

Audited Financial Statements of

School District No. 46 (Sunshine Coast)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 46 (Sunshine Coast)

June 30, 2020

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School District No. 46 (Sunshine Coast)

MANAGEMENT REPORT

Version: 6459-5714-3731

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 46 (Sunshine Coast) 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.



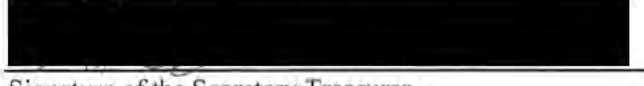
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 46 (Sunshine Coast) (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, Crowe MacKay LLP, 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. 46 (Sunshine Coast) 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. 46 (Sunshine Coast)

	September 9, 2020
Signature of the Chairperson of the Board of Education	Date Signed
	September 9, 2020
Signature of the Superintendent	Date Signed
	September 9, 2020
Signature of the Secretary Treasurer	Date Signed



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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Education of School District No.46 (Sunshine Coast) and to the Minister of Education, Province of British Columbia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of School District No. 46 (Sunshine Coast), which comprise the statement of financial position as at June 30, 2020, and the statement of operations, statement of changes in net financial assets (net debt) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the district as at June 30, 2020, and its results of operations and its cash flows for the year then ended in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements which disclose that the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 2(a) to the financial statements discloses the impact of these differences.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the district or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District's ability to



- continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the District 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.

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

Sechelt, British Columbia
September 9, 2020

Crowe Mackay LLP




Chartered Professional Accountants

School District No. 46 (Sunshine Coast)

Statement of Financial Position
As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	16,346,824	12,863,479
Accounts Receivable		
Due from Province - Ministry of Education	147,063	174,165
Other (Note 3)	542,503	208,100
Total Financial Assets	<u>17,036,390</u>	<u>13,245,744</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,392,593	3,962,482
Unearned Revenue (Note 5)	21,189	50,596
Deferred Revenue (Note 6)	1,579,743	1,394,797
Deferred Capital Revenue (Note 7)	44,656,321	43,051,505
Employee Future Benefits (Note 8)	1,884,344	1,840,755
Debt (Note 10)	438,650	491,745
Total Liabilities	<u>52,972,840</u>	<u>50,791,880</u>
Net Debt	<u>(35,936,450)</u>	<u>(37,546,136)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	50,342,047	50,491,061
Prepaid Expenses	145,361	137,165
Total Non-Financial Assets	<u>50,487,408</u>	<u>50,628,226</u>
Accumulated Surplus (Deficit)	<u>14,550,958</u>	<u>13,082,090</u>

Approved by the Board

	September 9, 2020
Signature of the Chairperson of the Board of Education	Date Signed
	September 9, 2020
Signature of the Superintendent	Date Signed
	September 9, 2020
Signature of the Secretary Treasurer	Date Signed

School District No. 46 (Sunshine Coast)

Statement 2

Statement of Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	44,396,971	44,962,899	43,460,373
Other	35,000	30,000	53,430
Tuition	71,060	81,085	121,178
Other Revenue	1,819,720	1,763,086	1,889,214
Rentals and Leases	60,000	73,557	75,272
Investment Income	182,000	215,870	230,110
Amortization of Deferred Capital Revenue	1,746,852	1,758,445	1,720,730
Total Revenue	<u>48,311,603</u>	<u>48,884,942</u>	<u>47,550,307</u>
Expenses			
Instruction	41,252,900	37,432,128	36,123,395
District Administration	2,281,157	2,165,388	2,098,442
Operations and Maintenance	7,007,874	6,673,505	6,696,939
Transportation and Housing	1,586,335	1,132,872	1,354,415
Debt Services		12,181	6,011
Total Expense	<u>52,128,266</u>	<u>47,416,074</u>	<u>46,279,202</u>
Surplus (Deficit) for the year	<u>(3,816,663)</u>	<u>1,468,868</u>	<u>1,271,105</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		13,082,090	11,810,985
Accumulated Surplus (Deficit) from Operations, end of year		<u>14,550,958</u>	<u>13,082,090</u>

School District No. 46 (Sunshine Coast)

