

Audited Financial Statements of

School District No. 43 (Coquitlam)

June 30, 2019

School District No. 43 (Coquitlam)

June 30, 2019

Table of Contents

Management Report	1
Independent Auditors' Report	2-4
Statement of Financial Position - Statement 1	5
Statement of Operations - Statement 2	6
Statement of Changes in Net Financial Assets (Debt) - Statement 4	7
Statement of Cash Flows - Statement 5	8
Notes to the Financial Statements	9-30
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	31
Schedule of Operating Operations - Schedule 2 (Unaudited)	32
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	33
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	34
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	35
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	37
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	38
Schedule of Capital Operations - Schedule 4 (Unaudited)	41
Schedule 4A - Tangible Capital Assets (Unaudited)	42
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	43
Schedule 4C - Deferred Capital Revenue (Unaudited)	44
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	45

School District No. 43 (Coquitlam)

MANAGEMENT REPORT

Version: 9233-8487-6505

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)

Barb Hobson	2019-09-25
Signature of the Chairperson of the Board of Education	Date Signed
Patricia Gartland	2019-09-25
Signature of the Superintendent	Date Signed
Chris Nicolls	2019-09-25
Signature of the Secretary Treasurer	Date Signed



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of School District No. 43 (Coquitlam) (the Entity), which comprise:

- The statement of financial position as at June 30, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2 to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



Other Information

Management is responsible for the other information. Other information comprises:

- Unaudited Schedules 1 - 4 attached to the audited financial statements; and
- Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada
September 24, 2019

School District No. 43 (Coquitlam)

Statement 1

Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	172,565,252	173,678,123
Accounts Receivable		
Due from Province - Ministry of Education	2,336,641	6,546,313
Other (Note 3)	4,215,594	4,021,614
Portfolio Investments (Note 4)	9,000,000	11,995,000
Total Financial Assets	188,117,487	196,241,050
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	35,957,753	54,605,392
Unearned Revenue (Note 6)	30,093,601	29,792,595
Deferred Revenue (Note 7)	12,564,502	11,784,783
Deferred Capital Revenue (Note 8)	409,521,742	390,932,135
Employee Future Benefits (Note 9)	30,994,949	28,303,116
Capital Lease Obligations (Note 11)	-	5,957
Other Liabilities (Note 5)	8,886,213	7,790,129
Total Liabilities	528,018,760	523,214,107
Net Financial Assets (Debt)	(339,901,273)	(326,973,057)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	542,365,868	521,590,452
Prepaid Expenses	624,216	153,375
Total Non-Financial Assets	542,990,084	521,743,827
Accumulated Surplus (Deficit)	203,088,811	194,770,770
Unrecognized Assets (Note 16)		
Contractual Obligations (Note 17)		
Contractual Rights (Note 18)		
Contingent Liabilities (Note 19)		
Approved by the Board		
Barb Hobson	2019-09-25	
Signature of the Chairperson of the Board of Education	Date Signed	
Patricia Gartland	2019-09-25	
Signature of the Superintendent	Date Signed	
Chris Nicolls	2019-09-25	
Signature of the Secretary Treasurer	Date Signed	

School District No. 43 (Coquitlam)

Statement of Operations
Year Ended June 30, 2019

	2019 Budget (Note 20) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	310,809,093	310,881,807	299,703,664
Other	52,072	51,072	52,901
Federal Grants	2,905,080	2,957,582	2,699,451
Tuition	33,826,490	36,585,021	37,880,755
Other Revenue	13,902,202	14,531,084	14,148,995
Rentals and Leases	2,220,375	2,475,124	2,196,232
Investment Income	2,765,000	3,914,963	3,088,382
Amortization of Deferred Capital Revenue	12,500,000	11,927,080	11,419,270
Total Revenue	<u>378,980,312</u>	<u>383,323,733</u>	<u>371,189,650</u>
Expenses			
Instruction	309,692,755	306,869,455	294,836,224
District Administration	18,049,592	17,818,524	23,148,350
Operations and Maintenance	50,160,037	49,880,621	46,068,520
Transportation and Housing	478,873	437,092	476,567
Total Expense	<u>378,381,257</u>	<u>375,005,692</u>	<u>364,529,661</u>
Surplus (Deficit) for the year	<u>599,055</u>	<u>8,318,041</u>	<u>6,659,989</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		194,770,770	188,110,781
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>203,088,811</u></u>	<u>194,770,770</u>

School District No. 43 (Coquitlam)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget (Note 20)	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	599,055	8,318,041	6,659,989
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(28,950,000)	(36,142,878)	(44,217,744)
Amortization of Tangible Capital Assets	14,800,000	15,367,462	14,381,901
Total Effect of change in Tangible Capital Assets	(14,150,000)	(20,775,416)	(29,835,843)
Acquisition of Prepaid Expenses		(624,216)	(153,375)
Use of Prepaid Expenses		153,375	211,730
Total Effect of change in Other Non-Financial Assets	-	(470,841)	58,355
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(13,550,945)</u>	(12,928,216)	(23,117,499)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(12,928,216)	(23,117,499)
Net Financial Assets (Debt), beginning of year		(326,973,057)	(303,855,558)
Net Financial Assets (Debt), end of year		(339,901,273)	(326,973,057)

School District No. 43 (Coquitlam)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	8,318,041	6,659,989
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	4,015,692	(1,365,924)
Prepaid Expenses	(470,841)	58,355
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(18,647,639)	19,254,414
Unearned Revenue	301,006	1,054,491
Deferred Revenue	779,719	453,344
Employee Future Benefits	2,691,833	(5,480,954)
Other Liabilities	1,096,084	574,597
Amortization of Tangible Capital Assets	15,367,462	14,381,901
Amortization of Deferred Capital Revenue	(11,927,080)	(11,419,270)
Total Operating Transactions	<u>1,524,277</u>	<u>24,170,943</u>
Capital Transactions		
Tangible Capital Assets Purchased	(8,494,525)	(7,279,146)
Tangible Capital Assets -WIP Purchased	(27,648,353)	(36,938,598)
Total Capital Transactions	<u>(36,142,878)</u>	<u>(44,217,744)</u>
Financing Transactions		
Capital Revenue Received	30,516,687	39,651,766
Capital Lease Repayment	(5,957)	(5,246)
Total Financing Transactions	<u>30,510,730</u>	<u>39,646,520</u>
Investing Transactions		
Proceeds on Disposal of Portfolio Investments	2,995,000	-
Total Investing Transactions	<u>2,995,000</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,112,871)</u>	<u>19,599,719</u>
Cash and Cash Equivalents, beginning of year	<u>173,678,123</u>	<u>154,078,404</u>
Cash and Cash Equivalents, end of year	<u>172,565,252</u>	<u>173,678,123</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	172,565,252	173,678,123
	<u>172,565,252</u>	<u>173,678,123</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019

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 less of impairment, if applicable.

