

Audited Financial Statements of

**School District No. 71 (Comox Valley)**

June 30, 2019

# School District No. 71 (Comox Valley)

June 30, 2019

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# School District No. 71 (Comox Valley)

## MANAGEMENT REPORT

Version: 9906-9161-7178

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 71 (Comox Valley) 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.


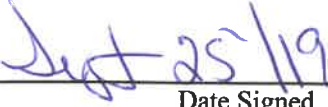




The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 71 (Comox Valley) (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, Office of the Auditor General of British Columbia, 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. 71 (Comox Valley) 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. 71 (Comox Valley)

	
Signature of the Chairperson of the Board of Education	Date Signed
	
Signature of the Superintendent	Date Signed
	
Signature of the Secretary Treasurer	Date Signed



## **INDEPENDENT AUDITOR'S REPORT**

*To the Board of Education of School District No. 71 (Comox Valley), and  
To the Minister of Education, Province of British Columbia*

### ***Qualified Opinion***

I have audited the accompanying financial statements of School District No. 71 (Comox Valley) (“the entity”), which comprise the statement of financial position as at June 30, 2019, and the statements of operations, changes in net financial assets (debt), and cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2019, and the results of its operations, change in its net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

### ***Basis for Qualified Opinion***

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2a to the financial statements, the entity’s accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, the entity’s method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such the entity’s method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had the entity made an adjustment for this departure in the current year, the liability for deferred capital revenue as at June 30, 2019, would have been lower by \$99.2 million, the liability for deferred revenue would have been lower by \$0.1 million,



revenues, annual surplus and accumulated surplus would have been higher by \$99.3 million and net debt would have been lower by \$99.3 million.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the unaudited schedules attached to the financial statements and the financial statement discussion and analysis, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report I obtained the unaudited schedules to the financial statements and the financial statement discussion and analysis. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the unaudited schedules to the financial statements and the financial statement discussion and analysis affected by this departure from PSAS.

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

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such

internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

### ***Auditor's Responsibilities for the Audit of Financial Statements***

My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

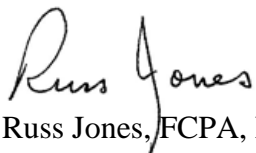
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Russ Jones, FCPA, FCA  
Deputy Auditor General

Victoria, British Columbia, Canada  
September 25, 2019



# School District No. 71 (Comox Valley)

Statement 1

Statement of Financial Position  
As at June 30, 2019


	2019 Actual	2018 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	23,452,942	26,217,748
Accounts Receivable		
Due from Province - Ministry of Education	1,713,756	1,964,977
Other (Note 4)	555,977	351,733
<b>Total Financial Assets</b>	<u>25,722,675</u>	<u>28,534,458</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	9,188,567	10,379,723
Unearned Revenue (Note 6)	2,162,948	2,288,672
Deferred Revenue (Note 7)	1,572,785	1,904,746
Deferred Capital Revenue (Note 8)	102,239,252	92,782,409
Employee Future Benefits (Note 9)	4,126,343	4,000,670
Capital Lease Obligations (Note 10)	22,101	155,537
<b>Total Liabilities</b>	<u>119,311,996</u>	<u>111,511,757</u>
<b>Net Financial Assets (Debt)</b>	<u>(93,589,321)</u>	<u>(82,977,299)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	132,997,024	121,041,654
Prepaid Expenses	697,689	692,989
<b>Total Non-Financial Assets</b>	<u>133,694,713</u>	<u>121,734,643</u>
<b>Accumulated Surplus (Deficit) (Note 20)</b>	<u>40,105,392</u>	<u>38,757,344</u>

Contractual Obligations (Note 16)

Approved by the Board

  
Signature of the Chairperson of the Board of Education

Sept 25 / 19  
Date Signed

  
Signature of the Superintendent

Sept. 25 / 19  
Date Signed

  
Signature of the Secretary Treasurer

September 25 / 19  
Date Signed



# School District No. 71 (Comox Valley)

Statement 2

Statement of Operations  
Year Ended June 30, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	90,891,192	<b>91,480,990</b>	89,376,688
Tuition	4,628,750	<b>3,092,617</b>	3,177,311
Other Revenue	3,195,728	<b>3,779,100</b>	3,635,529
Rentals and Leases	150,000	<b>142,491</b>	144,558
Investment Income	320,000	<b>439,984</b>	306,524
Amortization of Deferred Capital Revenue	3,303,000	<b>3,770,382</b>	3,433,018
<b>Total Revenue</b>	<b>102,488,670</b>	<b>102,705,564</b>	100,073,628
<b>Expenses (Note 19)</b>			
Instruction	82,206,270	<b>80,648,877</b>	75,574,541
District Administration	3,454,181	<b>3,405,057</b>	2,728,818
Operations and Maintenance	15,329,110	<b>15,304,674</b>	13,954,032
Transportation and Housing	1,947,582	<b>1,994,874</b>	1,992,185
Debt Services	4,100	<b>4,034</b>	11,904
<b>Total Expense</b>	<b>102,941,243</b>	<b>101,357,516</b>	94,261,480
<b>Surplus (Deficit) for the year</b>	<b>(452,573)</b>	<b>1,348,048</b>	5,812,148
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>38,757,344</b>	32,945,196
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>40,105,392</b>	38,757,344

# School District No. 71 (Comox Valley)

Statement of Changes in Net Financial Assets (Debt)  
Year Ended June 30, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(452,573)</u>	<u>1,348,048</u>	5,812,148
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(13,592,278)	(17,178,500)	(16,632,539)
Amortization of Tangible Capital Assets	5,052,000	5,197,646	4,635,174
Write-down carrying value of Tangible Capital Assets	-	25,484	-
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(8,540,278)</u>	<u>(11,955,370)</u>	(11,997,365)
Acquisition of Prepaid Expenses	-	(697,689)	(692,989)
Use of Prepaid Expenses	-	692,989	772,853
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(4,700)</u>	79,864
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(8,992,851)</u>	<u>(10,612,022)</u>	(6,105,353)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>(10,612,022)</u>	(6,105,353)
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(82,977,299)</u>	(76,871,946)
<b>Net Financial Assets (Debt), end of year</b>		<u>(93,589,321)</u>	(82,977,299)