Statement 4

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

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(3,816,663)</u>	<u>1,468,868</u>	<u>1,271,105</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,474,766)	(2,060,630)	(2,763,312)
Amortization of Tangible Capital Assets	2,209,644	2,209,644	2,160,228
Total Effect of change in Tangible Capital Assets	<u>734,878</u>	<u>149,014</u>	<u>(603,084)</u>
Acquisition of Prepaid Expenses		(145,361)	(137,165)
Use of Prepaid Expenses		137,165	119,288
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(8,196)</u>	<u>(17,877)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(3,081,785)</u>	<u>1,609,686</u>	<u>650,144</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>1,609,686</u>	<u>650,144</u>
Net Debt, beginning of year		(37,546,136)	(38,196,280)
Net Debt, end of year		<u>(35,936,450)</u>	<u>(37,546,136)</u>

School District No. 46 (Sunshine Coast)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,468,868	1,271,105
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(307,301)	(167,362)
Prepaid Expenses	(8,196)	(17,877)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	430,111	391,179
Unearned Revenue	(29,407)	(114,656)
Deferred Revenue	184,946	(100,418)
Employee Future Benefits	43,589	(105,108)
Amortization of Tangible Capital Assets	2,209,644	2,160,228
Amortization of Deferred Capital Revenue	(1,758,445)	(1,720,730)
Total Operating Transactions	<u>2,233,809</u>	<u>1,596,361</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,093,500)	(807,892)
Tangible Capital Assets -WIP Purchased	(889,567)	(1,494,904)
Tangible Capital Assets Purchased - MFA Loan	(77,563)	(460,516)
Total Capital Transactions	<u>(2,060,630)</u>	<u>(2,763,312)</u>
Financing Transactions		
Loan Proceeds	77,563	460,516
Loan Payments	(130,658)	(95,715)
Capital Revenue Received	3,363,261	2,500,891
Total Financing Transactions	<u>3,310,166</u>	<u>2,865,692</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,483,345	1,698,741
Cash and Cash Equivalents, beginning of year	<u>12,863,479</u>	<u>11,164,738</u>
Cash and Cash Equivalents, end of year	<u>16,346,824</u>	<u>12,863,479</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>16,346,824</u>	<u>12,863,479</u>
	<u>16,346,824</u>	<u>12,863,479</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

The School District 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. 46 (Sunshine Coast)", and operates as "School District No. 46 (Sunshine Coast)." A board of education ("Board") elected for a three-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. 46 (Sunshine Coast) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 in regard to the accounting for government transfers as set out in Notes 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(f) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations 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. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2019 - increase in annual surplus by \$865,450.

June 30, 2019 - increase in accumulated surplus and decrease in deferred contributions by \$43,051,505.

Year-ended June 30, 2020 - increase in annual surplus by \$1,604,816.

June 30, 2019 - increase in accumulated surplus and decrease in deferred contributions by \$44,656,321.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

b) Cash and Cash Equivalents

Cash and cash equivalents include deposits with the Provincial Treasury's Central Deposit Program 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) Portfolio Investments

The School District occasionally has investments in GIC's and term deposits that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits and other investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

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

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. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

f) Deferred Revenue and Deferred Capital Revenue

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2 (a) for the impact of this policy on these 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.

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

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

The most recent valuation of the obligation was performed at March 31, 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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

h) Asset Retirement Obligations

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

i) 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 other intangible assets are not recorded as assets in these financial statements.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

i) Tangible Capital Assets *(Continued)*

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

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident 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

Software licenses, property tax, equipment leases, insurance premiums, subscriptions, services, memberships and supplies 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 (see Note 20 – Internally Restricted Surplus). Funds and reserves are disclosed on unaudited Schedules 2, 3 and 4.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

m) Revenue Recognition

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

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

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

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

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

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

n) Expenses

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, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, 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.
- 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) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

p) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, 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. 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.

q) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2020	2019
GST receivable	\$ 66,693	\$ 71,037
Other	475,810	137,063
	\$542,503	\$208,100

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2020	2019
Trade payables	\$ 1,120,929	\$ 1,019,168
Salaries and benefits payable	2,881,473	2,588,726
Accrued vacation pay	386,809	351,369
Other	3,382	3,219
	\$ 4,392,593	\$ 3,962,482

NOTE 5 UNEARNED REVENUE

	2020	2019
Balance, beginning of year	\$ 50,596	\$ 165,252
Changes for the year:		
Increase:		
Facilities Booking Fees	-	2,833
ISP-Homestay Fees	21,189	47,763
Decrease:		
Aboriginal Support Workers – SIGD	-	(131,176)
Homestay Fees	(47,763)	(31,880)
Prepayment of ACE-IT Supplies Fees	-	(672)
Sunshine Coast Community Services	-	(525)
Facilities Booking Fees	(2,833)	(999)
Net changes for the year	(29,407)	(114,656)
Balance, end of year	\$ 21,189	\$ 50,596

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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, retirement/severance, vacation and overtime. 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. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 9.

