

Audited Financial Statements of

School District No. 70 (Alberni)

June 30, 2018

School District No. 70 (Alberni)

June 30, 2018

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School District No. 70 (Alberni)

MANAGEMENT REPORT

Version: 4021-3275-1293

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 70 (Alberni) 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.

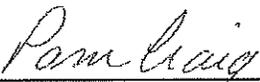
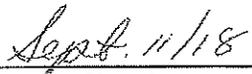
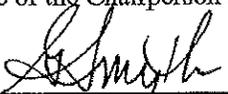
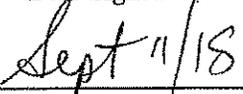
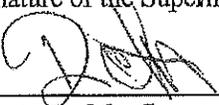
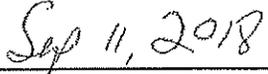
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 70 (Alberni) (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. 70 (Alberni) 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. 70 (Alberni)

	
Signature of the Chairperson of the Board of Education	Date Signed
	
Signature of the Superintendent	Date Signed
	
Signature of the Secretary Treasurer	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 and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 70 (Alberni), which comprise the statement of financial position as at June 30, 2018, the statements of operations, changes in net financial assets (debt) and cash flows for the year 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of School District No. 70 (Alberni) as at and for the year ended June 30, 2018 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.

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

September 11, 2018
Victoria, Canada

School District No. 70 (Alberni)

Statement of Financial Position

As at June 30, 2018

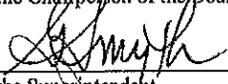
	2018 Actual	2017 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	6,846,155	6,609,091
Accounts Receivable		
Due from Province - Ministry of Education		31,125
Other (Note 3)	173,808	356,756
Total Financial Assets	<u>7,019,963</u>	<u>6,996,972</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,141,515	4,242,568
Unearned Revenue (Note 5)	73,000	
Deferred Revenue (Note 6)	1,895,437	1,908,466
Deferred Capital Revenue (Note 7)	66,703,573	65,755,632
Employee Future Benefits (Note 8)	675,005	728,019
Debt (Note 9)	297,298	2,082,361
Total Liabilities	<u>73,785,828</u>	<u>74,717,046</u>
Net Financial Assets (Debt)	<u>(66,765,865)</u>	<u>(67,720,074)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 10)	81,331,467	82,649,186
Restricted Assets (Endowments) (Note 11)	30,000	30,000
Prepaid Expenses	117,303	121,300
Total Non-Financial Assets	<u>81,478,770</u>	<u>82,800,486</u>
Accumulated Surplus (Deficit) (Note 13)	<u>14,712,905</u>	<u>15,080,412</u>

Contractual Obligations (Note 15)

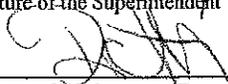
Approved by the Board


 Signature of the Chairperson of the Board of Education

Sept. 11/18
 Date Signed


 Signature of the Superintendent

Sept 11/18
 Date Signed


 Signature of the Secretary Treasurer

SEP 11, 2018
 Date Signed

School District No. 70 (Alberni)

Statement 2

Statement of Operations
Year Ended June 30, 2018

	2018 Budget (Note 16) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	39,532,809	39,419,142	37,778,888
Other		6,662	15,000
Tuition		3,000	90,490
Other Revenue	3,678,714	4,511,019	3,758,261
Rentals and Leases	50,000	92,235	87,982
Investment Income	30,000	41,560	39,819
Gain (Loss) on Disposal of Tangible Capital Assets	(188,667)	(189,092)	
Amortization of Deferred Capital Revenue	2,289,455	2,289,455	2,208,235
Total Revenue	45,392,311	46,173,981	43,978,675
Expenses (Note 17)			
Instruction	34,745,792	34,753,716	33,969,497
District Administration	2,241,280	2,185,892	2,219,135
Operations and Maintenance	7,220,254	7,685,577	7,165,762
Transportation and Housing	1,870,626	1,877,167	1,817,771
Debt Services	39,110	39,136	65,495
Total Expense	46,117,062	46,541,488	45,237,660
Surplus (Deficit) for the year	(724,751)	(367,507)	(1,258,985)
Accumulated Surplus (Deficit) from Operations, beginning of year		15,080,412	16,339,397
Accumulated Surplus (Deficit) from Operations, end of year		14,712,905	15,080,412

School District No. 70 (Alberni)
Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2018