**School District No. 71 (Comox Valley)**

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	1,348,048	5,812,148
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	46,977	(481,186)
Prepaid Expenses	(4,700)	79,864
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(1,191,156)	451,467
Unearned Revenue	(125,724)	(323,830)
Deferred Revenue	(331,961)	187,906
Employee Future Benefits	125,673	85,426
Amortization of Tangible Capital Assets	5,197,646	4,635,174
Amortization of Deferred Capital Revenue	(3,770,382)	(3,433,018)
<b>Total Operating Transactions</b>	<u>1,294,421</u>	<u>7,013,951</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(14,226,926)	(4,259,112)
Tangible Capital Assets -WIP Purchased	(2,951,574)	(12,373,427)
Principal Payment on Capital Lease Obligation	(133,436)	(192,939)
<b>Total Capital Transactions</b>	<u>(17,311,936)</u>	<u>(16,825,478)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	13,252,709	15,348,415
<b>Total Financing Transactions</b>	<u>13,252,709</u>	<u>15,348,415</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(2,764,806)</u>	5,536,888
<b>Cash and Cash Equivalents, beginning of year</b>	<u>26,217,748</u>	20,680,860
<b>Cash and Cash Equivalents, end of year</b>	<u>23,452,942</u>	<u>26,217,748</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	23,452,942	26,217,748
	<u>23,452,942</u>	<u>26,217,748</u>
Supplementary Cash Flow Information (Note 23)		

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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**NOTE 1 AUTHORITY AND PURPOSE**

The School District, established in 1946, operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 71 (Comox Valley)", and operates as "School District No. 71 (Comox Valley)." 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. 71 (Comox Valley) is exempt from federal and provincial corporate income taxes.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School District 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. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except with regards to the accounting for government transfers as set out in Notes 2(e), 2(f) and 2(m).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in notes 2(e) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction that the contribution is subject to is met and require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability.

The impact of these differences on the financial statements of the School District are as follows:

Year-ended June 30, 2019

- increase in annual surplus by \$99,250,531

As at June 30, 2019:

- increase in accumulated surplus by \$99,250,531
- decrease in deferred revenue by \$95,769
- decrease in deferred capital revenue by \$99,154,762

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods. Revenue will be recognized in that future period when the courses are provided.

e) Deferred 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).

f) Deferred Capital Revenue

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. See note 2 (a) for the impact of this policy on the financial statements.

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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

**g) Employee Future Benefits (continued)**

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 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 for all periods subsequent to July 1, 2004.

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.

**h) Liability for Contaminated Sites**

Contamination is air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School 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.

At this time the School District has determined there are no liabilities for contaminated sites.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**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**

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 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. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and 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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

**j) Capital Leases**

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incidental to ownership of the property to the School District are considered capital leases.

These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

**k) Prepaid Expenses**

Payments for insurance, subscriptions, membership and maintenance contracts for use within the School District 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.

**m) Revenue Recognition**

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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.



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

m) Revenue Recognition (continued)

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. See note 2 (a) for the impact of this policy on these financial statements.

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

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

n) Expenditures

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

Categories of Salaries

- Principals and Vice-Principals employed under a Principals and Vice-Principals contract are categorized as Principals and Vice-Principals.
- Superintendent, Secretary-Treasurer, Directors, Managers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

n) Expenditures (continued)

- 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 other liabilities.

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. 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 are recognized in the Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

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

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

p) Measurement Uncertainty

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 3 CASH AND CASH EQUIVALENTS**

	2019	2018
School Generated Funds	\$ 773,392	\$ 828,589
District Funds	15,923,478	18,812,110
Restricted Funds - Teacher Salary Deferral Program	110,199	118,528
BC Ministry of Finance Central Deposit Program	6,645,873	6,458,521
	\$ 23,452,942	\$ 26,217,748

**NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2019	2018
Due from Federal Government	\$ 220,076	\$ 175,763
Other	335,901	175,970
	\$ 555,977	\$ 351,733

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2019	2018
Trade payables	\$ 2,058,246	\$ 2,891,815
Salaries and benefits payable	2,268,214	1,774,721
Accrued vacation payable	452,409	402,403
Other	4,409,698	5,310,784
	\$ 9,188,567	\$ 10,379,723

**NOTE 6 UNEARNED REVENUE**

	2019	2018
Balance, beginning of year	\$ 2,288,672	\$ 2,612,502
Tuition fees received	2,966,893	2,853,481
Tuition fees recognized	(3,092,617)	(3,177,311)
Balance, end of year	\$ 2,162,948	\$ 2,288,672

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 7            DEFERRED REVENUE**

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

	2019	2018
Balance, beginning of year	\$    1,904,746	\$    1,716,840
Grants received:		
Provincial Grants - Ministry of Education	10,635,995	10,829,509
School Generated Funds	2,735,764	2,635,671
Other	210,032	446,610
Subtotal	13,581,791	13,911,790
Revenue recognized:	(13,786,313)	(13,723,884)
Revenue recovered:	(127,439)	-
Subtotal	(13,913,752)	(13,723,884)
Balance, end of year	\$    1,572,785	\$    1,904,746

**NOTE 8            DEFERRED CAPITAL REVENUE**

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

	2019	2018
<b><u>Deferred capital revenue - subject to amortization</u></b>		
Balance, beginning of year	\$    66,376,895	\$    66,320,127
Provincial Grants - Ministry of Education	10,370,516	3,137,085
Transfer in from deferred revenue - WIP	26,203,217	352,701
Write off/down of Buildings and Sites	(291,243)	-
Amortization of deferred capital revenue	(3,770,382)	(3,433,018)
Write off/down of Buildings and Sites	265,759	-
Balance, end of year	\$    99,154,762	\$    66,376,895

