

Audited Financial Statements of

School District No. 62 (Sooke)

June 30, 2018

School District No. 62 (Sooke)

June 30, 2018

Table of Contents

Management Report	1
Independent Auditors' Report	2-3
Statement of Financial Position - Statement 1	4
Statement of Operations - Statement 2	5
Statement of Changes in Net Financial Assets (Debt) - Statement 4	6
Statement of Cash Flows - Statement 5	7
Notes to the Financial Statements	8-26
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	27
Schedule of Operating Operations - Schedule 2 (Unaudited)	28
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	29
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	30
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	31
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	33
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	34
Schedule of Capital Operations - Schedule 4 (Unaudited)	37
Schedule 4A - Tangible Capital Assets (Unaudited)	38
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	39
Schedule 4C - Deferred Capital Revenue (Unaudited)	40
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	41

School District No. 62 (Sooke)

MANAGEMENT REPORT

Version: 1718-2655-9672

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.

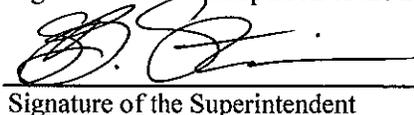
The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 62 (Sooke) and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



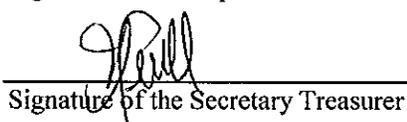
Signature of the Chairperson of the Board of Education

Sept 25/18
Date Signed



Signature of the Superintendent

Sept 25/18
Date Signed



Signature of the Secretary Treasurer

Sept 25/18
Date Signed



KPMG LLP
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Canada
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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 statements of financial position as at June 30, 2018, the statements of operations, changes in net financial assets (debt) and cash flows for the year 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 audits. We conducted our audits 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits 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, 2018 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
September 25, 2018

School District No. 62 (Sooke)

Statement of Financial Position

As at June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	21,066,368	15,158,452
Accounts Receivable		
Due from Province - Ministry of Education	1,578,415	1,829,038
Due from LEA/Direct Funding	328,791	362,604
Other (Note 3)	638,381	693,733
Portfolio Investments (Note 5)	131,861	130,876
Total Financial Assets	<u>23,743,816</u>	<u>18,174,703</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	83,250	58,294
Other (Note 6)	6,477,578	5,880,215
Unearned Revenue (Note 7)	5,152,116	4,853,844
Deferred Revenue (Note 8)	1,088,373	955,694
Deferred Capital Revenue (Note 9)	185,132,730	180,701,299
Employee Future Benefits (Note 10)	3,466,966	3,201,879
Total Liabilities	<u>201,401,013</u>	<u>195,651,225</u>
Net Financial Assets (Debt)	<u>(177,657,197)</u>	<u>(177,476,522)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	262,139,808	225,831,911
Restricted Assets (Endowments) (Note 14)	642,839	642,839
Prepaid Expenses (Note 4)	3,012,167	2,479,032
Total Non-Financial Assets	<u>265,794,814</u>	<u>228,953,782</u>
Accumulated Surplus (Deficit) (Note 25)	<u>88,137,617</u>	<u>51,477,260</u>

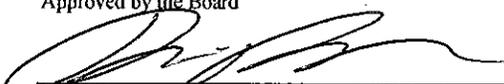
Contractual Obligations (Note 18)

Contractual Rights (Note 19)

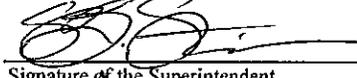
Contingent Assets (Note 20)

Contingent Liabilities (Note 21)

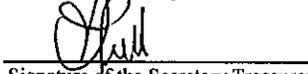
Approved by the Board


Signature of the Chairperson of the Board of Education

Sept 25/18
Date Signed


Signature of the Superintendent

Sept. 28/18
Date Signed


Signature of the Secretary Treasurer

Sept 25/18
Date Signed

School District No. 62 (Sooke)

Statement of Operations
Year Ended June 30, 2018

	2018 Budget (Note 22) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	111,696,227	140,712,775	96,766,460
Municipal Grants Spent on Sites		1,919,860	165,490
Tuition	6,571,209	6,748,585	5,798,590
Other Revenue	4,372,195	4,500,948	3,972,502
Rentals and Leases	388,500	409,217	451,406
Investment Income	74,465	252,738	55,519
Gain (Loss) on Disposal of Tangible Capital Assets		1,125,087	
Amortization of Deferred Capital Revenue	6,890,443	7,113,259	10,122,193
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477	61,477
Total Revenue	<u>130,054,516</u>	<u>162,843,946</u>	<u>117,393,637</u>
Expenses (Note 24)			
Instruction	105,230,350	101,600,189	90,031,074
District Administration	4,148,199	3,130,630	2,866,197
Operations and Maintenance	19,104,942	18,697,362	21,176,229
Transportation and Housing	2,683,961	2,755,408	2,691,528
Total Expense	<u>131,167,452</u>	<u>126,183,589</u>	<u>116,765,028</u>
Surplus (Deficit) for the year	<u>(1,112,936)</u>	<u>36,660,357</u>	<u>628,609</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		51,477,260	50,848,651
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>88,137,617</u></u>	<u><u>51,477,260</u></u>

School District No. 62 (Sooke)

Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(1,112,936)	36,660,357	628,609
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(44,250,059)	(7,478,867)
Amortization of Tangible Capital Assets	7,687,013	7,937,612	11,473,722
Net carrying value of Tangible Capital Assets disposed of		4,550	
Total Effect of change in Tangible Capital Assets	7,687,013	(36,307,897)	3,994,855
Acquisition of Prepaid Expenses		(732,396)	(137,785)
Use of Prepaid Expenses	61,477	199,261	298,603
Total Effect of change in Other Non-Financial Assets	61,477	(533,135)	160,818
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>6,635,554</u>	(180,675)	4,784,282
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(180,675)	4,784,282
Net Financial Assets (Debt), beginning of year		(177,476,522)	(182,260,804)
Net Financial Assets (Debt), end of year		<u>(177,657,197)</u>	<u>(177,476,522)</u>

