

Audited Financial Statements of

**School District No. 70 (Alberni)**

June 30, 2019

# School District No. 70 (Alberni)

June 30, 2019

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# School District No. 70 (Alberni)

## MANAGEMENT REPORT

Version: 6665-5919-3936

### 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)

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Signature of the Chairperson of the Board of Education

Date Signed

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Signature of the Superintendent

Date Signed

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Signature of the Secretary Treasurer

Date Signed

# School District No. 70 (Alberni)

Statement 1

## Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	6,807,251	6,846,155
Accounts Receivable		
Due from Province - Ministry of Education	95,816	
Other (Note 3)	261,566	173,808
<b>Total Financial Assets</b>	<u>7,164,633</u>	<u>7,019,963</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,393,854	4,141,515
Unearned Revenue (Note 5)	102,200	73,000
Deferred Revenue (Note 6)	2,056,669	1,895,437
Deferred Capital Revenue (Note 7)	66,457,695	66,703,573
Employee Future Benefits (Note 8)	606,602	675,005
Debt (Note 9)	264,993	297,298
<b>Total Liabilities</b>	<u>73,882,013</u>	<u>73,785,828</u>
<b>Net Financial Assets (Debt)</b>	<u>(66,717,380)</u>	<u>(66,765,865)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	80,683,966	81,331,467
Restricted Assets (Endowments) (Note 11)	30,000	30,000
Prepaid Expenses	175,428	117,303
<b>Total Non-Financial Assets</b>	<u>80,889,394</u>	<u>81,478,770</u>
<b>Accumulated Surplus (Deficit) (Note 13)</b>	<u>14,172,014</u>	<u>14,712,905</u>

Contractual Obligations (Note 15)

Approved by the Board

\_\_\_\_\_  
Signature of the Chairperson of the Board of Education

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of the Superintendent

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of the Secretary Treasurer

\_\_\_\_\_  
Date Signed

# School District No. 70 (Alberni)

Statement of Operations  
Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	40,518,292	40,346,880	39,419,142
Other	34,500	90,300	6,662
Tuition	75,000	65,700	3,000
Other Revenue	4,124,197	4,516,065	4,511,019
Rentals and Leases	50,000	94,361	92,235
Investment Income	30,000	60,365	41,560
Gain (Loss) on Disposal of Tangible Capital Assets			(189,092)
Amortization of Deferred Capital Revenue	2,335,900	2,335,900	2,289,455
<b>Total Revenue</b>	<u>47,167,889</u>	<u>47,509,571</u>	<u>46,173,981</u>
<b>Expenses (Note 17)</b>			
Instruction	35,952,307	36,399,764	34,753,716
District Administration	2,281,133	2,110,713	2,185,892
Operations and Maintenance	7,694,936	7,653,880	7,685,577
Transportation and Housing	1,950,993	1,876,077	1,877,167
Debt Services	10,122	10,028	39,136
<b>Total Expense</b>	<u>47,889,491</u>	<u>48,050,462</u>	<u>46,541,488</u>
<b>Surplus (Deficit) for the year</b>	<u>(721,602)</u>	<u>(540,891)</u>	<u>(367,507)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		14,712,905	15,080,412
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>14,172,014</u>	<u>14,712,905</u>

**School District No. 70 (Alberni)**

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget (Note 16) \$	2019 Actual \$	2018 Actual \$
<b>Surplus (Deficit) for the year</b>	<u>(721,602)</u>	<u>(540,891)</u>	<u>(367,507)</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(2,122,022)	(2,431,879)	(3,610,790)
Amortization of Tangible Capital Assets	3,079,380	3,079,380	2,968,432
Net carrying value of Tangible Capital Assets disposed of			<u>1,960,077</u>
<b>Total Effect of change in Tangible Capital Assets</b>	<u>957,358</u>	<u>647,501</u>	<u>1,317,719</u>
Acquisition of Prepaid Expenses		(58,125)	
Use of Prepaid Expenses			<u>3,997</u>
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(58,125)</u>	<u>3,997</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>235,756</u>	<u>48,485</u>	<u>954,209</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>48,485</u>	<u>954,209</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(66,765,865)</u>	<u>(67,720,074)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u>(66,717,380)</u>	<u>(66,765,865)</u>