	2020	2019
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,850,329	1,818,676
Service Cost	197,910	178,162
Interest Cost	47,173	51,237
Benefit Payments	(289,868)	(242,295)
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	(5,625)	44,549
Accrued Benefit Obligation – March 31	1,799,919	1,850,329
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	1,799,919	1,850,329
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(1,799,919)	(1,850,329)
Employer Contributions After Measurement Date	33,274	128,543
Benefits Expense After Measurement Date	(62,708)	(61,271)
Unamortized Net Actuarial (Gain) Loss	(54,992)	(57,698)
Accrued Benefit Asset (Liability) - June 30	(1,884,345)	(1,840,755)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	1,840,755	1,945,864
Net Expense for Fiscal Year	238,189	218,881
Employer Contributions	(194,599)	(323,990)
Accrued Benefit Liability (Asset) - June 30	1,884,344	1,840,755
Components of Net Benefit Expense		
Service Cost	200,434	183,099
Interest Cost	46,086	50,221
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	(8,331)	(14,439)
Net Benefit Expense (Income)	238,189	218,881

**SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

Assumptions	2020	2019
Discount Rate - April 1	2.50%	2.75%
Discount Rate - March 31	2.25%	2.50%
Long Term Salary Growth - April 1	2.50%	2.50%
Long Term Salary Growth - March 31	2.50%	2.50%
 EARSL - March 31	 9.2	 9.2

NOTE 9 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

The unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards has been retired.

Unfunded liability, as at July 1, 2019 as previously reported	\$ 511,406
Reductions during the year	<u>(511,406)</u>
Unfunded liability, as at June 30, 2020	\$ <u> 0</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 10 DEBT

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

Type	Year Borrowed	Interest Rate	Term	Amount Borrowed	Principal Repaid	2020 Balance	Payment Amount	Maturity Date
Term	2016	2.45%	5 Years	74,961	65,045	9,916	1,293	01/31/21
Term	2016	2.45%	5 Years	26,120	21,330	4,790	451	04/30/21
Term	2016	2.45%	5 Years	26,101	19,012	7,089	450	09/30/21
Term	2017	2.45%	1 Years	78,588	78,588	-	6,096	07/31/18
Term	2017	2.45%	2 Years	57,021	57,021	-	2,412	06/30/19
Term	2017	2.45%	3 Years	6,474	6,474	-	206	02/29/20
Term	2018	2.45%	5 Years	18,174	9,607	8,567	317	09/30/22
Term	2018	2.45%	5 Years	7,508	2,755	4,753	133	07/31/23
Term	2019	2.45%	5 Years	335,313	91,707	243,606	5,996	01/31/24
Term	2019	2.45%	5 Years	117,695	24,294	93,401	2,088	05/31/24
Term	2020	2.46%	5 Years	77,563	11,034	66,528	1,375	09/03/24
				<u>\$ 825,518</u>	<u>\$ 386,867</u>	<u>\$438,650</u>	<u>\$ 20,818</u>	

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2021	\$ 129,866
2022	\$ 114,404
2023	\$ 112,790
2024	\$ 77,468
2025	\$ 4,122
Thereafter	-
	<u>\$ 438,650</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2020	Net Book Value 2019
Sites	\$ 3,051,972	\$ 3,051,972
Buildings	45,024,739	45,279,209
Buildings – WIP	454,589	165,020
Furniture & Equipment	901,180	884,467
Vehicles	490,768	555,831
Computer Software	8,098	13,125
Computer Hardware	410,701	541,437
Total	\$ 50,342,047	\$ 50,491,061

June 30, 2020

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2020
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$3,051,972
Buildings	85,940,915	1,601,089			87,542,004
Buildings – WIP	165,022	889,567		(600,000)	454,589
Furniture & Equipment	1,347,561	151,469	(16,362)		1,482,668
Vehicles	835,672	18,505	(29,200)		824,977
Computer Software	25,134				25,134
Computer Hardware	653,681	-	-		653,681
Total	\$92,019,957	\$2,660,630	\$ (45,562)	\$ (600,000)	\$94,035,025