School District No. 62 (Sooke)

Statement of Cash Flows
Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	36,660,357	628,609
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	339,788	(488,136)
Prepaid Expenses	(533,135)	160,818
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	622,319	(4,182,651)
Unearned Revenue	298,272	807,570
Deferred Revenue	132,679	172,550
Employee Future Benefits	265,087	168,381
Loss (Gain) on Disposal of Tangible Capital Assets	(1,125,087)	-
Amortization of Tangible Capital Assets	7,937,612	11,473,722
Amortization of Deferred Capital Revenue	(7,113,259)	(10,122,193)
Recognition of Deferred Capital Revenue Spent on Sites	(31,658,699)	(132,836)
Deferred Capital Revenue Transferred to Revenue	(661,260)	(859,328)
Amortization of Deferred Capital Revenue - for lease	(61,477)	(61,477)
Total Operating Transactions	5,103,197	(2,434,971)
Capital Transactions		
Tangible Capital Assets Purchased	(32,724,703)	(2,542,123)
Tangible Capital Assets -WIP Purchased	(11,525,356)	(4,936,744)
District Portion of Proceeds on Disposal	1,129,637	-
Total Capital Transactions	(43,120,422)	(7,478,867)
Financing Transactions		
Capital Revenue Received	43,926,126	7,271,112
Total Financing Transactions	43,926,126	7,271,112
Investing Transactions		
Investments in Portfolio Investments	(985)	(1,106)
Total Investing Transactions	(985)	(1,106)
Net Increase (Decrease) in Cash and Cash Equivalents	5,907,916	(2,643,832)
Cash and Cash Equivalents, beginning of year	15,158,452	17,802,284
Cash and Cash Equivalents, end of year	21,066,368	15,158,452
Cash and Cash Equivalents, end of year, is made up of:		
Cash	9,513,866	12,669,414
Cash Equivalents	11,552,502	2,489,038
	21,066,368	15,158,452

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(g) and 2(o).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in Notes 2(g) and 2(o), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

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 15.

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.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

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.

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(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

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. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

i) Asset Retirement Obligations

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

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. 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.

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 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.
-

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

k) 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

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

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.

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 16 – Interfund Transfers and Note 25 – Accumulated Surplus).

o) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

o) Revenue Recognition (*continued*)

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.

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 and Vice-Principals 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.
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SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

p) Expenditures (*continued*)

- 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. The School District does not have any derivative financial instruments.

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. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

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 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, 2018

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2018	June 30, 2017
Due from Federal Government	\$ 122,804	\$ 61,848
Due from Parent Advisory Committees	-	183
Due from CUPE	86,538	54,095
Due from Sooke Teacher Association	88,345	108,020
Due from EMCS Society	3,756	2,117
Due from Westshore Recreation Centre	27,000	25,000
Other	347,014	488,507
Less Allowance for Doubtful Accounts	(37,076)	(46,037)
	<u>\$ 638,381</u>	<u>\$ 693,733</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 \$2,279,771 (2017: \$2,341,247) of the prepaid expenses.

NOTE 5 PORTFOLIO INVESTMENTS

	June 30, 2018	June 30, 2017
Investments in the cost category:		
GICs maturing in 2019 bearing interest at 1.20% (2017: 0.75%)	\$ 131,861	\$ 130,876
	<u>\$ 131,861</u>	<u>\$ 130,876</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2018	June 30, 2017
Trade payables	\$ 2,138,625	\$ 2,308,379
Salaries and benefits payable	3,781,866	2,984,910
Accrued vacation pay	555,104	576,003
Other	1,983	10,923
	<u>\$ 6,477,578</u>	<u>\$ 5,880,215</u>

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 7 UNEARNED REVENUE

	June 30, 2018	June 30, 2017
Balance, beginning of year	\$ 4,853,844	\$ 4,046,274
Increase:		
Tuition fees collected	7,051,943	6,800,996
Academy fees collected	125,590	132,497
Rental fees Collected	4,059	2,238
	<u>7,181,592</u>	<u>6,935,731</u>
Decrease:		
Bus fees paid back	-	(252,596)
Tuition fees recognized	(6,748,585)	(5,798,590)
Bus fees recognized	-	(224)
Rental revenue recognized	(2,238)	-
Academy fees recognized	(132,497)	(76,751)
	<u>(6,883,320)</u>	<u>(6,128,161)</u>
Net change for the year	298,272	807,570
Balance, end of year	<u>\$ 5,152,116</u>	<u>\$ 4,853,844</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.

	June 30, 2018	June 30, 2017
Balance, beginning of year	\$ 955,694	\$ 783,144
Increase:		
Provincial Grants - Ministry of Education	15,001,586	4,381,365
Other revenue	3,818,274	3,277,091
Investment income	22,510	18,368
	<u>18,842,370</u>	<u>7,676,824</u>
Decrease:		
Transfers to revenue	(18,709,691)	(7,504,274)
	<u>(18,709,691)</u>	<u>(7,504,274)</u>
Net change for the year	132,679	172,550
Balance, end of year	<u>\$ 1,088,373</u>	<u>\$ 955,694</u>

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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.

	June 30, 2018	June 30, 2017
Deferred Capital Revenue Subject to Amortization		
Balance, beginning of year	\$ 176,556,492	\$ 173,884,217
Increases:		
Transfer from deferred capital revenue – unspent	533,027	2,322,649
Transfer from deferred capital revenue – work in progress	11,741,181	10,533,296
	<u>12,274,208</u>	<u>12,855,945</u>
Decreases:		
Amortization of deferred capital revenue	(7,113,259)	(10,122,193)
Amortization of long term lease	(61,477)	(61,477)
	<u>(7,174,736)</u>	<u>(10,183,670)</u>
Net change for the year	5,099,472	2,672,275
Balance, end of year	<u>\$ 181,655,964</u>	<u>\$ 176,556,492</u>

