

Audited Financial Statements of

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

And Independent Auditors' Report thereon

June 30, 2020

# School District No. 64 (Gulf Islands)

June 30, 2020

## Table of Contents

Management Report .....	1
Independent Auditors' Report .....	2-4
Statement of Financial Position - Statement 1 .....	5
Statement of Operations - Statement 2 .....	6
Statement of Changes in Net Debt - Statement 4 .....	7
Statement of Cash Flows - Statement 5 .....	8
Notes to the Financial Statements .....	9-26
Auditors' Comments on Supplementary Financial Information .....	27
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited) .....	28
Schedule of Operating Operations - Schedule 2 (Unaudited) .....	29
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited) .....	30
Schedule 2B - Schedule of Operating Expense by Object (Unaudited) .....	31
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited) .....	32
Schedule of Special Purpose Operations - Schedule 3 (Unaudited) .....	34
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited) .....	35
Schedule of Capital Operations - Schedule 4 (Unaudited) .....	37
Schedule 4A - Tangible Capital Assets (Unaudited) .....	38
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited) .....	39
Schedule 4C - Deferred Capital Revenue (Unaudited) .....	40
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited) .....	41

# School District No. 64 (Gulf Islands)

## MANAGEMENT REPORT

Version: 1929-1183-8201

### 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

16-09-2020  
Date Signed

Signature of the Superintendent

16-09-2020  
Date Signed

Signature of the Secretary Treasurer

16-09-2020  
Date Signed



KPMG LLP  
St. Andrew's Square II  
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, 2020
- 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, 2020 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 16, 2020

# School District No. 64 (Gulf Islands)

Statement of Financial Position  
As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	4,611,797	3,535,369
Accounts Receivable		
Due from Province - Ministry of Education	174,792	11,681
Due from Province - Other	129,300	218,294
Portfolio Investments	86,420	88,883
<b>Total Financial Assets</b>	<u>5,002,309</u>	<u>3,854,227</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other	1,151,876	1,636,524
Unearned Revenue	260,636	614,275
Deferred Revenue	648,747	547,675
Deferred Capital Revenue	18,775,260	18,838,630
Employee Future Benefits	1,002,022	996,292
<b>Total Liabilities</b>	<u>21,838,541</u>	<u>22,633,396</u>
<b>Net Debt</b>	<u>(16,836,232)</u>	<u>(18,779,169)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets	24,937,069	25,106,035
Prepaid Expenses	95,739	119,032
<b>Total Non-Financial Assets</b>	<u>25,032,808</u>	<u>25,225,067</u>
<b>Accumulated Surplus (Deficit)</b>	<u>8,196,576</u>	<u>6,445,898</u>

Approved by the Board

Signature of the Chairperson of the Board of Education

16-09-2020  
Date Signed

Signature of the Superintendent

16-09-2020  
Date Signed

Signature of the Secretary Treasurer

16-09-2020  
Date Signed

# School District No. 64 (Gulf Islands)

Statement of Operations  
 Year Ended June 30, 2020

	2020 Budget \$	2020 Actual \$	2019 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	24,045,370	24,434,716	24,681,343
Tuition	775,000	811,125	755,570
Other Revenue	1,158,318	963,455	1,123,748
Rentals and Leases	15,000	14,448	16,418
Investment Income	30,500	39,448	47,942
Amortization of Deferred Capital Revenue	975,830	1,021,386	1,033,722
<b>Total Revenue</b>	<u>27,000,018</u>	<u>27,284,578</u>	<u>27,658,743</u>
<b>Expenses</b>			
Instruction	18,624,916	18,436,671	19,577,446
District Administration	1,265,620	1,282,074	1,255,065
Operations and Maintenance	4,332,984	4,223,511	4,678,371
Transportation and Housing	1,836,520	1,591,644	1,759,319
<b>Total Expense</b>	<u>26,060,040</u>	<u>25,533,900</u>	<u>27,270,201</u>
<b>Surplus (Deficit) for the year</b>	<u>939,978</u>	<u>1,750,678</u>	<u>388,542</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		6,445,898	6,057,356
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>8,196,576</u>	<u>6,445,898</u>

