

Audited Financial Statements of

School District No. 79 (Cowichan Valley)

June 30, 2018

School District No. 79 (Cowichan Valley)

June 30, 2018

Table of Contents

Management Report	1
Independent Auditors' Report	2
Statement of Financial Position - Statement 1	3
Statement of Operations - Statement 2	4
Statement of Changes in Net Financial Assets (Debt) - Statement 4	5
Statement of Cash Flows - Statement 5	6
Notes to the Financial Statements	7-27
Auditors' Comments on Supplementary Financial Information	28
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	29
Schedule of Operating Operations - Schedule 2 (Unaudited)	30
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	31
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	32
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	33
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	35
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	36
Schedule of Capital Operations - Schedule 4 (Unaudited)	39
Schedule 4A - Tangible Capital Assets (Unaudited)	40
Schedule 4C - Deferred Capital Revenue (Unaudited)	41
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	42

School District No. 79 (Cowichan Valley)

MANAGEMENT REPORT

Version: 7564-6818-4836

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 79 (Cowichan 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. 79 (Cowichan 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, Collins Barrow Victoria Limited, 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. 79 (Cowichan 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. 79 (Cowichan Valley)

Original signed by Candace Spilsbury

Signature of the Chairperson of the Board of Education

September 27, 2018
Date Signed

Original signed by Rod Allen

Signature of the Superintendent

September 27, 2018
Date Signed

Original signed by Jason Sandquist

Signature of the Secretary Treasurer

September 27, 2018
Date Signed



Downtown:	Westshore:	Collins Barrow Victoria Ltd
645 Fort Street	967 Langford Parkway	Chartered Professional Accountants
Suite 540	Suite 218	T 250.386.0500
Victoria, BC	Victoria, BC	F 250.386.6151
V8W 1G2 Canada	V9B 0A5 Canada	www.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 79 (Cowichan Valley)

We have audited the accompanying financial statements of the School District No. 79 (Cowichan Valley), which comprise the statements of financial position as at June 30, 2018, the statements of operations, changes in net financial assets (debt), and cash flows for the year ended June 30, 2018, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of School District No. 79 (Cowichan Valley) for the year ended June 30, 2018 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

School District No. 79 (Cowichan Valley)
Independent Auditors' Report

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2a to the financial statements, which discloses 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 2a to the financial statements discloses the impact of these differences.

Other Matters

The attached supplementary information included in schedule 1 through 4 is presented for the purposes of additional analysis and has not been audited.

Collins Barrow Victoria Ltd.

Chartered Professional Accountants

September 27, 2018
Victoria, Canada

School District No. 79 (Cowichan Valley)

Statement of Financial Position

As at June 30, 2018

Statement 1

	2018 Actual	2017 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	22,082,088	21,407,945
Accounts Receivable		
Due from Province - Ministry of Education	245,929	302,564
Due from Province - Other	30,943	1,000
Due from LEA/Direct Funding	2,394,049	221,456
Other (Note 3)	350,763	457,165
Inventories for Resale	29,614	47,999
Total Financial Assets	25,133,386	22,438,129
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	23,595	14,417
Other (Note 4)	7,866,082	7,300,632
Unearned Revenue (Note 5)	1,616,787	1,111,232
Deferred Revenue (Note 6)	2,701,179	2,952,971
Deferred Capital Revenue (Note 7)	81,286,141	81,302,737
Employee Future Benefits (Note 8)	3,690,695	3,457,600
Capital Lease Obligations (Note 10)	22,324	40,435
Other Liabilities (Note 4)	1,133,965	767,488
Total Liabilities	98,340,768	96,947,512
Net Financial Assets (Debt)	(73,207,382)	(74,509,383)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	123,332,108	123,409,244
Restricted Assets (Endowments) (Note 13)	92,893	92,893
Prepaid Expenses	273,925	256,968
Total Non-Financial Assets	123,698,926	123,759,105
Accumulated Surplus (Deficit)	50,491,544	49,249,722

Contractual Obligations (Note 16 & 18)

Approved by the Board

Original signed by Candace Spilsbury

Signature of the Chairperson of the Board of Education

September 27, 2018

Date Signed

Original signed by Rod Allen

Signature of the Superintendent

Sept 27/2018

Date Signed

Original signed by Jason Sandquist

Signature of the Secretary Treasurer

September 27, 2018

Date Signed

School District No. 79 (Cowichan Valley)

Statement of Operations

Year Ended June 30, 2018

Statement 2

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	76,868,321	80,619,695	72,391,943
Other	75,000	246,949	411,946
Tuition	2,851,000	2,909,851	2,904,520
Other Revenue	6,619,246	8,966,197	7,081,716
Rentals and Leases	100,000	86,862	119,345
Investment Income	176,423	276,161	169,091
Amortization of Deferred Capital Revenue	3,757,629	3,764,224	3,723,319
Ministry Restricted		5,595	
Total Revenue	90,447,619	96,875,534	86,801,880
Expenses (Note 20)			
Instruction	73,489,987	77,365,894	67,052,364
District Administration	2,333,812	2,377,345	2,131,717
Operations and Maintenance	13,452,756	13,119,576	12,890,201
Transportation and Housing	2,794,240	2,769,261	2,613,615
Debt Services		1,636	1,811
Total Expense	92,070,795	95,633,712	84,689,708
Surplus (Deficit) for the year	(1,623,176)	1,241,822	2,112,172
Accumulated Surplus (Deficit) from Operations, beginning of year		49,249,722	47,137,550
Accumulated Surplus (Deficit) from Operations, end of year		50,491,544	49,249,722