	June 30, 2018	June 30, 2017
Deferred Capital Revenue - Work In Progress		
Balance, beginning of year	\$ 1,969,972	\$ 7,566,524
Increases:		
Transfer from deferred capital revenue - unspent	10,571,386	4,936,744
	<u>10,571,386</u>	<u>4,936,744</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	(11,741,181)	(10,533,296)
	<u>(11,741,181)</u>	<u>(10,533,296)</u>
Net change for the year	(1,169,795)	(5,596,552)
Balance, end of year	<u>\$ 800,177</u>	<u>\$ 1,969,972</u>

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 9 DEFERRED CAPITAL REVENUE (continued)

	June 30, 2018	June 30, 2017
Deferred Capital Revenue - Unspent		
Balance, beginning of year	\$ 2,174,835	\$ 3,155,280
Increases:		
Provincial Grants - Ministry of Education	42,523,993	6,326,145
Provincial Grants – Other	24,787	321,271
Investment income	30,930	73,842
Other	1,046,133	549,854
MEd Restricted Portion of Proceeds on Disposal	300,283	-
	<u>43,926,126</u>	<u>7,271,112</u>
Decreases:		
Transfer to revenue - Site purchases	(31,658,699)	(132,836)
Transfer to revenue - Expensed costs	(661,260)	(859,328)
Transfer to deferred capital revenue subject to amortization	(533,027)	(2,322,649)
Transfer to deferred capital revenue - work in progress	(10,571,386)	(4,936,744)
	<u>(43,424,372)</u>	<u>(8,251,557)</u>
Net change for the year	501,754	(980,445)
Balance, end of year	\$ 2,676,589	\$ 2,174,835
Total Deferred Capital Revenue Balance, end of year	\$ 185,132,730	\$ 180,701,299

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.

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

	June 30, 2018	June 30, 2017
Discount rate - April 1	2.75%	2.50%
Discount rate - March 31	2.75%	2.75%
Long-term salary growth - April 1	2.50% + seniority	2.50% + seniority
Long-term salary growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.2 years	9.2 years

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 10 EMPLOYEE FUTURE BENEFITS (continued)

	June 30, 2018	June 30, 2017
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation - April 1	\$ 4,225,726	\$ 4,291,465
Service cost	337,815	338,177
Interest cost	119,820	110,250
Benefit payments	(329,492)	(477,477)
Actuarial loss (gain)	(72,608)	(36,689)
Accrued benefit obligation - March 31	\$ 4,281,261	\$ 4,225,726
Reconciliation of Funded Status at End of Fiscal Year		
Accrued benefit obligation - March 31	\$ 4,281,261	\$ 4,225,726
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(4,281,261)	(4,225,726)
Employer contributions after measurement date	59,242	22,773
Benefits expense after measurement date	(119,913)	(114,409)
Unamortized net actuarial loss	874,966	1,115,483
Accrued benefit liability - June 30	\$ (3,466,966)	\$ (3,201,879)
Reconciliation of Change in Accrued Benefit Liability		
Accrued benefit liability - July 1	\$ 3,201,879	\$ 3,033,499
Net expense for fiscal year	631,048	622,626
Employer contributions	(365,961)	(454,246)
Accrued benefit liability - June 30	\$ 3,466,966	\$ 3,201,879
Components of Net Benefit Expense		
Service cost	\$ 342,687	\$ 338,087
Interest cost	120,452	112,642
Amortization of net actuarial loss	167,909	171,897
Net benefit expense for fiscal year	\$ 631,048	\$ 622,626

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value	June 30, 2018	June 30, 2017
Sites	\$ 67,519,508	\$ 35,865,359
Buildings	182,843,527	178,411,732
Buildings - WIP	1,641,472	1,962,860
Furniture & Equipment	6,906,908	6,597,298
Furniture & Equipment - WIP	112,675	7,112
Vehicles	2,566,426	2,381,869
Computer Software	1,375	4,129
Computer Hardware	547,917	601,552
Total	\$ 262,139,808	\$ 225,831,911

June 30, 2018

Cost:	Balance at July 1, 2017	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2018
Sites	\$ 35,865,359	\$ 31,658,699	\$ (4,550)	\$ -	\$ 67,519,508
Buildings	258,388,895	176,355	(356,613)	10,505,082	268,713,719
Buildings - WIP	1,962,860	10,183,694	-	(10,505,082)	1,641,472
Furniture & Equipment	9,555,609	247,702	(780,184)	1,042,992	10,066,119
Furniture - WIP	7,112	1,148,555	-	(1,042,992)	112,675
Vehicles	4,394,289	619,495	(709,400)	-	4,304,384
Computer Software	13,764	-	-	-	13,764
Computer Hardware	1,476,310	22,452	(476,272)	193,107	1,215,597
Computer Hardware - WIP	-	193,107	-	(193,107)	-
Total	\$ 311,664,198	\$ 44,250,059	\$ (2,327,019)	\$ -	\$ 353,587,238

Accumulated Amortization:	Balance at July 1, 2017	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2018
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	79,977,163	6,249,642	(356,613)	-	85,870,192
Furniture & Equipment	2,958,311	981,084	(780,184)	-	3,159,211
Vehicles	2,012,420	434,938	(709,400)	-	1,737,958
Computer software	9,635	2,754	-	-	12,389
Computer hardware	874,758	269,194	(476,272)	-	667,680
Total	\$ 85,832,287	\$ 7,937,612	\$ (2,322,469)	\$ -	\$ 91,447,430

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 11 TANGIBLE CAPITAL ASSETS (continued)**June 30, 2017**

Cost:	Balance at July 1, 2016	Additions	Disposals	Transfers (WIP)	Balance at 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 - WIP	7,566,524	4,929,632	-	(10,533,296)	1,962,860
Furniture & Equipment	9,586,614	464,763	(495,768)	-	9,555,609
Furniture - WIP	-	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
Computer Hardware - WIP	-	-	-	-	-
Total	\$ 305,120,139	\$ 7,478,867	\$ (934,808)	\$ -	\$ 311,664,198

Accumulated Amortization:	Balance at July 1, 2016	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2017
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	71,084,676	8,892,487	-	-	79,977,163
Furniture & 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 (WIP) 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 are recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$0 (2017 - \$34,403).