# School District No. 70 (Alberni)

Statement of Cash Flows  
Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(540,891)	(367,507)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(183,574)	214,073
Prepaid Expenses	(58,125)	3,997
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	252,338	(101,053)
Unearned Revenue	29,200	73,000
Deferred Revenue	161,232	(13,029)
Employee Future Benefits	(68,403)	(53,014)
Loss (Gain) on Disposal of Tangible Capital Assets		189,092
Amortization of Tangible Capital Assets	3,079,380	2,968,432
Amortization of Deferred Capital Revenue	(2,335,900)	(2,289,455)
<b>Total Operating Transactions</b>	<u>335,257</u>	<u>624,536</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(2,431,879)	(3,610,790)
District Portion of Proceeds on Disposal		1,770,985
<b>Total Capital Transactions</b>	<u>(2,431,879)</u>	<u>(1,839,805)</u>
<b>Financing Transactions</b>		
Loan Payments	(32,304)	(1,785,063)
Capital Revenue Received	2,090,022	3,237,396
<b>Total Financing Transactions</b>	<u>2,057,718</u>	<u>1,452,333</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(38,904)	237,064
<b>Cash and Cash Equivalents, beginning of year</b>	<u>6,846,155</u>	<u>6,609,091</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>6,807,251</u>	<u>6,846,155</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>6,807,251</u>	<u>6,846,155</u>
	<u>6,807,251</u>	<u>6,846,155</u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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**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, 2019**

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**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 (ALBERNI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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**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 (l).

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<sub>L</sub>) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 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.

**SCHOOL DISTRICT NO. 70 (ALBERNI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

**h) 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.

**i) Tangible Capital Assets**

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets 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 (ALBERNI)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

**i) 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

**j) 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.

**k) 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, 2019**

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

**D) 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, 2019**

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

**m) 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.

**n) 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, 2019**

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

**o) 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**

	<b>2019</b>	<b>2018</b>
Due from Federal Government	54,198	\$ 59,045
Other	207,368	114,763
	<b>261,566</b>	<b>\$ 173,808</b>

**NOTE 4      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2019</b>	<b>2018</b>
Trade payables	840,575	\$ 869,170
Salaries and benefits payable	3,008,170	2,727,236
Accrued vacation pay	545,109	545,109
	<b>4,393,854</b>	<b>\$ 4,141,515</b>

**SCHOOL DISTRICT NO. 70 (ALBERNI)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**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:

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	\$ 73,000	\$ -
Changes for the year:		
Increase:		
Tuition fees collected	102,200	73,000
	102,200	73,000
Decrease:		
Tuition fees recognized	65,700	-
Refund given	7,300	-
	73,000	73,000
Net changes for the year	73,000	73,000
Balance, end of year	<b>\$ 102,200</b>	<b>\$ 73,000</b>

**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.

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	\$ 1,895,437	\$ 1,908,466
Changes for the year:		
Increase:		
Provincial grants	5,087,237	4,355,536
Other revenue	1,323,042	1,356,408
	6,410,279	5,711,944
Decrease:		
Allocated to revenue	(6,249,047)	(5,724,973)
Recovered	-	-
	(6,249,047)	(5,724,973)
Net changes for the year	161,232	(13,029)
<b>Balance, end of year</b>	<b>2,056,669</b>	<b>\$ 1,895,437</b>



**SCHOOL DISTRICT NO. 70 (ALBERNI)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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.

	<b>2019</b>	<b>2018</b>
<b>Deferred capital revenue subject to amortization</b>		
Balance, beginning of year	\$ 66,619,244	\$ 65,718,621
Increases:		
Capital additions	2,090,022	3,190,078
Decreases:		
Amortization	(2,335,900)	(2,289,455)
Net change for the year	(245,878)	900,623
Balance, end of year	66,373,366	66,619,244
<b>Unspent deferred capital revenue</b>		
Balance, beginning of year	84,329	37,011
Increases:		
Provincial Grants – Ministry of Education	2,071,883	3,116,791
Provincial Grants – Other	18,139	36,276
Ministry Restricted Proceeds on Disposal	-	84,329
Decreases:		
Transfer to deferred capital revenue subject to amortization:		
Capital additions	(2,090,022)	(3,190,078)
Net change for the year	-	47,318
Balance, end of year	84,329	84,329
<b>Total deferred capital revenue balance, end of year</b>	<b>\$66,457,695</b>	<b>\$ 66,703,573</b>

**SCHOOL DISTRICT NO. 70 (ALBERNI)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**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.