School District No. 79 (Cowichan Valley)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

Statement 4

	2018 Budget \$	2018 Actual \$	2017 Actual \$
Surplus (Deficit) for the year	<u>(1,623,176)</u>	<u>1,241,822</u>	<u>2,112,172</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,373,919)	(4,341,016)	(4,915,655)
Amortization of Tangible Capital Assets	4,388,764	4,418,152	4,349,956
Total Effect of change in Tangible Capital Assets	<u>1,014,845</u>	<u>77,136</u>	<u>(565,699)</u>
Acquisition of Prepaid Expenses	(225,000)	(266,499)	(245,822)
Use of Prepaid Expenses	225,000	249,542	204,993
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(16,957)</u>	<u>(40,829)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(608,331)</u>	<u>1,302,001</u>	<u>1,505,644</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>1,302,001</u>	<u>1,505,644</u>
Net Financial Assets (Debt), beginning of year		<u>(74,509,383)</u>	<u>(76,015,027)</u>
Net Financial Assets (Debt), end of year		<u>(73,207,382)</u>	<u>(74,509,383)</u>

School District No. 79 (Cowichan Valley)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,241,822	2,112,172
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(2,039,499)	2,230,733
Inventories for Resale	18,385	(44,022)
Prepaid Expenses	(16,957)	(40,829)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	574,628	1,666,148
Unearned Revenue	505,555	(155,074)
Deferred Revenue	(251,792)	(134,152)
Employee Future Benefits	233,095	106,559
Other Liabilities	366,477	(84,576)
Amortization of Tangible Capital Assets	4,418,152	4,349,956
Amortization of Deferred Capital Revenue	(3,764,224)	(3,723,319)
Recognition of Deferred Capital Revenue Spent on Sites	(844,368)	(277,628)
Total Operating Transactions	441,274	6,005,968
Capital Transactions		
Tangible Capital Assets Purchased	(4,341,016)	(4,860,575)
Tangible Capital Assets Leased		(55,080)
Total Capital Transactions	(4,341,016)	(4,915,655)
Financing Transactions		
Capital Revenue Received	4,591,996	4,283,140
Capital Lease	(18,111)	40,435
Total Financing Transactions	4,573,885	4,323,575
Net Increase (Decrease) in Cash and Cash Equivalents	674,143	5,413,888
Cash and Cash Equivalents, beginning of year	21,407,945	15,994,057
Cash and Cash Equivalents, end of year	22,082,088	21,407,945
Cash and Cash Equivalents, end of year, is made up of:		
Cash	22,082,088	21,407,945
	22,082,088	21,407,945



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

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. 79 (Cowichan Valley)", and operates as "School District No. 79 (Cowichan 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. 79 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(n).

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(n), 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, 2017 – increase in annual surplus by \$539,871.

June 30, 2017 – increase in accumulated surplus and decrease in deferred contributions by \$4,263,194.

Year-ended June 30, 2018 - increase in annual surplus by \$727,582.

June 30, 2018 – increase in accumulated surplus and decrease in deferred contributions by \$4,491,806.



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased 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) Inventories for Resale

Inventories for resale including school supplies are measured at lower of cost and net realizable value. Cost includes all costs incurred to get ready for sale including taxes. Net realizable value is the expected selling price in the ordinary course of business.

e) Unearned Revenue

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

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 (n).



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

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

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 of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

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

h) Asset Retirement Obligations

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

i) 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

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

- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets, 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

Prepaid utilities, prepaid insurance, and prepaid services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Supplies Inventory

Supplies inventory held for consumption or use include materials and supplies and are recorded at the lower of historical cost and replacement cost.



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2018

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

m) 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 14 – Interfund Transfers and Note 21 – Internally Restricted Surplus).

n) 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.

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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

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

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.

o) Expenditures

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

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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

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

- 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 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.

p) 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.

q) 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.

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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

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

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.

r) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 (a) requires management 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.

