

Audited Financial Statements of

School District No. 43 (Coquitlam)

June 30, 2018

School District No. 43 (Coquitlam)

June 30, 2018

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School District No. 43 (Coquitlam)

MANAGEMENT REPORT

Version: 6165-5419-3437

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 43 (Coquitlam) 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. 43 (Coquitlam) (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 quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 43 (Coquitlam) 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. 43 (Coquitlam)

Kerri Palmer Isaak	2018-09-18
Signature of the Chairperson of the Board of Education	Date Signed
Patricia Gartland	2018-09-18
Signature of the Superintendent	Date Signed
Chris Nicolls	2018-09-18
Signature of the Secretary Treasurer	Date Signed



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INDEPENDENT AUDITORS' REPORT

To the Board of Education of the School District No. 43 (Coquitlam)
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 43 (Coquitlam), which comprise the statements of financial position as at June 30, 2018 and the statements of operations, changes in net 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, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained 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. 43 (Coquitlam) as at and 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, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
September 18, 2018

School District No. 43 (Coquitlam)

Statement 1

Statement of Financial Position

As at June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	173,678,123	154,078,404
Accounts Receivable		
Due from Province - Ministry of Education	6,546,313	3,719,292
Other (Note 3)	4,021,614	5,482,711
Portfolio Investments (Note 4)	11,995,000	11,995,000
Total Financial Assets	196,241,050	175,275,407
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	54,605,392	35,350,978
Unearned Revenue (Note 6)	29,792,595	28,738,104
Deferred Revenue (Note 7)	11,784,783	11,331,439
Deferred Capital Revenue (Note 8)	390,932,135	362,699,639
Employee Future Benefits (Note 9)	28,303,116	33,784,070
Capital Lease Obligations (Note 10)	5,957	11,203
Other Liabilities (Note 5)	7,790,129	7,215,532
Total Liabilities	523,214,107	479,130,965
Net Financial Assets (Debt)	(326,973,057)	(303,855,558)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	521,590,452	491,754,609
Prepaid Expenses	153,375	211,730
Total Non-Financial Assets	521,743,827	491,966,339
Accumulated Surplus (Deficit)	194,770,770	188,110,781
Unrecognized Assets (Note 15)		
Contractual Obligations (Note 16)		
Contractual Rights (Note 17)		
Contingent Liabilities (Note 18)		
Approved by the Board		
Kerri Palmer Isaak	2018-09-18	
Signature of the Chairperson of the Board of Education	Date Signed	
Patricia Gartland	2018-09-18	
Signature of the Superintendent	Date Signed	
Chris Nicolls	2018-09-18	
Signature of the Secretary Treasurer	Date Signed	

School District No. 43 (Coquitlam)

Statement 2

Statement of Operations

Year Ended June 30, 2018

	2018 Budget (Note 19) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	299,573,785	299,703,664	278,918,095
Other	42,560	52,901	53,196
Federal Grants	2,950,000	2,699,451	2,962,205
Tuition	33,937,268	37,880,755	35,426,895
Other Revenue	14,092,471	14,148,995	13,611,351
Rentals and Leases	1,960,375	2,196,232	2,293,881
Investment Income	2,115,000	3,088,382	2,089,045
Gain (Loss) on Disposal of Tangible Capital Assets	3,450,000		357,182
Amortization of Deferred Capital Revenue	11,700,000	11,419,270	11,423,966
Total Revenue	369,821,459	371,189,650	347,135,816
Expenses			
Instruction	301,080,320	294,836,224	280,368,555
District Administration	23,692,055	23,148,350	(17,629,958)
Operations and Maintenance	45,911,659	46,068,520	45,430,296
Transportation and Housing	478,131	476,567	457,234
Debt Services	324		2,333
Total Expense	371,162,489	364,529,661	308,628,460
Surplus (Deficit) for the year	(1,341,030)	6,659,989	38,507,356
Accumulated Surplus (Deficit) from Operations, beginning of year		188,110,781	149,603,425
Accumulated Surplus (Deficit) from Operations, end of year		194,770,770	188,110,781

School District No. 43 (Coquitlam)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

	2018 Budget (Note 19) \$	2018 Actual \$	2017 Actual \$
Surplus (Deficit) for the year	<u>(1,341,030)</u>	<u>6,659,989</u>	<u>38,507,356</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(27,532,000)	(44,217,744)	(42,761,674)
Amortization of Tangible Capital Assets	13,800,000	14,381,901	13,618,128
Net carrying value of Tangible Capital Assets disposed of	25,000		548
Total Effect of change in Tangible Capital Assets	<u>(13,707,000)</u>	<u>(29,835,843)</u>	<u>(29,142,998)</u>
Acquisition of Prepaid Expenses		(153,375)	(211,730)
Use of Prepaid Expenses		211,730	691,005
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>58,355</u>	<u>479,275</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(15,048,030)</u>	<u>(23,117,499)</u>	<u>9,843,633</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(23,117,499)</u>	<u>9,843,633</u>
Net Financial Assets (Debt), beginning of year		<u>(303,855,558)</u>	<u>(313,699,191)</u>
Net Financial Assets (Debt), end of year		<u><u>(326,973,057)</u></u>	<u><u>(303,855,558)</u></u>

School District No. 43 (Coquitlam)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	6,659,989	38,507,356
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,365,924)	(3,780,503)
Prepaid Expenses	58,355	479,275
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	19,254,414	5,443,939
Unearned Revenue	1,054,491	1,405,586
Deferred Revenue	453,344	503,172
Employee Future Benefits	(5,480,954)	(19,598,218)
Other Liabilities	574,597	(73,838)
Loss (Gain) on Disposal of Tangible Capital Assets	-	(356,634)
Amortization of Tangible Capital Assets	14,381,901	13,618,128
Amortization of Deferred Capital Revenue	(11,419,270)	(11,423,966)
Total Operating Transactions	24,170,943	24,724,297
Capital Transactions		
Tangible Capital Assets Purchased	(7,279,146)	(9,273,878)
Tangible Capital Assets -WIP Purchased	(36,938,598)	(33,487,796)
District Portion of Proceeds on Disposal	-	357,182
Total Capital Transactions	(44,217,744)	(42,404,492)
Financing Transactions		
Capital Revenue Received	39,651,766	36,675,041
Capital Lease Repayment	(5,246)	(76,235)
Total Financing Transactions	39,646,520	36,598,806
Net Increase (Decrease) in Cash and Cash Equivalents	19,599,719	18,918,611
Cash and Cash Equivalents, beginning of year	154,078,404	135,159,793
Cash and Cash Equivalents, end of year	173,678,123	154,078,404
Cash and Cash Equivalents, end of year, is made up of:		
Cash	173,678,123	154,078,404
	173,678,123	154,078,404

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on July 1, 1946 operates under the authority of the *School Act of British Columbia* as a corporation under the name of "The Board of Education of School District No. 43 (Coquitlam)", and operates as "School District No. 43 (Coquitlam)". A board of education ("Board") which is 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. 43 (Coquitlam) 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* supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that;

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the
- eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District does not administer any trust activities on behalf of external parties.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

e) Portfolio Investments

The School District has investments in GIC's and bonds that have a maturity of greater than 3 months at the time of acquisition. GIC's and bonds not quoted in an active market are reported at amortized cost.