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

During the year ended June 30, 2018, Metchosin Elementary situated at 4495 Happy Valley Road, Victoria, BC was sold for \$1,500,000. Of the property sold, one acre was acquired in 1871, a further two acres was purchased in 1951 and 1.72 acres in 1965. The total original cost of the land was \$4,550. Of the \$1,429,920 in proceeds received, 21% was allocated to Ministry of Education Restricted Capital within Deferred Capital Revenue (\$ 300,283) and 79% to Local Capital (\$ 1,129,637).

NOTE 13 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, 2017, 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, 2017, the Municipal Pension Plan has about 197,000 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 in late 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 \$9,582,473 (2017: \$8,630,606) for employer contributions to these plans in the year ended June 30, 2018.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 14 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 2019 bearing interest at 1.20% - STARR endowment
- GIC's maturing in 2019 bearing interest at 1.20% - Sooke Women's Institute endowment
- GIC's maturing in 2018 bearing interest at 1.50% - Derochie 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, 2017	Contributions	Balance June 30, 2018
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 15 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, 2018, 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, 2018	June 30, 2017
Deferred Salary Leave Plan	\$ 127,137	\$ 204,529
Teachers' Summer Savings Plan	714,672	531,235
Total	\$ 841,809	\$ 735,764

NOTE 16 INTERFUND TRANSFERS

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

- Transfer to the capital fund for tangible capital assets purchased from the operating fund \$475,954
- Transfer to the capital fund for tangible capital assets work in progress from the operating fund \$953,970
- Transfer to the capital fund for tangible capital assets purchased from the special purpose fund \$57,023

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 17 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 18 CONTRACTUAL OBLIGATIONS

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

	2019	2020	2021	2022	2023	Thereafter
Premises leases	\$ 205,941	\$ 176,164	\$ 176,164	\$ 176,164	\$ -	\$ -
Copier leases	117,460	81,926	65,302	57,973	25,213	-
Total	\$ 323,401	\$ 258,089	\$ 241,466	\$ 234,137	\$ 25,213	\$ -

The School District has entered into contracts related to capital projects with a remaining cost of approximately \$2,520,698.

NOTE 19 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 leasing of School District property. The following table summarizes the contractual rights of the School District for future assets.

	2019	2020	2021	2022	2023	Thereafter
Future lease/rental revenue	\$240,924	\$141,934	\$95,521	\$51,003	\$46,740	\$202,540
Total	\$240,924	\$141,934	\$95,521	\$51,003	\$46,740	\$202,540

NOTE 20 CONTINGENT ASSETS

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the School District's control occurs, or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

At this time the School District has determined that there are no contingent assets.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 21 CONTINGENT LIABILITIES

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, 2018, 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.

NOTE 22 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 27, 2018. The original budget was adopted on June 13, 2017. The original and amended budgets are presented below.

	2018 Amended Annual Budget \$	2018 Annual Budget \$
Revenues		
Provincial Grants		
Ministry of Education	111,696,227	110,252,694
Other	-	30,000
Tuition	6,571,209	5,596,103
Other Revenue	4,372,195	3,027,592
Rentals and Leases	388,500	388,500
Investment Income	74,465	82,530
Amortization of Deferred Capital Revenue	6,890,443	6,750,000
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477
Total Revenue	<u>130,054,516</u>	<u>126,188,896</u>
Expenses		
Instruction	105,230,350	104,791,639
District Administration	4,148,199	3,104,705
Operations and Maintenance	19,104,942	17,102,232
Transportation and Housing	2,683,961	2,605,437
Total Expense	<u>131,167,452</u>	<u>127,604,013</u>
Net Revenue (Expense)	<u>(1,112,936)</u>	<u>(1,415,117)</u>
Budgeted Allocation (Retirement) of Surplus (Deficit)	1,187,618	520,117
Budgeted Surplus (Deficit), for the year	<u>74,682</u>	<u>(895,000)</u>

NOTE 23 ASSET RETIREMENT OBLIGATION

As at June 30, 2018, the School District has identified asset retirement obligations relating to asbestos removal in several of its facilities. The asset retirement obligations have not been recognized where there is an indeterminate settlement date of the future demolition or renovation of the facilities, and therefore the fair value cannot be reasonably estimated. The asset retirement obligation will be recognized as a liability in the period when the fair value can be reasonably estimated.

At this time the School District has determined that there are no asset retirement obligations.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 24 EXPENSE BY OBJECT

	June 30, 2018	June 30, 2017
Salaries and benefits	\$ 99,428,863	\$ 89,597,268
Services and supplies	18,817,114	15,694,038
Amortization	7,937,612	11,473,722
Total	\$ 126,183,589	\$ 116,765,028

NOTE 25 ACCUMULATED SURPLUS

	June 30, 2018	June 30, 2017
Total Internally Restricted Fund Balances	\$ 5,531,231	\$ 731,042
Unrestricted Operating Surplus	-	456,576
Special Purpose Fund – endowments	642,839	642,839
Invested in Tangible Capital Assets	81,963,547	49,646,803
Total Accumulated Surplus	\$ 88,137,617	\$ 51,477,260

The Internally Restricted Fund Balances are composed of an Internally Restricted Operating Fund balance and an Internally Restricted Capital Fund balance. The Internally Restricted Operating Fund balance represents the amount of funds committed for planned future years' operating activities. The Internally Restricted Capital Fund balance represents the balance from the Local Capital Reserve. The use of Local Capital is entirely at the discretion of the School District. Appropriations from Local Capital are made to finance projects as determined by the Board.

	June 30, 2018	June 30, 2017
Internally Restricted – Operating Fund		
Due to nature of constraints on funds	\$ 185,119	\$ 731,042
Due to anticipated unusual expenses	1,154,655	-
Due to operations spanning the school year	3,045,575	-
Total Internally Restricted – Operating Fund	4,385,348	731,042
Internally Restricted – Capital Fund		
Local capital reserve	1,145,883	-
Total Internally Restricted – Capital Fund	1,145,883	-
Total Internally Restricted Fund Balances	\$ 5,531,231	\$ 731,042

NOTE 26 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

NOTE 27 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 it invests solely in Guaranteed Investment Certificates that have a fixed maturity.