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, 2019

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, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District 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, 2019.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

h) Employee Future Benefits *(continued)*

ii. Pension Plans

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. An actuarial valuation is conducted every three years. The most recent valuation of the obligation was performed at December 31, 2018 and projected for use at June 30, 2019. See Note 9 for additional details of this transaction. Assets and obligations are separated and costs are accrued.

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

i) Environmental Remediation Costs

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, 2019

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, 2019

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 14 – Interfund Transfers and Note 23 – 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, 2019

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, 2019

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 recorded at fair value and 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

	<u>2019</u>	<u>2018</u>
Benefit Deposit Allowances	\$1,326,113	\$1,954,703
Federal Grants	914,818	830,246
GST Input Tax Credit	266,087	414,904
Interest Income	170,982	190,802
Capital due from third parties	696,916	273,894
Other receivables	905,678	422,065
Allowance for doubtful accounts	<u>(65,000)</u>	<u>(65,000)</u>
Total Other Receivables	<u>\$4,215,594</u>	<u>\$4,021,614</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 4 PORTFOLIO INVESTMENTS

	<u>2019</u>	<u>2018</u>
Guaranteed investment certificates (GIC's)	\$9,000,000	\$10,000,000
Bonds	-	1,995,000
Total Portfolio Investments	<u>\$9,000,000</u>	<u>\$11,995,000</u>

\$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

	<u>2019</u>	<u>2018</u>
Trade Payables	\$13,480,411	\$16,641,978
Pension Payable	453,175	17,206,681
Salary & Benefits Payable	<u>22,024,167</u>	<u>20,756,733</u>
Balance - Accounts Payable & Accrued Liabilities	<u>\$35,957,753</u>	<u>\$54,605,392</u>
Environmental Remediation Costs (Note 21)	\$ 2,974,489	\$ 2,672,705
Accrued Vacation Pay	5,508,745	4,455,416
Other	<u>402,979</u>	<u>662,008</u>
Balance - Total Other Liabilities	<u>\$ 8,886,213</u>	<u>\$ 7,790,129</u>
Total Accounts Payable and Accrued Liabilities	<u>\$44,843,966</u>	<u>\$62,395,521</u>

NOTE 6 UNEARNED REVENUE

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$29,792,595	\$28,738,104
Tuition fees received	36,886,027	38,935,246
Tuition fees recognized	<u>(36,585,021)</u>	<u>(37,880,755)</u>
Balance, end of year	<u>\$30,093,601</u>	<u>\$29,792,595</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.

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$11,784,783	\$11,331,439
Increases:		
Provincial grants	31,513,179	28,785,092
Other	17,147,502	16,489,378
Investment income	<u>96,071</u>	<u>70,096</u>
	<u>48,756,752</u>	<u>45,344,566</u>
Decreases:		
Revenue recognized	<u>(47,977,033)</u>	<u>(44,891,222)</u>
Balance, end of year	<u>\$12,564,502</u>	<u>\$11,784,783</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

	<u>2019</u>	<u>2018</u>
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$266,522,906	\$270,220,212
Increases:		
Capital additions	4,353,130	4,528,665
Transfer from work in progress	49,337,696	3,193,299
	<u>53,690,826</u>	<u>7,721,964</u>
Decreases:		
Amortization	11,927,080	11,419,270
	<u>11,927,080</u>	<u>11,419,270</u>
Net change for the year	41,763,746	(3,697,306)
	<u>41,763,746</u>	<u>(3,697,306)</u>
Balance, end of year	\$308,286,652	\$266,522,906
	<u>\$308,286,652</u>	<u>\$266,522,906</u>
Deferred capital revenue - Work in Progress		
Balance, beginning of year	\$113,944,921	\$81,494,084
Increases: Transfers from deferred capital contributions	27,024,740	35,644,136
Decrease: Transfer to deferred capital contribution subject to amortization	(49,337,696)	(3,193,299)
	<u>(49,337,696)</u>	<u>(3,193,299)</u>
Net change for the year	(22,312,956)	32,450,837
	<u>(22,312,956)</u>	<u>32,450,837</u>
Balance, end of year	\$ 91,631,965	\$113,944,921
	<u>\$ 91,631,965</u>	<u>\$113,944,921</u>
Unspent deferred capital revenue	\$ 9,603,125	\$ 10,464,308
	<u>\$ 9,603,125</u>	<u>\$ 10,464,308</u>
Total deferred capital revenue balance, end of year	<u>\$409,521,742</u>	<u>\$390,932,135</u>

NOTE 9 EMPLOYEE FUTURE BENEFITS

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

	<u>2019</u>	<u>2018</u>
Employee future benefit plans (a)	\$33,034,949	\$30,773,116
Non-Teaching pension plan (asset) (b)	(16,419,000)	(16,924,000)
Non-Teaching retirement benefit plan (c)	14,379,000	14,454,000
	<u>14,379,000</u>	<u>14,454,000</u>
Total Employee Future Benefits	<u>\$30,994,949</u>	<u>\$28,303,116</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