Notes to Financial Statements
For the year ended June 30, 2018

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2018	June 30, 2017
Due from Federal Government	\$ 110,591	\$ 114,099
International Students	19,975	66,010
BC Hydro PowerSmart	-	32,638
Rentals	2,794	6,576
Other	232,403	252,842
Allowance for Doubtful Accounts	(15,000)	(15,000)
	<u>\$ 350,763</u>	<u>\$ 457,165</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2018	June 30, 2017
Trades payable	\$ 1,360,326	\$ 1,422,840
Salaries and benefits payable	4,582,530	4,036,430
Accrued vacation and banked pay	1,836,305	1,768,780
Other	86,921	72,582
	<u>\$ 7,866,082</u>	<u>\$ 7,300,632</u>

OTHER LIABILITIES

	June 30, 2018	June 30, 2017
International Homestay payable	\$ 878,749	\$ 638,880
International Medical payable	224,165	86,451
Other	31,051	42,157
	<u>\$ 1,133,965</u>	<u>\$ 767,488</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2018

NOTE 5 UNEARNED REVENUE

	June 30, 2018	June 30, 2017
Balance, beginning of year	\$ 1,111,232	\$ 1,266,306
Changes for the year:		
Increase:		
Tuition Fees	3,257,524	2,818,074
Busing Fees	54,696	15,152
	<u>\$ 3,312,220</u>	<u>\$ 2,833,226</u>
Decrease:		
Tuition fees	\$ 2,760,857	\$ 2,900,520
Busing Fees	45,808	87,780
	<u>2,806,665</u>	<u>2,988,300</u>
Net changes for the year	<u>505,555</u>	<u>(155,074)</u>
Balance, end of year	<u>\$ 1,616,787</u>	<u>\$ 1,111,232</u>

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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 9.

	June 30, 2018	June 30, 2017
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 3,879,476	\$ 4,288,450
Service Cost	269,618	268,506
Interest Cost	107,268	104,822
Benefit Payments	(263,073)	(543,428)
Actuarial (Gain) Loss	(229,327)	(238,874)
Accrued Benefit Obligation – March 31	<u>\$ 3,763,962</u>	<u>\$ 3,879,476</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 3,763,962	\$ 3,879,476
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(3,763,962)	(3,879,476)
Employer Contributions after Measurement Date	55,216	56,402
Benefit Expense after Measurement Date	(96,450)	(94,222)
Unamortized Net Actuarial (Gain) Loss	114,501	459,696
Accrued Benefit Asset (Liability) – June 30	<u>\$ (3,690,695)</u>	<u>\$ (3,457,600)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) – July 1	\$ 3,457,600	\$ 3,351,040
Net expense for Fiscal Year	494,982	520,710
Employer Contributions	(261,887)	(414,150)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 3,690,695</u>	<u>\$ 3,457,600</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2018

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	June 30, 2018	June 30, 2017
Components of Net Benefit Expense		
Service Cost	\$ 272,451	\$ 268,784
Interest Cost	106,664	105,434
Amortization of Net Actuarial (Gain)/Loss	115,867	146,492
Net Benefit Expense (Income)	<u>\$ 494,982</u>	<u>\$ 520,710</u>

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

	June 30, 2018	June 30, 2017
Assumptions		
Discount Rate – April 1	2.75%	2.50%
Discount Rate – March 31	2.75%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.5% + seniority	2.50% + seniority
EARSL – March 31	7.8	7.8

NOTE 9 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

It is planned that the initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards will be eliminated in 3 years.

Unfunded liability, as at July 1, 2017 as previously reported	\$ 167,014
Reductions during the year	<u>(50,000)</u>
Unfunded liability, as at June 30, 2018	<u>\$ 117,014</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

NOTE 10 CAPITAL LEASE OBLIGATIONS

The School District entered into a capital lease for computer equipment. The payments are over 3 years and include interest at 5%. Repayments are due as follows:

2019	\$ 19,747
2020	3,291
Total minimum lease payments	<u>23,038</u>
Less amounts representing interest	<u>(714)</u>
Present value of net minimum capital lease payments	<u>\$ 22,324</u>

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value June 30, 2018	Net Book Value June 30, 2017
Sites	\$ 27,293,698	\$ 26,449,041
Buildings	92,997,400	93,779,499
Furniture & Equipment	867,394	896,634
Vehicles	2,115,625	2,190,383
Computer Software	13,928	24,640
Computer Hardware	44,063	69,047
Total	<u>\$ 123,332,108</u>	<u>\$ 123,409,244</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2018

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2018

Cost:	Opening Cost	Additions	Disposals	Total 2018
Sites	\$ 26,449,041	\$ 844,657	\$ -	\$ 27,293,698
Buildings	170,578,313	3,043,029	-	173,621,342
Furniture & Equipment	1,672,829	138,044	46,988	1,763,885
Vehicles	3,900,442	315,286	666,432	3,549,296
Computer Software	53,562	-	-	53,562
Computer Hardware	124,920	-	69,840	55,080
Total	\$ 202,779,107	\$ 4,341,016	\$ 783,260	\$ 206,336,863

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2018
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	76,798,814	3,825,128	-	80,623,942
Furniture & Equipment	776,195	167,284	46,988	896,491
Vehicles	1,710,059	390,044	666,432	1,433,671
Computer Software	28,922	10,712	-	39,634
Computer Hardware	55,873	24,984	69,840	11,017
Total	\$ 79,369,863	\$ 4,418,152	\$ 783,260	\$ 83,004,755

June 30, 2017

Cost:	Opening Cost	Additions	Disposals	Total 2017
Sites	\$ 26,138,792	\$ 310,249	\$ -	\$ 26,449,041
Buildings	166,487,686	4,090,627	-	170,578,313
Furniture & Equipment	2,192,735	72,448	592,354	1,672,829
Vehicles	3,670,492	387,251	157,301	3,900,442
Computer Software	53,562	-	-	53,562
Computer Hardware	87,927	55,080	18,087	124,920
Total	\$ 198,631,194	\$ 4,915,655	\$ 767,742	\$ 202,779,107

