

Audited Financial Statements of

School District No. 62 (Sooke)

June 30, 2017

School District No. 62 (Sooke)

June 30, 2017

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School District No. 62 (Sooke)

MANAGEMENT REPORT

Version: 1261-9515-7533

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 62 (Sooke) 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.

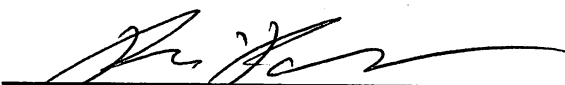
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 62 (Sooke) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 62 (Sooke) 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. 62 (Sooke)



Signature of the Chairperson of the Board of Education

Sept 26, 2017

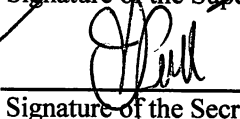
Date Signed



Signature of the Superintendent

Sept-26, 17

Date Signed



Signature of the Secretary Treasurer

Sept 26/17

Date Signed



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Board of Education, and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 62 (Sooke), which comprise the statement of financial position as at June 30, 2017, the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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



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

Opinion

In our opinion, the financial statements of School District No. 62 (Sooke) as at and for the year ended June 30, 2017 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.

Emphasis of Matter

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

Comparative Information

The financial statements of School District No. 62 (Sooke) as at and for the year ended June 30, 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 27, 2016.

KPMG LLP

Chartered Professional Accountants

September 26, 2017
Victoria, Canada

School District No. 62 (Sooke)

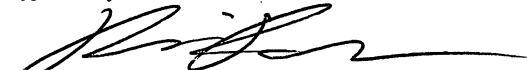
Statement of Financial Position

As at June 30, 2017

	2017 Actual \$	2016 Actual \$
Financial Assets		
Cash and Cash Equivalents	15,158,452	17,802,284
Accounts Receivable		
Due from Province - Ministry of Education	1,829,038	1,124,917
Due from LEA/Direct Funding	362,604	409,815
Other (Note 3)	693,733	862,507
Portfolio Investments (Note 5)	130,876	129,770
Total Financial Assets	18,174,703	20,329,293
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	58,294	70,250
Other (Note 6)	5,880,215	10,050,909
Unearned Revenue (Note 7)	4,853,844	4,046,274
Deferred Revenue (Note 8)	955,694	783,144
Deferred Capital Revenue (Note 9)	180,701,299	184,606,021
Employee Future Benefits (Note 10)	3,201,879	3,033,499
Total Liabilities	195,651,225	202,590,097
Net Financial Assets (Debt)	(177,476,522)	(182,260,804)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	225,831,911	229,826,766
Restricted Assets (Endowments) (Note 13)	642,839	642,839
Prepaid Expenses (Note 4)	2,479,032	2,639,850
Total Non-Financial Assets	228,953,782	233,109,455
Accumulated Surplus (Deficit)	51,477,260	50,848,651

Contractual Obligations and Contingencies

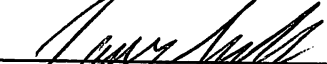
Approved by the Board



 Signature of the Chairperson of the Board of Education

Sept 26, 2017

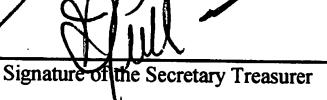
 Date Signed



 Signature of the Superintendent

Sept 26, 17

 Date Signed



 Signature of the Secretary Treasurer

Sept 26/17

 Date Signed

School District No. 62 (Sooke)

Statement of Operations
Year Ended June 30, 2017

Statement 2

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	95,688,559	96,766,460	92,590,880
Municipal Grants Spent on Sites		165,490	
Tuition	5,374,558	5,798,590	4,830,173
Other Revenue	2,998,535	3,972,502	4,462,593
Rentals and Leases	388,500	451,406	300,530
Investment Income	82,530	55,519	97,795
Amortization of Deferred Capital Revenue (Note 9)	6,568,109	10,122,193	4,059,055
Amortization of Deferred Capital Revenue - for long term lease (Note 9)	61,477	61,477	61,477
Total Revenue	<u>111,162,268</u>	<u>117,393,637</u>	<u>106,402,503</u>
Expenses			
Instruction	88,223,673	90,031,074	85,205,075
District Administration	3,008,018	2,866,197	2,968,859
Operations and Maintenance	17,802,306	21,176,229	14,358,799
Transportation and Housing	2,477,273	2,691,528	2,393,525
Total Expense	<u>111,511,270</u>	<u>116,765,028</u>	<u>104,926,258</u>
Surplus (Deficit) for the year	<u>(349,002)</u>	<u>628,609</u>	<u>1,476,245</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		50,848,651	49,372,406
Accumulated Surplus (Deficit) from Operations, end of year		<u>51,477,260</u>	<u>50,848,651</u>

School District No. 62 (Sooke)
 Statement of Changes in Net Financial Assets (Debt)
 Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(349,002)	628,609	1,476,245
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 11)		(7,478,867)	(27,621,049)
Amortization of Tangible Capital Assets (Note 11)	7,490,157	11,473,722	5,024,193
Total Effect of change in Tangible Capital Assets	<u>7,490,157</u>	<u>3,994,855</u>	<u>(22,596,856)</u>
Acquisition of Prepaid Expenses		(137,785)	(237,126)
Use of Prepaid Expenses	61,477	298,603	279,993
Total Effect of change in Other Non-Financial Assets	<u>61,477</u>	<u>160,818</u>	<u>42,867</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u><u>7,202,632</u></u>	<u>4,784,282</u>	<u>(21,077,744)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		4,784,282	(21,077,744)
Net Financial Assets (Debt), beginning of year		(182,260,804)	(161,183,060)
Net Financial Assets (Debt), end of year		<u><u>(177,476,522)</u></u>	<u><u>(182,260,804)</u></u>