	Opening Accumulated Amortization	Increases	Disposals	Total 2020
Buildings	\$ 40,661,707	\$ 1,855,558	\$ -	\$ 42,517,265
Furniture & Equipment	463,094	134,756	(16,362)	581,488
Vehicles	279,842	83,567	(29,200)	334,209
Computer Software	12,009	5,027	-	17,036
Computer Hardware	112,244	130,736	-	242,980
Total	\$ 41,528,896	\$ 2,209,644	\$(45,562)	\$ 43,692,978

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2019

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$3,051,972
Buildings	83,824,361	2,116,554			85,940,915
Buildings – WIP	51,157	165,022		(51,157)	165,022
Furniture & Equipment	1,365,665	40,834	(58,938)		1,347,561
Vehicles	966,975	39,050	(170,353)		835,672
Computer Software	25,134				25,134
Computer Hardware	552,072	453,008	(351,399)		653,681
Total	\$89,837,336	\$2,814,468	\$ (580,690)	\$ (51,157)	\$92,019,957

	Opening Accumulated Amortization	Increases	Disposals	Total 2019
Buildings	\$ 38,850,185	\$ 1,811,522	\$ -	\$ 40,661,707
Furniture & Equipment	385,465	136,567	(58,938)	463,094
Vehicles	353,499	96,697	(170,354)	279,842
Computer Software	6,982	5,027	-	12,009
Computer Hardware	353,228	110,415	(351,399)	112,244
Total	\$ 39,949,359	\$ 2,160,228	\$(580,691)	\$ 41,528,896

Funds contributed by Operating Fund for the purchase of tangible capital assets:

Additions to Furniture & Equipment and Vehicles include the following tangible capital assets purchased using funds contributed by the Operating Fund:

	2020	2019
School Furniture & Equipment	\$ -	\$ 17,571
Vehicles	18,505	39,051
Total	\$ 18,505	\$ 56,622

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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. As at December 31, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 from school districts.

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

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

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

The school district paid \$3,122,627 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$3,176,665).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 18 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2020 the liability cannot reasonably be determined.

NOTE 19 EXPENSE BY OBJECT

	2020	2019
Salaries and benefits	\$ 38,904,315	\$ 37,041,283
Services and supplies	6,289,934	7,071,680
Amortization	2,209,644	2,160,228
Interest	12,181	6,011
	\$ 47,416,074	\$ 46,279,202

NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:		
School Surpluses	\$ 1,893,949	
Appropriated for 2020/21 Year	1,032,284	
Appropriated for Subsequent Years	526,000	
Contractual Obligations	149,183	
District Programs	819,668	
Subtotal Internally Restricted		\$ 4,421,084
Unrestricted Operating Surplus (Deficit)		3,123,223
Total Available for Future Operations		\$ 7,544,307

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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 22 COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- The district significantly reduced operations on March 15, 2020 based on public health recommendations, and remained operating below full capacity for the remainder of the fiscal year.
- The district has pursued available government assistance programs.
- The district has implemented remote work arrangements for those able to do so.
- The district has implemented stringent health and safety procedures.
- The management of the district has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic and the related economic contraction on the district.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the district's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions.

Management's estimates and judgments considered the uncertainties and economic implications of the COVID-19 pandemic on the Districts' operations, financial performance and financial position for the year ended June 30, 2020. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the reported amounts of employee future benefits and could result in an increase of 2 to 4% in accumulated benefit obligation, as per most recent actuarial assumptions.

At the date of publication of these financial statements, it is not possible to reliably estimate the length and severity of these developments and their potential impact on the District's financial results, conditions and cash flows.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 23 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 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, accounts 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 recognized British Columbia institutions and the School District invests solely in the Provincial Treasury's Central Deposit Program, GICs and term deposits.

- b) 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 Provincial Treasury's Central Deposit Program, GICs and term deposits that have a maturity date of no more than 3 years.

- c) Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

School District No. 46 (Sunshine Coast)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2020

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,773,403		7,308,687	13,082,090	11,810,985
Changes for the year					
Surplus (Deficit) for the year	1,932,248		(463,380)	1,468,868	1,271,105
Interfund Transfers					
Tangible Capital Assets Purchased	(18,505)		18,505	-	
Other	(142,839)		142,839	-	
Net Changes for the year	1,770,904	-	(302,036)	1,468,868	1,271,105
Accumulated Surplus (Deficit), end of year - Statement 2	7,544,307	-	7,006,651	14,550,958	13,082,090