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

Statement of Changes in Net Debt  
 Year Ended June 30, 2020

	2020 Budget \$	2020 Actual \$	2019 Actual \$
<b>Surplus (Deficit) for the year</b>	939,978	1,750,678	388,542
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(75,000)	(1,011,066)	(378,450)
Amortization of Tangible Capital Assets	1,180,072	1,180,032	1,204,642
<b>Total Effect of change in Tangible Capital Assets</b>	1,105,072	168,966	826,192
Acquisition of Prepaid Expenses		(95,739)	(119,032)
Use of Prepaid Expenses		119,032	89,567
<b>Total Effect of change in Other Non-Financial Assets</b>	-	23,293	(29,465)
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	2,045,050	1,942,937	1,185,269
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		1,942,937	1,185,269
<b>Net Debt, beginning of year</b>		(18,779,169)	(19,964,438)
<b>Net Debt, end of year</b>		(16,836,232)	(18,779,169)

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

Statement of Cash Flows  
 Year Ended June 30, 2020

	2020 Actual \$	2019 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	1,750,678	388,542
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(74,117)	64,102
Prepaid Expenses	23,293	(29,465)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(484,649)	(270,587)
Unearned Revenue	(353,639)	190,730
Deferred Revenue	101,072	(70,324)
Employee Future Benefits	5,730	36,393
Amortization of Tangible Capital Assets	1,180,032	1,204,642
Amortization of Deferred Capital Revenue	(1,021,386)	(1,033,722)
Expensed Portion of Bylaw Capital	(341,619)	(728,928)
Condonated Capital Assets		(15,211)
<b>Total Operating Transactions</b>	<u>785,395</u>	<u>(263,828)</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(836,274)	(378,450)
Tangible Capital Assets -WIP Purchased	(174,792)	
Donated Capital Assets		15,211
<b>Total Capital Transactions</b>	<u>(1,011,066)</u>	<u>(363,239)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	1,299,636	972,476
<b>Total Financing Transactions</b>	<u>1,299,636</u>	<u>972,476</u>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	2,463	1,372
<b>Total Investing Transactions</b>	<u>2,463</u>	<u>1,372</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>1,076,428</u>	<u>346,781</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>3,535,369</u>	<u>3,188,588</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>4,611,797</u>	<u>3,535,369</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>4,611,797</u>	<u>3,535,369</u>
	<u>4,611,797</u>	<u>3,535,369</u>

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

---

## 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 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, 2020

---

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, 2020

---

## 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(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, 2020

---

## 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.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

## 2. Significant accounting policies (continued):

- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. 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, 2020

---

## 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 has to meet in order to receive the contributions including authorization by the transferring government.

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

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

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

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

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

### (n) Expenditures:

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

#### (i) Allocation of costs:

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

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

---

## 2. Significant accounting policies (continued):

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.

### (p) Measurement uncertainty:

Preparation of financial statements in accordance with the basis of accounting described in note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contingencies, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

## 3. Accounts receivable:

	2020	2019
Due from Provincial Government	\$ 174,792	\$ 11,681
Due from Federal Government	69,367	69,095
Other	59,933	149,199
	129,300	218,294
	\$ 304,092	\$ 229,975

## 4. Portfolio investments:

	2020	2019
Investments in the cost and amortized cost category:		
Debentures maturing in 2021 bearing interest at 5.4% per annum	\$ 14,313	\$ 14,621
Investments in the fair value category:		
Equity instruments	3,064	3,544
Mutual funds	69,043	70,718
	72,107	74,262
Total investments	\$ 86,420	\$ 88,883

## 5. Accounts payable and accrued liabilities:

	2020	2019
Trade payables	\$ 756,285	\$ 1,049,714
Salaries and benefits payable	26,209	54,572
Accrued vacation pay	219,392	179,488
Other	149,990	352,750
	1,151,876	1,636,524
	\$ 1,151,876	\$ 1,636,524

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

## 6. Unearned revenue:

	2020	2019
Balance, beginning of year	\$ 614,275	\$ 423,545
Changes for the year:		
Increase:		
Tuition fees collected	587,336	1,059,645
Decrease:		
Tuition fees recognized	(940,975)	(868,915)
Net changes for the year	(353,639)	190,730
Balance, end of year	\$ 260,636	\$ 614,275