	<b>2019</b>	<b>2018</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 742,026	\$791,441
Service Cost	44,099	40,618
Interest Cost	20,117	21,317
Benefit Payments	(145,913)	(100,066)
Actuarial Loss	121,272	(11,284)
<b>Accrued Benefit Obligation – March 31</b>	<b>781,601</b>	<b>\$ 742,026</b>
 <b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	781,601	\$ 742,026
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(781,601)	(742,026)
Employer Contributions After Measurement Date	47,745	55,683
Benefits Expense After Measurement Date	(14,326)	(16,053)
Unamortized Net Actuarial Loss	141,581	27,391
<b>Accrued Benefit Liability - June 30</b>	<b>\$(606,602)</b>	<b>\$ (675,005)</b>
 <b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	675,005	\$ 728,019
Net Expense for Fiscal Year	69,570	70,828
Employer Contributions	(137,975)	(123,842)
<b>Accrued Benefit Liability - June 30</b>	<b>\$ 606,602</b>	<b>\$ 675,005</b>

**SCHOOL DISTRICT NO. 70 (ALBERNI)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)**

	2019	2018
<b>Components of Net Benefit Expense</b>		
Service Cost	42,680	\$ 41,488
Interest Cost	19,808	21,018
Amortization of Net Actuarial Loss	7,082	8,322
Net Benefit Expense	<b>\$69,570</b>	<b>\$ 70,828</b>

**Assumptions**

Discount Rate - April 1	2.75%	2.75%
Discount Rate - March 31	2.50%	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
EARSLS - March 31	8.9	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	2019 Balance	2018 Balance
Demand	1998	1998	Prime rate	Demand	144,605	73,813	70,791	88,868
Term	2010	2010	3.44%	5 years	124,259	27,158	97,101	104,215
Term	2010	2010	3.44%	5 years	124,259	27,158	97,101	104,215
							<b>264,993</b>	<b>297,298</b>

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

2020	30,061
2021	31,008
2022	31,985
2023	31,518
Thereafter	140,422
	<b>\$ 264,993</b>

**SCHOOL DISTRICT NO. 70 (ALBERNI)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 10 TANGIBLE CAPITAL ASSETS**

<b>Cost:</b>	<b>Balance at July 1, 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2019</b>
Sites	2,558,638	-	-	2,558,638
Buildings	115,646,828	1,822,359	-	117,469,187
Furniture & Equipment	2,151,813	209,793	119,398	2,242,208
Vehicles	908,563	179,995	313,908	774,650
Computer Software	-	-	-	-
Computer Hardware	825,817	219,732	-	1,045,549
<b>Total</b>	<b>\$ 122,091,659</b>	<b>2,431,879</b>	<b>433,306</b>	<b>124,090,232</b>

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2019</b>
Sites	-	-	-	-
Buildings	38,979,598	2,608,180	-	41,587,778
Furniture & Equipment	998,967	215,181	119,398	1,094,750
Vehicles	589,783	90,856	313,908	366,731
Computer Software	-	-	-	-
Computer Hardware	191,844	165,163	-	357,007
<b>Total</b>	<b>\$ 40,760,192</b>	<b>3,079,380</b>	<b>433,306</b>	<b>43,406,266</b>

**SCHOOL DISTRICT NO. 70 (ALBERNI)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)**

**Net Book Value:**

	<b>2019</b>	<b>2018</b>
Sites	2,558,638	\$ 2,558,638
Buildings	75,881,409	76,667,230
Furniture & Equipment	1,147,458	1,152,846
Vehicles	407,919	318,780
Computer Software	-	-
Computer Hardware	688,542	633,973
<b>Total</b>	<b>80,683,966</b>	<b>\$ 81,331,467</b>

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 boards of trustees for these plans, representing 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. At December 31, 2017, the Teachers' Pension Plan has about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 24,000 from school districts.

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

**SCHOOL DISTRICT NO. 70 (ALBERNI)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 12 EMPLOYEE PENSION PLANS (Continued)**

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged. The next valuation for the Teacher's 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, 2018, with results available in 2019.

School District No. 70 paid \$3,542,963 (2018: \$3,669,656) for employer contributions to these plans in the year ended June 30, 2019.

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

**NOTE 13 ACCUMULATED SURPLUS**

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

	2019	2018
Invested in tangible capital assets	\$14,076,607	\$ 14,445,926
Operating surplus	26,967	157,907
Special purpose surplus	30,000	30,000
Local capital surplus	38,440	79,072
	<b>\$14,172,014</b>	<b>\$ 14,712,905</b>

Inter-fund transfers between the operating, special purpose and capital funds for the year ended June 30, 2019, were as follows:

- Transfer from operating fund to capital fund: \$288,035 for the acquisition of tangible capital assets.
- Transfer from special purpose fund to capital fund: \$53,822 for the acquisition of tangible capital assets.