	2019	2018
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – April 1	\$29,449,718	\$28,380,811
Service cost	2,230,138	1,953,480
Interest cost	842,586	807,866
Benefits payments	(831,853)	(793,827)
Actuarial (gain) / loss	772,411	(898,612)
Accrued benefit obligation – March 31	\$32,463,000	\$29,449,718
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31	\$32,463,000	\$29,449,718
Funded status – surplus / (deficit)	\$(32,463,000)	\$(29,449,718)
Employer contributions after measurement date	242,199	147,016
Benefit expense after measurement date	(823,175)	(768,181)
Unamortized net actuarial (gain) / loss	9,026	(702,233)
Accrued benefit asset / (liability) – June 30	\$(33,034,949)	\$(30,773,116)
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability – July 1	\$30,773,116	\$28,446,510
Net expense for the year	3,188,870	2,981,298
Employer contributions	(927,037)	(654,692)
Accrued benefit liability – June 30	\$33,034,949	\$30,773,116
Components of net benefit expense:		
Service Cost	\$2,286,010	\$2,022,644
Interest Cost	841,708	816,546
Amortization of net actuarial loss	61,152	142,108
Net benefit expense	\$3,188,870	\$2,981,298

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:

	2019	2018
Discount rate – April 1	2.75%	2.75%
Discount rate – March 31	2.50%	2.75%
Long term salary growth – April 1	2.50% + seniority	2.50% + seniority
Long term salary growth – March 31	2.50% + seniority	2.50% + seniority
EARSLS – March 31	11.3 years	11.1 years

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

b) Non-Teaching Pension Plan

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. The completion of the transfer of Non-Teaching Pension Plan assets and liabilities occurred in October 2018. Retirees prior to January 1, 2018, deferred members, and plan members on a leave of absence remain in the NTPP plan. When Plan members return from their leave of absence to active school district employment, they will be transferred into the MPP.

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. The next actuarial valuation of the Plan will occur at December 31, 2018 and the valuation will be filed with the regulator in September 2019.

The School District has 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, 2019 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 \$5,732,855 (2018 - \$7,532,493) 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 as the Pension Stabilization Account.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 EMPLOYEE FUTURE BENEFITS *(continued)*

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

	2019	2018
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – Beginning of Year	\$97,158,000	\$159,826,000
Service cost	1,752,000	5,590,000
Interest cost	5,219,000	8,286,000
Transfers into the plan	-	90,000
Benefit payments	(9,493,000)	(9,659,000)
Obligation increase/(decrease) due to MPP settlement	-	(66,383,000)
Past Service cost increase (decrease)	6,131,000	-
Actuarial (gains)/losses	4,785,000	(592,000)
Accrued benefit obligation – end of year	<u>\$105,552,000</u>	<u>\$97,158,000</u>
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31 st	\$(105,552,000)	\$(97,158,000)
Market value of plan assets – March 31 st	<u>117,662,000</u>	<u>110,368,000</u>
Funded status – surplus / (deficit)	<u>\$12,110,000</u>	<u>\$13,210,000</u>
Funded status – surplus / (deficit)	\$12,110,000	\$13,210,000
Net change in 2 nd quarter expenses	988,000	4,863,000
Unamortized net actuarial (gain) / loss	10,046,000	(1,149,000)
Valuation Allowance	<u>(6,725,000)</u>	-
Accrued benefit asset / (liability) – June 30 th	<u>\$16,419,000</u>	<u>\$16,924,000</u>
Service cost, net of employee’s contributions	\$(96,000)	\$3,347,000
Recognition of expected settlement loss	6,664,000	4,065,000
Interest cost	5,219,000	8,286,000
Actual return on plan assets	(6,039,000)	(8,923,000)
Actuarial (gains) / losses	1,121,000	(33,000)
Impact of valuation allowance	6,725,000	-
Defined benefit costs recognized	<u>\$13,594,000</u>	<u>\$6,742,000</u>
Change in plan assets:		
Market value – beginning of year	\$110,368,000	\$169,629,000
Actual return on plan assets	4,639,000	11,384,000
Expected asset transfer to MPP	(6,664,000)	(71,295,000)
Employer’s contributions	17,692,000	8,078,000
Employee’s contributions	1,120,000	2,231,000
Benefits paid	<u>(9,493,000)</u>	<u>(9,659,000)</u>
Market value – end of year	<u>\$117,662,000</u>	<u>\$110,368,000</u>
Plan assets at end of year consist of:		
Equity securities	43%	51%
Debt securities	38%	35%
Mortgages	6%	4%
Real estate	13%	10%
	<u>100%</u>	<u>100%</u>
Discount Rate	4.90%	5.25%
Expected long-term rate of return on plan assets	4.90%	5.25%
Rate of compensation increase	2.50%	2.50%
EARSL	25.1 years	25.1 years

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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. Effective December 31, 2017, this Plan was closed to new enrollees. As at June 30, 2019 no funds have been internally designated to fund this liability.

	2019	2018
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – April 1st	\$11,047,000	\$15,398,000
Service Cost	-	-
Interest Cost	296,000	414,000
Benefit payments	(564,000)	(658,000)
Curtailment (decrease in obligations)	-	(1,694,000)
Actuarial (gains)/losses	-	(2,413,000)
Accrued benefit obligation – March 31st	\$10,779,000	\$11,047,000
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31 st	\$(10,779,000)	\$(11,047,000)
Funded status – surplus / (deficit)	\$(10,779,000)	\$(11,047,000)
Funded status – surplus / (deficit)	\$(10,779,000)	\$(11,047,000)
Net change in 2 nd quarter expenses	70,000	54,000
Unamortized net actuarial (gain) / loss	(3,670,000)	(3,461,000)
Accrued benefit asset / (liability) – June 30 th	\$(14,379,000)	\$(14,454,000)
Current service cost – net of employee's contributions	\$(30,000)	\$(434,000)
Interest cost	296,000	414,000
Recognition of curtailment gain	-	(2,108,000)
Amortize actuarial (gains) / losses	209,000	373,000
Defined benefit costs recognized	\$475,000	\$(1,755,000)
	2019	2018
Discount Rate	2.50%	2.75%
Expected long-term rate of return on plan assets	N/A	N/A
MSP	0% per year	0% per year
Dental	4.00% per year	4.00% per year
Extended Health	7.5% per year for two years then grading down to 4.5% in 0.25% decrements.	7.5% per year for three years then grading down to 4.5% in 0.25% decrements.
Estimated annual claim cost		
MSP Premium costs – couple	\$900	\$900
MSP Premium costs - single	\$450	\$450
Extended Health – couple	\$1,494	\$1,563
Extended Health - single	\$747	\$781
Dental – couple	\$893	\$907
Dental – single	\$447	\$454
EARS L	18.2 years	18.2 years

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The board of trustees for this plan representing plan members and employers are responsible for administering the pension plan including investing assets and administering benefits. These plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As December 31, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,500 retired members. As of December 31, 2018, the Municipal Pension Plan has about 200,000 active members, including approximately 24,000 from School Districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017 indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644,000 million surplus was transferred to the rate stabilization account.