## 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	\$ 12,578	\$ 535,097	\$ 547,675	\$ 617,999
Increases:				
Grants	2,692,502	-	2,692,502	2,752,337
Other	-	800,009	800,009	885,609
Decreases:				
Transfers to revenue	(2,612,526)	(778,913)	(3,391,439)	(3,708,270)
Net change for the year	79,976	21,096	101,072	(70,324)
Balance, end of year	\$ 92,554	\$ 556,193	\$ 648,747	\$ 547,675

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

## 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.

	2020	2019
<b>Deferred capital revenue subject to amortization</b>		
Balance, beginning of year	\$ 18,826,113	\$ 19,624,373
Increases:		
Capital additions	795,741	235,462
Decreases:		
Amortization	(1,021,386)	(1,033,722)
Net change for the year	(225,645)	(798,260)
Balance, end of year	\$ 18,600,468	\$ 18,826,113
<b>Deferred capital revenue, work in progress</b>		
Balance, beginning of year	\$ -	\$ -
Increases:		
Transfer from unspent deferred capital revenue	174,792	-
Balance, end of year	\$ 174,792	\$ -
<b>Deferred capital revenue not subject to amortization</b>		
Balance, beginning of year	\$ 12,517	\$ 4,431
Increases:		
Provincial Grants - Ministry of Education	1,299,636	945,189
Provincial Grants - Other	-	12,076
Donations	-	15,211
Decreases:		
Transfer to deferred capital revenue subject to amortization	(795,741)	(235,462)
Transferred to deferred capital revenue work in progress	(174,792)	-
Transferred to revenue	(341,620)	(728,928)
Net change for the year	(12,517)	8,086
Balance, end of year	-	12,517
Total deferred capital revenue balance, end of year	\$ 18,775,260	\$ 18,838,630

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

## 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.

	2020	2019
Reconciliation of accrued benefit obligation:		
Accrued obligation - April 1	\$ 1,096,669	\$ 933,504
Service cost	91,769	89,831
Interest cost	26,683	26,723
Benefit payments	(125,040)	(101,272)
Actuarial (gain) loss	(100,964)	147,883
Accrued benefit obligation - March 31	989,117	1,096,669
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation - March 31	989,117	1,096,669
Market value of plan assets - March 31	-	-
Funded status - surplus (deficit)	(989,117)	(1,096,669)
Employer contributions after measurement date	13,713	-
Benefits expense after measurement date	(29,823)	(29,613)
Unamortized net actuarial (gain) loss	3,205	129,990
Accrued benefit asset (liability) - June 30	(1,002,022)	(996,292)
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability (asset) - July 1	996,292	959,899
Net expenses for fiscal year	144,483	127,283
Employer contributions	(138,753)	(90,890)
Accrued benefit liability (asset) - June 30	1,002,022	996,292
Components of net benefit expense:		
Service cost	92,959	90,316
Interest cost	25,704	26,713
Amortization of net actuarial (gain) loss	25,820	10,254
Net benefit expense (income)	144,483	127,283
Assumptions:		
Discount rate - April 1	2.50%	2.75%
Discount rate - March 31	2.25%	2.50%
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, 2020

## 10. Tangible capital assets:

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
<b>Total</b>	<b>\$ 51,201,329</b>	<b>\$ 1,011,066</b>	<b>\$ (73,554)</b>	<b>\$ -</b>	<b>\$ 52,138,841</b>

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
<b>Total</b>	<b>\$ 26,095,294</b>	<b>\$ 1,180,032</b>	<b>\$ (73,554)</b>	<b>\$ 27,201,772</b>

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

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

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

## 10. Tangible capital assets (continued):

Net book value	2020	2019
Sites	\$ 4,107,653	\$ 4,107,653
Buildings	19,711,841	19,726,267
Furniture and equipment	511,157	541,499
Vehicles	496,805	605,278
Computer software	-	-
Computer hardware	109,613	125,338
	<u>\$ 24,937,069</u>	<u>\$ 25,106,035</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 nil (2019 - \$15,211 comprised of buildings).

## 11. Employee pension plan:

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represent plan member and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. As at December 31, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

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

The school district paid \$1,590,111 for employer contributions to these plans in the year ended June 30, 2020 (2019 - \$1,786,657).

