Other Professionals			28,489				15,909			28,489
Substitutes			25,339	58,388				83		94,966
Employee Benefits	1,646	27,600	318,174	1,121,890	-	-	15,909	83		1,677,452
Services and Supplies	189	6,847	76,705	237,067			5,221	18		369,384
Tangible Capital Assets Purchased	30,163		66,974		135,858	3,780	22,334	9,950		1,408,135
Net Revenue (Expense) before Interfund Transfers	31,998	34,447	461,853	1,358,957	135,858	3,780	41,464	10,051		3,454,971
Interfund Transfers					17,879			11,515		34,703
Net Revenue (Expense)					(17,879)			(11,515)		(34,703)
Tangible Capital Assets Purchased					(17,879)			(11,515)		(34,703)
Net Revenue (Expense)										

# School District No. 64 (Gulf Islands)

Schedule 4 (Unaudited)

Schedule of Capital Operations  
Year Ended June 30, 2018

	2018 Budget (Note 14)	2018 Actual			2017 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	130,000	97,753		97,753	
Amortization of Deferred Capital Revenue	956,483	956,484		956,484	912,759
<b>Total Revenue</b>	<b>1,086,483</b>	<b>1,054,237</b>	<b>-</b>	<b>1,054,237</b>	<b>912,759</b>
<b>Expenses</b>					
Operations and Maintenance	130,000	97,753		97,753	
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,074,084	1,044,175		1,044,175	957,071
Transportation and Housing	89,735	119,646		119,646	93,988
<b>Total Expense</b>	<b>1,293,819</b>	<b>1,261,574</b>	<b>-</b>	<b>1,261,574</b>	<b>1,051,059</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(207,336)</b>	<b>(207,337)</b>	<b>-</b>	<b>(207,337)</b>	<b>(138,300)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	123,771	102,768		102,768	188,658
<b>Total Net Transfers</b>	<b>123,771</b>	<b>102,768</b>	<b>-</b>	<b>102,768</b>	<b>188,658</b>
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(83,565)</b>	<b>(104,569)</b>	<b>-</b>	<b>(104,569)</b>	<b>50,358</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>6,412,423</b>		<b>6,412,423</b>	<b>6,362,065</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>6,307,854</b>	<b>-</b>	<b>6,307,854</b>	<b>6,412,423</b>

# School District No. 64 (Gulf Islands)

Tangible Capital Assets  
Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,107,653	42,682,315	436,655	1,196,461	12,172	219,753	48,655,009
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,487,780		3,134			1,490,914
Deferred Capital Revenue - Other		14,955	188,937			17,523	221,415
Operating Fund			9,367	58,698			68,065
Special Purpose Funds		465	34,238				34,703
Transferred from Work in Progress		653,614					653,614
Transferred from Work in Progress		2,156,814	232,542	61,832		17,523	2,468,711
Decrease:							
Deemed Disposals			22,900	27,120	12,172	37,556	99,748
Cost, end of year							
Work in Progress, end of year			22,900	27,120	12,172	37,556	99,748
Cost and Work in Progress, end of year	4,107,653	44,839,129	646,297	1,231,173	-	199,720	51,023,972
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		23,378,725	184,873	427,507	9,736	26,831	24,027,672
Decrease:							
Deemed Disposals		938,201	45,898	119,646	2,436	57,640	1,163,821
Accumulated Amortization, end of year							
Tangible Capital Assets - Net	4,107,653	20,522,203	438,426	711,140	-	152,805	25,932,227

# School District No. 64 (Gulf Islands)

Schedule 4B (Unaudited)

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

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	610,988				610,988
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Other	42,626				42,626
	42,626	-	-	-	42,626
Decrease:					
Transferred to Tangible Capital Assets	653,614				653,614
	653,614	-	-	-	653,614
<b>Net Changes for the Year</b>	(610,988)	-	-	-	(610,988)
<b>Work in Progress, end of year</b>	-	-	-	-	-

# School District No. 64 (Gulf Islands)

Deferred Capital Revenue  
Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	17,939,089	204,623	71,202	18,214,914
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,490,914	60,395	161,020	1,712,329
Transferred from Work in Progress		653,614		653,614
	1,490,914	714,009	161,020	2,365,943
Decrease:				
Amortization of Deferred Capital Revenue	949,480	5,182	1,822	956,484
	949,480	5,182	1,822	956,484
<b>Net Changes for the Year</b>	541,434	708,827	159,198	1,409,459
<b>Deferred Capital Revenue, end of year</b>	18,480,523	913,450	230,400	19,624,373
<b>Work in Progress, beginning of year</b>		610,988		610,988
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Work in Progress		42,626		42,626
	-	42,626	-	42,626
Decrease:				
Transferred to Deferred Capital Revenue		653,614		653,614
	-	653,614	-	653,614
<b>Net Changes for the Year</b>	-	(610,988)	-	(610,988)
<b>Work in Progress, end of year</b>	-	-	-	-
<b>Total Deferred Capital Revenue, end of year</b>	18,480,523	913,450	230,400	19,624,373



# School District No. 64 (Gulf Islands)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2018

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	354,063	42,626	54,513	-	-	451,202
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	1,234,604		10,313			1,234,604
Provincial Grants - Other					161,020	161,020
Other	1,234,604	-	10,313	-	161,020	1,405,937
Decrease:						
Transferred to DCR - Capital Additions	1,490,914		60,395		161,020	1,712,329
Transferred to DCR - Work in Progress	97,753	42,626				42,626
Transferred to Revenue	1,588,667	42,626	60,395	-	161,020	97,753
	(354,063)	(42,626)	(50,082)	-	-	(446,771)
<b>Net Changes for the Year</b>						
<b>Balance, end of year</b>	-	-	4,431	-	-	4,431