School District No. 62 (Sooke)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2017

	2017 Actual \$	2016 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	628,609	1,476,245
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(488,136)	6,827,411
Prepaid Expenses	160,818	42,867
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(4,182,651)	(6,371,902)
Unearned Revenue (Note 7)	807,570	1,051,924
Deferred Revenue (Note 8)	172,550	(78,927)
Employee Future Benefits	168,381	200,325
Amortization of Tangible Capital Assets (Note 11)	11,473,722	5,024,193
Amortization of Deferred Capital Revenue (Note 9)	(10,122,193)	(4,059,055)
Recognition of Deferred Capital Revenue Spent on Sites (Note 9)	(132,836)	(3,309,034)
Deferred Capital Revenue Transferred to Revenue	(859,328)	(890,248)
Amortization of Deferred Capital Revenue - for Lease	(61,477)	(61,477)
Total Operating Transactions	(2,434,971)	(147,678)
Capital Transactions		
Tangible Capital Assets Purchased	(2,542,123)	(4,867,375)
Tangible Capital Assets -WIP Purchased	(4,936,744)	(22,572,968)
Land Received in Lieu of School Site Acquisition Charge		(180,706)
Total Capital Transactions	(7,478,867)	(27,621,049)
Financing Transactions		
Capital Revenue Received	7,271,112	15,611,953
Total Financing Transactions	7,271,112	15,611,953
Investing Transactions		
Proceeds on Disposal of Portfolio Investments		(1,733)
Investments in Portfolio Investments	(1,106)	
Total Investing Transactions	(1,106)	(1,733)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,643,832)	(12,158,507)
Cash and Cash Equivalents, beginning of year	17,802,284	29,960,791
Cash and Cash Equivalents, end of year	15,158,452	17,802,284
Cash and Cash Equivalents, end of year, is made up of:		
Cash	12,669,414	9,287,088
Cash Equivalents	2,489,038	8,515,196
	15,158,452	17,802,284
Supplementary Cash Flow Information		

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 62 (Sooke)", and operates as "School District No. 62 (Sooke)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 62 (Sooke) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

a) Basis of Accounting

The 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 and 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.

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.

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

a) Basis of Accounting (*continued*)

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.

b) Basis of Consolidation

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

The School District has entered into trust activities with some employees; these are described in Note 14.

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 that have a maturity of greater than 3 months at the time of acquisition. GIC's are reported at cost.

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

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 courses, services, or products are provided.

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(m).

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

h) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSLS) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019.

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

h) Employee Future Benefits (*continued*)

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

i) 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. 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. The liability is recorded net of any expected recoveries.

j) 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 of the asset.
- Donated tangible capital assets from non-related parties are recorded at their fair market value on the date of donation.
- 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Tangible Capital Assets (continued)

- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

k) Prepaid Expenses

Payments for insurance, leases, subscriptions and maintenance contracts for use within the School District in the future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

m) Revenue Recognition

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

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

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

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and

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

m) Revenue Recognition (*continued*)

- 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.

n) Expenditures

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

- 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.

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

o) Endowments

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.

p) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments and accounts payable and accrued liabilities.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

q) Measurement Uncertainty

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

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2017	June 30, 2016
Due from Federal Government	\$ 61,848	\$ 320,850
Due from Parent Advisory Committees	183	183
Due from CUPE	54,095	10,324
Due from Sooke Teacher Association	108,020	41,204
Due from EMCS Society	2,117	-
Due from Westshore Recreation Centre	25,000	29,777
Other	488,507	545,621
Less Allowance for Doubtful Accounts	(46,037)	(85,452)
	<u>\$ 693,733</u>	<u>\$ 862,507</u>

NOTE 4 PREPAID LEASE

The School District prepaid a long-term lease to the Federal Government for the use of the John Stubbs Memorial School site for 50 years. This lease started on July 1, 2005 and ends on June 30, 2055.

The unamortized balance of the lease represents \$2,341,247 (2016: \$2,402,723) of the prepaid expenses.

NOTE 5 PORTFOLIO INVESTMENTS

	Cost	
	June 30, 2017	June 30, 2016
Investments in the cost category:		
GICs maturing in 2018 bearing interest at .75% (2016: .85%)	\$ 130,876	\$ 129,770
	<u>\$ 130,876</u>	<u>\$ 129,770</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2017	June 30, 2016
Trade payables	\$ 2,308,379	\$ 6,687,965
Salaries and benefits payable	2,984,910	2,701,068
Accrued vacation pay	576,003	660,574
Other	10,923	1,302
	<u>\$ 5,880,215</u>	<u>\$ 10,050,909</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 7 UNEARNED REVENUE

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Balance, beginning of year	\$ 4,046,274	\$ 2,994,350
Increase:		
Tuition fees collected	6,800,996	5,612,876
Bus fees collected	-	613,088
Academy fees collected	132,497	76,751
Rental fees Collected	2,238	-
Decrease:		
Bus fees paid back	(252,596)	-
Tuition fees recognized	(5,798,590)	(4,830,173)
Bus fees recognized	(224)	(360,268)
Academy fees recognized	(76,751)	(60,350)
Net change for the year	<u>807,570</u>	<u>1,051,924</u>
Balance, end of year	<u>\$ 4,853,844</u>	<u>\$ 4,046,274</u>