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 of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2018

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,187,618	642,839	49,646,803	51,477,260	50,848,651
Changes for the year					
Surplus (Deficit) for the year	4,627,654	57,023	31,975,680	36,660,357	628,609
Interfund Transfers					
Tangible Capital Assets Purchased	(475,954)	(57,023)	532,977	-	
Tangible Capital Assets - Work in Progress	(953,970)		953,970	-	
Net Changes for the year	3,197,730	-	33,462,627	36,660,357	628,609
Accumulated Surplus (Deficit), end of year - Statement 2	4,385,348	642,839	83,109,430	88,137,617	51,477,260

School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget (Note 22) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	95,271,070	95,093,950	91,649,034
Tuition	6,571,209	6,748,585	5,798,590
Other Revenue	616,121	894,274	780,488
Rentals and Leases	388,500	409,217	451,406
Investment Income	52,530	219,703	34,011
Total Revenue	102,899,430	103,365,729	98,713,529
Expenses			
Instruction	86,173,773	83,151,838	82,927,958
District Administration	4,148,199	3,130,630	2,866,197
Operations and Maintenance	11,485,074	10,135,137	9,048,316
Transportation and Housing	2,280,002	2,320,470	2,059,429
Total Expense	104,087,048	98,738,075	96,901,900
Operating Surplus (Deficit) for the year	(1,187,618)	4,627,654	1,811,629
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,187,618		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(475,954)	(50,965)
Tangible Capital Assets - Work in Progress		(953,970)	
Total Net Transfers	-	(1,429,924)	(50,965)
Total Operating Surplus (Deficit), for the year	-	3,197,730	1,760,664
Operating Surplus (Deficit), beginning of year		1,187,618	(573,046)
Operating Surplus (Deficit), end of year		4,385,348	1,187,618
Operating Surplus (Deficit), end of year			
Internally Restricted		4,385,348	731,042
Unrestricted			456,576
Total Operating Surplus (Deficit), end of year		4,385,348	1,187,618

School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	93,729,733	93,393,983	89,543,647
DISC/LEA Recovery	(345,121)	(328,791)	(345,121)
Other Ministry of Education Grants			
Pay Equity	931,052	931,052	931,052
Funding for Graduated Adults	40,000	77,641	53,930
Transportation Supplement	358,365	358,365	358,365
Economic Stability Dividend	50,000	64,052	54,976
Return of Administrative Savings	450,041	450,041	450,041
Carbon Tax Grant	45,000	72,643	63,496
Student Learning Grant			520,116
FSA and Monitored Marking	12,000	12,964	12,964
Access Grant		5,000	
SRG3 Assessments		57,000	
French Monitors			5,568
Total Provincial Grants - Ministry of Education	<u>95,271,070</u>	<u>95,093,950</u>	<u>91,649,034</u>
Tuition			
Continuing Education	110,000	72,953	172,944
International and Out of Province Students	6,461,209	6,675,632	5,625,646
Total Tuition	<u>6,571,209</u>	<u>6,748,585</u>	<u>5,798,590</u>
Other Revenues			
LEA/Direct Funding from First Nations	345,121	328,791	270,095
Miscellaneous			
Grants for Crossing Guards	80,000	70,000	84,000
Miscellaneous	100,000	241,667	144,202
Rebates	91,000	45,643	68,321
Reclassified from SGF Discretionary		208,021	213,646
Bus Pass Fees		152	224
Total Other Revenue	<u>616,121</u>	<u>894,274</u>	<u>780,488</u>
Rentals and Leases	<u>388,500</u>	<u>409,217</u>	<u>451,406</u>
Investment Income	<u>52,530</u>	<u>219,703</u>	<u>34,011</u>
Total Operating Revenue	<u><u>102,899,430</u></u>	<u><u>103,365,729</u></u>	<u><u>98,713,529</u></u>

School District No. 62 (Sooke)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2018

	2018 Budget (Note 22) \$	2018 Actual \$	2017 Actual \$
Salaries			
Teachers	40,937,563	39,599,214	41,563,552
Principals and Vice Principals	6,530,471	6,778,203	6,018,121
Educational Assistants	6,615,111	6,512,599	5,559,958
Support Staff	10,313,283	10,111,882	9,553,661
Other Professionals	2,859,347	2,786,834	2,621,767
Substitutes	3,574,744	2,836,279	3,479,784
Total Salaries	70,830,519	68,625,011	68,796,843
Employee Benefits	18,419,114	16,636,945	17,290,987
Total Salaries and Benefits	89,249,633	85,261,956	86,087,830
Services and Supplies			
Services	5,685,516	5,725,050	4,869,945
Student Transportation	1,233	-	963
Professional Development and Travel	968,444	921,671	946,533
Rentals and Leases	163,824	183,526	214,266
Dues and Fees	147,610	160,143	172,340
Insurance	319,480	316,554	345,001
Supplies	5,766,464	4,638,840	2,594,545
Utilities	1,734,044	1,497,462	1,561,408
Bad Debts	50,800	32,873	109,069
Total Services and Supplies	14,837,415	13,476,119	10,814,070
Total Operating Expense	104,087,048	98,738,075	96,901,900

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	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	33,453,744	418,707	139,224	1,293,076		1,836,503	37,141,254
1.03 Career Programs	148,621			164,985		4,577	318,183
1.07 Library Services	492,153			278,183		27,398	797,734
1.08 Counselling	1,439,762					1,639	1,441,401
1.10 Special Education	2,350,797	237,985	6,061,715	28,854	757,749	391,596	9,828,696
1.30 English Language Learning	432,860					6,692	439,552
1.31 Aboriginal Education	532,476	100,837	311,660	79,304		12,189	1,036,466
1.41 School Administration		5,764,533		2,153,563		226,254	8,144,350
1.61 Continuing Education				79,161		4,979	84,140
1.62 International and Out of Province Students	743,107	256,141		257,180		5,905	1,262,333
1.64 Other							-
Total Function 1	39,593,520	6,778,203	6,512,599	4,334,306	757,749	2,517,732	60,494,109
4 District Administration							
4.11 Educational Administration					711,850	1,815	713,665
4.40 School District Governance					111,500		111,500
4.41 Business Administration	5,694			388,992	920,356	31,715	1,346,757
Total Function 4	5,694	-	-	388,992	1,743,706	33,530	2,171,922
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				49,605	104,990		154,595
5.50 Maintenance Operations				3,639,514	88,250	211,411	3,939,175
5.52 Maintenance of Grounds				410,172			410,172
5.56 Utilities							-
Total Function 5	-	-	-	4,099,291	193,240	211,411	4,503,942
7 Transportation and Housing							
7.41 Transportation and Housing Administration				85,928	92,139	1,093	179,160
7.70 Student Transportation				1,203,365		72,513	1,275,878
Total Function 7	-	-	-	1,289,293	92,139	73,606	1,455,038
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	39,599,214	6,778,203	6,512,599	10,111,882	2,786,834	2,836,279	68,625,011