Statement 4

	2018 Budget (Note 16) \$	2018 Actual \$	2017 Actual \$
Surplus (Deficit) for the year	(724,751)	(367,507)	(1,258,985)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,918,399)	(3,610,790)	(2,850,556)
Amortization of Tangible Capital Assets	2,968,429	2,968,432	2,864,024
Net carrying value of Tangible Capital Assets disposed of	1,955,077	1,960,077	
Total Effect of change in Tangible Capital Assets	<u>2,005,107</u>	<u>1,317,719</u>	<u>13,468</u>
Use of Prepaid Expenses		3,997	(121,300)
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>3,997</u>	<u>(121,300)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>1,280,356</u>	<u>954,209</u>	<u>(1,366,817)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>954,209</u>	<u>(1,366,817)</u>
Net Financial Assets (Debt), beginning of year		<u>(67,720,074)</u>	<u>(66,353,257)</u>
Net Financial Assets (Debt), end of year		<u>(66,765,865)</u>	<u>(67,720,074)</u>

School District No. 70 (Alberni)

Statement of Cash Flows
Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(367,507)	(1,258,985)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	214,073	(85,295)
Prepaid Expenses	3,997	(121,300)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(101,053)	188,299
Unearned Revenue	73,000	
Deferred Revenue	(13,029)	204,887
Employee Future Benefits	(53,014)	(25,321)
Loss (Gain) on Disposal of Tangible Capital Assets	189,092	
Amortization of Tangible Capital Assets	2,968,432	2,864,024
Amortization of Deferred Capital Revenue	(2,289,455)	(2,208,235)
Total Operating Transactions	<u>624,536</u>	<u>(441,926)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(3,610,790)	(2,850,556)
District Portion of Proceeds on Disposal	1,770,985	
Total Capital Transactions	<u>(1,839,805)</u>	<u>(2,850,556)</u>
Financing Transactions		
Loan Proceeds		14,999
Loan Payments	(1,785,063)	(32,779)
Capital Revenue Received	3,237,396	2,237,386
Capital Lease Obligation Repayments		(21,478)
Total Financing Transactions	<u>1,452,333</u>	<u>2,198,128</u>
Net Increase (Decrease) in Cash and Cash Equivalents	237,064	(1,094,354)
Cash and Cash Equivalents, beginning of year	6,609,091	7,703,445
Cash and Cash Equivalents, end of year	<u>6,846,155</u>	<u>6,609,091</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	6,846,155	6,609,091
	<u>6,846,155</u>	<u>6,609,091</u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 1887, 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. 70 (Alberni)", and operates as "School District No. 70 (Alberni)." 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. 70 (Alberni) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF 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 tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

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 tax-payer 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:

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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

a) Basis of Accounting (continued)

- 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 and cash equivalents that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. 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.

e) Unearned Revenue

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

SCHOOL DISTRICT NO. 70 (ALBERND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the *Restricted Contributions Regulation 198/2011* issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (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. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

g) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was performed at March 31, 2017 and projected to March 31, 2019. The next valuation will be performed at March 31, 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.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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

h) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

i) 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:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The District is directly responsible or accepts responsibility
- It is expected that future economic benefits will be given up; and
- 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.

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 as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets from non-related parties 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.

SCHOOL DISTRICT NO. 70 (ALBERND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

j) Tangible Capital Assets (continued)

- 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:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

k) Prepaid Expenses

Payments for insurance, subscriptions, membership and maintenance contracts for use within the District in a future period 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. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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

m) Revenue Recognition

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

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

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

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

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

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

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.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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

n) Expenditures

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

Allocation of Costs

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

o) 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, accounts payable and accrued liabilities and debt. 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 measured 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. There are no measurement gains or losses during the periods presented, therefore no statement of remeasurement gains or losses is included in these financial statements.

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

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

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

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

p) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2018</u>	<u>2017</u>
Due from Federal Government	\$ 59,045	\$ 57,185
Other	114,763	299,571
	<u>\$ 173,808</u>	<u>\$ 356,756</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
Trade payables	\$ 869,170	\$ 1,412,311
Salaries and benefits payable	2,727,236	2,285,148
Accrued vacation pay	545,109	545,109
	<u>\$ 4,141,515</u>	<u>\$ 4,242,568</u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 5 UNEARNED REVENUE

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	2018	2017
Balance, beginning of year	\$ -	\$ -
Changes for the year:		
Increase:		
Tuition fees collected	73,000	-
	73,000	-
Decrease:		
Tuition fees recognized	-	-
Net changes for the year	73,000	-
Balance, end of year	\$ 73,000	\$ -

NOTE 6 DEFERRED REVENUE

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

	2018	2017
Balance, beginning of year	\$ 1,908,466	\$ 1,703,579
Changes for the year:		
Increase:		
Provincial grants	4,355,536	2,740,044
Other revenue	1,356,408	1,120,307
	5,711,944	3,860,351
Decrease:		
Allocated to revenue	(5,724,973)	(3,648,904)
Recovered	-	(6,560)
	(5,724,973)	(3,655,464)
Net changes for the year	(13,029)	204,887
Balance, end of year	\$ 1,895,437	\$ 1,908,466