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.

f) 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 services or products are provided.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

g) 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(o).

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.

h) Employee Future Benefits

i. Post-employment benefits

The School District provides certain post-employment benefits including accumulated sick leave, accumulated vacation pay, overtime, death benefits, early retirement, and severance/retirement allowances 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. The future 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 and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing except as per the election described in Note 9 Employee Future Benefits.

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 actuarial valuation of the obligation was performed at March 31, 2016 and projected to June 30, 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 provides for non-teaching employees a defined benefit plan, including health and dental premiums during retirement. The plan was closed to new enrollees effective December 31, 2017. An actuarial valuation is conducted every three years. The most recent valuation of the obligation was performed at December 31, 2016 and projected for use at June 30, 2018.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

h) Employee Future Benefits *(continued)*

ii. Pension Plans

The School District provides a defined benefit pension plan for non-teaching employees. An actuarial valuation is conducted every three years. The most recent valuation of the obligation was performed at December 31, 2016 and projected for use at June 30, 2018.

The School District and its teaching employees make contributions to the Teachers' Pension Plan a multi-employer plan where assets and obligations are not separated. The costs are expensed as incurred.

The School District and its non-teaching employees make contributions to the Non-Teaching Pension Plan of School District 43, (Coquitlam). Effective January 1, 2018 this plan was closed to new enrollees. See Note 9 for additional details of this transaction. Assets and obligations are separated and costs are accrued.

i) 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 amounts 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.

j) Liability for Contaminated Sites

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

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

k) 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.
- 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 Hardware	5 years

l) 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.

m) Prepaid Expenses

Materials, supplies and services held for use by the School District in the following fiscal year are included as a prepaid expense and stated at acquisition cost. Such items are charged to expense over the periods expected to benefit from it.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

n) 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 13 – Interfund Transfers and Note 22 – Internally Restricted Surplus).

o) Revenue Recognition

Revenues are recognized 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.

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

Revenue related to fees or services received in advance of the fee being earned or the service 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. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

p) Expenditures

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

Categories of Salaries

- Principals, 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.

q) 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.

r) 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, portfolio investments, accounts payable and accrued liabilities, and capital lease obligations.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Financial Instruments (continued)

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 transactions costs are added to the carrying value of these investments upon initial recognition. Transactions costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

s) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2a) 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

	2018	2017
Benefit Deposit Allowances	\$1,954,703	\$2,234,735
Federal Grants	830,246	962,665
GST Input Tax Credit	414,904	1,141,107
Interest Income	190,802	191,009
Capital due from third parties	0	191,724
Other receivables	695,959	826,471
Allowance for doubtful accounts	(65,000)	(65,000)
Total Other Receivables	<u>\$4,021,614</u>	<u>\$5,482,711</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 4 PORTFOLIO INVESTMENTS

	2018	2017
Guaranteed investment certificates (GIC's)	10,000,000	10,000,000
Bonds	1,995,000	1,995,000
Total Portfolio Investments	<u>\$11,995,000</u>	<u>\$11,995,000</u>

\$2,995,000 matures in the next year with a yield of between 1.70% and 4.40%. \$9,000,000 matures over the next two years with yields between 2.10% and 2.22%.

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2018	2017
Trade Payables	\$16,641,978	\$18,188,891
Pension Payable	17,206,681	-
Salary & Benefits Payable	20,756,733	17,162,087
Balance - Accounts Payable & Accrued Liabilities	<u>\$54,605,392</u>	<u>\$35,350,978</u>
Asset Retirement Obligations (Note 20)	\$ 2,672,705	\$ 1,841,371
Accrued Vacation Pay	4,455,416	4,631,754
Other	662,008	742,407
Balance - Total Other Liabilities	<u>\$ 7,790,129</u>	<u>\$ 7,215,532</u>
Total Accounts Payable and Accrued Liabilities	<u>\$62,395,521</u>	<u>\$42,566,510</u>

NOTE 6 UNEARNED REVENUE

	2018	2017
Balance, beginning of year	\$28,738,104	\$27,332,518
Tuition fees received	38,935,246	36,832,481
Tuition fees recognized	(37,880,755)	(35,426,895)
Balance, end of year	<u>\$29,792,595</u>	<u>\$28,738,104</u>

NOTE 7 DEFERRED REVENUE

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

	2018	2017
Balance, beginning of year	\$11,331,439	\$10,828,267
Increases:		
Provincial grants	28,785,092	11,935,713
Other	16,489,378	15,549,105
Investment income	70,096	29,648
	<u>45,344,566</u>	<u>27,514,466</u>
Decreases:		
Revenue recognized	(44,891,222)	(27,011,294)
Balance, end of year	<u>\$11,784,783</u>	<u>\$11,331,439</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 8 DEFERRED CAPITAL REVENUE

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

	2018	2017
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$270,220,212	\$275,697,682
Increases:		
Capital additions	4,528,665	4,298,835
Transfer from work in progress	3,193,299	1,647,661
	7,721,964	5,946,496
Decreases:		
Amortization	11,419,270	11,423,966
Net change for the year	(3,697,306)	(5,477,470)
Balance, end of year	\$266,522,906	\$270,220,212
Deferred capital revenue - Work in Progress		
Balance, beginning of year	\$81,494,084	\$51,751,013
Increases: Transfers from deferred capital contributions	35,644,136	31,390,732
Decrease: Transfer to deferred capital contribution subject to amortization	(3,193,299)	(1,647,661)
Net change for the year	32,450,837	29,743,071
Balance, end of year	\$113,944,921	\$81,494,084
Unspent deferred capital revenue	\$10,464,308	\$10,985,343
Total deferred capital revenue balance, end of year	\$390,932,135	\$362,699,639

NOTE 9 EMPLOYEE FUTURE BENEFITS

Employee future benefit plan obligations consist of three plans as summarized.