School District No. 46 (Sunshine Coast)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	40,095,059	40,843,057	39,149,703
Other	35,000	30,000	53,430
Tuition	71,060	81,085	121,178
Other Revenue	798,061	775,651	731,117
Rentals and Leases	60,000	73,557	75,272
Investment Income	175,000	204,557	217,026
Total Revenue	41,234,180	42,007,907	40,347,726
Expenses			
Instruction	36,118,917	32,508,963	30,952,532
District Administration	2,281,157	2,165,388	2,098,442
Operations and Maintenance	4,685,209	4,352,003	4,328,429
Transportation and Housing	1,502,768	1,049,305	1,257,718
Total Expense	44,588,051	40,075,659	38,637,121
Operating Surplus (Deficit) for the year	(3,353,871)	1,932,248	1,710,605
Budgeted Appropriation (Retirement) of Surplus (Deficit)	3,353,871		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(18,505)	(56,622)
Other		(142,839)	(101,725)
Total Net Transfers	-	(161,344)	(158,347)
Total Operating Surplus (Deficit), for the year	-	1,770,904	1,552,258
Operating Surplus (Deficit), beginning of year		5,773,403	4,221,145
Operating Surplus (Deficit), end of year		7,544,307	5,773,403
Operating Surplus (Deficit), end of year			
Internally Restricted		4,421,084	4,211,119
Unrestricted		3,123,223	2,073,690
Unfunded Accrued Employee Future Benefits			(511,406)
Total Operating Surplus (Deficit), end of year		7,544,307	5,773,403

School District No. 46 (Sunshine Coast)

Schedule 2A (Unaudited)

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

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	38,864,316	39,038,470	38,045,057
Other Ministry of Education Grants			
Pay Equity	510,381	510,381	510,381
Funding for Graduated Adults	5,966	9,846	6,752
Transportation Supplement	380,465	380,465	380,465
Carbon Tax Grant	15,000	20,415	20,415
Employer Health Tax Grant	310,235	310,235	94,274
Strategic Priorities - Mental Health Grant			35,000
Support Staff Benefits Grant			37,322
BCTEA - LEA Capacity Building Grant			6,850
Support Staff Wage Increase Funding		176,932	
Teachers' Labour Settlement Funding		385,785	
FSA Scorer	8,696	8,187	8,187
Shoulder Tappers			5,000
ELF Imp Grant		2,341	
Total Provincial Grants - Ministry of Education	40,095,059	40,843,057	39,149,703
Provincial Grants - Other	35,000	30,000	53,430
Tuition			
International and Out of Province Students	71,060	81,085	121,178
Total Tuition	71,060	81,085	121,178
Other Revenues			
Other School District/Education Authorities	632,489	632,489	583,322
Miscellaneous			
Miscellaneous	165,572	143,162	147,795
Total Other Revenue	798,061	775,651	731,117
Rentals and Leases	60,000	73,557	75,272
Investment Income	175,000	204,557	217,026
Total Operating Revenue	41,234,180	42,007,907	40,347,726

School District No. 46 (Sunshine Coast)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	15,413,095	15,439,822	14,428,283
Principals and Vice Principals	2,500,549	2,487,602	2,435,647
Educational Assistants	3,382,485	3,521,316	2,998,547
Support Staff	4,255,332	4,122,221	4,061,797
Other Professionals	1,282,229	1,330,928	1,211,544
Substitutes	2,614,436	1,583,138	1,791,538
Total Salaries	<u>29,448,126</u>	<u>28,485,027</u>	<u>26,927,356</u>
Employee Benefits	7,187,124	6,593,529	6,207,122
Total Salaries and Benefits	<u>36,635,250</u>	<u>35,078,556</u>	<u>33,134,478</u>
Services and Supplies			
Services	803,762	542,220	667,245
Student Transportation	1,390,216	983,191	1,202,251
Professional Development and Travel	180,575	124,820	161,231
Rentals and Leases	10,000	6,967	37,490
Dues and Fees	58,500	59,326	56,231
Insurance	88,000	81,373	76,626
Supplies	4,729,936	2,527,892	2,691,473
Utilities	691,812	671,314	610,096
Total Services and Supplies	<u>7,952,801</u>	<u>4,997,103</u>	<u>5,502,643</u>
Total Operating Expense	<u>44,588,051</u>	<u>40,075,659</u>	<u>38,637,121</u>