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	73,063,477	3,735,337	-	76,798,814
Furniture & Equipment	1,149,276	219,273	592,354	776,195
Vehicles	1,500,311	367,049	157,301	1,710,059
Computer Software	18,210	10,712	-	28,922
Computer Hardware	56,375	17,585	18,087	55,873
Total	\$ 75,787,649	\$ 4,349,956	\$ 767,742	\$ 79,369,863

Notes to Financial Statements
For the year ended June 30, 2018

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, 2016, the Teachers' Pension Plan has about 45,000 active members and approximately 37,000 retired members. As of December 31, 2016 the Municipal Pension Plan has about 193,000 active members, including approximately 24,000 are 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, 2014 indicated a \$449 million surplus for basic pension benefits on a going concern basis. As a result of the 2014 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased.

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 to remain unchanged.

The school district paid \$7,348,803 for employer contributions to the plans for the year ended June 30, 2018 (2017: \$6,738,649).

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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

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

NOTE 13 RESTRICTED ASSETS – ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the school district. One restriction is that the original contribution should not be spent. Another potential restriction is that any investment income of the endowment funds that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	2017	2018
W.F. Marshall Scholarship	\$ 2,592	\$ 2,592
Xerox Canada Scholarship	12,500	12,500
George Alistair MacKay Scholarship	37,766	37,766
Wunderlich Safety Scholarship	2,216	2,216
V.L. Stanley-Jones Memorial Scholarship	20,000	20,000
Raoula Pedersen Memorial Fine Arts	9,426	9,426
Christina McLeod Memorial Scholarship	8,393	8,393
Total	\$ 92,893	\$ 92,893

NOTE 14 INTERFUND TRANSFERS

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

	Operating Fund	Special Purpose Fund	Capital Fund
Tangible Capital Assets purchased from Operating funds	\$ (48,826)	\$ -	\$ 48,826
Tangible Capital Assets purchased from Special Purpose funds	-	(351,617)	351,617
Total	\$ (48,826)	\$ (351,617)	\$ 400,443

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.



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2018

NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual Obligations	2019	2020	2021	2022	2023	Thereafter
Facility Lease	\$ 30,555	\$ 30,748	\$ 2,122	\$ -		
Equipment Lease	409,326	332,369	242,891	23,612		
Busing Contract	199,167	203,150	207,213	-		
Other	26,000	26,000				
	<u>\$ 665,048</u>	<u>\$ 592,267</u>	<u>\$ 452,226</u>	<u>\$ 23,612</u>	<u>-</u>	<u>-</u>

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through adoption of an annual budget on May 2, 2017.

NOTE 18 CONTINGENCIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.

NOTE 19 ASSET RETIREMENT OBLIGATION

Future legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo renovations or demolition. The amount cannot be reasonably determined.

NOTE 20 EXPENSE BY OBJECT

	2018	2017
Salaries and benefits	\$ 78,288,806	\$69,955,249
Services and supplies	12,926,754	10,384,503
Amortization	4,418,152	4,349,956
	<u>\$ 95,633,712</u>	<u>\$84,689,708</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2018

NOTE 21 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

2018/2019 Operating Budget	\$ 1,800,000	
Aboriginal Education Target	25,497	
BC Education Plan	221,966	
Bus Hoist	75,000	
Careers	164,748	
CUPE Professional Development Funds	3,635	
Distributed Learning	94,400	
Learning Resources	136,469	
Local Education Agreement	146,664	
Mill Bay Nature School Start-Up	30,000	
School Rollovers 10%	79,893	
SRG3 Seismic Mitigation Program	100,589	
Support for Trauma	85,000	\$ 2,963,861
Unrestricted Operating Surplus (Deficit)		1,622,217
Unfunded Accrued Employee Future Benefits		(117,014)
		<hr/>
Total Available for Future Operations		\$ 4,469,064

NOTE 22 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 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:
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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

The School District is exposed to credit risk in the event of non-performance by a debtor. 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 Canadian institutions and the Ministry of Finance.

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 funds are deposited with a primary financial institution and the Ministry of Finance.

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 its 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2018

NOTE 24 COMPARATIVE NOTE

Certain prior year comparative figures have been restated to conform to the current year financial statement presentation.

NOTE 25 SUBSEQUENT EVENTS

It is expected that the Local Capital balance at June 30, 2018 of \$1,063,268 (2017 - \$1,073,083) will be depleted by the Board motions of July 12, 2018 and August 9, 2018 to purchase five portables. Additional classroom capacity is required at several elementary schools for the 2018-2019 school year.