NOTE 8 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>June 30, 2017</u>	<u>June 30, 2016</u>
Balance, beginning of year	\$ 783,144	\$ 862,071
Increase:		
Provincial Grants - Ministry of Education	4,381,365	3,208,288
Other revenue	3,277,091	2,899,154
Investment income	18,368	39,303
Decrease:		
Transfers to revenue	(7,504,274)	(6,225,672)
Net change for the year	<u>172,550</u>	<u>(78,927)</u>
Balance, end of year	<u>\$955,694</u>	<u>\$ 783,144</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 9 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>June 30, 2017</u>	<u>June 30, 2016</u>
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 173,884,217	\$ 90,618,973
Increases:		
Transfer from deferred capital revenue – unspent	2,322,649	1,465,134
Transfer from deferred capital revenue – work in progress	10,533,296	85,920,642
Decreases:		
Amortization of deferred capital revenue	(10,122,193)	(4,059,055)
Amortization of long term lease	(61,477)	(61,477)
Net change for the year	<u>2,672,275</u>	<u>83,265,244</u>
Balance, end of year	<u>\$ 176,556,492</u>	<u>\$ 173,884,217</u>
Deferred capital revenue - work in progress		
Balance, beginning of year	\$7,566,524	\$ 70,914,198
Increases:		
Transfer from deferred capital revenue - unspent	4,936,744	22,572,968
Decreases:		
Transfer to deferred capital revenue subject to amortization	(10,533,296)	(85,920,642)
Net change for the year	<u>(5,596,552)</u>	<u>(63,347,674)</u>
Balance, end of year	<u>\$1,969,972</u>	<u>\$ 7,566,524</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 9 DEFERRED CAPITAL REVENUE (continued)

	June 30, 2017	June 30, 2016
Deferred capital revenue - unspent		
Balance, beginning of year	\$ 3,155,280	\$ 15,780,711
Increases:		
Provincial Grants - Ministry of Education	4,581,145	13,593,827
Provincial Grants – Other	321,271	-
Investment income	73,842	234,486
Other	549,854	825,639
Receivable from Ministry of Education – COA Draws	1,745,000	958,001
	<u>7,271,112</u>	<u>15,611,953</u>
Decreases:		
Transfer to revenue - Site purchases	(132,836)	(3,309,034)
Transfer to revenue - Expensed costs	(859,328)	(890,248)
Transfer to deferred capital revenue subject to amortization	(2,322,649)	(1,465,134)
Transfer to deferred capital revenue - work in progress	(4,936,744)	(22,572,968)
	<u>(8,251,557)</u>	<u>(28,237,384)</u>
Net change for the year	<u>(980,445)</u>	<u>(12,625,431)</u>
Balance, end of year	<u>\$ 2,174,835</u>	<u>\$ 3,155,280</u>
Total deferred capital revenue balance, end of year	<u>\$ 180,701,299</u>	<u>\$ 184,606,021</u>

NOTE 10 EMPLOYEE FUTURE BENEFITS

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

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 10 EMPLOYEE FUTURE BENEFITS (continued)

	June 30, 2017	June 30, 2016
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation - April 1	\$ 4,291,465	\$ 3,530,943
Service cost	338,177	296,129
Interest cost	110,250	82,694
Benefit payments	(477,477)	(299,190)
Actuarial loss (gain)	(36,689)	680,889
Accrued benefit obligation - March 31	<u>\$ 4,225,726</u>	<u>\$ 4,291,465</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued benefit obligation - March 31	\$ 4,225,726	\$ 4,291,465
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(4,225,726)	(4,291,465)
Employer contributions after measurement date	22,773	46,004
Benefits expense after measurement date	(114,409)	(112,107)
Unamortized net actuarial loss	1,115,483	1,324,068
Accrued benefit liability - June 30	<u>\$ (3,201,879)</u>	<u>\$ (3,033,499)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued benefit liability - July 1	\$ 3,033,499	\$ 2,833,174
Net expense for fiscal year	622,626	494,111
Employer contributions	(454,246)	(293,786)
Accrued benefit liability - June 30	<u>\$ 3,201,879</u>	<u>\$ 3,033,499</u>
Components of Net Benefit Expense		
Service cost	\$ 338,087	\$ 306,641
Interest cost	112,642	89,583
Amortization of net actuarial loss	171,897	97,877
Net benefit expense for fiscal year	<u>\$ 622,626</u>	<u>\$ 494,111</u>

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

	June 30, 2017	June 30, 2016
Discount rate - April 1	2.50%	2.25%
Discount rate - March 31	2.75%	2.50%
Long-term salary growth - April 1	2.50% + seniority	2.50% + seniority
Long-term salary growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.2 years	9.2 years

SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value	June 30, 2017	June 30, 2016
Sites	\$ 35,865,359	\$ 35,732,523
Buildings	178,411,732	175,207,495
Buildings - work in progress	1,962,860	7,566,524
Furniture and equipment	6,597,298	7,568,970
Furniture and equipment - work in progress	7,112	-
Vehicles	2,381,869	2,675,129
Computer software	4,129	39,623
Computer hardware	601,552	1,036,502
Total	\$ 225,831,911	\$ 229,826,766

Cost:	Balance July 1, 2016	Additions	Disposals	Transfers (WIP)	Balance June 30, 2017
Sites	\$ 35,732,523	\$ 132,836	\$ -	\$ -	\$ 35,865,359
Buildings	246,292,171	1,563,428	-	10,533,296	258,388,895
Buildings - work in progress	7,566,524	4,929,632	-	(10,533,296)	1,962,860
Furniture and equipment	9,586,614	464,763	(495,768)	-	9,555,609
Furniture - work in progress	-	7,112	-	-	7,112
Vehicles	4,123,862	338,839	(68,412)	-	4,394,289
Computer software	170,588	-	(156,824)	-	13,764
Computer hardware	1,647,857	42,257	(213,804)	-	1,476,310
Total	\$305,120,139	\$ 7,478,867	\$ (934,808)	\$ -	\$ 311,664,198

SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

Accumulated Amortization:	Balance July 1, 2016	Amortization	Disposals	Balance June 30, 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	71,084,676	8,892,487	-	79,977,163
Furniture and equipment	2,017,644	1,436,435	(495,768)	2,958,311
Vehicles	1,448,733	632,099	(68,412)	2,012,420
Computer software	130,965	35,494	(156,824)	9,635
Computer hardware	611,355	477,207	(213,804)	874,758
Total	\$ 75,293,373	\$ 11,473,722	(934,808)	\$ 85,832,287

Work in progress includes buildings, furniture and equipment and computer hardware that have not been amortized. Amortization of these assets will commence when the assets are put into service.

Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$34,403 (2016 - \$208,595) and is comprised of playground equipment received from Parent Advisory Councils.

SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. As of December 31, 2016, the Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 37,000 retired members from school districts. As of December 31, 2016, the Municipal Pension Plan has about 193,000 active members, of which approximately 24,000 are 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2014 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased. The next valuation will be as at December 31, 2017 with results available later in 2018.

The most recent actuarial valuation of 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 rates remained unchanged. The next valuation for the Municipal Pension Plan will be as at December 31, 2018 with results available in 2019.

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

The School District paid \$8,630,606 (2016: \$9,540,505) for employer contributions to these plans in the year ended June 30, 2017.

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 13 RESTRICTED ASSETS – ENDOWMENT FUNDS

Donors have provided endowment contributions which have been invested in GIC's as follows:

- GIC's maturing in 2020 bearing interest at 1.90% - Cal Meyer endowment
- GIC's maturing in 2018 bearing interest at 1.50% - Derochie endowment
- GIC's maturing in 2017 bearing interest at 1.20% - Sooke Women's Institute endowment
- GIC's maturing in 2017 bearing interest at 1.20% - STARR endowment

All of the endowments were established to provide scholarships and bursaries for one or more deserving graduate or undergraduate students in full time attendance at Edward Milne Community School.

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

Name of Endowment	Balance July 1, 2016	Contributions	Balance June 30, 2017
Cal Meyer	\$ 609,285	\$ -	\$ 609,285
Sooke Women's Institute	17,554	-	17,554
Derochie	10,000	-	10,000
STARR	6,000	-	6,000
Total	\$ 642,839	\$ -	\$ 642,839

NOTE 14 TRUSTS UNDER ADMINISTRATION

The School District is in a trustee relationship with employees under the deferred salary leave plan and the teachers' summer savings plan.

As at June 30, 2017, the District held the following funds in place, as directed by agreement with the employees. These amounts have not been included in the cash or accounts payable balances in the financial statements:

	June 30, 2017	June 30, 2016
Deferred Salary Leave Plan	\$ 204,529	\$ 263,355
Teachers' Summer Savings Plan	531,235	410,027

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.

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 16 COMMITMENTS

- (a) The School District has an unutilized line of credit in the amount of \$1,000,000.
- (b) The School District has entered into contracts related to capital projects with a remaining cost of approximately \$5,535,201.
- (c) The School District has entered into various operating leases for premises, vehicles and equipment. Estimated commitments under these leases in each of the next five years are as follows:

	2018	2019	2020	2021	2022
Rent leases	\$ 198,801	\$ 166,490	\$ 166,490	\$ 166,490	\$ 166,490
Vehicle lease	893	11,690	11,690	11,690	11,690
Copier leases	117,232	87,837	52,302	35,678	31,245
Total	316,926	\$ 266,017	\$ 230,482	\$ 213,858	\$ 209,425

NOTE 17 CONTINGENCIES

The nature of the School District’s activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2017, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District’s financial position.

Certain Schools in the School District contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of future removal costs cannot be reasonably determined due to unknown timelines.

**SCHOOL DISTRICT NO. 62 (SOOKE)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017**

NOTE 18 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 14, 2017. The original budget was adopted on May 24, 2016. The original and amended budgets are presented below.

	2017 Amended Annual Budget \$	2017 Annual Budget \$
Revenues		
Provincial Grants		
Ministry of Education	95,688,559	92,925,336
Tuition	5,374,558	5,374,558
Other Revenue	2,998,535	3,714,244
Rentals and Leases	388,500	388,500
Investment Income	82,530	82,530
Amortization of Deferred Capital Revenue	6,568,109	6,568,109
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477
Total Revenue	<u>111,162,268</u>	<u>109,114,754</u>
 Expenses		
Instruction	88,223,673	86,183,063
District Administration	3,008,018	2,782,000
Operations and Maintenance	17,802,306	17,826,930
Transportation and Housing	2,477,273	2,434,940
Total Expense	<u>111,511,270</u>	<u>109,226,933</u>
 Net Revenue (Expense)	<u>(349,002)</u>	<u>(112,179)</u>
 Budgeted Allocation (Retirement) of Surplus (Deficit)	(573,046)	(809,869)
 Budgeted Surplus (Deficit), for the year	<u>(922,048)</u>	<u>(922,048)</u>

**SCHOOL DISTRICT NO. 62 (SOOKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 19 EXPENSE BY OBJECT

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Salaries and benefits	\$ 89,597,268	\$ 85,052,515
Services and supplies	15,694,038	14,849,549
Amortization	11,473,722	5,024,193
	<u>\$ 116,765,028</u>	<u>\$ 104,926,258</u>

NOTE 20 ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Invested in tangible capital assets	\$ 49,646,803	\$ 50,778,858
Operating surplus/deficit	1,187,618	(573,046)
Special purpose - endowments	642,839	642,839
	<u>\$ 51,477,260</u>	<u>\$ 50,848,651</u>

The operating surplus has been internally restricted (appropriated) by the Board for:

	<u>June 30, 2017</u>
Discretionary School Generated Funds	\$ 117,697
Student Learning Grant	520,116
Aboriginal Education	93,229
Total Internally Restricted Operating Surplus	<u>\$ 731,042</u>
Total Unrestricted Operating Surplus	<u>456,576</u>
Total Operating Surplus	<u>\$ 1,187,618</u>

NOTE 21 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 22 RISK MANAGEMENT

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

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

a) Credit risk

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates with a fixed maturity date.