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 8 DEFERRED CAPITAL REVENUE (Continued)**

	<b>2019</b>		<b>2018</b>
<b><u>Deferred capital revenue - work in progress</u></b>			
Work in progress, beginning of year	\$ 26,336,133	\$	14,349,809
Transfer in from deferred revenue - WIP	2,951,574		12,339,025
Transfer to deferred capital revenue	(26,203,217)		(352,701)
Balance, end of year	\$ 3,084,490	\$	26,336,133

	<b>2019</b>		<b>2018</b>
<b><u>Deferred capital revenue - unspent</u></b>			
Unspent deferred capital revenue, beginning of year	\$ 69,381	\$	197,076
Provincial Grants - Ministry of Education	13,252,709		15,348,415
Transfer to deferred capital revenue - subject to amortization	(10,370,516)		(3,137,085)
Transfer to deferred capital revenue - work in progress	(2,951,574)		(12,339,025)
Balance, end of year	\$ -	\$	69,381

Total deferred capital revenue balance, end of year	\$ 102,239,252	\$	92,782,409
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**NOTE 9 EMPLOYEE FUTURE BENEFITS**

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

	<b>2019</b>		<b>2018</b>
<b><u>Reconciliation of Accrued Benefit Obligation</u></b>			
Accrued Benefit Obligation - April 1	\$ 3,226,938	\$	3,230,972
Service Cost	280,473		267,037
Interest Cost	91,425		91,124
Benefit Payments	(134,889)		(182,674)
Actuarial (Gain) Loss	(47,090)		(179,521)
Accrued Benefit Obligation - March 31	\$ 3,416,857	\$	3,226,938

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 9 EMPLOYEE FUTURE BENEFITS (Continued)**

	2019	2018
<b><i>Reconciliation of Funded Status at End of Fiscal Year</i></b>		
Accrued Benefit Obligation - March 31	\$ 3,416,857	\$ 3,226,938
Funded Status - Surplus (Deficit)	(3,416,857)	(3,226,938)
Employer Contributions after Measurement Date	16,965	24,393
Benefits Expense After Measurement Date	(89,852)	(92,975)
Unamortized Net Actuarial (Gain) Loss	(636,599)	(705,150)
Accrued Benefit Asset (Liability) - June 30	\$ (4,126,343)	\$ (4,000,670)
 <b><i>Reconciliation of Change in Accrued Benefit Liability</i></b>		
Accrued Benefit Liability (Asset) - July 1	\$ 4,000,670	\$ 3,915,244
Net Expense for Fiscal Year	253,134	267,075
Employer Contributions	(127,461)	(181,649)
Accrued Benefit Liability (Asset) - June 30	\$ 4,126,343	\$ 4,000,670
 <b><i>Components of Net Benefit Expense</i></b>		
Service Cost	\$ 278,767	\$ 270,396
Interest Cost	90,009	91,200
Amortization of Net Actuarial (Gain)/Loss	(115,641)	(94,521)
Net Benefit Expense (Income)	\$ 253,135	\$ 267,075

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

	June 30, 2019	June 30, 2018
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
EARSL - March 31	8.3 years	8.5 years

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 10 CAPITAL LEASE OBLIGATIONS**

The following capital leases for the purchase of computer hardware with MacQuarie Equipment Finance are outstanding:

	<b>Present Value</b>
	<b>2019</b>
Expires September 30, 2019, interest rate 5.14%	\$ <b>7,134</b>
Expires June 30, 2020, interest rate 3.85%	\$ <b>14,967</b>
	<b>\$ 22,101</b>

Repayments are due as follows:

2020	\$	22,557	
Less: Interest		(456)	
Present Value	\$	22,101	

Total interest expense for the year was \$4,034 (2018 - \$11,904)

**NOTE 11 TANGIBLE CAPITAL ASSETS**

<b>Net Book Value:</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Sites	\$ <b>14,151,889</b>	\$ 14,151,889
Buildings	<b>115,075,330</b>	104,100,185
Furniture & Equipment	<b>1,069,398</b>	654,905
Vehicles	<b>845,891</b>	579,580
Computer Hardware	<b>1,854,516</b>	1,555,095
<b>Total</b>	<b>\$ 132,997,024</b>	<b>\$ 121,041,654</b>

**June 30, 2019**

<b>Cost:</b>	<b>Balance at July 1, 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2019</b>
Sites	\$ 14,151,889	\$ -	\$ -	\$ -	\$ 14,151,889
Buildings	187,327,691	38,383,964	291,243	(23,318,261)	202,102,151
Furniture & Equipment	793,674	519,853	-	-	1,313,527
Vehicles	860,846	370,943	-	-	1,231,789
Computer Hardware	5,018,698	1,222,001	2,033,602	-	4,207,097
<b>Total</b>	<b>\$ 208,152,798</b>	<b>\$ 40,496,761</b>	<b>\$ 2,324,845</b>	<b>\$ (23,318,261)</b>	<b>\$ 223,006,453</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2019**

<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		83,227,506		4,065,074		265,759		87,026,821
Furniture & Equipment		138,769		105,360		-		244,129
Vehicles		281,266		104,632		-		385,898
Computer Hardware		3,463,603		922,580		2,033,602		2,352,581
<b>Total</b>	<b>\$</b>	<b>87,111,144</b>	<b>\$</b>	<b>5,197,646</b>	<b>\$</b>	<b>2,299,361</b>	<b>\$</b>	<b>90,009,429</b>

**June 30, 2018**

<b>Cost:</b>	<b>Balance at July 1, 2017</b>		<b>Additions</b>		<b>Disposals</b>		<b>Transfers (WIP)</b>		<b>Balance at June 30, 2018</b>	
Sites	\$	14,151,889	\$	-	\$	-	\$	-	\$	14,151,889
Buildings		171,939,502		3,234,310		-		12,153,879		187,327,691
Furniture & Equipment		318,721		608,106		-		(133,153)		793,674
Vehicles		706,244		227,391		72,789		-		860,846
Computer Hardware		4,476,692		542,006		-		-		5,018,698
<b>Total</b>	<b>\$</b>	<b>191,593,048</b>	<b>\$</b>	<b>4,611,813</b>	<b>\$</b>	<b>72,789</b>	<b>\$</b>	<b>12,020,726</b>	<b>\$</b>	<b>208,152,798</b>