School District No. 46 (Sunshine Coast)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	12,697,155	305,598		611,887		1,443,364	15,058,004
1.03 Career Programs	102,773						102,773
1.07 Library Services	63,600			51,151			114,751
1.08 Counselling	625,677			119,691			745,368
1.10 Special Education	1,432,579	256,849	3,385,809	307,060	55,728	119,871	5,557,896
1.30 English Language Learning	71,285						71,285
1.31 Indigenous Education	446,753	130,794	135,507			2,400	715,454
1.41 School Administration		1,651,560		571,741			2,223,301
I.62 International and Out of Province Students							-
1.64 Other				51,768			51,768
Total Function 1	15,439,822	2,344,801	3,521,316	1,713,298	55,728	1,565,635	24,640,600
4 District Administration							
4.11 Educational Administration		142,801			306,693		449,494
4.40 School District Governance					132,733		132,733
4.41 Business Administration				135,431	644,731	14,125	794,287
Total Function 4	-	142,801	-	135,431	1,084,157	14,125	1,376,514
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				49,068	167,655		216,723
5.50 Maintenance Operations				2,091,323			2,091,323
5.52 Maintenance of Grounds				122,272			122,272
5.56 Utilities							-
Total Function 5	-	-	-	2,262,663	167,655	-	2,430,318
7 Transportation and Housing							
7.41 Transportation and Housing Administration					23,388		23,388
7.70 Student Transportation				10,829		3,378	14,207
Total Function 7	-	-	-	10,829	23,388	3,378	37,595
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	15,439,822	2,487,602	3,521,316	4,122,221	1,330,928	1,583,138	28,485,027

School District No. 46 (Sunshine Coast)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	15,058,004	3,327,893	18,385,897	1,630,708	20,016,605	22,402,333	18,531,872
1.03 Career Programs	102,773	22,373	125,146	16,235	141,381	380,384	199,298
1.07 Library Services	114,751	31,349	146,100	70,853	216,953	222,854	374,959
1.08 Counselling	745,368	194,522	939,890	18	939,908	1,006,784	659,226
1.10 Special Education	5,557,896	1,388,783	6,946,679	268,580	7,215,259	7,725,535	7,011,376
1.30 English Language Learning	71,285	18,454	89,739	10,587	100,326	284,951	157,277
1.31 Indigenous Education	715,454	166,226	881,680	55,871	937,551	1,284,627	1,030,786
1.41 School Administration	2,223,301	518,599	2,741,900	63,738	2,805,638	2,652,135	2,823,635
1.62 International and Out of Province Students	-	-	-	4,136	4,136	33,000	19,609
1.64 Other	51,768	8,537	60,305	70,901	131,206	126,314	144,494
Total Function 1	24,640,600	5,676,736	30,317,336	2,191,627	32,508,963	36,118,917	30,952,532
4 District Administration							
4.11 Educational Administration	449,494	94,749	544,243	34,058	578,301	588,054	572,409
4.40 School District Governance	132,733	1,841	134,574	69,541	204,115	232,745	249,850
4.41 Business Administration	794,287	206,741	1,001,028	381,944	1,382,972	1,460,358	1,276,183
Total Function 4	1,376,514	303,331	1,679,845	485,543	2,165,388	2,281,157	2,098,442
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	216,723	51,222	267,945	95,030	362,975	352,842	372,318
5.50 Maintenance Operations	2,091,323	525,377	2,616,700	576,440	3,193,140	3,431,077	3,187,890
5.52 Maintenance of Grounds	122,272	28,377	150,649	42,120	192,769	209,478	158,125
5.56 Utilities	-	-	-	603,119	603,119	691,812	610,096
Total Function 5	2,430,318	604,976	3,035,294	1,316,709	4,352,003	4,685,209	4,328,429
7 Transportation and Housing							
7.41 Transportation and Housing Administration	23,388	4,704	28,092	-	28,092	28,114	27,346
7.70 Student Transportation	14,207	3,782	17,989	1,003,224	1,021,213	1,474,654	1,230,372
Total Function 7	37,595	8,486	46,081	1,003,224	1,049,305	1,502,768	1,257,718
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	28,485,027	6,593,529	35,078,556	4,997,103	40,075,659	44,588,051	38,637,121