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget (Note 22)	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	37,141,254	9,227,846	46,369,100	2,611,799	48,980,899	51,374,449	51,462,428
1.03 Career Programs	318,183	84,755	402,938	536,608	939,546	747,637	288,476
1.07 Library Services	797,734	212,214	1,009,948	44,588	1,054,536	1,033,620	1,032,186
1.08 Counselling	1,441,401	364,512	1,805,913	5,518	1,811,431	1,951,864	1,915,535
1.10 Special Education	9,828,696	2,498,334	12,327,030	501,047	12,828,077	13,490,313	12,036,828
1.30 English Language Learning	439,552	110,585	550,137	29,083	579,220	595,010	728,341
1.31 Aboriginal Education	1,036,466	261,529	1,297,995	226,113	1,524,108	1,536,759	1,291,775
1.41 School Administration	8,144,350	1,746,071	9,890,421	379,132	10,269,553	10,198,270	9,825,308
1.61 Continuing Education	84,140	5,376	89,516	312,873	402,389	468,996	462,929
1.62 International and Out of Province Students	1,262,333	297,438	1,559,771	3,202,308	4,762,079	4,776,855	3,874,924
1.64 Other	-	-	-	-	-	-	9,228
Total Function 1	60,494,109	14,808,660	75,302,769	7,849,069	83,151,838	86,173,773	82,927,958
4 District Administration							
4.11 Educational Administration	713,665	108,088	821,753	119,883	941,636	915,561	320,933
4.40 School District Governance	111,500	1,762	113,262	95,509	208,771	211,088	192,375
4.41 Business Administration	1,346,757	266,842	1,613,599	366,624	1,980,223	3,021,550	2,352,889
Total Function 4	2,171,922	376,692	2,548,614	582,016	3,130,630	4,148,199	2,866,197
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	154,595	37,622	192,217	199,933	392,150	594,748	465,135
5.50 Maintenance Operations	3,939,175	956,478	4,895,653	2,098,684	6,994,337	7,568,644	5,958,598
5.52 Maintenance of Grounds	410,172	95,531	505,703	482,156	987,859	1,159,555	608,205
5.56 Utilities	-	-	-	1,760,791	1,760,791	2,162,127	2,016,378
Total Function 5	4,503,942	1,089,631	5,593,573	4,541,564	10,135,137	11,485,074	9,048,316
7 Transportation and Housing							
7.41 Transportation and Housing Administration	179,160	38,533	217,693	16,613	234,306	205,204	191,908
7.70 Student Transportation	1,275,878	323,429	1,599,307	486,857	2,086,164	2,074,798	1,867,521
Total Function 7	1,455,038	361,962	1,817,000	503,470	2,320,470	2,280,002	2,059,429
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	68,625,011	16,636,945	85,261,956	13,476,119	98,738,075	104,087,048	96,901,900

School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget (Note 22) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	15,615,382	15,218,725	4,290,752
Other Revenue	3,756,074	3,606,674	3,192,014
Investment Income	21,935	16,789	21,508
Total Revenue	<u>19,393,391</u>	<u>18,842,188</u>	<u>7,504,274</u>
Expenses			
Instruction	19,056,577	18,448,351	7,103,116
Operations and Maintenance	336,814	336,814	365,485
Total Expense	<u>19,393,391</u>	<u>18,785,165</u>	<u>7,468,601</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>57,023</u>	<u>35,673</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(57,023)	(35,673)
Total Net Transfers	<u>-</u>	<u>(57,023)</u>	<u>(35,673)</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>-</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><u>642,839</u></u>	<u><u>642,839</u></u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		642,839	642,839
Total Special Purpose Surplus (Deficit), end of year		<u><u>642,839</u></u>	<u><u>642,839</u></u>

School District No. 62 (Sooke)

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

	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	-	76	7,874	9,935	436,881	117,039	60,433	-	194,071
Add: Restricted Grants									
Provincial Grants - Ministry of Education	336,814	372,989				192,000	44,100	258,470	750,473
Other					3,038,187				28,180
Investment Income			100	12,710		2,200	1,200		4,300
	336,814	372,989	100	12,710	3,038,187	194,200	45,300	258,470	782,953
Less: Allocated to Revenue									
Unearned Academy fees recognized	336,814	373,065	7,681	7,289	2,874,170	227,839	47,378	258,470	863,493
Deferred Revenue, end of year	-	-	293	15,356	600,898	83,400	58,355	-	113,531
Revenues									
Provincial Grants - Ministry of Education	336,814	373,065	7,581			225,639	46,178	258,470	859,193
Other Revenue					2,874,170				
Investment Income			100	7,289		2,200	1,200		4,300
	336,814	373,065	7,681	7,289	2,874,170	227,839	47,378	258,470	863,493
Expenses									
Salaries									
Teachers					1,298			37,840	29,000
Principals and Vice Principals						25,097			32,186
Educational Assistants		291,397			1,581				
Support Staff					8,992	131,845	6,458	180	104,202
Other Professionals									141,831
Substitutes					13,125	460	12,153	16,632	1,892
	-	291,397	-	-	24,996	157,402	18,611	54,652	309,111
Employee Benefits		81,668			11,691	42,479	3,139	13,010	76,546
Services and Supplies	336,814		2,031	7,289	2,794,143	27,958	25,628	190,808	477,836
	336,814	373,065	2,031	7,289	2,830,830	227,839	47,378	258,470	863,493
Net Revenue (Expense) before Interfund Transfers	-	-	5,650	-	43,340	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased			(5,650)		(43,340)				
	-	-	(5,650)	-	(43,340)	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