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2017</b>		<b>Additions</b>		<b>Disposals</b>		<b>Balance at June 30, 2018</b>	
Sites	\$	-	\$	-	\$	-	\$	-
Buildings		79,669,188		3,558,318		-		83,227,506
Furniture & Equipment		89,807		48,962		-		138,769
Vehicles		275,700		78,355		72,789		281,266
Computer Hardware		2,514,064		949,539		-		3,463,603
<b>Total</b>	<b>\$</b>	<b>82,548,759</b>	<b>\$</b>	<b>4,635,174</b>	<b>\$</b>	<b>72,789</b>	<b>\$</b>	<b>87,111,144</b>

**NOTE 12 DISPOSAL OF SITES AND BUILDINGS**

During the 2016-17 school year land legally described as Lot 2, Plan VIP81287 was exchanged with the Corporation of the City of Courtenay and concurrently sold to the Comox Valley Regional District. Proceeds were recorded as \$600,000 cash and \$265,000 prepaid rent, resulting in a gain on disposal. The prepaid rent will not be utilized until the sale of a second parcel of land to the Comox Valley Regional District completes which is expected to occur by June 30, 2021. Upon completion of this sale, the District will receive proceeds of \$700,000, of which \$600,000 will be recorded as cash, and \$100,000 as prepaid rent.



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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**NOTE 13      WRITE-OFF OF BUILDING**

On August 26, 2018 Hornby Island Community School was substantially damaged by fire leaving the school inoperable and unsafe to carry out classroom instruction. As a result of this event, approximately one-third of the school was demolished. The portion of the school that was demolished was built in 1983 and was not fully amortized. One-third of the original cost of the school was written off (\$291,243), resulting in recognition of unamortized deferred capital revenue in the amount of \$25,484.

**NOTE 14      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. As 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 funding surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 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 School District paid \$7,108,906 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$7,240,584).

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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**NOTE 14**      **EMPLOYEE PENSION PLANS** *(Continued)*

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 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 15**      **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.

**NOTE 16**      **CONTRACTUAL OBLIGATIONS**

The School District has entered into multiple-year contracts for the construction of tangible capital assets, specifically the structural seismic mitigation to Lake Trail Middle School. This contractual obligation will become a liability in the future when the terms of the contracts are met. The Lake Trail Middle School capital project funding agreement estimates the maximum potential project funding to be \$25,672,195. As of June 30, 2019, \$1,594,750 has been spent and recorded as work in progress with an expected project completion date of August 31, 2021.

On May 23, 2017 the School District entered into a multiple-year contract for transportation services. This contract commenced September 1, 2017 for a minimum duration of five years. Assuming that factors relating directly to pricing remain consistent with the 2018-19 school year, contractual costs can be estimated and incrementally increased by at least 2.5% annually based on the contract terms.

	2020	2021	2022
Transportation Contract	\$ 1,948,255	\$ 1,996,962	\$ 2,046,886

**NOTE 17**      **CONTINGENCIES**

The School District, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material or adverse effect on the School District's financial position.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 18      BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 26, 2019.

	<b>AMENDED</b> <b>Annual Budget</b>	<b>Annual Budget</b>	<b>Change</b>
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	\$ 90,891,192	\$ 89,355,490	\$ (1,535,702)
Tuition	4,628,750	2,687,500	(1,941,250)
Other Revenue	3,195,728	3,212,394	16,666
Rentals and Leases	150,000	150,000	-
Investment Income	320,000	228,000	(92,000)
Amortization of Deferred Capital Revenue	3,303,000	3,911,588	608,588
<b>Total Revenue</b>	<b>\$ 102,488,670</b>	<b>\$ 99,544,972</b>	<b>\$ (2,943,698)</b>
<b>Expenses</b>			
Instruction	\$ 82,206,270	\$ 81,136,131	\$ (1,070,139)
District Administration	3,454,181	3,106,124	(348,057)
Operations and Maintenance	15,329,110	14,901,415	(427,695)
Transportation and Housing	1,947,582	2,043,912	96,330
Debt Services	4,100	4,034	(66)
<b>Total Expense</b>	<b>\$ 102,941,243</b>	<b>\$ 101,191,616</b>	<b>\$ (1,749,627)</b>
<b>Net Revenue (Expense)</b>	<b>\$ (452,573)</b>	<b>\$ (1,646,644)</b>	<b>\$ (1,194,071)</b>
<b>Budgeted Allocation of Surplus</b>	<b>1,709,473</b>	<b>2,120,655</b>	<b>411,182</b>
<b>Budgeted Surplus (Deficit) for the year</b>	<b>\$ 1,256,900</b>	<b>\$ 474,011</b>	<b>\$ (782,889)</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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**NOTE 19      EXPENSE BY OBJECT**

**EXPENSE BY OBJECT**

	2019	2018
Salaries and benefits	\$ <b>80,029,272</b>	\$     73,620,848
Services and supplies	<b>16,130,598</b>	16,005,458
Amortization	<b>5,197,646</b>	4,635,174
	<b>\$    101,357,516</b>	<b>\$    94,261,480</b>

**NOTE 20      ACCUMULATED SURPLUS**

The School District has established a number of funds to demonstrate compliance with legislation and to reflect the School District’s intentions to undertake certain future activities.

The Operating Fund accounts for the School District’s operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund carried forward from previous years.

The Capital Fund accounts for the School District’s investment in its existing capital infrastructure, including the existing buildings, furniture, vehicles, computers and equipment. It also reflects intentions to make future capital asset purchases.

The Special Purpose Funds account for grants and contributions received which are directed by agreement with a third party towards specific activities.