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.

i. Currency 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.

ii. Interest rate risk

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 that have a fixed maturity.

NOTE 22 RISK MANAGEMENT (*continued*)

c) Liquidity risk

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

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

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

School District No. 62 (Sooke)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2017

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	(573,046)	642,839	50,778,858	50,848,651	49,372,406
Changes for the year					
Surplus (Deficit) for the year	1,811,629	35,673	(1,218,693)	628,609	1,476,245
Interfund Transfers					
Tangible Capital Assets Purchased	(50,965)	(35,673)	86,638	-	
Net Changes for the year	1,760,664	-	(1,132,055)	628,609	1,476,245
Accumulated Surplus (Deficit), end of year - Statement 2	1,187,618	642,839	49,646,803	51,477,260	50,848,651

School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	90,989,247	91,649,034	85,398,622
Tuition	5,374,558	5,798,590	4,830,173
Other Revenue	550,844	780,488	1,090,474
Rentals and Leases	388,500	451,406	300,530
Investment Income	52,530	34,011	56,512
Total Revenue	<u>97,355,679</u>	<u>98,713,529</u>	<u>91,676,311</u>
Expenses			
Instruction	82,496,613	82,927,958	79,372,777
District Administration	3,008,018	2,866,197	2,968,859
Operations and Maintenance	9,213,115	9,048,316	8,383,907
Transportation and Housing	2,064,887	2,059,429	2,027,014
Total Expense	<u>96,782,633</u>	<u>96,901,900</u>	<u>92,752,557</u>
Operating Surplus (Deficit) for the year	<u>573,046</u>	<u>1,811,629</u>	<u>(1,076,246)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>(573,046)</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(50,965)	(65,318)
Total Net Transfers	<u>-</u>	<u>(50,965)</u>	<u>(65,318)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>1,760,664</u>	<u>(1,141,564)</u>
Operating Surplus (Deficit), beginning of year		(573,046)	568,518
Operating Surplus (Deficit), end of year		<u>1,187,618</u>	<u>(573,046)</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		731,042	
Unrestricted		456,576	(573,046)
Total Operating Surplus (Deficit), end of year		<u>1,187,618</u>	<u>(573,046)</u>

School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	89,407,384	89,543,647	84,539,955
INAC/LEA Recovery	(304,693)	(345,121)	(359,420)
Other Ministry of Education Grants			
Pay Equity	931,052	931,052	931,052
Funding for Graduated Adults	32,813	53,930	91,880
Transportation Supplement	358,365	358,365	
Economic Stability Dividend	71,759	54,976	71,759
Return of Administrative Savings	450,041	450,041	
Carbon Tax Grant	42,526	63,496	65,764
Student Learning Grant		520,116	
FSA Scoring		12,964	13,769
Curriculum Implementation		-	15,400
French Monitor		5,568	15,798
Special Funding for Refugee Students		-	11,915
MYED SD Academy Travel Subsidy		-	750
Total Provincial Grants - Ministry of Education	90,989,247	91,649,034	85,398,622
Tuition			
Continuing Education	284,435	172,944	317,453
International and Out of Province Students	5,090,123	5,625,646	4,512,720
Total Tuition	5,374,558	5,798,590	4,830,173
Other Revenues			
LEA/Direct Funding from First Nations	304,693	270,095	269,321
Miscellaneous			
Bus Pass Fees		224	360,268
Grants for Crossing Guards	80,000	84,000	84,000
Miscellaneous	127,151	144,202	221,937
Reclassified from SGF Discretionary		213,646	154,948
Rebates	39,000	68,321	
Total Other Revenue	550,844	780,488	1,090,474
Rentals and Leases	388,500	451,406	300,530
Investment Income	52,530	34,011	56,512
Total Operating Revenue	97,355,679	98,713,529	91,676,311

School District No. 62 (Sooke)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	41,290,274	41,563,552	39,376,676
Principals and Vice Principals	5,947,531	6,018,121	5,841,893
Educational Assistants	5,842,992	5,559,958	5,743,198
Support Staff	9,358,775	9,553,661	9,303,474
Other Professionals	2,716,816	2,621,767	2,396,006
Substitutes	2,839,740	3,479,784	2,785,265
Total Salaries	67,996,128	68,796,843	65,446,512
Employee Benefits	17,773,783	17,290,987	17,077,754
Total Salaries and Benefits	85,769,911	86,087,830	82,524,266
Services and Supplies			
Services	4,947,035	4,869,945	4,579,340
Student Transportation	1,233	963	1,233
Professional Development and Travel	1,023,327	946,533	793,807
Rentals and Leases	211,993	214,266	210,976
Dues and Fees	191,171	172,340	208,273
Insurance	201,980	345,001	198,473
Interest	-	-	-
Supplies	2,651,889	2,594,545	2,570,288
Utilities	1,733,294	1,561,408	1,615,101
Bad Debts	50,800	109,069	50,800
Total Services and Supplies	11,012,722	10,814,070	10,228,291
Total Operating Expense	96,782,633	96,901,900	92,752,557