	2018	2017
Employee future benefit plans (a)	\$ 30,773,116	\$ 28,446,510
Non-Teaching pension plan (asset) (b)	(16,924,000)	(11,524,000)
Non-Teaching retirement benefit plan (c)	14,454,000	16,861,560
Total Employee Future Benefits	\$ 28,303,116	\$ 33,784,070

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 9 EMPLOYEE FUTURE BENEFITS *(continued)*

a) Employee Future Benefit Plans

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

	2018	2017
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – April 1	\$28,380,811	\$28,638,426
Service cost	1,953,480	1,962,878
Interest cost	807,866	735,893
Benefits payments	(793,827)	(738,547)
Actuarial (gain) / loss	(898,612)	(2,217,839)
Accrued benefit obligation – March 31	<u>\$29,449,718</u>	<u>\$28,380,811</u>
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31	<u>\$29,449,718</u>	<u>\$28,380,811</u>
Funded status – surplus / (deficit)	<u>\$(29,449,718)</u>	<u>\$(28,380,811)</u>
Employer contributions after measurement date	147,016	286,151
Benefit expense after measurement date	(768,181)	(690,336)
Unamortized net actuarial (gain) / loss	(702,233)	338,486
Accrued benefit asset / (liability) – June 30	<u>\$(30,773,116)</u>	<u>\$(28,446,510)</u>
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability – July 1	\$28,446,510	\$26,190,016
Net expense for the year	2,981,298	3,056,328
Employer contributions	(654,692)	(799,834)
Accrued benefit liability – June 30	<u>\$30,773,116</u>	<u>\$28,446,510</u>
Components of net benefit expense:		
Service Cost	\$2,022,644	\$1,960,528
Interest Cost	816,546	753,887
Amortization of net actuarial loss	142,108	341,913
Net benefit expense	<u>\$2,981,298</u>	<u>\$3,056,328</u>

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations other than in respect of certain post-retirement benefits for non-teaching employees are:

	2018	2017
Discount rate – April 1	2.75%	2.50%
Discount rate – March 31	2.75%	2.75%
Long term salary growth – April 1	2.50% + seniority	2.50% + seniority
Long term salary growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.1 years	11.1 years

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

b) Non-Teaching Pension Plan

The School District sponsors a defined benefit pension plan available to all non-teaching employees; the Retirement Plan for Non-Teaching Employees of School District No. 43 (Coquitlam). An actuarial valuation of the Retirement Plan for Non-Teaching Employees is conducted every 3 years. The actuarial valuation performed as at December 31, 2016 indicated a funding surplus of \$7.1 million and a deficit on a solvency basis of \$48.7 million. This valuation was filed with the regulator in September 2017.

Solvency funding relief was prospectively provided by the Province through an Order in Council (OIC) dated October 23, 2014 with an expiry date of October 26, 2017. In addition the School District obtained from a Canadian financial institution an unsecured letter of credit (LOC) in the maximum amount of \$30 million. This Letter of Credit expires on October 20, 2018 and the School District intends to apply to extend the LOC for a further year. Subsequent interest payments will be made into a Solvency Reserve Account (SRA) of the School District.

On October 24, 2016, the Province issued OIC 751 which provides for an extension of the solvency deficiency payment period from 5 to 10 years to all pension plans. The School District intends to rely on this OIC with respect to the solvency deficiency arising from the December 31, 2016 actuarial valuation that is in excess of the LOC. Annual payments will be made into the SRA.

The School District made payments of \$7,532,493 (2017 = \$ nil) during the year into the SRA on a solvency deficiency basis which results in increased going concern funding surplus. These payments have been restricted and reflected in the financial statements and identified as the Pension Stabilization Account on Schedule 2.

On December 15, 2017 the School District and CUPE Local 561 entered into an agreement to permit the closing of the Non-Teaching Pension Plan subject to a successful application process to join the Municipal Pension Plan (MPP) and transfer existing active employees and their past service history. On June 21, 2018 the MPP Board accepted the application with an effective date of January 1, 2018. Retirees prior to January 1, 2018 and deferred members remain in the NTPP plan.

The completion of the transfer of Non-Teaching Pension Plan assets and liabilities will occur after June 30, 2018, with an estimated \$17.2 million in transitional costs to be paid by the School District associated with the transfer to MPP. As the transaction to MPP is effective as of January 1, 2018, all costs have been accrued and are reflected in the financial statements as at June 30, 2018. (See Note 5, Accounts Payable and Accrued Liabilities).

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

b) Non-Teaching Pension Plan *(continued)*

	2018	2017
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – Beginning of Year	\$159,826,000	\$147,205,000
Service cost	5,590,000	5,321,000
Interest cost	8,286,000	8,414,000
Transfers into the plan	90,000	355,000
Benefit payments	(9,659,000)	(7,440,000)
Obligation increase/(decrease) due to MPP settlement	(66,383,000)	-
Actuarial (gains)/losses	(592,000)	5,971,000
Accrued benefit obligation – end of year	<u>\$97,158,000</u>	<u>\$159,826,000</u>
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31 st	\$(97,158,000)	\$(159,826,000)
Market value of plan assets – March 31 st	<u>110,368,000</u>	<u>169,629,000</u>
Funded status – surplus / (deficit)	<u>\$13,210,000</u>	<u>\$9,803,000</u>
Funded status – surplus / (deficit)	\$13,210,000	\$9,803,000
Net change in 2 nd quarter expenses	4,863,000	697,000
Unamortized net actuarial (gain) / loss	(1,149,000)	1,024,000
Accrued benefit asset / (liability) – June 30 th	<u>\$16,924,000</u>	<u>\$11,524,000</u>
Current service cost – net of employee's contributions	\$3,347,000	\$3,402,000
Retirement benefit expense	4,065,000	-
Interest cost	8,286,000	8,414,000
Actual return on plan assets	(8,923,000)	(8,984,000)
Actuarial (gains) / losses	(33,000)	(180,000)
Defined benefit costs recognized	<u>\$6,742,000</u>	<u>\$2,652,000</u>
Change in plan assets:		
Market value – beginning of year	\$169,629,000	\$156,334,000
Actual return on plan assets	11,384,000	13,488,000
Expected asset transfer to MPP	(71,295,000)	-
Employer's contributions	8,078,000	5,269,000
Employee's contributions	2,231,000	1,978,000
Benefits paid	(9,659,000)	(7,440,000)
Market value – end of year	<u>\$110,368,000</u>	<u>\$169,629,000</u>
Plan assets at end of year consist of:		
Equity securities	51%	51%
Debt securities	35%	34%
Mortgages	4%	5%
Real estate	10%	10%
	<u>100%</u>	<u>100%</u>
Discount Rate	5.25%	5.25%
Expected long-term rate of return on plan assets	5.25%	5.25%
EARSL	25.1 years	9.5 years
Rate of compensation increase	2.5%	2.5%

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

c) Post-Retirement Health and Dental Benefits (Non-Pension Benefits)

In addition to the Retirement for Non-Teaching Employees, there is also a non-pension benefit obligation that represents the Board's share of premiums payable in respect of current and future retirees for Medical Extended Health Benefits and Dental Benefits for non-teaching staff only. As at June 30, 2018 no funds have been internally designated to fund this liability.

Effective December 31, 2017, this Plan was closed to new enrollees. During the year the Provincial government announced the discontinuation of Medical Services Plan premiums and the replacement with an employer health tax. This action results in the immediate recognition of unamortized net actuarial losses and the release of liabilities associated with medical services premiums that have been eliminated. The resulting plan gain is recognized in District Administration expenses.