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 7 DEFERRED CAPITAL REVENUE

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

	2018	2017
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 65,718,621	\$ 65,511,247
Increases:		
Capital additions	3,190,078	2,415,609
Decreases:		
Amortization	(2,289,455)	(2,208,235)
Net change for the year	900,623	207,374
Balance, end of year	66,619,244	65,718,621
Unspent deferred capital revenue		
Balance, beginning of year	37,011	215,234
Increases:		
Provincial Grants – Ministry of Education	3,116,791	2,183,306
Provincial Grants – Other	36,276	54,080
Ministry Restricted Proceeds on Disposal	84,329	-
Decreases:		
Transfer to deferred capital revenue subject to amortization:		
Capital additions	(3,190,078)	(2,415,609)
Net change for the year	47,318	(178,223)
Balance, end of year	84,329	37,011
Total deferred capital revenue balance, end of year	\$ 66,703,573	\$ 65,755,632

**SCHOOL DISTRICT NO. 70 (ALBERND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 8 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 Benefit Obligation – April 1	\$791,441	\$851,760
Service Cost	40,618	40,610
Interest Cost	21,317	20,926
Benefit Payments	(100,066)	(110,299)
Actuarial Loss	(11,284)	(11,556)
Accrued Benefit Obligation – March 31	\$ 742,026	\$ 791,441
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 742,026	\$ 791,441
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(742,026)	(791,441)
Employer Contributions After Measurement Date	55,683	31,908
Benefits Expense After Measurement Date	(16,053)	(15,484)
Unamortized Net Actuarial Loss	27,391	46,998
Accrued Benefit Liability - June 30	(675,005)	(728,019)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$728,019	\$753,340
Net Expense for Fiscal Year	70,828	71,228
Employer Contributions	(123,842)	(96,549)
Accrued Benefit Liability - June 30	675,005	\$728,019

**SCHOOL DISTRICT NO. 70 (ALBERND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 8 EMPLOYEE FUTURE BENEFITS (continued)

	2018	2017
Components of Net Benefit Expense		
Service Cost	\$ 41,488	\$ 40,612
Interest Cost	21,018	21,024
Amortization of Net Actuarial Loss	8,322	9,592
Net Benefit Expense	\$ 70,828	\$ 71,228
 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	9.1	9.1

NOTE 9 DEBT

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

	Approval Date	Year Borrowed	Interest Rate	Term	Amount Borrowed	Amount Paid	2018 Balance	2017 Balance
Demand	1998	1998	Prime rate	Demand	\$144,605	55,737	88,868	106,945
Term	2010	2010	3.44%	5 years	124,259	20,044	104,215	111,088
Term	2010	2010	3.44%	5 years	124,259	20,044	104,215	111,088
Demand	2015	2015	Prime rate	Demand	1,739,658	1,739,658	-	1,739,658
Term	2017	2017	1.69%	10 months	11,898	11,898	-	10,718
Term	2017	2017	1.69%	13 months	3,101	3,101	-	2,864
					\$ 2,147,780	1,850,482	297,298	2,082,361

Future principal payments on debt as currently scheduled are as follows:

2019	\$ 29,143
2020	30,061
2021	31,008
2022	31,985
2023	31,518
Thereafter	143,583
	\$ 297,298

**SCHOOL DISTRICT NO. 70 (ALBERND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 10 TANGIBLE CAPITAL ASSETS

Cost:	Balance at July 1, 2017	Additions	Disposals	Balance at June 30, 2018
Sites	\$ 4,518,715	-	(1,960,077)	2,558,638
Buildings	112,556,465	3,116,791	(26,428)	115,646,828
Furniture & Equipment	2,098,633	239,973	(186,793)	2,151,813
Vehicles	908,563	-	-	908,563
Computer Software	-	-	-	-
Computer Hardware	571,791	254,026	-	825,817
Total	\$ 120,654,167	3,610,790	(2,173,298)	\$ 122,091,659

Accumulated Amortization:	Balance at July 1, 2017	Additions	Disposals	Balance at June 30, 2018
Sites	\$ -	-	-	-
Buildings	36,464,248	2,541,778	(26,428)	38,979,598
Furniture & Equipment	964,323	221,437	(186,793)	998,967
Vehicles	498,927	90,856	-	589,783
Computer Software	-	-	-	-
Computer Hardware	77,486	114,358	-	191,844
Total	\$ 38,004,984	2,968,429	(213,221)	\$ 40,760,192

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

Net Book Value:

	2018	2017
Sites	\$ 2,558,638	\$ 4,518,715
Buildings	76,667,230	76,092,220
Furniture & Equipment	1,152,846	1,134,310
Vehicles	318,780	409,636
Computer Software	-	-
Computer Hardware	633,973	494,305
Total	\$ 81,331,467	\$ 82,649,186

- Works of art and historic assets - the School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

NOTE 11 RESTRICTED ASSETS (ENDOWMENTS)

Name of Endowment	Balance Beginning of Year	Contributions During Year	Earnings for the Year	Transfer to Deferred Revenue	Balance End of Year
Garner	\$ 30,000	-	\$997	(\$997)	\$ 30,000

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represents plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2016, the Teachers' Pension Plan has about 45,000 active members and approximately 37,000 retired members. As of December 31, 2016, the Municipal Pension Plan has about 193,000 active members, including approximately 24,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the 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, 2014 indicated a \$449 million surplus for basic pension benefits on a going concern basis. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

**SCHOOL DISTRICT NO. 70 (ALBERND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

The next valuation for the Teacher's Pension Plan will be as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

School District No. 70 paid \$3,669,656 (2017: \$3,608,164) for employer contributions to these plans in the year ended June 30, 2018.

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.

NOTE 13 ACCUMULATED SURPLUS

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

	2018	2017
Invested in tangible capital assets	\$ 14,445,926	\$ 14,879,205
Operating surplus	157,907	131,449
Special purpose surplus	30,000	30,000
Local capital surplus	79,072	39,758
	\$ 14,712,905	\$ 15,080,412

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

- Transfer from operating fund to capital fund: \$286,486 for the acquisition of tangible capital assets.
- Transfer from special purpose fund to capital fund: \$134,226 for the acquisition of tangible capital assets.
- Transfer from operating fund to capital fund: \$92,528 for contribution to local capital.

The operating surplus has been internally restricted (appropriated) by the Board for:

Internally restricted for future budget deficiencies	\$ 157,907
Unrestricted Operating Surplus	-
Total available for future operations	<u>\$ 157,907</u>

NOTE 14 RELATED PARTY TRANSACTIONS

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

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 15 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The School District has entered into a contract for transportation services. Total estimated costs related to the contract are expected to be \$326,600 in 2019.

The School District has entered into a contract for capital construction. Anticipated contractual payments related to contracts for capital construction in 2019 total \$561,340.

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

The nature of the School District's activities are 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 that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position or operations.

NOTE 16 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2018 amended annual budget adopted by the Board on February 13, 2018. The chart following reconciles the originally approved annual budget bylaw approved June 13, 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	\$ 39,532,809	\$ 39,820,480
Other	-	53,552
Other Revenue	3,678,714	3,764,414
Rentals and Leases	50,000	50,000
Investment Income	30,000	30,000
Amortization of Deferred Capital Revenue	2,289,455	2,315,716
Gain (loss) on Disposal of Tangible Capital Assets	(188,667)	(216,000)
Total Revenue	45,392,311	45,818,162
Expenses		
Instruction	34,745,792	35,940,577
District Administration	2,241,280	2,010,811
Operations and Maintenance	7,220,254	7,277,845
Transportation and Housing	1,870,626	1,749,180
Debt Services	39,110	17,000
Total Expense	46,117,062	46,995,413
Net Expense	(724,751)	(1,177,251)
Budgeted Allocation of Surplus	-	378,871
Budgeted Deficit for the year	(724,751)	(798,380)

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 17 EXPENSE BY OBJECT

	2018	2017
Salaries and benefits	\$ 36,299,649	\$ 35,643,900
Services and supplies	7,234,271	6,664,241
Interest expense	39,136	65,495
Amortization	2,968,432	2,864,024
	\$ 46,541,488	\$ 45,237,660

NOTE 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.

NOTE 19 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, cash equivalents and amounts receivable.

The School District is exposed to credit risk in the event of non-performance by a borrower.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents as they are placed in recognized British Columbia institutions and the Province of BC Provincial Treasury Central Deposit Program.

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.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 19 **RISK MANAGEMENT** *(Continued)*

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid that have a maturity date of no more than 3 years and the Province of BC Provincial Treasury Central Deposit Program. The School District is also exposed to interest rate risk on its debt, the majority of which pays interest at a variable rate.