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	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	35,431,230	162,894	137,371	1,126,792	323,308	2,242,474	39,424,069
1.03 Career Programs	78,148			109,479		4,241	191,868
1.07 Library Services	517,577			245,843		6,574	769,994
1.08 Counselling	1,514,126					2,511	1,516,637
1.10 Special Education	2,472,219	188,852	5,158,741	80,548	686,848	676,135	9,263,343
1.30 English Language Learning	561,829			14,451		497	576,777
1.31 Aboriginal Education	489,726	121,171	263,846	74,717		8,981	958,441
1.41 School Administration		5,333,854		2,013,489		191,494	7,538,837
1.60 Summer School							-
1.61 Continuing Education				72,382		35,335	107,717
1.62 International and Out of Province Students	498,196	211,350		201,520		1,200	912,266
1.64 Other							-
Total Function 1	41,563,051	6,018,121	5,559,958	3,939,221	1,010,156	3,169,442	61,259,949
4 District Administration							
4.11 Educational Administration					260,710	1,229	261,939
4.40 School District Governance					104,500	-	104,500
4.41 Business Administration	501			409,038	955,635	35,710	1,400,884
Total Function 4	501	-	-	409,038	1,320,845	36,939	1,767,323
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				52,545	126,983		179,528
5.50 Maintenance Operations				3,641,236	73,390	163,083	3,877,709
5.52 Maintenance of Grounds				379,462			379,462
5.56 Utilities							-
Total Function 5	-	-	-	4,073,243	200,373	163,083	4,436,699
7 Transportation and Housing							
7.41 Transportation and Housing Administration				51,183	90,393	96	141,672
7.70 Student Transportation				1,080,976		110,224	1,191,200
7.73 Housing							-
Total Function 7	-	-	-	1,132,159	90,393	110,320	1,332,872
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	41,563,552	6,018,121	5,559,958	9,553,661	2,621,767	3,479,784	68,796,843

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	39,424,069	10,018,109	49,442,178	2,020,250	51,462,428	51,468,998	50,033,338
1.03 Career Programs	191,868	53,338	245,206	43,270	288,476	282,356	207,090
1.07 Library Services	769,994	215,417	985,411	46,775	1,032,186	1,024,138	1,238,406
1.08 Counselling	1,516,637	389,778	1,906,415	9,120	1,915,535	1,918,230	1,759,814
1.10 Special Education	9,263,343	2,463,752	11,727,095	309,733	12,036,828	12,068,115	11,274,913
1.30 English Language Learning	576,777	139,679	716,456	11,885	728,341	618,799	545,018
1.31 Aboriginal Education	958,441	240,239	1,198,680	93,095	1,291,775	1,385,005	1,361,157
1.41 School Administration	7,538,837	1,775,397	9,314,234	511,074	9,825,308	9,461,676	9,131,541
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	107,717	20,421	128,138	334,791	462,929	600,600	588,041
1.62 International and Out of Province Students	912,266	233,262	1,145,528	2,729,396	3,874,924	3,612,217	3,227,485
1.64 Other	-	-	-	9,228	9,228	56,479	5,974
Total Function 1	61,259,949	15,549,392	76,809,341	6,118,617	82,927,958	82,496,613	79,372,777
4 District Administration							
4.11 Educational Administration	261,939	19,120	281,059	39,874	320,933	290,202	280,939
4.40 School District Governance	104,500	1,865	106,365	86,010	192,375	176,257	175,657
4.41 Business Administration	1,400,884	286,942	1,687,826	665,063	2,352,889	2,541,559	2,512,263
Total Function 4	1,767,323	307,927	2,075,250	790,947	2,866,197	3,008,018	2,968,859
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	179,528	40,644	220,172	244,963	465,135	473,178	437,204
5.50 Maintenance Operations	3,877,709	963,069	4,840,778	1,117,820	5,958,598	5,931,579	5,714,915
5.52 Maintenance of Grounds	379,462	91,954	471,416	136,789	608,205	628,956	616,687
5.56 Utilities	-	-	-	2,016,378	2,016,378	2,179,402	1,615,101
Total Function 5	4,436,699	1,095,667	5,532,366	3,515,950	9,048,316	9,213,115	8,383,907
7 Transportation and Housing							
7.41 Transportation and Housing Administration	141,672	32,406	174,078	17,830	191,908	186,562	184,309
7.70 Student Transportation	1,191,200	305,595	1,496,795	370,726	1,867,521	1,878,325	1,842,705
7.73 Housing	-	-	-	-	-	-	-
Total Function 7	1,332,872	338,001	1,670,873	388,556	2,059,429	2,064,887	2,027,014
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	68,796,843	17,290,987	86,087,830	10,814,070	96,901,900	96,782,633	92,752,557

School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	3,614,854	4,290,752	3,292,976
Other Revenue	2,447,691	3,192,014	2,891,413
Investment Income	30,000	21,508	41,283
Total Revenue	<u>6,092,545</u>	<u>7,504,274</u>	<u>6,225,672</u>
Expenses			
Instruction	5,727,060	7,103,116	5,832,298
Operations and Maintenance	365,485	365,485	365,485
Total Expense	<u>6,092,545</u>	<u>7,468,601</u>	<u>6,197,783</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>35,673</u>	<u>27,889</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(35,673)	(27,889)
Total Net Transfers	<u>-</u>	<u>(35,673)</u>	<u>(27,889)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		642,839	642,839
Special Purpose Surplus (Deficit), end of year		<u>642,839</u>	<u>642,839</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		642,839	642,839
Total Special Purpose Surplus (Deficit), end of year		<u>642,839</u>	<u>642,839</u>