	2018	2017
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – April 1st	\$15,398,000	\$47,314,000
Service Cost	-	963,000
Interest Cost	414,000	1,187,000
Benefit payments	(658,000)	(622,000)
Curtailment (decrease in obligations)	(1,694,000)	(19,959,000)
Actuarial (gains)/losses	(2,413,000)	(13,485,000)
Accrued benefit obligation – March 31st	<u>\$11,047,000</u>	<u>\$15,398,000</u>
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31 st	<u>\$(11,047,000)</u>	<u>\$(15,398,000)</u>
Funded status – surplus / (deficit)	<u>\$(11,047,000)</u>	<u>\$(15,398,000)</u>
Funded status – surplus / (deficit)	\$(11,047,000)	\$(15,398,000)
Net change in 2 nd quarter expenses	54,000	(375,000)
Unamortized net actuarial (gain) / loss	(3,461,000)	(1,088,560)
Accrued benefit asset / (liability) – June 30 th	<u>\$(14,454,000)</u>	<u>\$(16,861,560)</u>
Current service cost – net of employee's contributions	\$(434,000)	\$842,000
Interest cost	414,000	1,187,000
Recognition of curtailment gain	(2,108,000)	(21,344,000)
Amortize actuarial (gains) / losses	373,000	1,587,000
Defined benefit costs recognized	<u>\$(1,755,000)</u>	<u>\$(17,728,000)</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

c) Post-Retirement Health and Dental Benefits (Non-Pension Benefits)

	2018	2017
Discount Rate	2.75%	2.75%
Expected long-term rate of return on plan assets	N/A	N/A
MSP	0% per year	0% for one year
Dental	4.00% per year	4.0% for one year
Extended Health	7.5% per year for three years then grading down to 4.5% in 0.25% decrements.	8.0% per year for three years then grading down to 5.0% in 0.5% decrements.
Estimated annual claim cost		
MSP Premium costs – couple	\$900	\$1,800
MSP Premium costs - single	\$450	\$900
Extended Health – couple	\$1,563	\$1,540
Extended Health - single	\$781	\$770
Dental – couple	\$907	\$906
Dental – single	\$454	\$453
EARSL	18.2 years	18.2 years

d) BC Teachers Pension Plan

The School District and its employees contribute to the Teachers' Pension Plan, a jointly trusteesd pension plan. The board of trustees for this plan representing plan members and employers are responsible for administering the pension plan including investing assets and administrating benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As December 31, 2017, the Teachers' Pension Plan has about 46,455 active members 35,570 retired members, and 12,400 inactive members from School Districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. 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 plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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

d) BC Teachers Pension Plan

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.

School District 43 (Coquitlam) paid \$21,923,475 (2017 - \$19,675,203) for employer contributions to this plan in the year ended June 30, 2018.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017 with results available in 2018. Results for the actuarial valuation were not available at the time these financial statements were completed.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan record accrued liabilities and accrued assets for the 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 10 **CAPITAL LEASE OBLIGATIONS**

The School District leases several assets under capital leases. The leases expire on various dates through 2016 to 2019. All capital leases provide for a transfer of ownership of the asset to the School District through a bargain purchase option, or after the last lease payment has been made. The School District has certain other leasing agreements with third parties; assets under these other agreements and respective liabilities are not material.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:	Net Book Value 2018	Net Book Value 2017
Sites	\$112,508,685	\$112,508,685
Buildings	400,942,820	373,692,431
Furniture & Equipment	1,249,245	1,655,665
Vehicles	373,885	474,566
Computer Hardware	6,515,817	3,423,262
	<u>\$521,590,452</u>	<u>\$491,754,609</u>

June 30, 2018

Costs:	Balance at June 30, 2017	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2018
Sites	\$112,508,685	\$-	\$-	\$-	\$112,508,685
Buildings	518,498,197	4,759,086	-	3,193,302	526,450,585
Furniture & Equipment	7,412,246	352,426	3,225,085	-	4,539,587
Vehicles	1,006,808	-	63,905	-	942,903
Computer Hardware	6,191,573	2,167,634	1,793,907	2,379,999	8,945,299
	<u>\$645,617,509</u>	<u>\$7,279,146</u>	<u>\$5,082,897</u>	<u>\$5,573,301</u>	<u>653,387,059</u>
Work in progress	84,585,361	36,938,598	-	(5,573,301)	115,950,658
	<u>\$730,202,870</u>	<u>44,217,744</u>	<u>5,082,897</u>	<u>-</u>	<u>769,337,717</u>

Accumulated Amortization:	Balance at June 30, 2017	Additions	Disposals	Balance at June 30, 2018
Buildings	\$229,391,127	\$ 12,067,296	-	\$241,458,423
Furniture & Equipment	5,756,581	758,846	3,225,085	3,290,342
Vehicles	532,242	100,681	63,905	569,018
Computer Hardware	2,768,311	1,455,078	1,793,907	2,429,482
	<u>\$238,448,261</u>	<u>14,381,901</u>	<u>5,082,897</u>	<u>\$247,747,265</u>

June 30, 2017

Costs:	Balance at June 30, 2016	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2017
Sites	\$112,509,233	\$ -	\$ 548	\$ -	\$112,508,685
Buildings	510,933,687	4,275,595	-	3,288,915	518,498,197
Furniture & Equipment	8,615,700	83,995	1,287,449	-	7,412,246
Vehicles	952,060	163,238	108,490	-	1,006,808
Computer Hardware	3,081,777	3,109,796	-	-	6,191,573
	<u>\$636,092,457</u>	<u>7,632,624</u>	<u>1,396,487</u>	<u>3,288,915</u>	<u>\$645,617,509</u>
Work in progress	52,745,226	35,129,050	-	(3,288,915)	84,585,361
	<u>\$688,837,683</u>	<u>42,761,674</u>	<u>1,396,487</u>	<u>-</u>	<u>\$730,202,870</u>

Accumulated Amortization:	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
Buildings	\$217,669,472	11,721,655	-	\$229,391,127
Furniture & Equipment	6,178,260	865,770	1,287,449	5,756,581
Vehicles	537,364	103,368	108,490	532,242
Computer Hardware	1,840,976	927,335	-	2,768,311
	<u>\$226,226,072</u>	<u>13,618,128</u>	<u>1,395,939</u>	<u>\$238,448,261</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 11 TANGIBLE CAPITAL ASSETS *(continued)*

Included in Capital Assets is equipment under Capital Lease with a cost of \$559,210 (2017 - \$2,046,252) and accumulated amortization of \$449,188 (2017 - \$2,468,000).

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

During the year the School District entered into a memorandum of understanding with the Municipality of Coquitlam to sell 1.2 acres of land adjacent Glen Elementary School in exchange for cash and services. The land disposal is pending Ministry of Education approval and a formal agreement. The transaction has not been included in the financial records of the school district in the current year.