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

Internally restricted for future budget deficiencies	\$ 26,967
Unrestricted Operating Surplus	-
Total available for future operations	<u>\$ 26,967</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, 2019**

**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 \$407,400 in 2020.

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, 2019, 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 2019 amended annual budget adopted by the Board on February 19, 2019. The chart following reconciles the originally approved annual budget bylaw approved June 12, 2018 to the amended annual budget bylaw reported in these financial statements.

	2019 Amended Annual Budget	2019 Annual Budget
<b>Revenues</b>		
Provincial Grants		
Ministry of Education	\$ 40,518,292	\$ 39,893,328
Other	34,500	53,552
Other Revenue	4,124,197	3,935,830
Tuition	75,000	100,000
Rentals and Leases	50,000	50,000
Investment Income	30,000	30,000
Amortization of Deferred Capital Revenue	2,335,900	2,320,188
Gain (loss) on Disposal of Tangible Capital Assets	-	-
<b>Total Revenue</b>	<b>47,167,889</b>	<b>46,862,898</b>
<b>Expenses</b>		
Instruction	35,952,307	35,797,192
District Administration	2,281,133	2,255,646
Operations and Maintenance	7,694,936	7,228,008
Transportation and Housing	1,950,993	1,844,941
Debt Services	10,122	10,042
<b>Total Expense</b>	<b>47,889,491</b>	<b>47,135,829</b>
<b>Net Expense</b>	<b>(721,602)</b>	<b>(752,931)</b>
Budgeted Allocation of Surplus	-	96540
<b>Budgeted Deficit for the year</b>	<b>(721,602)</b>	<b>(656,391)</b>

**SCHOOL DISTRICT NO. 70 (ALBERNI)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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**NOTE 17      EXPENSE BY OBJECT**

	<b>2019</b>	<b>2018</b>
Salaries and benefits	38,149,004	\$ 36,299,649
Services and supplies	6,812,050	7,234,271
Interest expense	10,028	39,136
Amortization	3,079,380	2,968,432
	<b>\$ 48,050,462</b>	<b>\$ 46,541,488</b>

**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, 2019**

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**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.

There has been no changes to risk exposures from 2018 related to credit, market or liquidity risks.

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, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	157,907	30,000	14,524,998	14,712,905	15,080,412
<b>Changes for the year</b>					
Surplus (Deficit) for the year	157,095	53,822	(751,808)	(540,891)	(367,507)
Interfund Transfers	(288,035)	(53,822)	341,857	-	
Tangible Capital Assets Purchased	(130,940)	-	(409,951)	(540,891)	(367,507)
<b>Net Changes for the year</b>					
	26,967	30,000	14,115,047	14,172,014	14,712,905
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>					

# School District No. 70 (Alberni)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	35,519,107	35,362,939	34,975,555
Other	34,500	90,300	6,662
Tuition	75,000	65,700	3,000
Other Revenue	2,759,197	3,249,259	3,229,633
Rentals and Leases	50,000	94,361	92,235
Investment Income	30,000	60,365	41,560
<b>Total Revenue</b>	<b>38,467,804</b>	<b>38,922,924</b>	<b>38,348,645</b>
<b>Expenses</b>			
Instruction	29,860,894	30,444,684	29,578,069
District Administration	2,252,133	2,082,340	2,162,798
Operations and Maintenance	5,187,768	5,138,731	5,073,183
Transportation and Housing	1,167,009	1,100,074	1,129,123
<b>Total Expense</b>	<b>38,467,804</b>	<b>38,765,829</b>	<b>37,943,173</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>-</b>	<b>157,095</b>	<b>405,472</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(288,035)	(286,486)
Local Capital			(92,528)
<b>Total Net Transfers</b>	<b>-</b>	<b>(288,035)</b>	<b>(379,014)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(130,940)</b>	<b>26,458</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>157,907</b>	<b>131,449</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>26,967</b>	<b>157,907</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		26,967	157,907
<b>Total Operating Surplus (Deficit), end of year</b>		<b>26,967</b>	<b>157,907</b>