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	17,450	13,075	365,153	112,655	49,390	-	141,602
Add: Restricted Grants									
Provincial Grants - Ministry of Education	365,485	1,800,439				193,472	44,100	228,566	748,298
Other					2,509,627				51,073
Investment Income			189	11,860		1,707	814		2,541
	365,485	1,800,439	189	11,860	2,509,627	195,179	44,914	228,566	801,912
Less: Allocated to Revenue	365,485	1,800,363	9,765	15,000	2,437,899	190,795	33,871	228,566	749,443
Unearned Academy fees recognized									
Deferred Revenue, end of year	-	76	7,874	9,935	436,881	117,039	60,433	-	194,071
Revenues									
Provincial Grants - Ministry of Education	365,485	1,800,363	9,576			189,088	33,057	228,566	746,902
Other Revenue					2,437,899				
Investment Income			189	15,000		1,707	814		2,541
	365,485	1,800,363	9,765	15,000	2,437,899	190,795	33,871	228,566	749,443
Expenses									
Salaries									
Teachers		1,144,053						72,233	
Principals and Vice Principals									8,545
Educational Assistants		281,318							8,545
Support Staff					48,030	129,285	2,254	112	107,876
Other Professionals									120,764
Substitutes		8,542			43,732	3,399	8,177	17,010	10,703
	-	1,433,913	-	-	91,762	132,684	10,431	89,355	283,845
Employee Benefits		366,450			7,642	34,710	2,075	17,985	70,233
Services and Supplies	365,485		9,765	15,000	2,326,931	23,401	21,365	121,226	395,365
	365,485	1,800,363	9,765	15,000	2,426,335	190,795	33,871	228,566	749,443
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	11,564	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased					(11,564)				
	-	-	-	-	(11,564)	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Coding and Curriculum Implementation	Priority Measures	Quality Teaching	Numeracy	Nature K	ACE-IT	Academies	Ab Ed Commercial Fishing	Art Starts
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	6,902	-	7,092	-	51,725	18,100	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	86,571	909,434		5,000					
Other					1,000	30,000	560,528		7,800
Investment Income	612		80	31	85			221	24
	87,183	909,434	80	5,031	1,085	30,000	560,528	221	7,824
Less: Allocated to Revenue	4,978	909,434	3,156	870	3,619	30,000	689,004	6,746	5,741
Unearned Academy fees recognized							(76,751)		
Deferred Revenue, end of year	82,205	-	3,826	4,161	4,558	-	-	11,575	2,083
Revenues									
Provincial Grants - Ministry of Education	4,366	909,434	3,076	839					
Other Revenue					3,534	30,000	689,004	6,525	5,717
Investment Income	612		80	31	85			221	24
	4,978	909,434	3,156	870	3,619	30,000	689,004	6,746	5,741
Expenses									
Salaries									
Teachers		610,080				25,000	22,582		
Principals and Vice Principals							12,418		
Educational Assistants					(211)				
Support Staff							42,614		
Other Professionals									
Substitutes		53,895					4,811		520
	-	663,975	-	-	(211)	25,000	82,425	-	520
Employee Benefits		157,754				5,000	20,097		103
Services and Supplies	4,978	87,705	3,156	870	3,830		562,373	6,746	5,118
	4,978	909,434	3,156	870	3,619	30,000	664,895	6,746	5,741
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	24,109	-	-
Interfund Transfers									
Tangible Capital Assets Purchased							(24,109)		
	-	-	-	-	-	-	(24,109)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Donations	Theater Rentals	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	-	-	783,144
Add: Restricted Grants			
Provincial Grants - Ministry of Education			4,381,365
Other	8,822	31,490	3,200,340
Investment Income		204	18,368
	8,822	31,694	7,600,073
Less: Allocated to Revenue	8,822	10,717	7,504,274
Unearned Academy fees recognized			(76,751)
Deferred Revenue, end of year	-	20,977	955,694
Revenues			
Provincial Grants - Ministry of Education			4,290,752
Other Revenue	8,822	10,513	3,192,014
Investment Income		204	21,508
	8,822	10,717	7,504,274
Expenses			
Salaries			
Teachers			1,873,948
Principals and Vice Principals			48,375
Educational Assistants			289,652
Support Staff		9,244	339,415
Other Professionals			120,764
Substitutes		2,473	153,262
	-	11,717	2,825,416
Employee Benefits		1,973	684,022
Services and Supplies	8,822	(2,973)	3,959,163
	8,822	10,717	7,468,601
Net Revenue (Expense) before Interfund Transfers	-	-	35,673
Interfund Transfers			
Tangible Capital Assets Purchased			(35,673)
	-	-	(35,673)
Net Revenue (Expense)	-	-	-

School District No. 62 (Sooke)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	1,084,458	826,674		826,674	3,899,282
Municipal Grants Spent on Sites		165,490		165,490	
Other Revenue				-	480,706
Amortization of Deferred Capital Revenue	6,568,109	10,122,193		10,122,193	4,059,055
Amortization of Deferred Capital Revenue - for lease	61,477	61,477		61,477	61,477
Total Revenue	7,714,044	11,175,834	-	11,175,834	8,500,520
Expenses					
Operations and Maintenance	1,145,935	920,805		920,805	951,725
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,077,771	10,841,623		10,841,623	4,657,682
Transportation and Housing	412,386	632,099		632,099	366,511
Total Expense	8,636,092	12,394,527	-	12,394,527	5,975,918
Capital Surplus (Deficit) for the year	(922,048)	(1,218,693)	-	(1,218,693)	2,524,602
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		86,638		86,638	93,207
Total Net Transfers	-	86,638	-	86,638	93,207
Total Capital Surplus (Deficit) for the year	(922,048)	(1,132,055)	-	(1,132,055)	2,617,809
Capital Surplus (Deficit), beginning of year		50,778,858		50,778,858	48,161,049
Capital Surplus (Deficit), end of year		49,646,803	-	49,646,803	50,778,858