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

- \$ 1,804,241 was transferred from the operating fund to the capital fund for the purchase of capital assets;
- \$ 1,560,000 was transferred from the operating fund to local capital.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 20 ACCUMULATED SURPLUS (Continued)**

	2019	2018
<b>Operating Fund</b>		
Internally restricted (appropriated):		
Net School Surpluses	\$ 145,025	\$ 48,533
Mental Health Grant	24,890	-
LEA Capacity Building Grant	6,850	-
Aboriginal Education	-	91,817
District/Program Initiatives	19,789	113,164
Portables/Furniture	250,000	-
Board Operating Reserve	1,688,654	1,601,899
Subtotal (internally restricted)	\$ 2,135,208	\$ 1,855,413
Unrestricted operating surplus	3,195,372	4,152,351
	\$ 5,330,580	\$ 6,007,764
 <b>Capital Fund</b>		
Invested in tangible capital assets	\$ 30,735,674	\$ 28,173,092
Local Capital	4,039,138	4,576,488
	\$ 34,774,812	\$ 32,749,580
 <b>Total Accumulated Surplus</b>	\$ 40,105,392	\$ 38,757,344

The local capital surplus has been internally restricted by the Board for:

Information Technology Reserve	\$	605,724
Vehicles and Extra-Curricular Van		160,000
Multi-function Devices and Other Equipment		194,703
Lake Trail Seismic Project - Board Contribution		1,000,000
Lake Trail Playground		15,289
Future Modular Requirements		650,000
Contingency Reserve		32,824
Board Office - Prepaid Rent and Updates		1,380,598
	\$	4,039,138

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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**NOTE 21      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 22      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, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts' receivable are due from the Province and are collectible.

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

b) Market risk

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

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 investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in the Central Deposit Program with the Province and in recognized British Columbia institutions.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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**NOTE 22      RISK MANAGEMENT (Continued)**

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.

**NOTE 23      SUPPLEMENTARY CASH FLOW INFORMATION**

Interest collected and paid during the year was as follows:

	<u>2019</u>		<u>2018</u>
Interest collected	\$ 439,984	\$	306,524
Interest paid	4,034		11,904

**NOTE 24      COMPARATIVE INFORMATION**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

**School District No. 71 (Comox Valley)**  
 Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
 Year Ended June 30, 2019

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	6,007,764		32,749,580	38,757,344	32,945,196
<b>Changes for the year</b>					
Surplus (Deficit) for the year	2,687,057		(1,339,009)	1,348,048	5,812,148
Interfund Transfers					
Tangible Capital Assets Purchased	(1,804,241)		1,804,241	-	
Local Capital	(1,560,000)		1,560,000	-	
<b>Net Changes for the year</b>	<b>(677,184)</b>	-	<b>2,025,232</b>	<b>1,348,048</b>	<b>5,812,148</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>5,330,580</b>	-	<b>34,774,812</b>	<b>40,105,392</b>	<b>38,757,344</b>



# School District No. 71 (Comox Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations  
Year Ended June 30, 2019

	2019 Budget (Note 18) \$	2019 Actual \$	2018 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	80,171,728	<b>80,690,831</b>	78,527,024
Tuition	4,628,750	<b>3,092,617</b>	3,177,311
Other Revenue	462,728	<b>800,702</b>	771,234
Rentals and Leases	150,000	<b>142,491</b>	144,558
Investment Income	320,000	<b>329,939</b>	296,599
<b>Total Revenue</b>	<b>85,733,206</b>	<b>85,056,580</b>	82,916,726
<b>Expenses</b>			
Instruction	69,104,234	<b>67,212,992</b>	62,201,085
District Administration	3,454,181	<b>3,405,057</b>	2,728,818
Operations and Maintenance	9,926,682	<b>9,756,600</b>	8,968,430
Transportation and Housing	1,947,582	<b>1,994,874</b>	1,992,185
<b>Total Expense</b>	<b>84,432,679</b>	<b>82,369,523</b>	75,890,518
<b>Operating Surplus (Deficit) for the year</b>	<b>1,300,527</b>	<b>2,687,057</b>	7,026,208
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>1,709,473</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,450,000)	<b>(1,804,241)</b>	(290,233)
Local Capital	(1,560,000)	<b>(1,560,000)</b>	(3,385,000)
<b>Total Net Transfers</b>	<b>(3,010,000)</b>	<b>(3,364,241)</b>	(3,675,233)
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(677,184)</b>	3,350,975
<b>Operating Surplus (Deficit), beginning of year</b>		<b>6,007,764</b>	2,656,789
<b>Operating Surplus (Deficit), end of year</b>		<b>5,330,580</b>	6,007,764
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>2,135,208</b>	1,855,413
Unrestricted		<b>3,195,372</b>	4,152,351
<b>Total Operating Surplus (Deficit), end of year</b>		<b>5,330,580</b>	6,007,764

# School District No. 71 (Comox Valley)

Schedule 2A (Unaudited)

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

	2019 Budget (Note 18) \$	2019 Actual \$	2018 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	79,104,714	79,370,609	77,093,853
ISC/LEA Recovery	(154,728)	(129,083)	(154,728)
Other Ministry of Education Grants			
Pay Equity	451,831	451,831	451,831
Funding for Graduated Adults	92,160	112,118	55,705
Transportation Supplement	421,375	421,375	421,375
Economic Stability Dividend	-	94,877	51,843
Return of Administrative Savings			354,941
Carbon Tax Grant	55,000	59,287	63,481
Employer Health Tax Grant	-	185,891	-
Strategic Priorities - Mental Health Grant	-	33,000	-
Support Staff Benefits Grant	63,112	63,112	56,780
BCTEA - LEA Capacity Building Grant	-	6,850	-
FSA Exam Marking	18,964	18,964	12,964
Access Grant	-	-	5,000
Shoulder Tappers Grant	-	-	17,079
Other Ministry of Education Grants	2,500	2,000	96,900
February and May Count	116,800	-	-
<b>Total Provincial Grants - Ministry of Education</b>	<b>80,171,728</b>	<b>80,690,831</b>	<b>78,527,024</b>
<b>Tuition</b>			
International and Out of Province Students	4,628,750	3,092,617	3,177,311
<b>Total Tuition</b>	<b>4,628,750</b>	<b>3,092,617</b>	<b>3,177,311</b>
<b>Other Revenues</b>			
LEA Funding from First Nations	154,728	129,083	154,728
Miscellaneous			
Instructional Cafeteria	120,000	136,784	126,295
Other Miscellaneous	188,000	534,835	490,211
<b>Total Other Revenue</b>	<b>462,728</b>	<b>800,702</b>	<b>771,234</b>
<b>Rentals and Leases</b>	<b>150,000</b>	<b>142,491</b>	<b>144,558</b>
<b>Investment Income</b>	<b>320,000</b>	<b>329,939</b>	<b>296,599</b>
<b>Total Operating Revenue</b>	<b>85,733,206</b>	<b>85,056,580</b>	<b>82,916,726</b>