# School District No. 70 (Alberni)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source  
Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	36,909,622	37,383,708	36,599,896
ISC/LEA Recovery	(2,660,830)	(3,049,317)	(2,660,830)
Other Ministry of Education Grants			
Pay Equity	595,220	595,220	595,220
Funding for Graduated Adults	2,348	18,491	18,762
Transportation Supplement	71,717	71,717	71,717
Economic Stability Dividend	37,357	42,805	23,093
Return of Administrative Savings			184,456
Carbon Tax Grant	20,000	27,074	29,460
Employer Health Tax Grant		92,944	
Strategic Priorities - Mental Health Grant	35,000	35,000	
Support Staff Benefits Grant	25,404	25,404	24,165
BCTEA - LEA Capacity Building Grant		61,640	
Additional Feb / May DL Funding	427,016		
FSA Exam Allocations	8,187	8,187	13,187
SRG3 Assessment Grant	9,066	9,066	
Shoulder Tappers Grant	5,000	5,000	23,679
Other (EY2K Transition, Equity Scan , MyEd Academy Travel)	34,000	36,000	52,750
<b>Total Provincial Grants - Ministry of Education</b>	<b>35,519,107</b>	<b>35,362,939</b>	<b>34,975,555</b>
<b>Provincial Grants - Other</b>	<b>34,500</b>	<b>90,300</b>	<b>6,662</b>
<b>Tuition</b>			
International and Out of Province Students	75,000	65,700	3,000
<b>Total Tuition</b>	<b>75,000</b>	<b>65,700</b>	<b>3,000</b>
<b>Other Revenues</b>			
LEA Funding from First Nations	2,660,830	3,216,105	3,078,371
Miscellaneous			
Other Revenues	98,367	33,154	151,262
<b>Total Other Revenue</b>	<b>2,759,197</b>	<b>3,249,259</b>	<b>3,229,633</b>
<b>Rentals and Leases</b>	<b>50,000</b>	<b>94,361</b>	<b>92,235</b>
<b>Investment Income</b>	<b>30,000</b>	<b>60,365</b>	<b>41,560</b>
<b>Total Operating Revenue</b>	<b>38,467,804</b>	<b>38,922,924</b>	<b>38,348,645</b>

**School District No. 70 (Alberni)**

Schedule of Operating Expense by Object

Year Ended June 30, 2019

Schedule 2B (Unaudited)

	2019 Budget (Note 16) \$	2019 Actual \$	2018 Actual \$
<b>Salaries</b>			
Teachers	15,698,471	15,912,654	15,739,986
Principals and Vice Principals	2,780,338	2,754,549	2,597,392
Educational Assistants	2,396,437	2,283,335	2,207,371
Support Staff	4,055,052	3,870,518	3,520,468
Other Professionals	1,186,167	1,180,331	1,073,910
Substitutes	1,200,000	1,565,044	1,540,123
<b>Total Salaries</b>	<b>27,316,465</b>	<b>27,566,431</b>	<b>26,679,250</b>
<b>Employee Benefits</b>	<b>6,220,421</b>	<b>6,293,246</b>	<b>6,139,450</b>
<b>Total Salaries and Benefits</b>	<b>33,536,886</b>	<b>33,859,677</b>	<b>32,818,700</b>
<b>Services and Supplies</b>			
Services	1,445,708	1,446,808	1,533,658
Student Transportation	400,519	388,043	428,349
Professional Development and Travel	233,353	328,329	260,812
Rentals and Leases	71,614	123,420	112,146
Dues and Fees	99,775	120,918	140,627
Insurance	112,871	80,171	88,808
Supplies	1,762,088	1,621,594	1,470,530
Utilities	804,990	796,869	1,089,543
<b>Total Services and Supplies</b>	<b>4,930,918</b>	<b>4,906,152</b>	<b>5,124,473</b>
<b>Total Operating Expense</b>	<b>38,467,804</b>	<b>38,765,829</b>	<b>37,943,173</b>

# School District No. 70 (Alberni)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2019

	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	13,426,690	880,383	126,264	257,055		876,726	15,567,118
1.03 Career Programs	160,785						160,785
1.07 Library Services	137,304			29,823			167,127
1.08 Counselling	394,412			122,803			517,215
1.10 Special Education	1,279,878	42,331	2,133,660	10,370	126,905	254,139	3,847,283
1.30 English Language Learning	181,078						181,078
1.31 Aboriginal Education	332,507	316,211	23,411	68,540			740,669
1.41 School Administration		1,515,624		364,794	71,636	61,700	2,013,754
1.60 Summer School							-
1.61 Continuing Education							-
1.62 International and Out of Province Students							-
1.64 Other							-
<b>Total Function 1</b>	<b>15,912,654</b>	<b>2,754,549</b>	<b>2,283,335</b>	<b>853,385</b>	<b>198,541</b>	<b>1,192,565</b>	<b>23,195,029</b>
<b>4 District Administration</b>							
4.11 Educational Administration				10,460	302,113		312,573
4.40 School District Governance					98,959		98,959
4.41 Business Administration				257,787	477,245		735,032
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268,247</b>	<b>878,317</b>	<b>-</b>	<b>1,146,564</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration					103,473		103,473
5.50 Maintenance Operations				2,185,691		372,479	2,558,170
5.52 Maintenance of Grounds				131,352			131,352
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,317,043</b>	<b>103,473</b>	<b>372,479</b>	<b>2,792,995</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				431,843			431,843
7.73 Housing							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>431,843</b>	<b>-</b>	<b>-</b>	<b>431,843</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>15,912,654</b>	<b>2,754,549</b>	<b>2,283,335</b>	<b>3,870,518</b>	<b>1,180,331</b>	<b>1,565,044</b>	<b>27,566,431</b>