Downtown:
645 Fort Street
Suite 540
Victoria, BC
V8W 1G2 Canada

Westshore:
967 Langford Parkway
Suite 218
Victoria, BC
V9B 0A5 Canada

Collins Barrow Victoria Ltd
Chartered Professional Accountants
T 250.386.0500
F 250.386.6151
www.collinsbarrow.com

School District No. 79 (Cowichan Valley)

Additional Comments of Auditors

For the Year Ended June 30, 2018

The accompanying schedules 1 to 4D are presented as supplementary information only. In this respect, they do not form part of the financial statements of School District No. 79 (Cowichan Valley). The information in these schedules has been subject to audit procedures only to the extent necessary to report on the financial statements, and hence they are excluded from our audit report dated September 27, 2018.

School District No. 79 (Cowichan Valley)
Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2018

Schedule 1 (Unaudited)

	Operating Fund \$	Special Purpose Fund \$	Capital Fund \$	2018 Actual \$	2017 Actual \$
Accumulated Surplus (Deficit), beginning of year					
Changes for the year					
Surplus (Deficit) for the year	3,852,583	92,893	45,304,246	49,249,722	47,137,550
Interfund Transfers					
Tangible Capital Assets Purchased	685,055	351,617	205,150	1,241,822	2,112,172
Other	(48,826)	(351,617)	400,443	-	-
Net Changes for the year	(19,748)		19,748		
	616,481	-	625,341	1,241,822	2,112,172
Accumulated Surplus (Deficit), end of year - Statement 2	4,469,064	92,893	45,929,587	50,491,544	49,249,722

School District No. 79 (Cowichan Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	68,737,180	69,620,868	68,388,869
Other	75,000	246,949	191,400
Tuition	2,851,000	2,909,851	2,904,520
Other Revenue	4,830,364	6,449,910	5,313,479
Rentals and Leases	100,000	86,862	119,345
Investment Income	155,000	258,675	153,302
Total Revenue	76,748,544	79,573,115	77,070,915
Expenses			
Instruction	63,919,341	65,040,030	61,892,959
District Administration	2,333,812	2,377,345	2,131,717
Operations and Maintenance	9,408,531	9,047,311	8,865,466
Transportation and Housing	2,449,701	2,423,374	2,288,394
Total Expense	78,111,385	78,888,060	75,178,536
Operating Surplus (Deficit) for the year	(1,362,841)	685,055	1,892,379
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,372,841		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(10,000)		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(48,826)	(54,972)
Other		(19,748)	(16,456)
Total Net Transfers	-	(68,574)	(71,428)
Total Operating Surplus (Deficit), for the year	-	616,481	1,820,951
Operating Surplus (Deficit), beginning of year		3,852,583	2,031,632
Operating Surplus (Deficit), end of year		4,469,064	3,852,583
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 21)		2,963,861	2,765,496
Unrestricted		1,622,217	1,254,101
Unfunded Accrued Employee Future Benefits (Note 9)		(117,014)	(167,014)
Total Operating Surplus (Deficit), end of year		4,469,064	3,852,583

School District No. 79 (Cowichan Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	72,446,927	73,979,790	71,593,287
DISC/LEA Recovery	(4,705,364)	(5,810,729)	(4,705,364)
Other Ministry of Education Grants			
Pay Equity	363,682	363,682	363,682
Funding for Graduated Adults		11,545	6,849
Transportation Supplement	283,524	283,524	283,524
Economic Stability Dividend		47,611	41,580
Return of Administrative Savings	348,411	348,411	348,411
Carbon Tax Grant		60,290	57,123
Student Learning Grant			385,813
FSA & Exam Allocation		12,964	12,964
Miscellaneous Grants		21,000	1,000
Benefit Funding		103,780	
SRG3 Assessments		114,000	
Support for Trauma Informed Practice		85,000	
Total Provincial Grants - Ministry of Education	68,737,180	69,620,868	68,388,869
Provincial Grants - Other	75,000	246,949	191,400
Tuition			
Continuing Education		148,994	4,000
International and Out of Province Students	2,851,000	2,760,857	2,900,520
Total Tuition	2,851,000	2,909,851	2,904,520
Other Revenues			
LEA/Direct Funding from First Nations	4,705,364	5,810,729	4,705,364
Miscellaneous			
International Program Registration and Activity Fees	95,000	399,564	312,451
Transportation Fees - International	30,000	39,127	50,488
BC Hydro Energy Manager			51,721
Homestay Placement Fees		96,125	124,250
Miscellaneous		104,365	69,205
Total Other Revenue	4,830,364	6,449,910	5,313,479
Rentals and Leases	100,000	86,862	119,345
Investment Income	155,000	258,675	153,302
Total Operating Revenue	76,748,544	79,573,115	77,070,915

School District No. 79 (Cowichan Valley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Salaries			
Teachers	32,593,927	31,931,876	31,726,510
Principals and Vice Principals	4,756,916	4,877,059	4,210,763
Educational Assistants	6,208,380	6,594,963	6,115,151
Support Staff	8,178,578	8,015,457	7,848,187
Other Professionals	1,824,876	1,931,835	1,749,812
Substitutes	3,198,202	3,333,774	3,119,950
Total Salaries	56,760,879	56,684,964	54,770,373
Employee Benefits	13,678,604	13,061,329	12,410,649
Total Salaries and Benefits	70,439,483	69,746,293	67,181,022
Services and Supplies			
Services	2,612,177	3,278,115	2,953,120
Student Transportation	200,600	328,100	370,509
Professional Development and Travel	485,500	624,693	617,807
Rentals and Leases	62,100	50,184	51,985
Dues and Fees	86,760	98,975	83,463
Insurance	244,209	211,239	237,731
Supplies	2,664,426	3,330,207	2,439,177
Utilities	1,316,130	1,220,254	1,243,722
Total Services and Supplies	7,671,902	9,141,767	7,997,514
Total Operating Expense	78,111,385	78,888,060	75,178,536