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. 70 (Alberni)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	131,449	30,000	14,918,963	15,080,412	16,339,397
Changes for the year					
Surplus (Deficit) for the year	405,472	134,226	(907,205)	(367,507)	(1,258,985)
Interfund Transfers					
Tangible Capital Assets Purchased	(286,486)	(134,226)	420,712	-	-
Local Capital	(92,528)		92,528		
Net Changes for the year	26,458	-	(393,965)	(367,507)	(1,258,985)
Accumulated Surplus (Deficit), end of year - Statement 2	157,907	30,000	14,524,998	14,712,905	15,080,412

School District No. 70 (Alberni)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget (Note 16)	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	35,083,256	34,975,555	35,111,720
Other		6,662	15,000
Tuition		3,000	90,490
Other Revenue	2,549,414	3,229,633	2,775,825
Rentals and Leases	50,000	92,235	87,982
Investment Income	30,000	41,560	39,819
Total Revenue	37,712,670	38,348,645	38,120,836
Expenses			
Instruction	29,532,356	29,578,069	30,638,209
District Administration	2,215,680	2,162,798	2,204,436
Operations and Maintenance	4,817,745	5,073,183	4,773,031
Transportation and Housing	1,114,889	1,129,123	1,096,971
Total Expense	37,680,670	37,943,173	38,712,647
Operating Surplus (Deficit) for the year	32,000	405,472	(591,811)
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(286,486)	(282,341)
Local Capital	(32,000)	(92,528)	
Total Net Transfers	(32,000)	(379,014)	(282,341)
Total Operating Surplus (Deficit), for the year	-	26,458	(874,152)
Operating Surplus (Deficit), beginning of year		131,449	1,005,601
Operating Surplus (Deficit), end of year		157,907	131,449
Operating Surplus (Deficit), end of year			
Internally Restricted		157,907	131,449
Total Operating Surplus (Deficit), end of year		157,907	131,449

School District No. 70 (Alberni)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget (Note 16)	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	36,216,159	36,599,896	36,453,293
DISC/LEA Recovery	(2,489,414)	(2,660,830)	(2,489,414)
Other Ministry of Education Grants			
Pay Equity	595,220	595,220	595,220
Funding for Graduated Adults	6,278	18,762	7,420
Transportation Supplement	71,717	71,717	71,717
Economic Stability Dividend	31,000	23,093	20,702
Return of Administrative Savings	184,456	184,456	184,456
Carbon Tax Grant	26,000	29,460	50,029
Student Learning Grant			193,209
FSA Exam Allocations & Refugee / Other Grants	8,187	13,187	14,188
SRG3 Assessment Grant		42,750	
Shoulder Tappers Grant	17,079	23,679	10,900
Indigenous Language Teaching		10,000	
Support Staff Benefits & Additional Feb/May DL Funding	416,574	24,165	
Total Provincial Grants - Ministry of Education	35,083,256	34,975,555	35,111,720
Provincial Grants - Other		6,662	15,000
Tuition			
International and Out of Province Students		3,000	90,490
Total Tuition		3,000	90,490
Other Revenues			
LEA/Direct Funding from First Nations	2,489,414	3,078,371	2,689,225
Miscellaneous			
Administration Fees	10,000	15,825	28,844
Other	50,000	135,437	57,756
Total Other Revenue	2,549,414	3,229,633	2,775,825
Rentals and Leases	50,000	92,235	87,982
Investment Income	30,000	41,560	39,819
Total Operating Revenue	37,712,670	38,348,645	38,120,836

School District No. 70 (Alberni)

Schedule 2B (Unaudited)

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

	2018 Budget (Note 16)	2018 Actual	2017 Actual
	\$	\$	\$
Salaries			
Teachers	15,423,189	15,739,986	16,357,842
Principals and Vice Principals	2,720,713	2,597,392	2,469,173
Educational Assistants	2,244,515	2,207,371	2,613,794
Support Staff	3,542,708	3,520,468	3,690,305
Other Professionals	1,069,752	1,073,910	1,087,860
Substitutes	1,471,523	1,540,123	1,263,206
Total Salaries	26,472,400	26,679,250	27,482,180
Employee Benefits	6,200,684	6,139,450	6,489,792
Total Salaries and Benefits	32,673,084	32,818,700	33,971,972
Services and Supplies			
Services	1,416,392	1,533,658	1,485,361
Student Transportation	392,397	428,349	384,178
Professional Development and Travel	228,621	260,812	291,279
Rentals and Leases	70,162	112,146	114,273
Dues and Fees	97,752	140,627	89,662
Insurance	110,582	88,808	91,461
Interest	50,409		51,488
Supplies	1,852,605	1,470,530	1,503,466
Utilities	788,666	1,089,543	729,507
Total Services and Supplies	5,007,586	5,124,473	4,740,675
Total Operating Expense	37,680,670	37,943,173	38,712,647

School District No. 70 (Alberni)
 Operating Expense by Function, Program and Object
 Year Ended June 30, 2018