School District No. 46 (Sunshine Coast)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	4,301,912	4,119,842	4,310,670
Other Revenue	1,021,659	987,435	1,158,097
Investment Income	7,000	11,313	13,084
Total Revenue	<u>5,330,571</u>	<u>5,118,590</u>	<u>5,481,851</u>
Expenses			
Instruction	5,133,983	4,923,165	5,170,863
Operations and Maintenance	196,588	195,425	304,979
Total Expense	<u>5,330,571</u>	<u>5,118,590</u>	<u>5,475,842</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>6,009</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(6,009)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(6,009)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 46 (Sunshine Coast)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	
Deferred Revenue, beginning of year	35,701		16,285	560,248	605,821			5,094	
Add: Restricted Grants									
Provincial Grants - Ministry of Education	196,588	145,285				192,948	22,634	10,661	499,917
Other				148,003	660,457				
Investment Income				11,313					
	196,588	145,285	-	159,316	660,457	192,948	22,634	10,661	499,917
Less: Allocated to Revenue	62,445	145,285	804	140,699	685,661	192,948	14,920	-	499,917
Deferred Revenue, end of year	169,844	-	15,481	578,865	580,617	-	7,714	15,755	-
Revenues									
Provincial Grants - Ministry of Education	62,445	145,285	804			192,948	14,920		499,917
Other Revenue				129,386	685,661				
Investment Income				11,313					
	62,445	145,285	804	140,699	685,661	192,948	14,920	-	499,917
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									72,447
Educational Assistants		103,560				116,128			122,950
Support Staff	35,500								
Other Professionals									
Substitutes									
	35,500	103,560	-	-	-	116,128	-	-	195,397
Employee Benefits	14,394	41,725				46,820			57,520
Services and Supplies	12,551		804	140,699	685,661	30,000	14,920		247,000
District Entered	-								
	62,445	145,285	804	140,699	685,661	192,948	14,920	-	499,917
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2020

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Changing Results for Young Children	Misc Other Grants	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year						171,648	1,394,797
Add: Restricted Grants							
Provincial Grants - Ministry of Education	216,728	2,883,266	62,002	30,500	41,234		4,301,763
Other						182,000	990,460
Investment Income							11,313
	216,728	2,883,266	62,002	30,500	41,234	182,000	5,303,536
Less: Allocated to Revenue	216,728	2,883,266	62,002	13,166	28,361	172,388	5,118,590
Deferred Revenue, end of year	-	-	-	17,334	12,873	181,260	1,579,743
Revenues							
Provincial Grants - Ministry of Education	216,728	2,883,266	62,002	13,166	28,361		4,119,842
Other Revenue						172,388	987,435
Investment Income							11,313
	216,728	2,883,266	62,002	13,166	28,361	172,388	5,118,590
Expenses							
Salaries							
Teachers		2,306,613					2,306,613
Principals and Vice Principals							72,447
Educational Assistants							342,638
Support Staff	105,000					23,284	163,784
Other Professionals	10,000					3,414	13,414
Substitutes	72,535		50,502	1,243	15,906		140,186
	187,535	2,306,613	50,502	1,243	15,906	26,698	3,039,082
Employee Benefits	29,193	576,653	11,500	350	5,302	4,420	787,877
Services and Supplies				11,573	7,153	141,270	1,291,631
District Entered							-
	216,728	2,883,266	62,002	13,166	28,361	172,388	5,118,590
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)

Schedule 4 (Unaudited)

Schedule of Capital Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	1,746,852	1,758,445		1,758,445	1,720,730
Total Revenue	<u>1,746,852</u>	<u>1,758,445</u>	-	<u>1,758,445</u>	<u>1,720,730</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,126,077	2,126,077		2,126,077	2,063,531
Transportation and Housing	83,567	83,567		83,567	96,697
Debt Services					
Capital Loan Interest			12,181	12,181	6,011
Total Expense	<u>2,209,644</u>	<u>2,209,644</u>	<u>12,181</u>	<u>2,221,825</u>	<u>2,166,239</u>
Capital Surplus (Deficit) for the year	<u>(462,792)</u>	<u>(451,199)</u>	<u>(12,181)</u>	<u>(463,380)</u>	<u>(445,509)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		18,505		18,505	62,631
Capital Loan Payment			142,839	142,839	101,725
Total Net Transfers	<u>-</u>	<u>18,505</u>	<u>142,839</u>	<u>161,344</u>	<u>164,356</u>
Other Adjustments to Fund Balances					
Principal Payment					
Capital Loan		130,658	(130,658)	-	
Total Other Adjustments to Fund Balances		<u>130,658</u>	<u>(130,658)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(462,792)</u>	<u>(302,036)</u>	-	<u>(302,036)</u>	<u>(281,153)</u>
Capital Surplus (Deficit), beginning of year		<u>7,308,687</u>		<u>7,308,687</u>	<u>7,589,840</u>
Capital Surplus (Deficit), end of year		<u>7,006,651</u>	-	<u>7,006,651</u>	<u>7,308,687</u>