School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	25,049,705	845,435	62,728	309,139	62,939	2,008,478	28,338,424
1.03 Career Programs	131,411	43,598		130,259		33,689	338,957
1.07 Library Services	762,728	17,896		165,646		55,375	1,001,645
1.08 Counselling	952,274			360,669		25,002	1,337,945
1.10 Special Education	3,733,272	374,728	5,768,962	108,151	146,181	613,165	10,744,459
1.30 English Language Learning	365,855						365,855
1.31 Aboriginal Education	351,904	109,489	763,273	49,791		60,330	1,334,787
1.41 School Administration		3,200,647		1,201,332		89,386	4,491,365
1.60 Summer School							
1.61 Continuing Education	54,291			188			54,479
1.62 International and Out of Province Students	530,436	248,770		117,307	133,102	48,784	1,078,399
1.64 Other							
Total Function 1	31,931,876	4,840,563	6,594,963	2,442,482	342,222	2,934,209	49,086,315
4 District Administration							
4.11 Educational Administration		36,496		27,107	433,932	3,401	500,936
4.40 School District Governance					146,096		146,096
4.41 Business Administration				421,126	500,748	34,321	956,195
Total Function 4	-	36,496	-	448,233	1,080,776	37,722	1,603,227
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				91,596	433,536	39,034	564,166
5.50 Maintenance Operations				3,501,644		222,449	3,724,093
5.52 Maintenance of Grounds				359,482			359,482
5.56 Utilities							
Total Function 5	-	-	-	3,952,722	433,536	261,483	4,647,741
7 Transportation and Housing							
7.41 Transportation and Housing Administration				96,584	75,301	6,801	178,686
7.70 Student Transportation				1,075,436		93,559	1,168,995
Total Function 7	-	-	-	1,172,020	75,301	100,360	1,347,681
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	31,931,876	4,877,059	6,594,963	8,015,457	1,931,835	3,333,774	56,684,964

School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	28,338,424	6,807,209	35,145,633	2,028,187	37,173,820	37,626,116	36,890,198
1.03 Career Programs	338,957	71,892	410,849	1,026,364	1,437,213	1,266,593	1,193,727
1.07 Library Services	1,001,645	232,141	1,233,786	70,910	1,304,696	1,298,809	1,227,932
1.08 Counselling	1,337,945	298,759	1,636,704	3,064	1,639,768	1,641,290	1,622,724
1.10 Special Education	10,744,459	2,388,870	13,133,329	86,383	13,219,712	12,529,030	11,654,779
1.30 English Language Learning	365,855	85,295	451,150	1,913	453,063	466,517	448,732
1.31 Aboriginal Education	1,334,787	290,565	1,625,352	205,702	1,831,054	1,790,606	1,781,748
1.41 School Administration	4,491,365	980,345	5,471,710	94,286	5,565,996	5,409,057	4,827,099
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	54,479	6,044	60,523	3,710	64,233	171,959	120,877
1.62 International and Out of Province Students	1,078,399	238,728	1,317,127	1,023,472	2,340,599	1,705,164	2,111,492
1.64 Other	-	-	-	9,876	9,876	14,200	13,651
Total Function 1	49,086,315	11,399,848	60,486,163	4,553,867	65,040,030	63,919,341	61,892,959
4 District Administration							
4.11 Educational Administration	500,936	101,427	602,363	42,471	644,834	580,865	613,299
4.40 School District Governance	146,096	17,105	163,201	155,467	318,668	258,565	168,773
4.41 Business Administration	956,195	186,953	1,143,148	270,695	1,413,843	1,494,382	1,349,645
Total Function 4	1,603,227	305,485	1,908,712	468,633	2,377,345	2,333,812	2,131,717
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	564,166	103,327	667,493	209,115	876,608	829,315	888,465
5.50 Maintenance Operations	3,724,093	847,165	4,571,258	1,567,221	6,138,479	6,305,420	5,754,803
5.52 Maintenance of Grounds	359,482	90,350	449,832	99,082	548,914	601,494	580,076
5.56 Utilities	-	-	-	1,483,310	1,483,310	1,672,302	1,642,122
Total Function 5	4,647,741	1,040,842	5,688,583	3,358,728	9,047,311	9,408,531	8,865,466
7 Transportation and Housing							
7.41 Transportation and Housing Administration	178,686	38,764	217,450	13,035	230,485	255,271	222,309
7.70 Student Transportation	1,168,995	276,390	1,445,385	747,504	2,192,889	2,194,430	2,066,085
Total Function 7	1,347,681	315,154	1,662,835	760,539	2,423,374	2,449,701	2,288,394
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	56,684,964	13,061,329	69,746,293	9,141,767	78,888,060	78,111,385	75,178,536