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

---

## 11. Employee pension plan (continued):

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

	2020	2019
Invested in tangible capital assets	\$ 6,161,809	\$ 6,279,922
Operating surplus (note 17)	2,034,767	165,976
	<u>\$ 8,196,576</u>	<u>\$ 6,445,898</u>

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2020, were as follows:

- \$40,533 from the Operating 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, 2020

## 14. Budget figures:

The budget figures data presented in these financial statements is based upon the 2019/20 amended annual budget adopted by the Board on February 12, 2020. The chart following reconciles the originally approved annual budget bylaw approved June 12, 2019 to the amended annual budget bylaw reported in these financial statements.

	2020 Amended Annual Budget	2020 Annual Budget
Revenues:		
Provincial grants:		
Ministry of Education	\$ 24,045,370	\$23,406,590
Tuition	775,000	750,000
Other revenue	1,158,318	1,115,640
Rentals and leases	15,000	15,000
Investment income	30,500	20,000
Amortization of deferred capital revenue	975,830	1,033,722
	<u>27,000,018</u>	<u>26,340,952</u>
Expenses:		
Instruction	18,624,916	17,939,612
District administration	1,265,620	1,209,001
Operations and maintenance	4,332,984	4,305,412
Transportation and housing	1,836,520	1,908,360
	<u>26,060,040</u>	<u>25,362,385</u>
Net revenue (expense)	939,978	978,567
Budgeted Surplus for the year	<u>\$ 939,978</u>	<u>\$ 978,567</u>

## 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, 2020, 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, 2020

## 16. Expense by object:

	2020	2019
Salaries and benefits	\$ 19,443,971	\$ 20,499,934
Services and supplies	4,909,897	5,578,336
Amortization	1,180,032	1,204,642
	<u>\$ 25,533,900</u>	<u>\$ 27,282,912</u>

## 17. Internally Restricted Surplus – Operating Fund:

	2020	2019
Internally Restricted Surplus		
Unspent School Flex Budgets	\$ 61,290	\$ 32,232
Unspent Professional Development and Growth funds	69,158	21,647
Internally Restricted Surplus	<u>130,448</u>	<u>53,879</u>
Unrestricted Operating Surplus	<u>1,904,319</u>	<u>112,097</u>
Total Available for Future Operations	<u>\$ 2,034,767</u>	<u>\$ 165,976</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, 2020

---

## 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.

# SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Notes to Financial Statements

Year ended June 30, 2020

---

## **20. Risk management (continued):**

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 2019 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, 2020

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	165,976		6,279,922	6,445,898	6,057,356
Changes for the year					
Surplus (Deficit) for the year	1,909,324		(158,646)	1,750,678	388,542
Interfund Transfers	(40,533)		40,533	-	
Tangible Capital Assets Purchased	1,868,791	-	(118,113)	1,750,678	388,542
Net Changes for the year	2,034,767	-	6,161,809	8,196,576	6,445,898
Accumulated Surplus (Deficit), end of year - Statement 2					

# School District No. 64 (Gulf Islands)

## Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	21,145,366	21,480,571	21,171,255
Tuition	775,000	811,125	755,570
Other Revenue	213,225	192,648	206,928
Rentals and Leases	15,000	14,448	16,418
Investment Income	25,000	31,342	37,652
<b>Total Revenue</b>	<u>22,173,591</u>	<u>22,530,134</u>	<u>22,187,823</u>
<b>Expenses</b>			
Instruction	15,102,948	15,148,861	16,039,343
District Administration	1,265,620	1,282,074	1,255,065
Operations and Maintenance	2,932,756	2,706,704	2,764,289
Transportation and Housing	1,728,047	1,483,171	1,636,202
<b>Total Expense</b>	<u>21,029,371</u>	<u>20,620,810</u>	<u>21,694,899</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>1,144,220</u>	<u>1,909,324</u>	<u>492,924</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(75,000)	(40,533)	(76,450)
<b>Total Net Transfers</b>	<u>(75,000)</u>	<u>(40,533)</u>	<u>(76,450)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>1,069,220</u>	<u>1,868,791</u>	<u>416,474</u>
<b>Operating Surplus (Deficit), beginning of year</b>		165,976	(250,498)
<b>Operating Surplus (Deficit), end of year</b>		<u>2,034,767</u>	<u>165,976</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		130,448	53,879
Unrestricted		1,904,319	112,097
<b>Total Operating Surplus (Deficit), end of year</b>		<u>2,034,767</u>	<u>165,976</u>