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating and capital funds for the year ended June 30, 2018 were \$5,697,897 (2017 - \$3,410,024) related to capital leases, information technology funding, and restricted funding for an Educational Learning Centre building.

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 UNRECOGNIZED ASSETS

The School District owns two land parcels obtained through crown grants that have been registered at the land title office with nil value. These assets have been identified as a) Parcel 029-541-875 (Sheffield/Partington Creek) and b) Parcel 29-267-781 (Marigold Elementary).

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 16 CONTRACTUAL OBLIGATIONS

- a) The School District has committed to capital expenditures to construct new facilities and upgrade current facilities. The outstanding capital commitments as at June 30, 2018 are \$41,180,131 (2017 - \$52,923,780). 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.

Funding approval for these committed projects has been received from the Ministry of Education, the expenditures will be funded from available Capital Funds, and the proceeds of new capital funding will be provided by the Ministry.

Contractual Obligation	2019	2020	2021	2022	Thereafter	Total
Banting	\$ 4,664,685	1,353,616	-	-	-	\$6,081,301
Centennial	5,900,000	1,458,591	-	-	-	7,358,591
Glen	674,268	-	-	-	-	674,268
Leigh	1,088,509	200,000	-	-	-	1,288,509
Minnkhada	11,000,000	11,750,000	1,091,419			23,841,419
Moody Middle	1,811,860	-	-	-	-	1,811,860
Smiling Creek	187,183	-	-	-	-	187,183
Total:	25,326,505	14,762,207	1,091,419	-	-	\$ 41,180,131

- b) The School District has no significant operating leases.
- c) The collective agreement between the School District and the Coquitlam Teachers' Association allows teachers to elect to be paid over 12 months. As at June 30, 2018 the amount held by the School District and included in cash and accounts payable was \$7,025,468 (2017 - \$6,439,218).

NOTE 17 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for the lease of closed schools. The following table summarizes the contractual rights of the School District for future assets:

	2019	2020	2021	2022	Total
Lincoln	240,918	-	-	-	240,918
Cedarbrook	105,624	110,905	-	-	216,529
Burquitlam	234,835	234,835	-	-	469,670
Future Lease Revenue	581,377	345,740	-	-	927,117

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 18 CONTINGENT LIABILITIES

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 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 7, 2017 and reflect more current estimates on student enrolment, revenues and expenditures.

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants			
Ministry of Education	\$288,297,204	\$ 299,573,785	\$11,276,581
Other	92,560	42,560	(50,000)
Federal Grants	2,400,000	2,950,000	550,000
Tuition	26,856,616	33,937,268	7,080,652
Other Revenue	13,567,080	14,092,471	525,391
Rentals and Leases	2,100,375	1,960,375	(140,000)
Investment Income	1,775,000	2,115,000	340,000
Gain on Disposal of Tangible Asset	0	3,450,000	3,450,000
Amortization of Deferred Capital Revenue	11,700,000	11,700,000	0
Total Revenue	\$346,788,835	\$ 369,821,459	\$23,032,624
Expenses			
Instruction	292,058,377	301,080,320	9,021,943
District Administration	10,660,947	23,692,055	13,031,108
Operations and Maintenance	47,377,602	45,911,659	(1,465,943)
Transportation and Housing	480,659	478,131	(2,528)
Debt Services	324	324	0
Total Expense	\$350,577,909	\$ 371,162,489	\$20,584,580
Prior Year Surplus Appropriation	\$3,392,750	\$ 7,341,905	\$3,949,155
Reduction of Unfunded Employee Future Benefits	(1,679,000)	0	1,679,000
Budgeted Surplus (Deficit) for the Year	\$(2,075,324)	\$6,000,875	\$ 8,076,199
Capital Fund Surplus (Deficit)	\$(2,075,324)	\$6,000,875	\$ 8,076,199
Budgeted Surplus (Deficit) for the year	\$(2,075,324)	\$6,000,875	\$ 8,076,199

Changes between the preliminary budget and the amended budget primarily result from: a) student enrolment and composition and the resulting grant revenue and staffing requirements including implementation of MOA #17; b) increased international education student enrolment, corresponding tuition revenues, and resulting staffing requirements; and c) anticipated recognition of the gain of a land sale.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 20 ASSET RETIREMENT OBLIGATION

As at June 30, 2018 there is a liability of \$2,672,705 (2017 - \$1,841,371) related to environmental obligations. The associated environmental costs relate to the betterment of schools and are capitalized as part of the carrying value of the long-lived asset and subsequently amortized over the asset's useful life. This amount is considered to approximate fair value of the liability as the School District is expected to complete the upgrades to the related schools within the next major maintenance cycle of three to five years. There may be additional environmental costs that cannot be estimated at this point in time.

NOTE 21 EXPENSE BY OBJECT

	2018	2017
Salaries and benefits	\$303,964,290	\$250,968,633
Services and supplies	46,183,470	44,039,366
Amortization	14,381,901	13,618,128
Debt Servicing	-	2,333
Total	364,529,661	\$308,628,460

NOTE 22 INTERNALLY RESTRICTED FUNDS

a) Operating Fund

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts a portion of the balance. The detail of the restricted operating surplus is as follows:

	2018	2017
Student Learning Grant	\$0	\$141,914
Aboriginal Education	126,265	43,534
Schools Carryforward	1,609,283	1,040,686
2017/18 Staffing Stabilization Provision	0	4,141,905
2018/19 Staffing Stabilization Provision	4,141,905	3,341,905
2019/20 Staffing Stabilization Provision	4,141,905	3,341,905
2020/21 Staffing Stabilization Provision	1,425,886	0
Recycling Initiative	513,258	0
Employee Benefits (Pension Solvency Provision)	0	3,200,000
Facilities and Maintenance	2,662,098	2,949,155
Technology Initiatives	1,662,098	1,949,155
Contingency Reserve	229,096	1,150,964
Total Internally Restricted Items	\$16,511,794	\$21,301,123

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 22 INTERNALLY RESTRICTED FUNDS *(continued)*

b) Capital Fund

The School District internally restricts a portion of its capital surplus in the local capital reserve account for future capital requirements including facility additions, capital improvements, and other capital infrastructure requirements. At June 30, 2018, \$28,015,638 has been restricted. (2017 - \$22,420,164).

NOTE 23 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 24 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and portfolio investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates, term deposits, and bonds. Cash and cash equivalents consist of term deposits held with a chartered bank and the Provincial Central Deposit Program.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 24 RISK MANAGEMENT *(continued)*

(b) Market risk:

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in guaranteed investment certificates, term deposits, and bonds that have a maturity date of no more than 5 years.