# School District No. 70 (Alberni)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 16)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	15,567,118	3,705,158	19,272,276	817,142	20,089,418	19,260,241	19,430,329
1.03 Career Programs	160,785	35,621	196,406	114,324	310,730	246,843	249,739
1.07 Library Services	167,127	40,041	207,168	9,880	217,048	543,019	534,958
1.08 Counselling	517,215	117,896	635,111	1,213	636,324	576,978	559,010
1.10 Special Education	3,847,283	873,583	4,720,866	130,294	4,851,160	4,899,141	4,722,823
1.30 English Language Learning	181,078	42,680	223,758	150	223,908	284,778	284,947
1.31 Aboriginal Education	740,669	162,596	903,265	595,194	1,498,459	1,482,150	1,381,313
1.41 School Administration	2,013,754	422,813	2,436,567	6,179	2,442,746	2,391,722	2,238,923
1.60 Summer School	-	-	-	-	-	10,600	10,600
1.61 Continuing Education	-	-	-	11,891	11,891	2,422	2,421
1.62 International and Out of Province Students	-	-	-	163,000	163,000	163,000	163,000
1.64 Other	-	-	-	1,849,267	30,444,684	29,860,894	29,578,069
<b>Total Function 1</b>	<b>23,195,029</b>	<b>5,400,388</b>	<b>28,595,417</b>	<b>1,849,267</b>	<b>30,444,684</b>	<b>29,860,894</b>	<b>29,578,069</b>
<b>4 District Administration</b>							
4.11 Educational Administration	312,573	60,192	372,765	61,302	434,067	471,042	437,134
4.40 School District Governance	98,959	3,239	102,198	99,133	201,331	170,265	173,089
4.41 Business Administration	735,032	153,931	888,963	557,979	1,446,942	1,610,826	1,552,575
<b>Total Function 4</b>	<b>1,146,564</b>	<b>217,362</b>	<b>1,363,926</b>	<b>718,414</b>	<b>2,082,340</b>	<b>2,252,133</b>	<b>2,162,798</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	103,473	19,824	123,297	7,489	130,786	134,875	123,370
5.50 Maintenance Operations	2,558,170	532,660	3,090,830	881,394	3,972,224	4,030,859	3,911,674
5.52 Maintenance of Grounds	131,352	28,375	159,727	79,125	238,852	205,989	188,966
5.56 Utilities	-	-	-	796,869	796,869	816,045	849,173
<b>Total Function 5</b>	<b>2,792,995</b>	<b>580,859</b>	<b>3,373,854</b>	<b>1,764,877</b>	<b>5,138,731</b>	<b>5,187,768</b>	<b>5,073,183</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation	431,843	94,637	526,480	564,844	1,091,324	1,166,224	1,128,306
7.73 Housing	-	-	-	8,750	8,750	785	817
<b>Total Function 7</b>	<b>431,843</b>	<b>94,637</b>	<b>526,480</b>	<b>573,594</b>	<b>1,100,074</b>	<b>1,167,009</b>	<b>1,129,123</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>27,566,431</b>	<b>6,293,246</b>	<b>33,859,677</b>	<b>4,906,152</b>	<b>38,765,829</b>	<b>38,467,804</b>	<b>37,943,173</b>

# School District No. 70 (Alberni)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 16) \$	2019 Actual \$	2018 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	4,999,185	4,983,941	4,443,587
Other Revenue	1,365,000	1,265,106	1,281,386
<b>Total Revenue</b>	<u>6,364,185</u>	<u>6,249,047</u>	<u>5,724,973</u>
<b>Expenses</b>			
Instruction	6,091,413	5,955,080	5,175,647
District Administration	29,000	28,373	23,094
Operations and Maintenance	211,772	211,772	392,006
<b>Total Expense</b>	<u>6,332,185</u>	<u>6,195,225</u>	<u>5,590,747</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>32,000</u>	<u>53,822</u>	<u>134,226</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(32,000)	(53,822)	(134,226)
<b>Total Net Transfers</b>	<u>(32,000)</u>	<u>(53,822)</u>	<u>(134,226)</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>		<u>30,000</u>	<u>30,000</u>
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>30,000</u>	<u>30,000</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		<u>30,000</u>	<u>30,000</u>
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<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, 2019