# School District No. 64 (Gulf Islands)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source  
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	20,543,833	20,545,700	20,592,981
Other Ministry of Education Grants			
Pay Equity	102,398	102,398	102,398
Funding for Graduated Adults	1,000		587
Transportation Supplement	328,264	328,264	328,264
Economic Stability Dividend			19,896
Carbon Tax Grant	7,500	9,698	9,698
Employer Health Tax Grant	161,098	161,098	48,955
Strategic Priorities - Mental Health Grant			37,000
Support Staff Benefits Grant		13,970	13,970
Support Staff Wage Increase Funding		98,069	
Teachers' Labour Settlement Funding		188,909	
FSA Exam Marking		7,506	7,506
Equity Scan Grant and Shoulder Tappers		2,000	10,000
Other	1,273	5,788	
French Monitor Program		17,171	
<b>Total Provincial Grants - Ministry of Education</b>	<u>21,145,366</u>	<u>21,480,571</u>	<u>21,171,255</u>
<b>Tuition</b>			
International and Out of Province Students	775,000	811,125	755,570
<b>Total Tuition</b>	<u>775,000</u>	<u>811,125</u>	<u>755,570</u>
<b>Other Revenues</b>			
Miscellaneous			
Miscellaneous	190,500	169,873	168,928
GISPA Registration	22,725	22,775	38,000
<b>Total Other Revenue</b>	<u>213,225</u>	<u>192,648</u>	<u>206,928</u>
<b>Rentals and Leases</b>	<u>15,000</u>	<u>14,448</u>	<u>16,418</u>
<b>Investment Income</b>	<u>25,000</u>	<u>31,342</u>	<u>37,652</u>
<b>Total Operating Revenue</b>	<u>22,173,591</u>	<u>22,530,134</u>	<u>22,187,823</u>

# School District No. 64 (Gulf Islands)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	6,955,309	7,176,209	7,859,027
Principals and Vice Principals	1,797,252	1,804,687	1,808,433
Educational Assistants	886,029	844,268	913,935
Support Staff	2,373,286	2,247,710	2,197,422
Other Professionals	1,207,676	1,306,232	1,266,732
Substitutes	601,575	462,871	609,229
<b>Total Salaries</b>	<u>13,821,127</u>	<u>13,841,977</u>	<u>14,654,778</u>
<b>Employee Benefits</b>	3,368,922	3,276,133	3,358,566
<b>Total Salaries and Benefits</b>	<u>17,190,049</u>	<u>17,118,110</u>	<u>18,013,344</u>
<b>Services and Supplies</b>			
Services	1,092,465	1,007,032	1,004,029
Student Transportation	1,042,600	898,497	1,000,476
Professional Development and Travel	407,877	395,332	457,242
Rentals and Leases	23,000	21,333	165,778
Dues and Fees	41,275	41,985	44,901
Insurance	55,281	53,407	51,357
Supplies	701,824	626,582	486,398
Utilities	475,000	458,532	471,374
<b>Total Services and Supplies</b>	<u>3,839,322</u>	<u>3,502,700</u>	<u>3,681,555</u>
<b>Total Operating Expense</b>	<u>21,029,371</u>	<u>20,620,810</u>	<u>21,694,899</u>

# School District No. 64 (Gulf Islands)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	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	5,878,869	521,568	92,500	116,080	19,830	313,129	6,941,976
1.03 Career Programs	117,451	9,603	88,871		68,757	2,575	287,257
1.07 Library Services	78,859	18,390		50,005		2,342	149,596
1.08 Counselling	254,653						254,653
1.10 Special Education	500,837	157,635	601,354	71,064	152,982	53,258	1,537,130
1.30 English Language Learning	42,380						42,380
1.31 Indigenous Education		64,848	50,578		731	768	116,925
1.41 School Administration		1,004,290		378,205		17,219	1,399,714
1.62 International and Out of Province Students	303,160	28,353			128,887		460,400
1.64 Other							
<b>Total Function 1</b>	<b>7,176,209</b>	<b>1,804,687</b>	<b>833,303</b>	<b>615,354</b>	<b>371,187</b>	<b>389,291</b>	<b>11,190,031</b>
<b>4 District Administration</b>							
4.11 Educational Administration				5,838	246,317		252,155
4.40 School District Governance					107,988		107,988
4.41 Business Administration				92,232	395,287	559	488,078
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,070</b>	<b>749,592</b>	<b>559</b>	<b>848,221</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				59,783	162,933	3,668	226,384
5.50 Maintenance Operations				981,458		59,203	1,040,661
5.52 Maintenance of Grounds				155,712			155,712
5.56 Utilities				13,670			13,670
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,210,623</b>	<b>162,933</b>	<b>62,871</b>	<b>1,436,427</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				12,846	22,520		35,366
7.70 Student Transportation			10,965	310,817		10,150	331,932
7.73 Housing							
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>10,965</b>	<b>323,663</b>	<b>22,520</b>	<b>10,150</b>	<b>367,298</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>7,176,209</b>	<b>1,804,687</b>	<b>844,268</b>	<b>2,247,710</b>	<b>1,306,232</b>	<b>462,871</b>	<b>13,841,977</b>