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	12,953,079	979,806	69,473	277,384		815,496	15,095,238
1.03 Career Programs	141,158			105			141,263
1.07 Library Services	339,625	29,936		42,408			411,969
1.08 Counselling	337,617			115,128			452,745
1.10 Special Education	1,502,396	27,236	2,116,086	10,775	122,388	118,469	3,697,350
1.30 English Language Learning	226,409						226,409
1.31 Aboriginal Education	428,452	216,102	21,812	67,757			734,123
1.41 School Administration		1,344,312		370,457	71,936	52,027	1,838,732
1.60 Summer School	9,247						9,247
1.61 Continuing Education	2,003						2,003
1.62 International and Out of Province Students							
1.64 Other							
Total Function 1	15,739,986	2,597,392	2,207,371	884,014	194,324	985,992	22,609,079
4 District Administration							
4.11 Educational Administration				10,874	296,409		307,283
4.40 School District Governance					98,958		98,958
4.41 Business Administration				274,149	384,673		658,822
Total Function 4	-	-	-	285,023	780,040	-	1,065,063
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					99,546		99,546
5.50 Maintenance Operations				1,826,084		554,131	2,380,215
5.52 Maintenance of Grounds				120,684			120,684
5.56 Utilities							
Total Function 5	-	-	-	1,946,768	99,546	554,131	2,600,445
7 Transportation and Housing							
7.70 Student Transportation				404,663			404,663
7.73 Housing							
Total Function 7	-	-	-	404,663	-	-	404,663
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	15,739,986	2,597,392	2,207,371	3,520,468	1,073,910	1,540,123	26,679,250

School District No. 70 (Alberni)
 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 (Note 16)	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
1. Instruction							
1.02 Regular Instruction	15,095,238	3,591,791	18,687,029	743,300	19,430,329	21,015,368	21,377,039
1.03 Career Programs	141,263	32,422	173,685	76,054	249,739	197,432	198,629
1.07 Library Services	411,969	99,733	511,702	23,256	534,958	420,419	426,920
1.08 Counselling	452,745	105,788	558,533	477	559,010	279,307	293,239
1.10 Special Education	3,697,350	900,923	4,598,273	124,550	4,722,823	4,168,074	4,574,530
1.30 English Language Learning	226,409	51,946	278,355	6,592	284,947	303,849	320,691
1.31 Aboriginal Education	734,123	163,836	897,959	483,354	1,381,313	1,477,831	1,462,606
1.41 School Administration	1,838,732	396,140	2,234,872	4,051	2,238,923	1,646,555	1,583,750
1.60 Summer School	9,247	1,359	10,606	-	10,606	8,237	8,720
1.61 Continuing Education	2,003	418	2,421	-	2,421	15,284	15,748
1.62 International and Out of Province Students	-	-	-	-	-	-	40,452
1.64 Other	-	-	-	163,000	163,000	-	335,885
Total Function 1	22,609,079	5,344,356	27,953,435	1,624,634	29,578,069	29,532,356	30,638,209
4. District Administration							
4.11 Educational Administration	307,283	61,206	368,489	68,645	437,134	444,974	437,622
4.40 School District Governance	98,958	1,284	100,242	72,847	173,089	175,229	208,216
4.41 Business Administration	658,822	137,863	796,685	755,890	1,552,575	1,595,477	1,558,598
Total Function 4	1,065,063	200,353	1,265,416	897,382	2,162,798	2,215,680	2,204,436
5. Operations and Maintenance							
5.41 Operations and Maintenance Administration	99,546	18,624	118,170	5,200	123,370	130,856	129,173
5.50 Maintenance Operations	2,380,215	460,016	2,840,231	1,071,443	3,911,674	3,538,655	3,543,820
5.52 Maintenance of Grounds	120,684	26,059	146,743	42,223	188,966	239,986	242,989
5.56 Utilities	-	-	-	849,173	849,173	908,248	857,049
Total Function 5	2,600,445	504,699	3,105,144	1,968,039	5,073,183	4,817,745	4,773,031
7. Transportation and Housing							
7.70 Student Transportation	404,663	90,042	494,705	633,601	1,128,306	1,097,420	1,080,487
7.73 Housing	-	-	-	817	817	17,469	16,484
Total Function 7	404,663	90,042	494,705	634,418	1,129,123	1,114,889	1,096,971
9. Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	26,679,250	6,139,450	32,818,700	5,124,473	37,943,173	37,680,670	38,712,647

School District No. 70 (Alberni)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2018