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

The School District paid \$24,608,264 for employer contributions to the plans in the year ended June 30, 2019. (2018 - \$21,923,475)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020 with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2018 with results available in 2019.

Employers participating in the 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 plans 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 11 CAPITAL LEASE OBLIGATIONS

The School District leases several assets under capital leases. The leases expired on various dates through to the end of Fiscal Year 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, 2019

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:	Net Book Value 2019	Net Book Value 2018
Sites	\$112,508,685	\$112,508,685
Buildings	419,819,600	400,942,820
Furniture & Equipment	1,804,344	1,249,245
Vehicles	279,595	373,885
Computer Hardware	7,953,644	6,515,817
	<u>\$542,365,868</u>	<u>\$521,590,452</u>

June 30, 2019

Costs:	Balance at June 30, 2018	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$112,508,685	\$-	\$-	\$-	\$112,508,685
Buildings	526,450,585	4,246,827	-	50,686,047	581,383,459
Furniture & Equipment	4,539,587	662,269	825,708	399,896	4,776,044
Vehicles	942,903	-	211,243	-	731,660
Computer Hardware	8,945,299	3,585,429	573,997	-	11,956,731
	<u>\$653,387,059</u>	<u>\$8,494,525</u>	<u>\$1,610,948</u>	<u>\$51,085,943</u>	<u>\$711,356,579</u>
Work in progress	115,950,658	27,648,353	-	(51,085,943)	92,513,068
	<u>\$769,337,717</u>	<u>36,142,878</u>	<u>\$1,610,948</u>	<u>-</u>	<u>\$803,869,647</u>

Accumulated Amortization:	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
Buildings	\$241,458,423	\$ 12,618,504	-	\$254,076,927
Furniture & Equipment	3,290,342	507,066	825,708	2,971,700
Vehicles	569,018	94,290	211,243	452,065
Computer Hardware	2,429,482	2,147,602	573,997	4,003,087
	<u>\$247,747,265</u>	<u>\$15,367,462</u>	<u>\$1,610,948</u>	<u>\$261,503,779</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>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 12 TANGIBLE CAPITAL ASSETS *(continued)*

Included in Capital Assets is equipment under Capital Lease with a cost of \$559,210 (2018 - \$559,210) and accumulated amortization of \$559,210 (2018 - \$449,188).

NOTE 13 DISPOSAL OF SITES AND BUILDINGS

In 2018 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 the completion of a formal agreement. The transaction has not been included in the financial records of the School District in the current year.

NOTE 14 INTERFUND TRANSFERS

Interfund transfers between the operating and capital funds for the year ended June 30, 2019 were \$7,512,152 (2018 - \$5,697,897) related to capital leases, information technology funding, and restricted funding for an Educational Learning Centre building.

NOTE 15 RELATED PARTY TRANSACTIONS

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

NOTE 16 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, 2019

NOTE 17 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, 2019 are \$26,608,650 (2018 - \$41,180,131). 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	2020	2021	2022	2022	Thereafter	Total
Banting	\$ 753,650	-	-	-	-	\$753,650
Centennial	9,000,000	540,000	-	-	-	9,540,000
Irvine	200,000	180,000	-	-	-	380,000
Leigh	300,000	-	-	-	-	300,000
Minnekhada	12,000,000	1,680,000	-	-	-	13,680,000
Moody Middle	1,600,000	200,000	-	-	-	1,800,000
Smiling Creek	155,000	-	-	-	-	155,000
Total:	\$24,008,650	\$2,600,000	-	-	-	\$26,608,650

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, 2019 the amount held by the School District and included in cash and accounts payable was \$7,671,4350 (2018 - \$7,025,468).

NOTE 18 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:

	2020	2021	2022	2023	Total
Lincoln	\$240,918	-	-	-	\$240,918
Cedarbrook	110,905	-	-	-	110,905
Burquitlam	234,835	-	-	-	234,835
Future Lease Revenue	\$586,658	-	-	-	\$586,658

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 19 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 20 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 5, 2018 and reflect more current estimates on student enrolment, revenues and expenditures.

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants			
Ministry of Education	\$302,253,971	\$ 310,809,093	\$8,555,122
Other	92,560	52,072	(40,488)
Federal Grants	3,030,000	2,905,080	(124,920)
Tuition	31,360,767	33,826,490	2,465,723
Other Revenue	13,928,433	13,902,202	(26,231)
Rentals and Leases	1,960,375	2,220,375	260,000
Investment Income	2,365,000	2,765,000	400,000
Amortization of Deferred Capital Revenue	12,500,000	12,500,000	-
Total Revenue	<u>\$367,491,106</u>	<u>\$ 378,980,312</u>	<u>\$11,489,206</u>
Expenses			
Instruction	308,944,158	309,692,755	748,597
District Administration	14,043,359	18,049,592	4,006,233
Operations and Maintenance	47,304,566	50,160,037	2,855,471
Transportation and Housing	480,500	478,873	(1,627)
Debt Services	101	-	(101)
Total Expense	<u>\$370,772,684</u>	<u>\$ 378,381,257</u>	<u>\$7,608,573</u>
Prior Year Surplus Appropriation	<u>\$4,141,905</u>	<u>\$ 4,636,905</u>	<u>\$495,000</u>
Budgeted Surplus (Deficit) for the Year	<u>\$860,327</u>	<u>\$5,235,960</u>	<u>\$ 4,375,633</u>
Capital Fund Surplus (Deficit)	<u>\$860,327</u>	<u>\$5,235,960</u>	<u>\$ 4,375,633</u>
Budgeted Surplus (Deficit) for the year	<u><u>\$860,327</u></u>	<u><u>\$5,235,960</u></u>	<u><u>\$ 4,375,633</u></u>

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; b) increased international education student enrolment, corresponding tuition revenues, and resulting staffing requirements; and c) transfers to the capital account.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 21 ENVIRONMENTAL REMEDIATION COSTS