School District No. 62 (Sooke)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	35,732,523	246,292,171	9,586,614	4,123,862	170,588	1,647,857	297,553,615
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	(32,654)	1,477,097	393,550	330,131			2,168,124
Deferred Capital Revenue - Other	165,490	86,331	35,540				287,361
Operating Fund				8,708		42,257	50,965
Special Purpose Funds			35,673				35,673
Transferred from Work in Progress		10,533,296					10,533,296
	132,836	12,096,724	464,763	338,839	-	42,257	13,075,419
Decrease:							
Deemed Disposals			495,768	68,412	156,824	213,804	934,808
	-	-	495,768	68,412	156,824	213,804	934,808
Cost, end of year	35,865,359	258,388,895	9,555,609	4,394,289	13,764	1,476,310	309,694,226
Work in Progress, end of year		1,962,860	7,112				1,969,972
Cost and Work in Progress, end of year	35,865,359	260,351,755	9,562,721	4,394,289	13,764	1,476,310	311,664,198
Accumulated Amortization, beginning of year		71,084,676	2,017,644	1,448,733	130,965	611,355	75,293,373
Changes for the Year							
Increase: Amortization for the Year		8,892,487	1,436,435	632,099	35,494	477,207	11,473,722
Decrease:							
Deemed Disposals			495,768	68,412	156,824	213,804	934,808
			495,768	68,412	156,824	213,804	934,808
Accumulated Amortization, end of year		79,977,163	2,958,311	2,012,420	9,635	874,758	85,832,287
Tangible Capital Assets - Net	35,865,359	180,374,592	6,604,410	2,381,869	4,129	601,552	225,831,911

School District No. 62 (Sooke)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2017

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	7,566,524				7,566,524
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	4,265,323				4,265,323
Deferred Capital Revenue - Other	664,309	7,112			671,421
	4,929,632	7,112	-	-	4,936,744
Decrease:					
Transferred to Tangible Capital Assets	10,533,296				10,533,296
	10,533,296	-	-	-	10,533,296
Net Changes for the Year	(5,603,664)	7,112	-	-	(5,596,552)
Work in Progress, end of year	1,962,860	7,112	-	-	1,969,972

School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	152,017,159	21,093,640	773,418	173,884,217
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,200,778	86,331	35,540	2,322,649
Transferred from Work in Progress	9,868,987	664,309		10,533,296
	<u>12,069,765</u>	<u>750,640</u>	<u>35,540</u>	<u>12,855,945</u>
Decrease:				
Amortization of Deferred Capital Revenue	8,945,245	1,036,173	140,775	10,122,193
Amortization of Deferred Capital Revenue - for long term lease	61,477			61,477
	<u>9,006,722</u>	<u>1,036,173</u>	<u>140,775</u>	<u>10,183,670</u>
Net Changes for the Year	<u>3,063,043</u>	<u>(285,533)</u>	<u>(105,235)</u>	<u>2,672,275</u>
Deferred Capital Revenue, end of year	<u>155,080,202</u>	<u>20,808,107</u>	<u>668,183</u>	<u>176,556,492</u>
Work in Progress, beginning of year	7,566,524			7,566,524
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	4,265,323	671,421		4,936,744
	<u>4,265,323</u>	<u>671,421</u>	<u>-</u>	<u>4,936,744</u>
Decrease				
Transferred to Deferred Capital Revenue	9,868,987	664,309		10,533,296
	<u>9,868,987</u>	<u>664,309</u>	<u>-</u>	<u>10,533,296</u>
Net Changes for the Year	<u>(5,603,664)</u>	<u>7,112</u>	<u>-</u>	<u>(5,596,552)</u>
Work in Progress, end of year	<u>1,962,860</u>	<u>7,112</u>	<u>-</u>	<u>1,969,972</u>
Total Deferred Capital Revenue, end of year	<u>157,043,062</u>	<u>20,815,219</u>	<u>668,183</u>	<u>178,526,464</u>

School District No. 62 (Sooke)
Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2017

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,044,008	963,310	-	1,146,816	1,146	3,155,280
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	6,326,145					6,326,145
Provincial Grants - Other			321,271			321,271
Other				515,460	34,394	549,854
Investment Income		73,842				73,842
Transfer project surplus to MEd Restricted (from) Bylaw	(29,576)	29,576				-
	<u>6,296,569</u>	<u>103,418</u>	<u>321,271</u>	<u>515,460</u>	<u>34,394</u>	<u>7,271,112</u>
Decrease:						
Transferred to DCR - Capital Additions	2,200,778	86,331			35,540	2,322,649
Transferred to DCR - Work in Progress	4,265,323	664,309	7,112			4,936,744
Transferred to Revenue - Site Purchases	(32,654)			165,490		132,836
Transferred to Revenue - Expensed Costs	859,328					859,328
	<u>7,292,775</u>	<u>750,640</u>	<u>7,112</u>	<u>165,490</u>	<u>35,540</u>	<u>8,251,557</u>
Net Changes for the Year	<u>(996,206)</u>	<u>(647,222)</u>	<u>314,159</u>	<u>349,970</u>	<u>(1,146)</u>	<u>(980,445)</u>
Balance, end of year	<u>47,802</u>	<u>316,088</u>	<u>314,159</u>	<u>1,496,786</u>	<u>-</u>	<u>2,174,835</u>