# School District No. 71 (Comox Valley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	33,158,430	33,559,087	31,642,214
Principals and Vice Principals	4,826,569	4,878,982	4,529,238
Educational Assistants	5,084,774	5,049,291	4,841,120
Support Staff	7,579,315	7,205,327	7,079,711
Other Professionals	2,487,840	2,686,669	2,257,059
Substitutes	2,487,445	2,934,699	1,896,719
<b>Total Salaries</b>	<b>55,624,373</b>	<b>56,314,055</b>	<b>52,246,061</b>
<b>Employee Benefits</b>	<b>14,005,635</b>	<b>13,498,095</b>	<b>11,829,070</b>
<b>Total Salaries and Benefits</b>	<b>69,630,008</b>	<b>69,812,150</b>	<b>64,075,131</b>
<b>Services and Supplies</b>			
Services	4,331,483	2,511,957	2,195,758
Student Transportation	1,933,125	1,980,241	2,162,201
Professional Development and Travel	709,000	711,875	351,936
Rentals and Leases	-	-	-
Dues and Fees	119,200	58,649	51,024
Insurance	201,800	179,027	180,609
Interest	-	-	-
Supplies	5,458,564	5,339,108	5,578,092
Utilities	2,049,499	1,776,516	1,295,767
<b>Total Services and Supplies</b>	<b>14,802,671</b>	<b>12,557,373</b>	<b>11,815,387</b>
<b>Total Operating Expense</b>	<b>84,432,679</b>	<b>82,369,523</b>	<b>75,890,518</b>

# School District No. 71 (Comox Valley)

Schedule 2C (Unaudited)

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	26,709,276	955,998	231	32,464	-	1,904,905	29,602,874
1.03 Career Programs	376,056	-	179,373	-	-	59,811	615,240
1.07 Library Services	188,231	-	-	644,004	-	33,270	865,505
1.08 Counselling	1,501,522	-	-	-	-	5,120	1,506,642
1.10 Special Education	3,693,282	111,812	4,137,643	108,572	175,802	413,904	8,641,015
1.30 English Language Learning	137,157	-	-	-	-	1,160	138,317
1.31 Aboriginal Education	233,509	129,301	665,791	56,192	-	55,101	1,139,894
1.41 School Administration	-	3,507,425	-	1,630,068	-	55,447	5,192,940
1.62 International and Out of Province Students	720,054	174,446	-	117,534	208,948	28,203	1,249,185
1.64 Other	-	-	66,253	92,499	-	7,856	166,608
<b>Total Function 1</b>	<b>33,559,087</b>	<b>4,878,982</b>	<b>5,049,291</b>	<b>2,681,333</b>	<b>384,750</b>	<b>2,564,777</b>	<b>49,118,220</b>
<b>4 District Administration</b>							
4.11 Educational Administration	-	-	-	-	822,092	-	822,092
4.40 School District Governance	-	-	-	-	207,802	-	207,802
4.41 Business Administration	-	-	-	306,711	789,681	-	1,096,392
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,711</b>	<b>1,819,575</b>	<b>-</b>	<b>2,126,286</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	-	-	-	-	470,387	-	470,387
5.50 Maintenance Operations	-	-	-	3,877,097	-	369,922	4,247,019
5.52 Maintenance of Grounds	-	-	-	340,186	-	-	340,186
5.56 Utilities	-	-	-	-	-	-	-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,217,283</b>	<b>470,387</b>	<b>369,922</b>	<b>5,057,592</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	-	-	-	-	11,957	-	11,957
7.70 Student Transportation	-	-	-	-	-	-	-
7.73 Housing	-	-	-	-	-	-	-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,957</b>	<b>-</b>	<b>11,957</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>33,559,087</b>	<b>4,878,982</b>	<b>5,049,291</b>	<b>7,205,327</b>	<b>2,686,669</b>	<b>2,934,699</b>	<b>56,314,055</b>

# School District No. 71 (Comox Valley)

Schedule 2C (Unaudited)