# School District No. 64 (Gulf Islands)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	6,941,976	1,780,297	8,722,273	476,776	9,199,049	9,195,030	10,142,109
1.03 Career Programs	287,257	68,023	355,280	78,794	434,074	396,990	394,216
1.07 Library Services	149,596	31,839	181,435	20,838	202,273	233,662	149,344
1.08 Counselling	254,653	57,915	312,568		312,568	288,892	229,926
1.10 Special Education	1,537,130	330,892	1,868,022	144,795	2,012,817	1,991,997	2,143,953
1.30 English Language Learning	42,380	8,753	51,133		51,133	49,091	49,603
1.31 Indigenous Education	116,925	24,587	141,512	55,760	197,272	231,625	215,309
1.41 School Administration	1,399,714	313,221	1,712,935	114,605	1,827,540	1,852,467	1,923,082
1.62 International and Out of Province Students	460,400	106,210	566,610	337,225	903,835	863,194	785,495
1.64 Other	-	-	-	8,300	8,300	-	6,306
<b>Total Function 1</b>	<b>11,190,031</b>	<b>2,721,737</b>	<b>13,911,768</b>	<b>1,237,093</b>	<b>15,148,861</b>	<b>15,102,948</b>	<b>16,039,343</b>
<b>4 District Administration</b>							
4.11 Educational Administration	252,155	47,845	300,000	33,104	333,104	341,803	285,865
4.40 School District Governance	107,988	6,427	114,415	44,645	159,060	164,899	172,985
4.41 Business Administration	488,078	95,252	583,330	206,580	789,910	758,918	796,215
<b>Total Function 4</b>	<b>848,221</b>	<b>149,524</b>	<b>997,745</b>	<b>284,329</b>	<b>1,282,074</b>	<b>1,265,620</b>	<b>1,255,065</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	226,384	55,864	282,248	73,619	355,867	338,290	395,995
5.50 Maintenance Operations	1,040,661	225,319	1,265,980	341,896	1,607,876	1,858,461	1,633,639
5.52 Maintenance of Grounds	155,712	32,088	187,800	45,637	233,437	187,256	192,678
5.56 Utilities	13,670	3,357	17,027	492,497	509,524	548,749	541,977
<b>Total Function 5</b>	<b>1,436,427</b>	<b>316,628</b>	<b>1,753,055</b>	<b>953,649</b>	<b>2,706,704</b>	<b>2,932,756</b>	<b>2,764,289</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	35,366	7,930	43,296	7,808	51,104	48,597	61,759
7.70 Student Transportation	331,932	80,314	412,246	987,936	1,400,182	1,604,450	1,510,673
7.73 Housing	-	-	-	31,885	31,885	75,000	63,770
<b>Total Function 7</b>	<b>367,298</b>	<b>88,244</b>	<b>455,542</b>	<b>1,027,629</b>	<b>1,483,171</b>	<b>1,728,047</b>	<b>1,636,202</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>13,841,977</b>	<b>3,276,133</b>	<b>17,118,110</b>	<b>3,502,700</b>	<b>20,620,810</b>	<b>21,029,371</b>	<b>21,694,899</b>