School District No. 46 (Sunshine Coast)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	3,051,972	85,940,915	1,347,561	835,672	25,134	653,681	91,854,935
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,001,089					1,001,089
Deferred Capital Revenue - Other			73,906				73,906
Operating Fund				18,505			18,505
Loan			77,563				77,563
Transferred from Work in Progress		600,000					600,000
	-	1,601,089	151,469	18,505	-	-	1,771,063
Decrease:							
Deemed Disposals			16,362	29,200			45,562
	-	-	16,362	29,200	-	-	45,562
Cost, end of year	3,051,972	87,542,004	1,482,668	824,977	25,134	653,681	93,580,436
Work in Progress, end of year		454,589					454,589
Cost and Work in Progress, end of year	3,051,972	87,996,593	1,482,668	824,977	25,134	653,681	94,035,025
Accumulated Amortization, beginning of year		40,661,707	463,094	279,842	12,009	112,244	41,528,896
Changes for the Year							
Increase: Amortization for the Year		1,855,558	134,756	83,567	5,027	130,736	2,209,644
Decrease:							
Deemed Disposals			16,362	29,200			45,562
			16,362	29,200			45,562
Accumulated Amortization, end of year		42,517,265	581,488	334,209	17,036	242,980	43,692,978
Tangible Capital Assets - Net	3,051,972	45,479,328	901,180	490,768	8,098	410,701	50,342,047

School District No. 46 (Sunshine Coast)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
Work in Progress, beginning of year	\$ 165,022	\$	\$	\$	\$ 165,022
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	862,472				862,472
Deferred Capital Revenue - Other	27,095				27,095
	<u>889,567</u>	-	-	-	<u>889,567</u>
Decrease:					
Transferred to Tangible Capital Assets	600,000				600,000
	<u>600,000</u>	-	-	-	<u>600,000</u>
Net Changes for the Year	<u>289,567</u>	-	-	-	<u>289,567</u>
Work in Progress, end of year	<u>454,589</u>	-	-	-	<u>454,589</u>

School District No. 46 (Sunshine Coast)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	42,420,306	105,301		42,525,607
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,001,089	73,906		1,074,995
Transferred from Work in Progress	600,000			600,000
	<u>1,601,089</u>	<u>73,906</u>	<u>-</u>	<u>1,674,995</u>
Decrease:				
Amortization of Deferred Capital Revenue	1,746,852	11,593		1,758,445
	<u>1,746,852</u>	<u>11,593</u>	<u>-</u>	<u>1,758,445</u>
Net Changes for the Year	<u>(145,763)</u>	<u>62,313</u>	<u>-</u>	<u>(83,450)</u>
Deferred Capital Revenue, end of year	<u>42,274,543</u>	<u>167,614</u>	<u>-</u>	<u>42,442,157</u>
Work in Progress, beginning of year	165,022			165,022
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	862,472	27,095		889,567
	<u>862,472</u>	<u>27,095</u>	<u>-</u>	<u>889,567</u>
Decrease:				
Transferred to Deferred Capital Revenue	600,000			600,000
	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Net Changes for the Year	<u>262,472</u>	<u>27,095</u>	<u>-</u>	<u>289,567</u>
Work in Progress, end of year	<u>427,494</u>	<u>27,095</u>	<u>-</u>	<u>454,589</u>
Total Deferred Capital Revenue, end of year	<u>42,702,037</u>	<u>194,709</u>	<u>-</u>	<u>42,896,746</u>

School District No. 46 (Sunshine Coast)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	231,325	33,119	96,432			360,876
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,632,236					1,632,236
Provincial Grants - Other			1,731,025			1,731,025
	<u>1,632,236</u>	<u>-</u>	<u>1,731,025</u>	<u>-</u>	<u>-</u>	<u>3,363,261</u>
Decrease:						
Transferred to DCR - Capital Additions	1,001,089		73,906			1,074,995
Transferred to DCR - Work in Progress	862,472		27,095			889,567
	<u>1,863,561</u>	<u>-</u>	<u>101,001</u>	<u>-</u>	<u>-</u>	<u>1,964,562</u>
Net Changes for the Year	<u>(231,325)</u>	<u>-</u>	<u>1,630,024</u>	<u>-</u>	<u>-</u>	<u>1,398,699</u>
Balance, end of year	<u>-</u>	<u>33,119</u>	<u>1,726,456</u>	<u>-</u>	<u>-</u>	<u>1,759,575</u>