As at June 30, 2019 there is a liability of \$2,974,489 (2018 - \$2,672,705) 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 22 EXPENSE BY OBJECT

	2019	2018
Salaries and benefits	\$315,168,872	\$303,964,290
Services and supplies	44,469,358	46,183,470
Amortization	15,367,462	14,381,901
Total	<u>\$375,005,692</u>	<u>\$364,529,661</u>

NOTE 23 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:

	2019	2018
Indigenous Education	\$ 46,451	\$ 126,265
Schools Carryforward	1,555,907	1,609,283
2018/19 Staffing Stabilization Provision	-	4,141,905
2019/20 Staffing Stabilization Provision	4,141,905	4,141,905
2020/21 Staffing Stabilization Provision	3,121,293	1,425,886
2021/22 Staffing Stabilization Provision	1,206,615	-
Business Systems Initiatives	600,000	-
Recycling Initiative	-	513,258
Facilities and Maintenance	1,013,554	2,662,098
Technology Initiatives	1,405,050	1,662,098
Contingency Reserve	-	229,096
Total Internally Restricted Items	<u>\$13,090,775</u>	<u>\$16,511,794</u>

b) Solvency Reserve Fund

As funding for the non-teaching pension plan is required to be performed on a going concern basis, the School District restricts a portion of its operating surplus in a pension solvency reserve account to meet future solvency funding requirements for the non-teaching pension plan as required by the Pension Benefits Standards Act. At June 30, 2019 \$13,265,348 has been restricted. (2018 - \$7,532,493).

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 23 INTERNALLY RESTRICTED FUNDS *(continued)*

c) 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, 2019 \$32,691,250 has been restricted. (2018 - \$28,015,638).

NOTE 24 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 25 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, 2019

NOTE 25 **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 26 **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 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	24,044,277		170,726,493	194,770,770	188,110,781
Changes for the year					
Surplus (Deficit) for the year	9,829,955		(1,511,914)	8,318,041	6,659,989
Interfund Transfers					
Tangible Capital Assets Purchased	(4,141,395)		4,141,395	-	
Local Capital	(3,370,757)		3,370,757	-	
Other	(5,957)		5,957	-	
Net Changes for the year	2,311,846	-	6,006,195	8,318,041	6,659,989
Accumulated Surplus (Deficit), end of year - Statement 2	26,356,123	-	176,732,688	203,088,811	194,770,770

School District No. 43 (Coquitlam)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 20) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	278,607,110	279,375,296	270,380,642
Other	51,072	51,072	51,072
Tuition	33,826,490	36,585,021	37,880,755
Other Revenue	645,833	821,586	965,734
Rentals and Leases	1,540,375	1,825,738	1,644,713
Investment Income	1,965,000	2,791,208	2,735,417
Total Revenue	316,635,880	321,449,921	313,658,333
Expenses			
Instruction	262,617,946	260,032,045	251,084,625
District Administration	18,049,592	17,818,524	23,148,350
Operations and Maintenance	34,120,414	33,332,305	30,507,740
Transportation and Housing	478,873	437,092	476,567
Total Expense	315,266,825	311,619,966	305,217,282
Operating Surplus (Deficit) for the year	1,369,055	9,829,955	8,441,051
Budgeted Appropriation (Retirement) of Surplus (Deficit)	4,636,905		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,000,000)	(4,141,395)	(2,394,403)
Local Capital	(5,000,000)	(3,370,757)	(3,298,248)
Other	(5,960)	(5,957)	(5,246)
Total Net Transfers	(6,005,960)	(7,518,109)	(5,697,897)
Total Operating Surplus (Deficit), for the year	-	2,311,846	2,743,154
Operating Surplus (Deficit), beginning of year		24,044,277	21,301,123
Operating Surplus (Deficit), end of year		26,356,123	24,044,277
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 23 (a))		13,090,775	16,511,784
Pension Stabilization Account (Note 23 (b))		13,265,348	7,532,493
Total Operating Surplus (Deficit), end of year		26,356,123	24,044,277

School District No. 43 (Coquitlam)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 20)	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	276,108,687	275,865,582	266,299,477
Other Ministry of Education Grants			
Pay Equity	706,353	706,353	706,353
Funding for Graduated Adults	1,302,367	1,344,966	1,347,158
Transportation Supplement	81,641	81,641	81,641
Economic Stability Dividend	-	351,379	189,234
Return of Administrative Savings			1,338,556
Carbon Tax Grant	200,000	208,474	229,482
Employer Health Tax Grant	-	738,395	-
BCTEA - LEA Capacity Building Grant	-	6,850	-
Premier's Award for Excellence in Education	4,000	4,000	-
Skills Assessment	37,656	37,656	28,656
Mental Health Grant	30,000	30,000	-
NGN Self-Provisioned Site Grant	136,406	-	136,406
PLNet, Social Media Grant, Shoulder Tappers			23,679
Total Provincial Grants - Ministry of Education	278,607,110	279,375,296	270,380,642
Provincial Grants - Other	51,072	51,072	51,072
Tuition			
Continuing Education	899,616	891,892	921,220
International and Out of Province Students	32,926,874	35,693,129	36,959,535
Total Tuition	33,826,490	36,585,021	37,880,755
Other Revenues			
Miscellaneous			
Miscellaneous	645,833	821,586	965,734
Total Other Revenue	645,833	821,586	965,734
Rentals and Leases	1,540,375	1,825,738	1,644,713
Investment Income	1,965,000	2,791,208	2,735,417
Total Operating Revenue	316,635,880	321,449,921	313,658,333

School District No. 43 (Coquitlam)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget (Note 20)	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	145,059,643	145,543,249	140,701,267
Principals and Vice Principals	15,170,742	14,925,889	13,883,084
Educational Assistants	18,233,940	17,462,002	15,349,006
Support Staff	25,205,261	24,512,347	23,124,051
Other Professionals	6,633,466	6,211,201	5,551,532
Substitutes	9,265,276	9,338,869	8,135,055
Total Salaries	219,568,328	217,993,557	206,743,995
Employee Benefits	61,844,715	65,067,621	68,069,855
Total Salaries and Benefits	281,413,043	283,061,178	274,813,850
Services and Supplies			
Services	9,163,488	8,653,205	8,433,803
Student Transportation	431,138	388,134	428,130
Professional Development and Travel	2,580,148	1,952,017	1,986,387
Rentals and Leases	388,256	308,939	259,364
Dues and Fees	2,216,311	2,242,954	3,175,542
Insurance	1,070,720	781,376	914,039
Supplies	12,749,723	9,130,343	10,231,700
Utilities	5,253,998	5,101,820	4,974,467
Total Services and Supplies	33,853,782	28,558,788	30,403,432
Total Operating Expense	315,266,825	311,619,966	305,217,282