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 18)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	29,602,874	7,491,678	37,094,552	3,661,836	40,756,388	41,294,185	36,804,832
1.03 Career Programs	615,240	143,920	759,160	271,195	1,030,355	1,007,561	994,013
1.07 Library Services	865,505	210,436	1,075,941	287,516	1,363,457	1,489,113	1,282,779
1.08 Counselling	1,506,642	373,561	1,880,203	1,800	1,882,003	1,695,592	1,722,607
1.10 Special Education	8,641,015	2,026,514	10,667,529	118,697	10,786,226	10,478,551	10,215,660
1.30 English Language Learning	138,317	37,145	175,462	390	175,852	169,528	103,780
1.31 Aboriginal Education	1,139,894	254,504	1,394,398	404,465	1,798,863	1,730,337	1,577,434
1.41 School Administration	5,192,940	1,137,187	6,330,127	559,862	6,889,989	6,794,006	6,525,016
1.62 International and Out of Province Students	1,249,185	290,909	1,540,094	583,957	2,124,051	4,090,109	2,171,337
1.64 Other	166,608	39,251	205,859	199,949	405,808	355,252	803,627
<b>Total Function 1</b>	<b>49,118,220</b>	<b>12,005,105</b>	<b>61,123,325</b>	<b>6,089,667</b>	<b>67,212,992</b>	<b>69,104,234</b>	<b>62,201,085</b>
<b>4 District Administration</b>							
4.11 Educational Administration	822,092	140,252	962,344	141,381	1,103,725	975,705	733,066
4.40 School District Governance	207,802	23,728	231,530	147,410	378,940	385,545	285,750
4.41 Business Administration	1,096,392	221,189	1,317,581	604,811	1,922,392	2,092,931	1,710,002
<b>Total Function 4</b>	<b>2,126,286</b>	<b>385,169</b>	<b>2,511,455</b>	<b>893,602</b>	<b>3,405,057</b>	<b>3,454,181</b>	<b>2,728,818</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	470,387	86,090	556,477	300,746	857,223	901,178	436,626
5.50 Maintenance Operations	4,247,019	959,698	5,206,717	1,374,746	6,581,463	6,426,695	6,651,888
5.52 Maintenance of Grounds	340,186	59,358	399,544	141,854	541,398	639,310	140,806
5.56 Utilities	-	-	-	1,776,516	1,776,516	1,959,499	1,739,110
<b>Total Function 5</b>	<b>5,057,592</b>	<b>1,105,146</b>	<b>6,162,738</b>	<b>3,593,862</b>	<b>9,756,600</b>	<b>9,926,682</b>	<b>8,968,430</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	11,957	2,675	14,632	5,636	20,268	21,457	64,111
7.70 Student Transportation	-	-	-	1,974,606	1,974,606	1,926,125	1,928,074
7.73 Housing	-	-	-	-	-	-	-
<b>Total Function 7</b>	<b>11,957</b>	<b>2,675</b>	<b>14,632</b>	<b>1,980,242</b>	<b>1,994,874</b>	<b>1,947,582</b>	<b>1,992,185</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>56,314,055</b>	<b>13,498,095</b>	<b>69,812,150</b>	<b>12,557,373</b>	<b>82,369,523</b>	<b>84,432,679</b>	<b>75,890,518</b>

# School District No. 71 (Comox Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 18) \$	2019 Actual \$	2018 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	10,719,464	10,790,159	10,849,664
Other Revenue	2,733,000	2,978,398	2,864,295
Investment Income	-	17,756	9,925
<b>Total Revenue</b>	<u>13,452,464</u>	<u>13,786,313</u>	<u>13,723,884</u>
<b>Expenses</b>			
Instruction	13,102,036	13,435,885	13,373,456
Operations and Maintenance	350,428	350,428	350,428
<b>Total Expense</b>	<u>13,452,464</u>	<u>13,786,313</u>	<u>13,723,884</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>

**School District No. 71 (Comox Valley)**

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

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	Special Education Technology	School Generated Funds	Strong Start
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	10,550	755,586	-	-	774,454	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	350,428	312,360							160,000
Other					66,639			2,735,764	
Investment Income					15,346				
	350,428	312,360	-	-	81,985	-	-	2,735,764	160,000
<b>Less:</b> Allocated to Revenue	350,428	312,360	-	10,550	61,502	-	-	2,809,271	160,000
Recovered									
Deferred Revenue, end of year	-	-	-	-	776,069	-	-	700,947	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	350,428	312,360		10,550					160,000
Other Revenue					46,156			2,809,271	
Investment Income					15,346				
	350,428	312,360	-	10,550	61,502	-	-	2,809,271	160,000
<b>Expenses</b>									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		210,375							
Support Staff	257,419								122,894
Substitutes									287
	257,419	210,375	-	-	-	-	-	-	123,181
Employee Benefits	63,180	101,985							32,919
Services and Supplies	29,829			10,550	61,502			2,809,271	3,900
	350,428	312,360	-	10,550	61,502	-	-	2,809,271	160,000
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 71 (Comox Valley)**

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

Schedule 3A (Unaudited)

	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Professional Development	Deferred Salary	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	-	143,614	-	77,994	49,445	93,103	-	1,904,746
<b>Add: Restricted Grants</b>									
Provincial Grants - Ministry of Education	41,650	195,944	603,303	1,656,893	7,244,721	70,696			10,635,995
Other							73,340	52,297	2,928,040
Investment Income								2,410	17,756
	41,650	195,944	603,303	1,656,893	7,244,721	70,696	73,340	54,707	13,581,791
<b>Less: Allocated to Revenue</b>									
Recovered	41,650	195,944	746,917	1,656,893	7,244,721	70,696	70,674	54,707	13,786,313
					77,994	49,445			127,439
<b>Deferred Revenue, end of year</b>	-	-	-	-	-	-	95,769	-	1,572,785
<b>Revenues</b>									
Provincial Grants - Ministry of Education	41,650	195,944	746,917	1,656,893	7,244,721	70,696			10,790,159
Other Revenue							70,674	52,297	2,978,398
Investment Income								2,410	17,756
	41,650	195,944	746,917	1,656,893	7,244,721	70,696	70,674	54,707	13,786,313
<b>Expenses</b>									
Salaries									
Teachers					5,464,508	52,015			5,516,523
Principals and Vice Principals		21,193		274,319					295,512
Educational Assistants			322,138	631,078					1,163,591
Support Staff	31,138		2,992	128,283					542,726
Substitutes			2,092	281,940	297,411				581,730
	31,138	21,193	327,222	1,315,620	5,761,919	52,015	-	-	8,100,082
Employee Benefits	7,440	4,535	88,302	327,476	1,482,802	8,401			2,117,040
Services and Supplies	3,072	170,216	331,393	13,797		10,280	70,674	54,707	3,569,191
	41,650	195,944	746,917	1,656,893	7,244,721	70,696	70,674	54,707	13,786,313
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-