# School District No. 64 (Gulf Islands)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	2,675,004	2,612,526	2,781,160
Other Revenue	945,093	770,807	916,820
Investment Income	5,500	8,106	10,290
<b>Total Revenue</b>	<u>3,625,597</u>	<u>3,391,439</u>	<u>3,708,270</u>
<b>Expenses</b>			
Instruction	3,521,968	3,287,810	3,538,103
Operations and Maintenance	103,629	103,629	103,629
<b>Total Expense</b>	<u>3,625,597</u>	<u>3,391,439</u>	<u>3,641,732</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>66,538</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased			(66,538)
<b>Total Net Transfers</b>	<u>-</u>	<u>-</u>	<u>(66,538)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>

# School District No. 64 (Gulf Islands)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2020

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>									
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	103,629	77,680		128,632	19,989	71,840	161,260	364,002	1,561,703
Other Investment Income			558,883						
			176						
<b>Less:</b> Allocated to Revenue	103,629	77,680	559,059	128,632	19,989	71,840	161,260	364,002	1,561,703
<b>Deferred Revenue, end of year</b>			<b>177,188</b>						
<b>Revenues</b>	103,629	77,680	565,039	128,632	32,567	71,840	161,260	364,002	1,561,703
Provincial Grants - Ministry of Education									
Other Revenue			176						
Investment Income			565,215						
<b>Expenses</b>	103,629	77,680	565,215	128,632	32,567	71,840	161,260	364,002	1,561,703
Salaries									
Teachers				16,138		25,882			1,255,774
Educational Assistants		63,304		78,913	21,494	8,670		146,715	
Support Staff		4,059		2,655	3,105			74,758	
Other Professionals								32,122	
Substitutes					4,203	3,333		45,957	
Employee Benefits		67,363		97,726	28,802	37,885		299,552	
Services and Supplies	103,629	10,317	565,215	24,610	3,491	6,106	161,260	54,450	305,929
				6,296	274	27,849		10,000	
	103,629	77,680	565,215	128,632	32,567	71,840	161,260	364,002	1,561,703
<b>Net Revenue (Expense) before Interfund Transfers</b>									
<b>Interfund Transfers</b>									
<b>Net Revenue (Expense)</b>									

# School District No. 64 (Gulf Islands)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2020

	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Changing Results for Young Children	District Capacity Building	ACE-IT	Apprenticeships	Education Trust	Drake Road Transfer	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
Add: Restricted Grants									
Provincial Grants - Ministry of Education	161,028	32,500	2,025	8,214					
Other Investment Income					26,880	3,713	309,506	11,654	547,675
Less: Allocated to Revenue	98,122	32,500	2,025	8,214	13,000	40,710	179,310		2,692,502
Deferred Revenue, end of year	62,906	2,852	2,025	8,214	13,000	40,710	187,240		791,903
		29,648			2,270	44,423	167,005		3,492,511
					37,610		329,741	11,654	3,591,439
<b>Revenues</b>									
Provincial Grants - Ministry of Education	98,122	2,852	2,025	8,214	2,270	44,423	159,075		2,612,526
Other Revenue									770,807
Investment Income	98,122	2,852	2,025	8,214	2,270	44,423	167,005		8,106
<b>Expenses</b>									
Salaries									
Teachers	40,244								1,338,058
Educational Assistants				8,214					327,310
Support Staff			1,951						104,459
Other Professionals						17,928			32,122
Substitutes	40,702	1,799			89				96,083
Employee Benefits	80,946	1,799	1,951	8,214	89	17,928			1,898,029
Services and Supplies	17,176	433			19	5,301			427,832
	98,122	2,852	2,025	8,214	2,162	21,194	167,005		1,065,578
					2,270	44,423	167,005		3,591,439
<b>Net Revenue (Expense) before Interfund Transfers</b>									
<b>Interfund Transfers</b>									
<b>Net Revenue (Expense)</b>									