School District No. 43 (Coquitlam)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	107,226,763	2,280,012	461,372	4,033,847	73,467	5,127,100	119,202,561
1.03 Career Programs	-	-	43,485	-	-	3,234	46,719
1.07 Library Services	-	-	375,851	-	-	15,476	391,327
1.08 Counselling	4,168,190	-	-	-	-	186,858	4,355,048
1.10 Special Education	14,398,047	146,995	15,388,059	158,631	69,638	1,386,478	31,547,848
1.30 English Language Learning	5,144,310	-	-	-	-	230,617	5,374,927
1.31 Aboriginal Education	252,017	136,357	769,570	51,268	-	3,507	1,212,719
1.41 School Administration	-	11,619,442	-	2,119,342	-	364,683	14,103,467
1.60 Summer School	1,068,877	-	-	76,335	-	60,609	1,205,821
1.61 Continuing Education	1,611,671	372,593	65,270	585,310	70,155	142,846	2,847,845
1.62 International and Out of Province Students	11,530,077	250,881	212,704	362,289	277,409	527,041	13,160,401
1.64 Other	143,297	119,609	145,691	-	-	-	408,597
Total Function 1	145,543,249	14,925,889	17,462,002	7,387,022	490,669	8,048,449	193,857,280
4 District Administration							
4.11 Educational Administration	-	-	-	94,546	1,025,227	3,293	1,123,066
4.40 School District Governance	-	-	-	-	444,020	-	444,020
4.41 Business Administration	-	-	-	1,615,775	2,890,040	85,829	4,591,644
Total Function 4	-	-	-	1,710,321	4,359,287	89,122	6,158,730
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	245,362	1,083,945	55,241	1,384,548
5.50 Maintenance Operations	-	-	-	14,167,908	182,114	1,032,182	15,382,204
5.52 Maintenance of Grounds	-	-	-	989,893	-	113,471	1,103,364
5.56 Utilities	-	-	-	-	69,437	-	69,437
Total Function 5	-	-	-	15,403,163	1,335,496	1,200,894	17,939,553
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	11,841	25,749	404	37,994
7.70 Student Transportation	-	-	-	-	-	-	-
Total Function 7	-	-	-	11,841	25,749	404	37,994
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	145,543,249	14,925,889	17,462,002	24,512,347	6,211,201	9,338,869	217,993,557

School District No. 43 (Coquitlam)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 20)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	119,202,561	30,393,181	149,595,742	3,698,861	153,294,603	151,107,465	144,000,388
1.03 Career Programs	46,719	24,930	71,649	118,657	190,306	333,737	304,193
1.07 Library Services	391,327	119,301	510,628	574,658	1,085,286	907,636	750,638
1.08 Counselling	4,355,048	1,163,096	5,518,144	4,333	5,522,477	5,527,960	5,589,929
1.10 Special Education	31,547,848	9,957,056	41,504,904	586,626	42,091,530	44,606,688	44,543,173
1.30 English Language Learning	5,374,927	1,435,474	6,810,401	73,284	6,883,685	6,907,347	5,731,180
1.31 Aboriginal Education	1,212,719	287,096	1,499,815	103,865	1,603,680	1,715,425	1,493,119
1.41 School Administration	14,103,467	3,907,107	18,010,574	2,433,686	20,444,260	21,921,992	19,396,115
1.60 Summer School	1,205,821	199,556	1,405,377	86,929	1,492,306	1,504,261	1,455,319
1.61 Continuing Education	2,847,845	643,279	3,491,124	852,611	4,343,735	4,384,695	4,095,812
1.62 International and Out of Province Students	13,160,401	3,983,747	17,144,148	5,082,214	22,226,362	22,714,944	23,199,919
1.64 Other	408,597	98,734	507,331	346,484	853,815	985,796	524,840
Total Function 1	193,857,280	52,212,557	246,069,837	13,962,208	260,032,045	262,617,946	251,084,625
4 District Administration							
4.11 Educational Administration	1,123,066	7,153,550	8,276,616	376,208	8,652,824	7,676,820	14,353,292
4.40 School District Governance	444,020	7,848	451,868	164,683	616,551	578,737	551,844
4.41 Business Administration	4,591,644	1,533,022	6,124,666	2,424,483	8,549,149	9,794,035	8,243,214
Total Function 4	6,158,730	8,694,420	14,853,150	2,965,374	17,818,524	18,049,592	23,148,350
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,384,548	354,231	1,738,779	592,484	2,331,263	2,394,687	2,244,144
5.50 Maintenance Operations	15,382,204	3,520,760	18,902,964	4,186,562	23,089,526	23,810,437	20,737,059
5.52 Maintenance of Grounds	1,103,364	211,902	1,315,266	847,898	2,163,164	1,953,629	2,284,515
5.56 Utilities	69,437	62,787	132,224	5,616,128	5,748,352	5,961,661	5,242,022
Total Function 5	17,939,553	4,149,680	22,089,233	11,243,072	33,332,305	34,120,414	30,507,740
7 Transportation and Housing							
7.41 Transportation and Housing Administration	37,994	10,964	48,958	-	48,958	47,735	48,437
7.70 Student Transportation	-	-	-	388,134	388,134	431,138	428,130
Total Function 7	37,994	10,964	48,958	388,134	437,092	478,873	476,567
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	217,993,557	65,067,621	283,061,178	28,558,788	311,619,966	315,266,825	305,217,282