# School District No. 71 (Comox Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations  
Year Ended June 30, 2019

	2019	2019 Actual			2018
	Budget (Note 18)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income			92,289	92,289	
Amortization of Deferred Capital Revenue	3,303,000	3,770,382		3,770,382	3,433,018
<b>Total Revenue</b>	<b>3,303,000</b>	<b>3,770,382</b>	<b>92,289</b>	<b>3,862,671</b>	<b>3,433,018</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets Operations and Maintenance	5,052,000	5,197,646		5,197,646	4,635,174
Debt Services Capital Lease Interest	4,100		4,034	4,034	11,904
<b>Total Expense</b>	<b>5,056,100</b>	<b>5,197,646</b>	<b>4,034</b>	<b>5,201,680</b>	<b>4,647,078</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(1,753,100)</b>	<b>(1,427,264)</b>	<b>88,255</b>	<b>(1,339,009)</b>	<b>(1,214,060)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	1,450,000	1,804,241		1,804,241	290,233
Local Capital	1,560,000		1,560,000	1,560,000	3,385,000
<b>Total Net Transfers</b>	<b>3,010,000</b>	<b>1,804,241</b>	<b>1,560,000</b>	<b>3,364,241</b>	<b>3,675,233</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital Principal Payment		2,052,169	(2,052,169)	-	
Capital Lease		133,436	(133,436)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>2,185,605</b>	<b>(2,185,605)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>1,256,900</b>	<b>2,562,582</b>	<b>(537,350)</b>	<b>2,025,232</b>	<b>2,461,173</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>28,173,092</b>	<b>4,576,488</b>	<b>32,749,580</b>	<b>30,288,407</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>30,735,674</b>	<b>4,039,138</b>	<b>34,774,812</b>	<b>32,749,580</b>

# School District No. 71 (Comox Valley)

Schedule 4A (Unaudited)

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>	14,151,889	160,924,940	793,674	860,846	-	5,018,698	<b>181,750,047</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		10,091,529	183,344				<b>10,274,873</b>
Deferred Capital Revenue - Other			95,643				<b>95,643</b>
Operating Fund		1,422,600	230,485	21,058		130,098	<b>1,804,241</b>
Local Capital		600,000	10,381	349,885		1,091,903	<b>2,052,169</b>
Transferred from Work in Progress		26,269,835					<b>26,269,835</b>
	-	38,383,964	519,853	370,943	-	1,222,001	<b>40,496,761</b>
Decrease:							
Deemed Disposals						2,033,602	<b>2,033,602</b>
Written-off/down During Year		291,243					<b>291,243</b>
	-	291,243	-	-	-	2,033,602	<b>2,324,845</b>
<b>Cost, end of year</b>	14,151,889	199,017,661	1,313,527	1,231,789	-	4,207,097	<b>219,921,963</b>
<b>Work in Progress, end of year</b>		3,084,490					<b>3,084,490</b>
<b>Cost and Work in Progress, end of year</b>	14,151,889	202,102,151	1,313,527	1,231,789	-	4,207,097	<b>223,006,453</b>
<b>Accumulated Amortization, beginning of year</b>		83,227,506	138,769	281,266	-	3,463,603	<b>87,111,144</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		4,065,074	105,360	104,632	-	922,580	<b>5,197,646</b>
Decrease:							
Deemed Disposals						2,033,602	<b>2,033,602</b>
Written-off During Year		265,759					<b>265,759</b>
		265,759	-	-	-	2,033,602	<b>2,299,361</b>
<b>Accumulated Amortization, end of year</b>		87,026,821	244,129	385,898	-	2,352,581	<b>90,009,429</b>
<b>Tangible Capital Assets - Net</b>	<b>14,151,889</b>	<b>115,075,330</b>	<b>1,069,398</b>	<b>845,891</b>	<b>-</b>	<b>1,854,516</b>	<b>132,997,024</b>

**School District No. 71 (Comox Valley)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress  
 Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	26,402,751				26,402,751
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	2,951,574				2,951,574
	2,951,574	-	-	-	2,951,574
Decrease:					
Transferred to Tangible Capital Assets	26,269,835				26,269,835
	26,269,835	-	-	-	26,269,835
<b>Net Changes for the Year</b>	(23,318,261)	-	-	-	(23,318,261)
<b>Work in Progress, end of year</b>	3,084,490	-	-	-	3,084,490

# School District No. 71 (Comox Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	62,113,925	4,262,970		66,376,895
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	10,274,873	95,643		10,370,516
Transferred from Work in Progress	26,119,541	83,676		26,203,217
	36,394,414	179,319	-	36,573,733
Decrease:				
Amortization of Deferred Capital Revenue	3,469,742	300,640		3,770,382
Revenue Recognized on Write-off/down of Buildings	25,484			25,484
	3,495,226	300,640	-	3,795,866
<b>Net Changes for the Year</b>	32,899,188	(121,321)	-	32,777,867
<b>Deferred Capital Revenue, end of year</b>	95,013,113	4,141,649	-	99,154,762
<b>Work in Progress, beginning of year</b>	26,252,457	83,676		26,336,133
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	2,951,574			2,951,574
	2,951,574	-	-	2,951,574
Decrease				
Transferred to Deferred Capital Revenue	26,119,541	83,676		26,203,217
	26,119,541	83,676	-	26,203,217
<b>Net Changes for the Year</b>	(23,167,967)	(83,676)	-	(23,251,643)
<b>Work in Progress, end of year</b>	3,084,490	-	-	3,084,490
<b>Total Deferred Capital Revenue, end of year</b>	98,097,603	4,141,649	-	102,239,252

# School District No. 71 (Comox Valley)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>			69,381			69,381
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	13,226,447					13,226,447
Provincial Grants - Other			26,262			26,262
	13,226,447	-	26,262	-	-	13,252,709
Decrease:						
Transferred to DCR - Capital Additions	10,274,873		95,643			10,370,516
Transferred to DCR - Work in Progress	2,951,574					2,951,574
	13,226,447	-	95,643	-	-	13,322,090
<b>Net Changes for the Year</b>	-	-	(69,381)	-	-	(69,381)
<b>Balance, end of year</b>	-	-	-	-	-	-