(c) Liquidity risk

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

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

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

NOTE 25 COMPARATIVE INFORMATION

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

School District No. 43 (Coquitlam)

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	21,301,123		166,809,658	188,110,781	149,603,425
Changes for the year					
Surplus (Deficit) for the year	8,441,051		(1,781,062)	6,659,989	38,507,356
Interfund Transfers	(2,394,403)		2,394,403	-	-
Tangible Capital Assets Purchased	(3,298,248)		3,298,248	-	-
Local Capital	(5,246)		5,246	-	-
Other					
Net Changes for the year	2,743,154	-	3,916,835	6,659,989	38,507,356
Accumulated Surplus (Deficit), end of year - Statement 2	24,044,277	-	170,726,493	194,770,770	188,110,781

School District No. 43 (Coquitlam)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget (Note 19)	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	269,911,765	270,380,642	267,168,011
Other	42,560	51,072	51,072
Tuition	33,937,268	37,880,755	35,426,895
Other Revenue	952,433	965,734	959,701
Rentals and Leases	1,380,375	1,644,713	1,717,090
Investment Income	1,715,000	2,735,417	1,618,215
Total Revenue	307,939,401	313,658,333	306,940,984
Expenses			
Instruction	256,742,885	251,084,625	254,593,891
District Administration	23,692,055	23,148,350	(17,629,958)
Operations and Maintenance	30,822,036	30,507,740	30,450,058
Transportation and Housing	478,131	476,567	457,234
Total Expense	311,735,107	305,217,282	267,871,225
Operating Surplus (Deficit) for the year	(3,795,706)	8,441,051	39,069,759
Budgeted Appropriation (Retirement) of Surplus (Deficit)	7,341,905		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,000,000)	(2,394,403)	(3,333,789)
Local Capital	(2,540,000)	(3,298,248)	
Other	(6,199)	(5,246)	(76,235)
Total Net Transfers	(3,546,199)	(5,697,897)	(3,410,024)
Total Operating Surplus (Deficit), for the year	-	2,743,154	35,659,735
Operating Surplus (Deficit), beginning of year		21,301,123	(14,358,612)
Operating Surplus (Deficit), end of year		24,044,277	21,301,123
Operating Surplus (Deficit), end of year			
Internally Restricted		16,511,794	21,301,123
Pension Stabilization Account		7,532,483	
Total Operating Surplus (Deficit), end of year		24,044,277	21,301,123

School District No. 43 (Coquitlam)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget (Note 19) \$	2018 Actual \$	2017 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	266,077,972	266,299,477	261,475,488
Other Ministry of Education Grants			
Pay Equity	706,353	706,353	706,353
Funding for Graduated Adults	1,002,367	1,347,158	1,228,711
Transportation Supplement	81,641	81,641	81,641
Economic Stability Dividend	-	189,234	167,438
Return of Administrative Savings	1,338,556	1,338,556	1,338,556
Carbon Tax Grant	200,000	229,482	406,689
Student Learning Grant			1,588,175
Skills Assessment - FSA Monitoring	28,657	28,656	30,656
PLNet, Social Media Grant, Shoulder Tappers	6,600	23,679	16,916
Adjustment to MOE Operating Grant Estimate	333,213		
NGN Self-Provisioned Site Grant	136,406	136,406	127,388
Total Provincial Grants - Ministry of Education	269,911,765	270,380,642	267,168,011
Provincial Grants - Other	42,560	51,072	51,072
Tuition			
Continuing Education	1,199,616	921,220	1,226,215
International and Out of Province Students	32,737,652	36,959,535	34,200,680
Total Tuition	33,937,268	37,880,755	35,426,895
Other Revenues			
Miscellaneous			
Miscellaneous	952,433	965,734	959,701
Total Other Revenue	952,433	965,734	959,701
Rentals and Leases	1,380,375	1,644,713	1,717,090
Investment Income	1,715,000	2,735,417	1,618,215
Total Operating Revenue	307,939,401	313,658,333	306,940,984

School District No. 43 (Coquitlam)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2018

	2018 Budget (Note 19) \$	2018 Actual \$	2017 Actual \$
Salaries			
Teachers	141,098,599	140,701,267	140,664,251
Principals and Vice Principals	13,993,019	13,883,084	13,191,056
Educational Assistants	16,284,940	15,349,006	14,388,420
Support Staff	23,587,405	23,124,051	22,296,253
Other Professionals	6,051,592	5,551,532	5,383,801
Substitutes	9,785,060	8,135,055	9,266,736
Total Salaries	210,800,615	206,743,995	205,190,517
Employee Benefits	69,191,538	68,069,855	33,020,623
Total Salaries and Benefits	279,992,153	274,813,850	238,211,140
Services and Supplies			
Services	8,352,568	8,433,803	8,694,544
Student Transportation	431,138	428,130	408,194
Professional Development and Travel	2,353,775	1,986,387	1,712,556
Rentals and Leases	442,017	259,364	296,670
Dues and Fees	2,723,378	3,175,542	2,165,435
Insurance	1,136,816	914,039	1,563,558
Supplies	10,826,503	10,231,700	9,599,164
Utilities	5,476,759	4,974,467	5,219,964
Total Services and Supplies	31,742,954	30,403,432	29,660,085
Total Operating Expense	311,735,107	305,217,282	267,871,225

School District No. 43 (Coquitlam)

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	98,851,015	2,639,117	250,300	4,398,074	66,609	4,466,686	110,671,801
1.03 Career Programs	145,018	-	43,502	-	-	7,420	195,940
1.07 Library Services	-	-	323,500	-	-	14,439	337,939
1.08 Counselling	4,236,513	-	-	-	-	170,765	4,407,278
1.10 Special Education	18,565,352	134,668	13,967,255	143,364	37,661	1,316,085	34,164,385
1.30 English Language Learning	4,336,910	-	-	-	-	174,853	4,511,763
1.31 Aboriginal Education	283,414	140,570	558,891	99,292	-	2,598	1,084,765
1.41 School Administration	-	10,293,960	-	3,037,801	-	304,504	13,636,265
1.60 Summer School	1,018,496	-	-	82,421	-	68,207	1,169,124
1.61 Continuing Education	1,548,073	349,379	43,751	509,512	66,261	88,868	2,605,844
1.62 International and Out of Province Students	11,577,513	213,370	141,663	306,044	304,170	457,820	13,000,580
1.64 Other	138,963	112,020	20,144	22,465	-	-	293,592
Total Function 1	140,701,267	13,883,084	15,349,006	8,598,973	474,701	7,072,245	186,079,276
4 District Administration							
4.11 Educational Administration	-	-	-	90,411	922,699	5,423	1,018,533
4.40 School District Governance	-	-	-	-	417,161	-	417,161
4.41 Business Administration	-	-	-	1,540,944	2,431,923	85,070	4,057,937
Total Function 4	-	-	-	1,631,355	3,771,783	90,493	5,493,631
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	396,489	980,842	47,123	1,424,454
5.50 Maintenance Operations	-	-	-	11,631,787	300,477	814,951	12,747,215
5.52 Maintenance of Grounds	-	-	-	854,034	-	109,841	963,875
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	12,882,310	1,281,319	971,915	15,135,544
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	11,413	23,729	402	35,544
7.70 Student Transportation	-	-	-	-	-	-	-
Total Function 7	-	-	-	11,413	23,729	402	35,544
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	140,701,267	13,883,084	15,349,006	23,124,051	5,551,532	8,135,055	206,743,995