School District No. 79 (Cowichan Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	8,131,141	10,160,054	3,725,446
Other			220,546
Other Revenue	1,788,882	2,516,287	1,768,237
Investment Income	11,123	1,140	5,471
Total Revenue	<u>9,931,146</u>	<u>12,677,481</u>	<u>5,719,700</u>
Expenses			
Instruction	9,570,646	12,325,864	5,159,405
Total Expense	<u>9,570,646</u>	<u>12,325,864</u>	<u>5,159,405</u>
Special Purpose Surplus (Deficit) for the year	<u>360,500</u>	<u>351,617</u>	<u>560,295</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(360,500)	(351,617)	(560,295)
Total Net Transfers	<u>(360,500)</u>	<u>(351,617)</u>	<u>(560,295)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		92,893	92,893
Special Purpose Surplus (Deficit), end of year		<u>92,893</u>	<u>92,893</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		92,893	92,893
Total Special Purpose Surplus (Deficit), end of year		<u>92,893</u>	<u>92,893</u>

School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	933,487		27,010	12,886	46,817	1,451,818	75,435	62,579	
Add: Restricted Grants									
Provincial Grants - Ministry of Education	384,070	290,372					192,000	34,300	155,331
Other	14,549			2,443		2,311,523			
Investment Income				6,490					
Donations				8,933					
	398,619	290,372	-	8,933	-	2,311,523	192,000	34,300	155,331
Less: Allocated to Revenue	384,310	290,372	-	3,400	3,688	2,496,073	187,011	36,601	149,040
Deferred Revenue, end of year	947,796	-	27,010	18,419	43,129	1,267,268	80,424	60,278	6,291
Revenues									
Provincial Grants - Ministry of Education	384,070	290,372			3,688		187,011	36,601	149,040
Other Revenue	240			2,500		2,496,073			
Investment Income				900					
Expenses									
Salaries	384,310	290,372		3,400	3,688	2,496,073	187,011	36,601	149,040
Teachers									
Principals and Vice Principals									16,711
Educational Assistants		243,443							23,281
Support Staff							3,080		
Substitutes		2,590							
		246,033						20,526	14,776
Employee Benefits		44,339					3,080	20,526	54,768
Services and Supplies	32,693			3,400	3,688	2,496,073	183,140	8,313	
	32,693	290,372		3,400	3,688	2,496,073	187,011	16,075	85,959
								36,601	149,040
Net Revenue (Expense) before Interfund Transfers	351,617	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(351,617)								
	(351,617)								
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 79 (Cowichan Valley)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2018

Schedule 3A (Unaudited)

	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	BC Hydro	Early Learning	Student Inspiration	Wendy's House
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	52,231	82,829	-	-	-	153,513	17,085	12,469	24,812
Add: Restricted Grants									
Provincial Grants - Ministry of Education									
Other	636,178			1,144,733	7,233,672	788	8,790		250
Investment Income									
Donations									
Less: Allocated to Revenue	636,178		-	1,144,733	7,233,672	788	8,790	-	250
Deferred Revenue, end of year	40,371	82,829	-	1,144,733	7,233,672	1,016	3,938	294	2,266
Revenues						153,285	21,937	12,175	22,796
Provincial Grants - Ministry of Education									
Other Revenue	648,038	82,829		1,144,733	7,233,672				
Investment Income						1,016	3,938	294	2,266
Expenses									
Salaries	648,038	82,829	-	1,144,733	7,233,672	1,016	3,938	294	2,266
Teachers									
Principals and Vice Principals					5,400,712				
Educational Assistants	342,252			437,722					
Support Staff	22,847			118,214					
Substitutes	25,085	18,971		336,796					
Employee Benefits	390,184	18,971	-	892,732	5,400,712				
Services and Supplies	91,557			130,091	1,240,416				
	166,297	63,858		121,910	592,544	1,016	3,938	294	2,266
	648,038	82,829	-	1,144,733	7,233,672	1,016	3,938	294	2,266
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund	-	-	-	-	-	-	-	-	-

School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

	Cultural Trust	TOTAL
	\$	\$
Deferred Revenue, beginning of year	-	2,952,971
Add: Restricted Grants		
Provincial Grants - Ministry of Education		10,070,656
Other	10,200	2,331,551
Investment Income		16,992
Donations		6,490
	10,200	12,425,689
Less: Allocated to Revenue	10,200	12,677,481
Deferred Revenue, end of year	-	2,701,179
Revenues		
Provincial Grants - Ministry of Education		10,160,054
Other Revenue	10,200	2,516,287
Investment Income		1,140
	10,200	12,677,481
Expenses		
Salaries		
Teachers		5,417,423
Principals and Vice Principals		23,281
Educational Assistants		1,023,417
Support Staff		144,141
Substitutes		418,744
	-	7,027,006
Employee Benefits		1,515,507
Services and Supplies	10,200	3,783,351
	10,200	12,325,864
Net Revenue (Expense) before Interfund Transfers	-	351,617
Interfund Transfers		
Tangible Capital Assets Purchased		(351,617)
	-	(351,617)
Net Revenue (Expense)	-	-
Additional Expenses funded by, and reported in, the Operating Fund	4,000	4,000