School District No. 43 (Coquitlam)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 20) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	32,201,983	31,506,511	29,323,022
Other	1,000		1,829
Federal Grants	2,905,080	2,957,582	2,699,451
Other Revenue	13,106,369	13,512,940	12,866,920
Total Revenue	48,214,432	47,977,033	44,891,222
Expenses			
Instruction	47,074,809	46,837,410	43,751,599
Operations and Maintenance	1,139,623	1,139,623	1,139,623
Total Expense	48,214,432	47,977,033	44,891,222
Special Purpose Surplus (Deficit) for the year	-	-	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 43 (Coquitlam)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	566,579	7,339,055	-	35,580	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	1,139,623	1,054,313	-	-	416,000	112,700	354,954	1,460,778	2,471,366
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	171,350	13,041,547	-	-	-	-	-
Investment Income	-	-	17,283	-	-	-	-	-	-
	1,139,623	1,054,313	188,633	13,041,547	416,000	112,700	354,954	1,460,778	2,471,366
Less: Allocated to Revenue	1,139,623	1,054,313	87,556	12,655,548	411,265	144,807	354,954	1,460,778	2,471,366
Deferred Revenue, end of year	-	-	667,656	7,725,054	4,735	3,473	-	-	-
Revenues									
Provincial Grants - Ministry of Education	1,139,623	1,054,313	-	-	411,265	144,807	354,954	1,460,778	2,471,366
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	87,556	12,655,548	-	-	-	-	-
	1,139,623	1,054,313	87,556	12,655,548	411,265	144,807	354,954	1,460,778	2,471,366
Expenses									
Salaries									
Teachers	-	-	-	-	-	38,110	40,923	-	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	524,005
Educational Assistants	-	845,481	-	-	-	-	-	711,986	1,141,950
Support Staff	-	-	-	-	283,987	-	-	301,520	-
Substitutes	-	-	-	-	-	-	-	-	238,170
	-	845,481	-	-	283,987	38,110	40,923	1,013,506	1,904,125
Employee Benefits	-	208,832	-	-	76,816	11,775	11,488	288,616	542,938
Services and Supplies	1,139,623	-	87,556	12,655,548	50,462	94,922	302,543	158,656	24,303
	1,139,623	1,054,313	87,556	12,655,548	411,265	144,807	354,954	1,460,778	2,471,366
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

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

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Day Treatment	Sundry Programs	Staff Development	Sick Leave Trust	Contractual Reserves	Apprenticeship Program	Settlement Workers (Prov)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	63,219	159,922	397,866	2,750,158	214,510	245,068
Add: Restricted Grants									
Provincial Grants - Ministry of Education	22,362,849	2,007,666	132,930	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	88,123	56,189	307,384	224,624	243,161	200
Investment Income	-	-	-	-	-	13,876	64,912	-	-
	22,362,849	2,007,666	132,930	88,123	56,189	321,260	289,536	243,161	200
Less: Allocated to Revenue	22,362,849	1,973,626	132,930	57,495	101,377	124,522	375,952	60,018	464
Deferred Revenue, end of year	-	34,040	-	93,847	114,734	594,604	2,663,742	397,653	244,804
Revenues									
Provincial Grants - Ministry of Education	22,362,849	1,973,626	132,930	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	57,495	101,377	124,522	375,952	60,018	464
	22,362,849	1,973,626	132,930	57,495	101,377	124,522	375,952	60,018	464
Expenses									
Salaries									
Teachers	15,882,644	1,770,154	81,365	-	-	-	-	-	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	-
Educational Assistants	-	-	-	-	-	-	-	-	-
Support Staff	-	-	-	-	-	44,941	-	-	-
Substitutes	747,974	-	-	-	-	-	-	-	-
	16,630,618	1,770,154	81,365	-	-	44,941	-	-	-
Employee Benefits	5,732,231	203,472	24,425	-	-	78,830	-	-	-
Services and Supplies	-	-	27,140	57,495	101,377	751	375,952	60,018	464
	22,362,849	1,973,626	132,930	57,495	101,377	124,522	375,952	60,018	464
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

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

	ELSA/LINK	Settlement Workers (Fed)	IRCC	Comm Link Lunch Program	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	12,826	11,784,783
Add: Restricted Grants					
Provincial Grants - Ministry of Education	-	-	-	-	31,513,179
Federal Grants	1,995,428	758,639	203,515	-	2,957,582
Other	-	-	-	57,342	14,189,920
Investment Income	-	-	-	-	96,071
	1,995,428	758,639	203,515	57,342	48,756,752
Less: Allocated to Revenue	1,995,428	758,639	203,515	50,008	47,977,033
Deferred Revenue, end of year	-	-	-	20,160	12,564,502
Revenues					
Provincial Grants - Ministry of Education	-	-	-	-	31,506,511
Federal Grants	1,995,428	758,639	203,515	-	2,957,582
Other Revenue	-	-	-	50,008	13,512,940
	1,995,428	758,639	203,515	50,008	47,977,033
Expenses					
Salaries					
Teachers	850,465	-	18,524	-	18,682,185
Principals and Vice Principals	72,731	33,255	7,012	-	637,003
Educational Assistants	-	-	-	-	2,699,417
Support Staff	165,906	547,605	85,613	-	1,429,572
Substitutes	22,322	-	-	-	1,008,466
	1,111,424	580,860	111,149	-	24,456,643
Employee Benefits	288,778	155,313	27,537	-	7,651,051
Services and Supplies	595,226	22,466	64,829	50,008	15,869,339
	1,995,428	758,639	203,515	50,008	47,977,033
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-