	2018 Budget (Note 16) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	4,449,553	4,443,587	2,667,168
Other Revenue	1,129,300	1,281,386	981,736
Total Revenue	<u>5,578,853</u>	<u>5,724,973</u>	<u>3,648,904</u>
Expenses			
Instruction	5,213,436	5,175,647	3,331,288
District Administration	25,600	23,094	14,699
Operations and Maintenance	189,817	392,006	249,507
Total Expense	<u>5,428,853</u>	<u>5,590,747</u>	<u>3,595,494</u>
Special Purpose Surplus (Deficit) for the year	<u>150,000</u>	<u>134,226</u>	<u>53,410</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(150,000)	(134,226)	(53,410)
Total Net Transfers	<u>(150,000)</u>	<u>(134,226)</u>	<u>(53,410)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		30,000	30,000
Special Purpose Surplus (Deficit), end of year		<u>30,000</u>	<u>30,000</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		30,000	30,000
Total Special Purpose Surplus (Deficit), end of year		<u>30,000</u>	<u>30,000</u>

School District No. 70 (Alberni)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2018

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
Deferred Revenue, beginning of year	\$	5,006	924	\$ 484,236	\$ 22,336	\$ 935,484	\$ 2,527	\$ 1,541	\$ 1,046
Add: Restricted Grants									
Provincial Grants - Ministry of Education	211,772	145,384	-	13,005	-	1,055,228	128,000	15,435	113,515
Other	-	-	-	-	-	-	-	-	-
Less: Allocated to Revenue	211,772	145,043	-	39,300	10,583	935,743	130,527	15,435	113,515
Deferred Revenue, end of year	-	5,347	924	457,941	11,753	1,054,969	-	-	114,561
Revenues									
Provincial Grants - Ministry of Education	211,772	145,043	-	39,300	10,583	935,743	130,527	16,976	114,561
Other Revenue	211,772	145,043	-	39,300	10,583	935,743	130,527	16,976	114,561
Expenses									
Salaries									
Teachers		113,581							
Principals and Vice Principals		113,581							
Educational Assistants		31,462							
Support Staff							95,646		16,038
Employee Benefits									
Services and Supplies	211,772	145,043	-	39,300	10,583	935,743	9,057	16,976	95,017
Net Revenue (Expense) before Interfund Transfers	211,772	145,043	-	39,300	10,583	935,743	130,527	16,976	114,561
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)									
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 70 (Alberni)

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

Schedule 3A (Unaudited)

Community/Link	Priority Measures	Classroom Enhancement		PRP Kacsaamin	NON Strong Start	School Meals Program	Early Years Centre	Learning Lab (Early Years)
		Fund - Overhead	Fund - Staffing					
\$	\$	\$	\$	\$	\$	\$	\$	\$
	72,695				168,672	180,775	33,224	
Deferred Revenue, beginning of year								
Add: Restricted Grants								
Provincial Grants - Ministry of Education	194,603	2,423,373	213,633					
Other								
Less: Allocated to Revenue								
Deferred Revenue, end of year	72,695	2,423,373	213,633		157,000	57,692	55,272	18,211
		194,603	2,423,373	213,633	157,000	57,692	55,272	18,211
		194,603	2,423,373	213,633	158,227	45,689	84,216	18,211
					167,445	192,778	4,280	
Revenues								
Provincial Grants - Ministry of Education	72,695	2,423,373	213,633					
Other Revenue					158,227	45,689	84,216	18,211
	72,695	2,423,373	213,633		158,227	45,689	84,216	18,211
Expenses								
Salaries								
Teachers								
Principals and Vice Principals	58,240	1,942,428	54,702					
Educational Assistants		49,845	78,315					
Support Staff								
Employee Benefits	385,970							
Services and Supplies								
	58,240	1,942,428	133,017					
	385,970	49,845	14,129					
	105,331	10,532	480,945					
	418,520		66,487		158,227	45,689	84,216	18,211
	72,695	60,377	213,633		158,227	45,689	84,216	18,211
Net Revenue (Expense) before Interfund Transfers		134,226						
Interfund Transfers								
Tangible Capital Assets Purchased		(134,226)						
		(134,226)						
Net Revenue (Expense)								
Additional Expenses funded by, and reported in, the Operating Fund		60,370	164,955					

School District No. 70 (Alberni)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2018

Deferred Revenue, beginning of year	<u>TOTAL</u>
	<u>\$</u>
	1,908,466
Add: Restricted Grants	
Provincial Grants - Ministry of Education	4,355,536
Other	1,356,608
	5,711,944
Less: Allocated to Revenue	
Deferred Revenue, end of year	<u>1,895,437</u>
Revenues	
Provincial Grants - Ministry of Education	4,443,537
Other Revenue	1,281,386
	<u>5,724,973</u>
Expenses	
Salaries	
Teachers	2,151,016
Principals and Vice Principals	63,883
Educational Assistants	464,285
Support Staff	113,581
	<u>2,794,765</u>
Employee Benefits	686,184
Services and Supplies	2,109,798
	<u>5,590,747</u>
Net Revenue (Expense) before Interfund Transfers	<u>134,226</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(134,226)
	<u>(134,226)</u>
Net Revenue (Expense)	<u>-</u>
Additional Expenses funded by, and reported in, the Operating Fund	<u>225,325</u>