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

	Rural Education Enhancement Fund	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Quality Teaching	Numeracy	Nature K	ACE-IT
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	82,205	-	-	-	3,826	4,161	4,558	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	230,000			1,427,100	11,389,640				
Other									30,000
Investment Income		1,100						100	
	230,000	1,100	-	1,427,100	11,389,640	-	-	100	30,000
Less: Allocated to Revenue									
Unearned Academy fees recognized	230,000	58,656	-	1,427,100	11,389,640	3,328	4,161	(779)	30,000
Deferred Revenue, end of year	-	24,649	-	-	-	498	-	5,437	-
Revenues									
Provincial Grants - Ministry of Education	230,000	57,556		1,427,100	11,389,640	3,328	4,161		
Other Revenue								(779)	30,000
Investment Income		1,100						-	
	230,000	58,656	-	1,427,100	11,389,640	3,328	4,161	(779)	30,000
Expenses									
Salaries									
Teachers	64,391			25,397	9,039,397				25,000
Principals and Vice Principals									
Educational Assistants	19,250							(779)	
Support Staff	74,535			361,000					
Other Professionals				93,000					
Substitutes		4,697		574,762					
	158,176	4,697	-	1,054,159	9,039,397	-	-	(779)	25,000
Employee Benefits	37,499	885		278,081	2,350,243				5,000
Services and Supplies	34,325	53,074		86,827		3,328	4,161		
	230,000	58,656	-	1,419,067	11,389,640	3,328	4,161	(779)	30,000
Net Revenue (Expense) before Interfund Transfers	-	-	-	8,033	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(8,033)					
	-	-	-	(8,033)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

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

	Academies	Ab Ed Commercial Fishing	Art Starts	Donations	Theaters	VIHA	United Way	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	11,575	2,083	-	20,977	-	-	955,694
Add: Restricted Grants								
Provincial Grants - Ministry of Education								15,001,586
Other	599,229		7,600	27,901	31,027	50,000	6,150	3,818,274
Investment Income		200			600			22,510
	599,229	200	7,600	27,901	31,627	50,000	6,150	18,842,370
Less: Allocated to Revenue	655,949	-	7,259	21,407	15,171	-	4,097	18,842,188
Unearned Academy fees recognized	(132,497)							(132,497)
Deferred Revenue, end of year	75,777	11,775	2,424	6,494	37,433	50,000	2,053	1,088,373
Revenues								
Provincial Grants - Ministry of Education								15,218,725
Other Revenue	655,949		7,259	21,407	14,571		4,097	3,606,674
Investment Income		-			600			16,789
	655,949	-	7,259	21,407	15,171	-	4,097	18,842,188
Expenses								
Salaries								
Teachers	46,183							9,268,506
Principals and Vice Principals	23,330							80,613
Educational Assistants	-							311,449
Support Staff	23,745				3,599		148	714,704
Other Professionals								234,831
Substitutes	3,241		170		2,743		2,137	632,012
	96,499	-	170	-	6,342	-	2,285	11,242,115
Employee Benefits	23,144		131		914		362	2,924,792
Services and Supplies	536,306		6,958	21,407	7,915		1,450	4,618,258
	655,949	-	7,259	21,407	15,171	-	4,097	18,785,165
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	57,023
Interfund Transfers								
Tangible Capital Assets Purchased								(57,023)
	-	-	-	-	-	-	-	(57,023)
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2018

	2018	2018 Actual			2017
	Budget (Note 22)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	809,775	30,400,100		30,400,100	826,674
Municipal Grants Spent on Sites	-	1,919,860		1,919,860	165,490
Investment Income			16,246	16,246	-
Gain (Loss) on Disposal of Tangible Capital Assets	-	1,125,087		1,125,087	-
Amortization of Deferred Capital Revenue	6,890,443	7,113,259		7,113,259	10,122,193
Amortization of Deferred Capital Revenue - for lease	61,477	61,477		61,477	61,477
Total Revenue	<u>7,761,695</u>	<u>40,619,783</u>	<u>16,246</u>	<u>40,636,029</u>	<u>11,175,834</u>
Expenses					
Operations and Maintenance	-	722,737		722,737	920,805
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,283,054	7,502,674		7,502,674	10,841,623
Transportation and Housing	403,959	434,938		434,938	632,099
Total Expense	<u>7,687,013</u>	<u>8,660,349</u>	<u>-</u>	<u>8,660,349</u>	<u>12,394,527</u>
Capital Surplus (Deficit) for the year	<u>74,682</u>	<u>31,959,434</u>	<u>16,246</u>	<u>31,975,680</u>	<u>(1,218,693)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	-	532,977		532,977	86,638
Tangible Capital Assets - Work in Progress	-	953,970		953,970	-
Total Net Transfers	<u>-</u>	<u>1,486,947</u>	<u>-</u>	<u>1,486,947</u>	<u>86,638</u>
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(1,129,637)	1,129,637	-	
Total Other Adjustments to Fund Balances		<u>(1,129,637)</u>	<u>1,129,637</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>74,682</u>	<u>32,316,744</u>	<u>1,145,883</u>	<u>33,462,627</u>	<u>(1,132,055)</u>
Capital Surplus (Deficit), beginning of year		<u>49,646,803</u>	<u>-</u>	<u>49,646,803</u>	<u>50,778,858</u>
Capital Surplus (Deficit), end of year		<u>81,963,547</u>	<u>1,145,883</u>	<u>83,109,430</u>	<u>49,646,803</u>

School District No. 62 (Sooke)