School District No. 43 (Coquitlam)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget (Note 20)	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Other Revenue	150,000	-	196,558	196,558	316,341
Rentals and Leases	680,000		649,386	649,386	551,519
Investment Income	800,000		1,123,755	1,123,755	352,965
Amortization of Deferred Capital Revenue	12,500,000	11,927,080		11,927,080	11,419,270
Total Revenue	14,130,000	11,927,080	1,969,699	13,896,779	12,640,095
Expenses					
Operations and Maintenance	100,000	-	41,231	41,231	39,256
Amortization of Tangible Capital Assets					
Operations and Maintenance	14,800,000	15,367,462		15,367,462	14,381,901
Total Expense	14,900,000	15,367,462	41,231	15,408,693	14,421,157
Capital Surplus (Deficit) for the year	(770,000)	(3,440,382)	1,928,468	(1,511,914)	(1,781,062)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,000,000	4,141,395		4,141,395	2,394,403
Local Capital	5,000,000		3,370,757	3,370,757	3,298,248
Capital Lease Payment	5,960		5,957	5,957	5,246
Total Net Transfers	6,005,960	4,141,395	3,376,714	7,518,109	5,697,897
Other Adjustments to Fund Balances					
Tangible Capital Assets WIP Purchased from Local Capital		623,613	(623,613)	-	
Principal Payment					
Capital Lease		5,957	(5,957)	-	
Total Other Adjustments to Fund Balances		629,570	(629,570)	-	
Total Capital Surplus (Deficit) for the year	5,235,960	1,330,583	4,675,612	6,006,195	3,916,835
Capital Surplus (Deficit), beginning of year		142,710,855	28,015,638	170,726,493	166,809,658
Capital Surplus (Deficit), end of year		144,041,438	32,691,250	176,732,688	170,726,493

School District No. 43 (Coquiltam)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	112,508,685	526,450,585	4,539,587	942,903	-	8,945,299	653,387,059
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	4,246,827	-	-	-	-	4,246,827
Deferred Capital Revenue - Other	-	-	106,303	-	-	-	106,303
Operating Fund	-	-	555,966	-	-	3,585,429	4,141,395
Transferred from Work in Progress		50,686,047	399,896				51,085,943
	-	54,932,874	1,062,165	-	-	3,585,429	59,580,468
Decrease:							
Deemed Disposals			825,708	211,243	-	573,997	1,610,948
	-	-	825,708	211,243	-	573,997	1,610,948
Cost, end of year	112,508,685	581,383,459	4,776,044	731,660	-	11,956,731	711,356,579
Work in Progress, end of year		92,513,068					92,513,068
Cost and Work in Progress, end of year	112,508,685	673,896,527	4,776,044	731,660	-	11,956,731	803,869,647
Accumulated Amortization, beginning of year		241,458,423	3,290,342	569,018	-	2,429,482	247,747,265
Changes for the Year							
Increase: Amortization for the Year		12,618,504	507,066	94,290	-	2,147,602	15,367,462
Decrease:							
Deemed Disposals			825,708	211,243	-	573,997	1,610,948
		-	825,708	211,243	-	573,997	1,610,948
Accumulated Amortization, end of year		254,076,927	2,971,700	452,065	-	4,003,087	261,503,779
Tangible Capital Assets - Net	112,508,685	419,819,600	1,804,344	279,595	-	7,953,644	542,365,868

School District No. 43 (Coquitlam)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	115,950,658	-	-	-	115,950,658
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	24,193,983	369,399	-	-	24,563,382
Deferred Capital Revenue - Other	2,461,358	-	-	-	2,461,358
Local Capital	593,116	30,497	-	-	623,613
	<u>27,248,457</u>	<u>399,896</u>	<u>-</u>	<u>-</u>	<u>27,648,353</u>
Decrease:					
Transferred to Tangible Capital Assets	50,686,047	399,896	-	-	51,085,943
	<u>50,686,047</u>	<u>399,896</u>	<u>-</u>	<u>-</u>	<u>51,085,943</u>
Net Changes for the Year	<u>(23,437,590)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,437,590)</u>
Work in Progress, end of year	<u>92,513,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,513,068</u>

School District No. 43 (Coquitlam)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	265,014,560	1,330,402	177,944	266,522,906
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,246,827	106,303	-	4,353,130
Transferred from Work in Progress	48,337,696	1,000,000	-	49,337,696
	<u>52,584,523</u>	<u>1,106,303</u>	<u>-</u>	<u>53,690,826</u>
Decrease:				
Amortization of Deferred Capital Revenue	11,840,277	53,303	33,500	11,927,080
	<u>11,840,277</u>	<u>53,303</u>	<u>33,500</u>	<u>11,927,080</u>
Net Changes for the Year	<u>40,744,246</u>	<u>1,053,000</u>	<u>(33,500)</u>	<u>41,763,746</u>
Deferred Capital Revenue, end of year	<u>305,758,806</u>	<u>2,383,402</u>	<u>144,444</u>	<u>308,286,652</u>
Work in Progress, beginning of year	108,339,763	5,605,158	-	113,944,921
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	24,563,382	2,461,358	-	27,024,740
	<u>24,563,382</u>	<u>2,461,358</u>	<u>-</u>	<u>27,024,740</u>
Decrease				
Transferred to Deferred Capital Revenue	48,337,696	1,000,000	-	49,337,696
	<u>48,337,696</u>	<u>1,000,000</u>	<u>-</u>	<u>49,337,696</u>
Net Changes for the Year	<u>(23,774,314)</u>	<u>1,461,358</u>	<u>-</u>	<u>(22,312,956)</u>
Work in Progress, end of year	<u>84,565,449</u>	<u>7,066,516</u>	<u>-</u>	<u>91,631,965</u>
Total Deferred Capital Revenue, end of year	<u>390,324,255</u>	<u>9,449,918</u>	<u>144,444</u>	<u>399,918,617</u>

School District No. 43 (Coquitlam)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	4,129,830	64,705	6,269,773	-	10,464,308
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	28,810,209					28,810,209
Provincial Grants - Other		-	116,685	-	-	116,685
Other		-		1,296,973	-	1,296,973
Investment Income		86,572	-	206,248	-	292,820
	<u>28,810,209</u>	<u>86,572</u>	<u>116,685</u>	<u>1,503,221</u>	<u>-</u>	<u>30,516,687</u>
Decrease:						
Transferred to DCR - Capital Additions	4,246,827	-	106,303		-	4,353,130
Transferred to DCR - Work in Progress	24,563,382	2,461,358	-		-	27,024,740
	<u>28,810,209</u>	<u>2,461,358</u>	<u>106,303</u>	<u>-</u>	<u>-</u>	<u>31,377,870</u>
Net Changes for the Year	<u>-</u>	<u>(2,374,786)</u>	<u>10,382</u>	<u>1,503,221</u>	<u>-</u>	<u>(861,183)</u>
Balance, end of year	<u>-</u>	<u>1,755,044</u>	<u>75,087</u>	<u>7,772,994</u>	<u>-</u>	<u>9,603,125</u>