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>									
<b>Add: Restricted Grants</b>									
Provincial Grants - Ministry of Education	211,772	144,579	924	457,941	11,753	1,054,969	128,000	28,665	113,933
Other				4,145		1,012,245			
	211,772	144,579	-	4,145	-	1,012,245	128,000	28,665	113,933
<b>Less: Allocated to Revenue</b>	211,772	141,383	-	41,825	6,618	850,206	127,956	28,665	113,933
<b>Deferred Revenue, end of year</b>	-	8,543	924	420,261	5,135	1,217,008	44	-	-
<b>Revenues</b>	211,772	141,383	-	41,825	6,618	850,206	127,956	28,665	113,933
Provincial Grants - Ministry of Education									
Other Revenue	211,772	141,383	-	41,825	6,618	850,206	127,956	28,665	113,933
<b>Expenses</b>									
Salaries							99,288		
Teachers									
Principals and Vice Principals		114,511							4,223
Educational Assistants									
Other Professionals									
Employee Benefits		114,511					99,288		4,223
Services and Supplies	211,772	26,872		41,825	6,618	850,206	5,890	28,665	67,623
	211,772	141,383	-	41,825	6,618	850,206	127,956	28,665	71,846
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	42,087
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased									(42,087)
<b>Net Revenue (Expense)</b>									(42,087)
<b>Additional Expenses funded by, and reported in, the Operating Fund</b>									4,185

**School District No. 70 (Alberni)**  
 Changes in Special Purpose Funds and Expense by Object  
 Year Ended June 30, 2019

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	NON Strong Start	School Meals Program	Early Years Centre	Learning Lab (Early Years)	PRP Kakaamin
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>									
<b>Add: Restricted Grants</b>									
Provincial Grants - Ministry of Education	914,988	154,000	2,378,606	791,192	47,947	57,773	182,533	18,399	221,502
Other									
	914,988	154,000	2,378,606	791,192	47,947	57,773	182,533	18,399	221,502
<b>Less: Allocated to Revenue</b>									
Deferred Revenue, end of year	914,988	134,431	2,316,763	791,192	97,646	154,691	105,141	15,597	196,240
	-	19,569	61,843	-	117,746	95,860	81,672	2,802	25,262
<b>Revenues</b>	914,988	134,431	2,316,763	791,192	97,646	154,691	105,141	15,597	196,240
Other Revenue	914,988	134,431	2,316,763	791,192	97,646	154,691	105,141	15,597	196,240
<b>Expenses</b>									
Salaries									
Teachers			1,871,334	653,314					57,409
Principals and Vice Principals	493,678	80,951							86,111
Educational Assistants									
Other Professionals		22,046							
Employee Benefits	493,678	102,997	1,871,334	653,314					143,520
Services and Supplies	118,759	19,699	445,429	137,878					35,047
	302,551				97,646	154,691	105,141	15,597	17,673
	914,988	122,696	2,316,763	791,192	97,646	154,691	105,141	15,597	196,240
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	11,735	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased		(11,735)							
	-	(11,735)							
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-
<b>Additional Expenses funded by, and reported in, the Operating Fund</b>									

**School District No. 70 (Alberni)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2019

	<u>TOTAL</u>
	\$
<b>Deferred Revenue, beginning of year</b>	1,895,437
<b>Add: Restricted Grants</b>	
Provincial Grants - Ministry of Education	5,087,237
Other	1,323,042
	6,410,279
<b>Less: Allocated to Revenue</b>	6,249,047
<b>Deferred Revenue, end of year</b>	<u>2,056,669</u>
<b>Revenues</b>	
Provincial Grants - Ministry of Education	4,983,941
Other Revenue	1,265,106
	6,249,047
<b>Expenses</b>	
Salaries	
Teachers	2,681,345
Principals and Vice Principals	85,174
Educational Assistants	694,300
Other Professionals	22,046
	3,482,865
Employee Benefits	806,462
Services and Supplies	1,905,898
	6,195,225
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>53,822</u>
<b>Interfund Transfers</b>	
Tangible Capital Assets Purchased	(53,822)
	(53,822)
<b>Net Revenue (Expense)</b>	<u>-</u>
<b>Additional Expenses funded by, and reported in, the Operating Fund</b>	<u>4,185</u>

# School District No. 70 (Alberni)

Schedule 4 (Unaudited)