# School District No. 64 (Gulf Islands)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	225,000	341,619		341,619	728,928
Amortization of Deferred Capital Revenue	975,830	1,021,386		1,021,386	1,033,722
<b>Total Revenue</b>	<u>1,200,830</u>	<u>1,363,005</u>	<u>-</u>	<u>1,363,005</u>	<u>1,762,650</u>
<b>Expenses</b>					
Operations and Maintenance	225,000	341,619		341,619	728,928
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,071,599	1,071,559		1,071,559	1,081,525
Transportation and Housing	108,473	108,473		108,473	123,117
<b>Total Expense</b>	<u>1,405,072</u>	<u>1,521,651</u>	<u>-</u>	<u>1,521,651</u>	<u>1,933,570</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(204,242)</u>	<u>(158,646)</u>	<u>-</u>	<u>(158,646)</u>	<u>(170,920)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	75,000	40,533		40,533	142,988
<b>Total Net Transfers</b>	<u>75,000</u>	<u>40,533</u>	<u>-</u>	<u>40,533</u>	<u>142,988</u>
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(129,242)</u>	<u>(118,113)</u>	<u>-</u>	<u>(118,113)</u>	<u>(27,932)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		6,279,922		6,279,922	6,307,854
<b>Capital Surplus (Deficit), end of year</b>		<u>6,161,809</u>	<u>-</u>	<u>6,161,809</u>	<u>6,279,922</u>

# School District No. 64 (Gulf Islands)

Tangible Capital Assets  
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
Cost, beginning of year	\$ 4,107,653	\$ 45,020,136	\$ 759,361	\$ 1,101,982	\$ -	\$ 212,197	\$ 51,201,329
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		783,224					783,224
Deferred Capital Revenue - Other			12,517				12,517
Operating Fund			16,314			24,219	40,533
Deemed Disposals							
Deemed Disposals			18,587	54,967			73,554
Deemed Disposals			18,587	54,967			73,554
Cost, end of year	4,107,653	45,803,360	769,605	1,047,015		236,416	51,964,049
Work in Progress, end of year		174,792					174,792
Cost and Work in Progress, end of year	4,107,653	45,978,152	769,605	1,047,015		236,416	52,138,841
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		25,293,869	217,862	496,704		86,859	26,095,294
Decrease:							
Deemed Disposals		972,442	59,173	108,473		39,944	1,180,032
Accumulated Amortization, end of year		26,266,311	258,448	550,210		126,803	27,201,772
Tangible Capital Assets - Net	4,107,653	19,711,841	511,157	496,805		109,613	24,937,069

# School District No. 64 (Gulf Islands)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>					-
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	174,792				174,792
	174,792	-	-	-	174,792
<b>Net Changes for the Year</b>	174,792	-	-	-	174,792
<b>Work in Progress, end of year</b>	174,792	-	-	-	174,792

# School District No. 64 (Gulf Islands)

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	17,714,310	882,995	228,808	<b>18,826,113</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	783,224	12,517		<b>795,741</b>
	<u>783,224</u>	<u>12,517</u>	<u>-</u>	<u><b>795,741</b></u>
Decrease:				
Amortization of Deferred Capital Revenue	975,830	28,373	17,183	<b>1,021,386</b>
	<u>975,830</u>	<u>28,373</u>	<u>17,183</u>	<u><b>1,021,386</b></u>
<b>Net Changes for the Year</b>	<u>(192,606)</u>	<u>(15,856)</u>	<u>(17,183)</u>	<u><b>(225,645)</b></u>
<b>Deferred Capital Revenue, end of year</b>	<u>17,521,704</u>	<u>867,139</u>	<u>211,625</u>	<u><b>18,600,468</b></u>
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	174,792			<b>174,792</b>
	<u>174,792</u>	<u>-</u>	<u>-</u>	<u><b>174,792</b></u>
<b>Net Changes for the Year</b>	<u>174,792</u>	<u>-</u>	<u>-</u>	<u><b>174,792</b></u>
<b>Work in Progress, end of year</b>	<u>174,792</u>	<u>-</u>	<u>-</u>	<u><b>174,792</b></u>
<b>Total Deferred Capital Revenue, end of year</b>	<u><b>17,696,496</b></u>	<u><b>867,139</b></u>	<u><b>211,625</b></u>	<u><b>18,775,260</b></u>

# School District No. 64 (Gulf Islands)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>			12,517			12,517
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	1,299,636					1,299,636
	1,299,636					1,299,636
Decrease:						
Transferred to DCR - Capital Additions	783,224		12,517			795,741
Transferred to DCR - Work in Progress	174,792					174,792
Expensed Portion of Bylaw Capital	341,620					341,620
	1,299,636		12,517			1,312,153
<b>Net Changes for the Year</b>			(12,517)			(12,517)
<b>Balance, end of year</b>						