School District No. 70 (Alberni)

Schedule 4 (Unaudited)

Schedule of Capital Operations
Year Ended June 30, 2018

	2018	2018 Actual			2017
	Budget (Note 16)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Other Revenue				-	700
Gain (Loss) on Disposal of Tangible Capital Assets	(188,667)	(189,092)		(189,092)	
Amortization of Deferred Capital Revenue	2,289,455	2,289,455		2,289,455	2,208,235
Total Revenue	2,100,788	2,100,363	-	2,100,363	2,208,935
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,212,692	2,220,388		2,220,388	2,143,224
Transportation and Housing	755,737	748,044		748,044	720,800
Debt Services					
Capital Lease Interest				-	7,548
Capital Loan Interest	39,110		39,136	39,136	57,947
Total Expense	3,007,539	2,968,432	39,136	3,007,568	2,929,519
Capital Surplus (Deficit) for the year	(906,751)	(868,069)	(39,136)	(907,205)	(720,584)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	150,000	420,712		420,712	335,751
Local Capital	32,000		92,528	92,528	
Total Net Transfers	182,000	420,712	92,528	513,240	335,751
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(1,770,985)	1,770,985	-	
Principal Payment					
Capital Loan		1,785,063	(1,785,063)	-	
Total Other Adjustments to Fund Balances		14,078	(14,078)	-	
Total Capital Surplus (Deficit) for the year	(724,751)	(433,279)	39,314	(393,965)	(384,833)
Capital Surplus (Deficit), beginning of year		14,879,205	39,758	14,918,963	15,303,796
Capital Surplus (Deficit), end of year		14,445,926	79,072	14,524,998	14,918,963

School District No. 70 (Alberni)
 Tangible Capital Assets
 Year Ended June 30, 2018

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,518,715	112,556,465	2,098,633	908,563	-	571,791	120,654,167
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,116,791					3,116,791
Deferred Capital Revenue - Other			73,287				73,287
Operating Fund			32,460			254,026	286,486
Special Purpose Funds			134,226				134,226
	-	3,116,791	239,973	-	-	254,026	3,610,790
Decrease:							
Disposed of	1,960,077	26,428					1,986,505
Deemed Disposals			186,793				186,793
	1,960,077	26,428	186,793				2,173,298
Cost, end of year	2,558,638	115,646,828	2,151,813	908,563	-	825,817	122,091,659
Work in Progress, end of year							
Cost and Work in Progress, end of year	2,558,638	115,646,828	2,151,813	908,563	-	825,817	122,091,659
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		36,464,248	964,323	498,927	(3)	77,486	38,004,981
Decrease:							
Disposed of		2,541,778	221,437	90,856	3	114,358	2,968,432
Deemed Disposals		26,428					26,428
		26,428	186,793				186,793
Accumulated Amortization, end of year		38,979,598	998,967	589,783	-	191,844	40,760,192
Tangible Capital Assets - Net	2,558,638	76,667,230	1,152,846	318,780	-	633,973	81,331,467

School District No. 70 (Alberni)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	64,189,936	1,356,755	171,930	65,718,621
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,116,791	73,287	-	3,190,078
	3,116,791	73,287	-	3,190,078
Decrease:				
Amortization of Deferred Capital Revenue	2,297,278	(14,603)	6,780	2,289,455
	2,297,278	(14,603)	6,780	2,289,455
Net Changes for the Year	819,513	87,890	(6,780)	900,623
Deferred Capital Revenue, end of year	65,009,449	1,444,645	165,150	66,619,244
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year				-
Total Deferred Capital Revenue, end of year	65,009,449	1,444,645	165,150	66,619,244

School District No. 70 (Alberni)
 Changes in Unspent Deferred Capital Revenue
 Year Ended June 30, 2018

Schedule 4D (Unaudited)

	Bylaw Capital \$	ME'd Restricted Capital \$	Other Provincial Capital \$	Land Capital \$	Other Capital \$	Total \$
Balance, beginning of year			37,011			37,011
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,116,791					3,116,791
Provincial Grants - Other		84,329	36,276			36,276
ME'd Restricted Portion of Proceeds on Disposal	3,116,791	84,329	36,276			84,329
Decrease:						
Transferred to DCR - Capital Additions	3,116,791		73,287			3,190,078
	3,116,791	-	73,287			3,190,078
Net Changes for the Year	-	84,329	(37,011)			47,318
Balance, end of year	-	84,329	-			84,329