Schedule of Capital Operations  
Year Ended June 30, 2019

	2019	2019 Actual			2018
	Budget (Note 16)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Other Revenue			1,700	1,700	
Gain (Loss) on Disposal of Tangible Capital Assets				-	(189,092)
Amortization of Deferred Capital Revenue	2,335,900	2,335,900		2,335,900	2,289,455
<b>Total Revenue</b>	<b>2,335,900</b>	<b>2,335,900</b>	<b>1,700</b>	<b>2,337,600</b>	<b>2,100,363</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,295,396	2,303,377		2,303,377	2,220,388
Transportation and Housing	783,984	776,003		776,003	748,044
Debt Services					
Capital Loan Interest	10,122		10,028	10,028	39,136
<b>Total Expense</b>	<b>3,089,502</b>	<b>3,079,380</b>	<b>10,028</b>	<b>3,089,408</b>	<b>3,007,568</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(753,602)</b>	<b>(743,480)</b>	<b>(8,328)</b>	<b>(751,808)</b>	<b>(907,205)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	32,000	341,857		341,857	420,712
Local Capital				-	92,528
<b>Total Net Transfers</b>	<b>32,000</b>	<b>341,857</b>	<b>-</b>	<b>341,857</b>	<b>513,240</b>
<b>Other Adjustments to Fund Balances</b>					
Principal Payment					
Capital Loan		32,304	(32,304)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>32,304</b>	<b>(32,304)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(721,602)</b>	<b>(369,319)</b>	<b>(40,632)</b>	<b>(409,951)</b>	<b>(393,965)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>14,445,926</b>	<b>79,072</b>	<b>14,524,998</b>	<b>14,918,963</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>14,076,607</b>	<b>38,440</b>	<b>14,115,047</b>	<b>14,524,998</b>

# School District No. 70 (Alberni)

Tangible Capital Assets  
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	2,558,638	115,646,828	2,151,813	908,563	-	825,817	122,091,659
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,804,220	92,968	174,695			2,071,883
Deferred Capital Revenue - Other		18,139					18,139
Operating Fund			105,090	5,300		177,645	288,035
Special Purpose Funds			11,735			42,087	53,822
	-	1,822,359	209,793	179,995	-	219,732	2,431,879
Decrease:							
Deemed Disposals			119,398	313,908			433,306
	-	-	119,398	313,908	-	-	433,306
<b>Cost, end of year</b>	2,558,638	117,469,187	2,242,208	774,650	-	1,045,549	124,090,232
<b>Work in Progress, end of year</b>							
<b>Cost and Work in Progress, end of year</b>	2,558,638	117,469,187	2,242,208	774,650	-	1,045,549	124,090,232
<b>Accumulated Amortization, beginning of year</b>							
<b>Changes for the Year</b>							
Increase:							
Amortization for the Year		38,979,598	998,967	589,783		191,844	40,760,192
Amortization for the Year		2,608,180	215,181	90,856		165,163	3,079,380
Decrease:							
Deemed Disposals			119,398	313,908			433,306
		-	119,398	313,908	-	-	433,306
<b>Accumulated Amortization, end of year</b>	41,587,778	1,094,750	1,147,458	407,919	-	357,007	43,406,266
<b>Tangible Capital Assets - Net</b>	2,558,638	75,881,409	1,147,458	407,919	-	688,542	80,683,966

# School District No. 70 (Alberni)

Deferred Capital Revenue  
Year Ended June 30, 2019

Schedule 4C (Unaudited)

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	65,009,449	1,444,645	165,150	66,619,244
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,071,883	18,139	-	2,090,022
	2,071,883	18,139	-	2,090,022
Decrease:				
Amortization of Deferred Capital Revenue	2,276,833	52,287	6,780	2,335,900
	2,276,833	52,287	6,780	2,335,900
<b>Net Changes for the Year</b>	<b>(204,950)</b>	<b>(34,148)</b>	<b>(6,780)</b>	<b>(245,878)</b>
Deferred Capital Revenue, end of year	64,804,499	1,410,497	158,370	66,373,366
 Work in Progress, beginning of year				-
 Changes for the Year				-
Net Changes for the Year	-	-	-	-
 Work in Progress, end of year				-
 <b>Total Deferred Capital Revenue, end of year</b>	<b>64,804,499</b>	<b>1,410,497</b>	<b>158,370</b>	<b>66,373,366</b>

**School District No. 70 (Alberni)**  
 Changes in Unspent Deferred Capital Revenue  
 Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		84,329				84,329
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,071,883		18,139			2,071,883
Provincial Grants - Other	2,071,883	-	18,139	-	-	2,090,022
Decrease:						
Transferred to DCR - Capital Additions	2,071,883		18,139			2,090,022
	2,071,883	-	18,139	-	-	2,090,022
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	84,329	-	-	-	84,329