School District No. 43 (Coquitlam)

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 (Note 19) \$	2017 Actual \$
1 Instruction							
1.02 Regular Instruction	110,671,801	28,963,049	139,634,850	4,365,538	144,000,388	150,975,422	150,281,086
1.03 Career Programs	195,940	52,709	248,649	55,544	304,193	264,765	316,337
1.07 Library Services	337,939	117,457	455,396	295,242	750,638	1,003,075	813,290
1.08 Counselling	4,407,278	1,157,327	5,564,605	25,324	5,589,929	5,344,906	5,661,605
1.10 Special Education	34,164,385	9,922,253	44,086,638	456,535	44,543,173	42,269,190	44,903,994
1.30 English Language Learning	4,511,763	1,184,754	5,696,517	34,663	5,731,180	5,654,839	5,822,019
1.31 Aboriginal Education	1,084,765	262,761	1,347,526	145,593	1,493,119	1,597,104	1,551,745
1.41 School Administration	13,636,265	3,347,162	16,983,427	2,412,688	19,396,115	20,173,547	18,697,694
1.60 Summer School	1,169,124	204,780	1,373,904	81,415	1,455,319	1,451,121	1,360,208
1.61 Continuing Education	2,605,844	551,649	3,157,493	938,319	4,095,812	4,282,725	4,216,846
1.62 International and Out of Province Students	13,000,580	3,884,121	16,884,701	6,315,218	23,199,919	23,003,151	20,387,942
1.64 Other	293,592	64,009	357,601	167,239	524,840	723,040	581,125
Total Function 1	186,079,276	49,712,031	235,791,307	15,293,318	251,084,625	256,742,885	254,593,891
4 District Administration							
4.11 Educational Administration	1,018,533	12,950,507	13,969,040	384,252	14,353,292	15,091,687	(21,683,549)
4.40 School District Governance	417,161	9,620	426,781	125,063	551,844	579,233	538,784
4.41 Business Administration	4,057,937	1,343,768	5,401,705	2,841,509	8,243,214	8,021,135	3,514,807
Total Function 4	5,493,631	14,303,895	19,797,526	3,350,824	23,148,350	23,692,055	(17,629,958)
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,424,454	255,318	1,679,772	564,372	2,244,144	2,220,487	2,374,397
5.50 Maintenance Operations	12,747,215	3,499,319	16,246,534	4,490,525	20,737,059	20,642,795	20,060,525
5.52 Maintenance of Grounds	963,875	209,481	1,173,356	1,111,139	2,284,515	2,225,600	2,663,593
5.56 Utilities	-	76,918	76,918	5,165,104	5,242,022	5,733,154	5,351,543
Total Function 5	15,135,544	4,041,036	19,176,580	11,331,160	30,507,740	30,822,036	30,450,058
7 Transportation and Housing							
7.41 Transportation and Housing Administration	35,544	12,893	48,437	-	48,437	46,993	49,040
7.70 Student Transportation	-	-	-	428,130	428,130	431,138	408,194
Total Function 7	35,544	12,893	48,437	428,130	476,567	478,131	457,234
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	206,743,995	68,069,855	274,813,850	30,403,432	305,217,282	311,735,107	267,871,225

School District No. 43 (Coquitlam)**Schedule 3 (Unaudited)**

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget (Note 19) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	29,662,020	29,323,022	11,750,084
Other		1,829	2,124
Federal Grants	2,950,000	2,699,451	2,962,205
Other Revenue	12,865,038	12,866,920	12,296,881
Total Revenue	<u>45,477,058</u>	<u>44,891,222</u>	<u>27,011,294</u>
Expenses			
Instruction	44,337,435	43,751,599	25,774,664
Operations and Maintenance	1,139,623	1,139,623	1,236,630
Total Expense	<u>45,477,058</u>	<u>44,891,222</u>	<u>27,011,294</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</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. 43 (Coquitlam)

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

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education
Provincial Grants - Other
Federal Grants
Other
Investment Income

Less: Allocated to Revenue

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Provincial Grants - Other
Federal Grants
Other Revenue

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	569,171	194,996	6,587,236	19,983	33,507	127,060
1,139,623	1,060,203					416,000	110,250	320,664
1,139,623	1,060,203	-	29,608	-	12,876,688	416,000	110,250	320,664
	1,060,203	1,797	32,200	194,996	12,124,869	435,983	108,177	447,724
-	-	-	566,579	-	7,339,055	-	35,580	-
1,139,623	1,060,203	1,797		194,996		435,983	108,177	447,724
1,139,623	1,060,203	1,797	32,200	194,996	12,124,869	435,983	108,177	447,724
	816,243					8,067	46,047	42,530
						-	-	-
						-	-	-
				188,458		286,523	-	-
						-	-	-
						-	-	-
-	816,243	-	-	188,458	-	294,590	46,047	42,530
1,139,623	243,960	1,797	32,200	6,538	12,124,869	80,382	13,142	11,065
1,139,623	1,060,203	1,797	32,200	194,996	12,124,869	61,011	48,988	394,129
						435,983	108,177	447,724
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Schedule 3A (Unaudited)

School District No. 43 (Coquitlam)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2018

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education
Provincial Grants - Other
Federal Grants
Other
Investment Income

**Less: Allocated to Revenue
Deferred Revenue, end of year**

Revenues
Provincial Grants - Ministry of Education
Provincial Grants - Other
Federal Grants
Other Revenue

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

Contractual Reserves	Apprenticeship Program	Settlement Workers (Prov)	ELSA/LINC	Settlement Workers (Fed)	Comm Link Lunch Program	TOTAL
\$	\$	\$	\$	\$	\$	\$
2,476,129	263,988	246,897	-	-	7,298	11,331,439
224,624	222,760		1,957,912	741,539	56,763	28,785,092
49,405						2,699,451
274,029	222,760	-	1,957,912	741,539	56,763	45,344,566
-	272,238	1,829	1,957,912	741,539	51,235	44,891,222
2,750,158	214,510	245,068	-	-	12,826	11,784,783
-	272,238	1,829	1,957,912	741,539	51,235	12,866,920
-	272,238	1,829	1,957,912	741,539	51,235	44,891,222
95,940			818,537	-		16,836,632
-	-		59,723	54,675		889,923
-	-		-	-		2,368,488
-	-		168,059	515,753		1,336,361
-	-		9,191	-		359,035
-	-		43,748	-		660,346
-	95,940	-	1,099,258	570,428	-	22,450,785
31,883	257,618	146,253				6,699,655
144,415	1,829	24,858	601,036		51,235	15,740,782
-	272,238	1,829	1,957,912	741,539	51,235	44,891,222
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2018