Tangible Capital Assets
Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	35,865,359	258,388,895	9,555,609	4,394,289	13,764	1,476,310	309,694,226
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	29,738,839	100,559		337,001			30,176,399
Deferred Capital Revenue - Other	1,919,860	75,796	19,671				2,015,327
Operating Fund			171,008	282,494		22,452	475,954
Special Purpose Funds			57,023				57,023
Transferred from Work in Progress		10,505,082	1,042,992			193,107	11,741,181
	<u>31,658,699</u>	<u>10,681,437</u>	<u>1,290,694</u>	<u>619,495</u>	<u>-</u>	<u>215,559</u>	<u>44,465,884</u>
Decrease:							
Disposed of	4,550	356,613					361,163
Deemed Disposals			780,184	709,400		476,272	1,965,856
	<u>4,550</u>	<u>356,613</u>	<u>780,184</u>	<u>709,400</u>	<u>-</u>	<u>476,272</u>	<u>2,327,019</u>
Cost, end of year	<u>67,519,508</u>	<u>268,713,719</u>	<u>10,066,119</u>	<u>4,304,384</u>	<u>13,764</u>	<u>1,215,597</u>	<u>351,833,091</u>
Work in Progress, end of year		1,641,472	112,675				1,754,147
Cost and Work in Progress, end of year	<u>67,519,508</u>	<u>270,355,191</u>	<u>10,178,794</u>	<u>4,304,384</u>	<u>13,764</u>	<u>1,215,597</u>	<u>353,587,238</u>
Accumulated Amortization, beginning of year		79,977,163	2,958,311	2,012,420	9,635	874,758	85,832,287
Changes for the Year							
Increase: Amortization for the Year		6,249,642	981,084	434,938	2,754	269,194	7,937,612
Decrease:							
Disposed of		356,613					356,613
Deemed Disposals			780,184	709,400		476,272	1,965,856
		<u>356,613</u>	<u>780,184</u>	<u>709,400</u>	<u>-</u>	<u>476,272</u>	<u>2,322,469</u>
Accumulated Amortization, end of year		<u>85,870,192</u>	<u>3,159,211</u>	<u>1,737,958</u>	<u>12,389</u>	<u>667,680</u>	<u>91,447,430</u>
Tangible Capital Assets - Net	<u>67,519,508</u>	<u>184,484,999</u>	<u>7,019,583</u>	<u>2,566,426</u>	<u>1,375</u>	<u>547,917</u>	<u>262,139,808</u>

School District No. 62 (Sooke)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2018

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	1,962,860	7,112			1,969,972
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	9,229,724	795,773	-	193,107	10,218,604
Deferred Capital Revenue - Other		352,782	-	-	352,782
Operating Fund	953,970				953,970
	<u>10,183,694</u>	<u>1,148,555</u>	<u>-</u>	<u>193,107</u>	<u>11,525,356</u>
Decrease:					
Transferred to Tangible Capital Assets	10,505,082	1,042,992	-	193,107	11,741,181
	<u>10,505,082</u>	<u>1,042,992</u>	<u>-</u>	<u>193,107</u>	<u>11,741,181</u>
Net Changes for the Year	<u>(321,388)</u>	<u>105,563</u>	<u>-</u>	<u>-</u>	<u>(215,825)</u>
Work in Progress, end of year	<u>1,641,472</u>	<u>112,675</u>	<u>-</u>	<u>-</u>	<u>1,754,147</u>

School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	155,080,202	20,808,107	668,183	176,556,492
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	437,560	95,467		533,027
Transferred from Work in Progress	11,381,287	299,894	60,000	11,741,181
	<u>11,818,847</u>	<u>395,361</u>	<u>60,000</u>	<u>12,274,208</u>
Decrease:				
Amortization of Deferred Capital Revenue	6,323,856	720,217	69,186	7,113,259
Amortization of Deferred Capital Revenue - for long term lease	61,477			61,477
	<u>6,385,333</u>	<u>720,217</u>	<u>69,186</u>	<u>7,174,736</u>
Net Changes for the Year	<u>5,433,514</u>	<u>(324,856)</u>	<u>(9,186)</u>	<u>5,099,472</u>
Deferred Capital Revenue, end of year	<u>160,513,716</u>	<u>20,483,251</u>	<u>658,997</u>	<u>181,655,964</u>
Work in Progress, beginning of year	1,962,860	7,112	-	1,969,972
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	10,218,604	292,782	60,000	10,571,386
	<u>10,218,604</u>	<u>292,782</u>	<u>60,000</u>	<u>10,571,386</u>
Decrease				
Transferred to Deferred Capital Revenue	11,381,287	299,894	60,000	11,741,181
	<u>11,381,287</u>	<u>299,894</u>	<u>60,000</u>	<u>11,741,181</u>
Net Changes for the Year	<u>(1,162,683)</u>	<u>(7,112)</u>	<u>-</u>	<u>(1,169,795)</u>
Work in Progress, end of year	<u>800,177</u>	<u>-</u>	<u>-</u>	<u>800,177</u>
Total Deferred Capital Revenue, end of year	<u>161,313,893</u>	<u>20,483,251</u>	<u>658,997</u>	<u>182,456,141</u>

School District No. 62 (Sooke)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2018

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 47,802	\$ 316,088	\$ 314,159	\$ 1,496,786	\$ -	\$ 2,174,835
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	42,523,993					42,523,993
Provincial Grants - Other			24,787			24,787
Other				986,133	60,000	1,046,133
Investment Income		30,930				30,930
MEd Restricted Portion of Proceeds on Disposal		300,283				300,283
Transfer project surplus to MEd Restricted (from) Bylaw	(30,026)	30,026				-
	42,493,967	361,239	24,787	986,133	60,000	43,926,126
Decrease:						
Transferred to DCR - Capital Additions	437,560	95,467				533,027
Transferred to DCR - Work in Progress	10,218,604		292,782		60,000	10,571,386
Transferred to Revenue - Site Purchases	29,738,839			1,919,860		31,658,699
Transferred to Revenue - Expensed Costs	661,260					661,260
	41,056,263	95,467	292,782	1,919,860	60,000	43,424,372
Net Changes for the Year	1,437,704	265,772	(267,995)	(933,727)	-	501,754
Balance, end of year	1,485,506	581,860	46,164	563,059	-	2,676,589