School District No. 79 (Cowichan Valley)

Schedule of Capital Operations

Year Ended June 30, 2018

Schedule 4 (Unaudited)

	2018 Budget	2018 Actual			2017 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education		838,773		838,773	277,628
Investment Income	10,300		16,346	16,346	10,318
Amortization of Deferred Capital Revenue	3,757,629	3,764,224		3,764,224	3,723,319
Ministry Restricted		5,595		5,595	
Total Revenue	<u>3,767,929</u>	<u>4,608,592</u>	<u>16,346</u>	<u>4,624,938</u>	<u>4,011,265</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,044,225	4,072,265		4,072,265	4,024,735
Transportation and Housing	344,539	345,887		345,887	325,221
Debt Services					
Capital Lease Interest			1,636	1,636	1,811
Total Expense	<u>4,388,764</u>	<u>4,418,152</u>	<u>1,636</u>	<u>4,419,788</u>	<u>4,351,767</u>
Capital Surplus (Deficit) for the year	<u>(620,835)</u>	<u>190,440</u>	<u>14,710</u>	<u>205,150</u>	<u>(340,502)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	360,500	400,443		400,443	615,267
Capital Lease Payment			19,748	19,748	16,456
Total Net Transfers	<u>360,500</u>	<u>400,443</u>	<u>19,748</u>	<u>420,191</u>	<u>631,723</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		26,162	(26,162)		
Principal Payment					
Capital Lease		18,111	(18,111)	-	
Total Other Adjustments to Fund Balances		<u>44,273</u>	<u>(44,273)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(260,335)</u>	<u>635,156</u>	<u>(9,815)</u>	<u>625,341</u>	<u>291,221</u>
Capital Surplus (Deficit), beginning of year		<u>44,231,163</u>	<u>1,073,083</u>	<u>45,304,246</u>	<u>45,013,025</u>
Capital Surplus (Deficit), end of year		<u>44,866,319</u>	<u>1,063,268</u>	<u>45,929,587</u>	<u>45,304,246</u>

School District No. 79 (Cowichan Valley)

Tangible Capital Assets

Year Ended June 30, 2018

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	26,449,041	170,578,313	1,672,829	3,900,442	53,562	124,920	202,779,107
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	838,773	2,491,838	5,275	270,476			3,606,362
Deferred Capital Revenue - Other	5,595	195,846	106,608				308,049
Operating Fund		4,016		44,810			48,826
Special Purpose Funds	289	351,328					351,617
Local Capital			26,162				26,162
Decrease:	844,657	3,043,028	138,045	315,286	-	-	4,341,016
Deemed Disposals			46,988	666,432		69,840	783,260
Cost, end of year			46,988	666,432		69,840	783,260
Work in Progress, end of year	27,293,698	173,621,341	1,763,886	3,549,296	53,562	55,080	206,336,863
Cost and Work in Progress, end of year	27,293,698	173,621,341	1,763,886	3,549,296	53,562	55,080	206,336,863
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		76,798,814	776,195	1,710,059	28,922	55,873	79,369,863
Decrease:		3,825,128	167,284	390,044	10,712	24,984	4,418,152
Deemed Disposals			46,988	666,432		69,840	783,260
Accumulated Amortization, end of year			46,988	666,432		69,840	783,260
		80,623,942	896,491	1,433,671	39,634	11,017	83,004,755
Tangible Capital Assets - Net	27,293,698	92,997,399	867,395	2,115,625	13,928	44,063	123,332,108

School District No. 79 (Cowichan Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	76,439,531	2,285,477	412,637	79,137,645
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,767,589	234,454	68,000	3,070,043
	2,767,589	234,454	68,000	3,070,043
Decrease:				
Amortization of Deferred Capital Revenue	3,618,228	98,956	47,040	3,764,224
	3,618,228	98,956	47,040	3,764,224
Net Changes for the Year	(850,639)	135,498	20,960	(694,181)
Deferred Capital Revenue, end of year	75,588,892	2,420,975	433,597	78,443,464
Work in Progress, beginning of year				
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	75,588,892	2,420,975	433,597	78,443,464

School District No. 79 (Cowichan Valley)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2018

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		2,110,432	54,660			2,165,092
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	4,428,080					4,428,080
Provincial Grants - Other		32,190	63,726			63,726
Investment Income						32,190
Donations					68,000	68,000
	4,428,080	32,190	63,726	-	68,000	4,591,996
Decrease:						
Transferred to DCR - Capital Additions	2,767,589	127,846	106,608		68,000	3,070,043
Transferred to Revenue - Site Purchases	838,773	5,595				844,368
	3,606,362	133,441	106,608	-	68,000	3,914,411
Net Changes for the Year	821,718	(101,251)	(42,882)	-	-	677,585
Balance, end of year	821,718	2,009,181	11,778	-	-	2,842,677