	2018 Budget (Note 19) \$	2018 Actual			2017 Actual \$
		Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	
Revenues					
Other Revenue	275,000		316,341	316,341	354,769
Rentals and Leases	580,000		551,519	551,519	576,791
Investment Income	400,000		352,965	352,965	470,830
Gain (Loss) on Disposal of Tangible Capital Assets	3,450,000			-	357,182
Amortization of Deferred Capital Revenue	11,700,000	11,419,270		11,419,270	11,423,966
Total Revenue	16,405,000	11,419,270	1,220,825	12,640,095	13,183,538
Expenses					
Operations and Maintenance	150,000		39,256	39,256	125,480
Amortization of Tangible Capital Assets					
Operations and Maintenance	13,800,000	14,381,901		14,381,901	13,618,128
Debt Services					
Capital Lease Interest	324			-	2,333
Total Expense	13,950,324	14,381,901	39,256	14,421,157	13,745,941
Capital Surplus (Deficit) for the year	2,454,676	(2,962,631)	1,181,569	(1,781,062)	(562,403)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,000,000	2,394,403		2,394,403	3,333,789
Local Capital	2,540,000		3,298,248	3,298,248	
Capital Lease Payment	6,199		5,246	5,246	76,235
Total Net Transfers	3,546,199	2,394,403	3,303,494	5,697,897	3,410,024
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		356,078	(356,078)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,294,462	(1,294,462)	-	
Principal Payment					
Capital Lease		5,246	(5,246)	-	
Total Other Adjustments to Fund Balances		1,655,786	(1,655,786)	-	
Total Capital Surplus (Deficit) for the year	6,000,875	1,087,558	2,829,277	3,916,835	2,847,621
Capital Surplus (Deficit), beginning of year		141,623,297	25,186,361	166,809,658	163,962,037
Capital Surplus (Deficit), end of year		142,710,855	28,015,638	170,726,493	166,809,658

School District No. 43 (Coquitlam)

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	112,508,685	518,498,197	7,412,246	1,006,808	-	6,191,573	645,617,509
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		4,403,008					4,403,008
Deferred Capital Revenue - Other			125,657				125,657
Operating Fund			226,769			2,167,634	2,394,403
Local Capital		356,078					356,078
Transferred from Work in Progress		3,193,302				2,379,999	5,573,301
	-	7,952,388	352,426	-	-	4,547,633	12,852,447
Decrease:							
Deemed Disposals			3,225,085	63,905		1,793,907	5,082,897
	-	-	3,225,085	63,905	-	1,793,907	5,082,897
Cost, end of year	112,508,685	526,450,585	4,539,587	942,903	-	8,945,299	653,387,059
Work in Progress, end of year		115,950,658					115,950,658
Cost and Work in Progress, end of year	112,508,685	642,401,243	4,539,587	942,903	-	8,945,299	769,337,717
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		229,391,127	5,756,581	532,242	-	2,768,311	238,448,261
Decrease:							
Deemed Disposals		12,067,296	758,846	100,681		1,455,078	14,381,901
			3,225,085	63,905		1,793,907	5,082,897
	-	-	3,225,085	63,905	-	1,793,907	5,082,897
Accumulated Amortization, end of year		241,458,423	3,290,342	569,018	-	2,429,482	247,747,265
Tangible Capital Assets - Net	112,508,685	400,942,820	1,249,245	373,885	-	6,515,817	521,590,452

School District No. 43 (Coquitlam)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2018

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	84,585,361	-	-	-	84,585,361
Prior Period Adjustments					
Transfer network upgrade WIP to Computer Hardware	(1,581,563)			1,581,563	-
Work in Progress, beginning of year, as restated	83,003,798	-	-	1,581,563	84,585,361
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	33,938,948				33,938,948
Deferred Capital Revenue - Other	1,705,188				1,705,188
Local Capital	496,026			798,436	1,294,462
	36,140,162	-	-	798,436	36,938,598
Decrease:					
Transferred to Tangible Capital Assets	3,193,302			2,379,999	5,573,301
	3,193,302	-	-	2,379,999	5,573,301
Net Changes for the Year	32,946,860	-	-	(1,581,563)	31,365,297
Work in Progress, end of year	115,950,658	-	-	-	115,950,658

School District No. 43 (Coquitlam)

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	268,762,316	1,246,452	211,444	270,220,212
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,403,008	125,657		4,528,665
Transferred from Work in Progress	3,193,299			3,193,299
	<u>7,596,307</u>	<u>125,657</u>	<u>-</u>	<u>7,721,964</u>
Decrease:				
Amortization of Deferred Capital Revenue	11,344,063	41,707	33,500	11,419,270
	<u>11,344,063</u>	<u>41,707</u>	<u>33,500</u>	<u>11,419,270</u>
Net Changes for the Year	<u>(3,747,756)</u>	<u>83,950</u>	<u>(33,500)</u>	<u>(3,697,306)</u>
Deferred Capital Revenue, end of year	<u>265,014,560</u>	<u>1,330,402</u>	<u>177,944</u>	<u>266,522,906</u>
Work in Progress, beginning of year	77,594,114	3,899,970	-	81,494,084
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	33,938,948	1,705,188		35,644,136
	<u>33,938,948</u>	<u>1,705,188</u>	<u>-</u>	<u>35,644,136</u>
Decrease				
Transferred to Deferred Capital Revenue	3,193,299			3,193,299
	<u>3,193,299</u>	<u>-</u>	<u>-</u>	<u>3,193,299</u>
Net Changes for the Year	<u>30,745,649</u>	<u>1,705,188</u>	<u>-</u>	<u>32,450,837</u>
Work in Progress, end of year	<u>108,339,763</u>	<u>5,605,158</u>	<u>-</u>	<u>113,944,921</u>
Total Deferred Capital Revenue, end of year	<u>373,354,323</u>	<u>6,935,560</u>	<u>177,944</u>	<u>380,467,827</u>

School District No. 43 (Coquitlam)

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	-	5,714,993	64,890	5,205,460	-	10,985,343
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	38,341,956					38,341,956
Provincial Grants - Other			123,172			123,172
Other				924,587		924,587
Investment Income		120,025	2,300	139,726		262,051
	38,341,956	120,025	125,472	1,064,313	-	39,651,766
Decrease:						
Transferred to DCR - Capital Additions	4,403,008		125,657			4,528,665
Transferred to DCR - Work in Progress	33,938,948	1,705,188				35,644,136
	38,341,956	1,705,188	125,657	-	-	40,172,801
Net Changes for the Year	-	(1,585,163)	(185)	1,064,313	-	(521,035)
Balance, end of year	-	4,129,830	64,705	6,269,773	-	10,464,308