

Audited Financial Statements of

School District No. 62 (Sooke)

June 30, 2016

School District No. 62 (Sooke)

June 30, 2016

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	8-29
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1	30
Schedule of Operating Operations - Schedule 2	31
Schedule 2A - Schedule of Operating Revenue by Source	32
Schedule 2B - Schedule of Operating Expense by Object	33
Schedule 2C - Operating Expense by Function, Program and Object	34
Schedule of Special Purpose Operations - Schedule 3	36
Schedule 3A - Changes in Special Purpose Funds and Expense by Object	37
Schedule of Capital Operations - Schedule 4	39
Schedule 4A - Tangible Capital Assets	40
Schedule 4B - Tangible Capital Assets - Work in Progress	41
Schedule 4C - Deferred Capital Revenue	42
Schedule 4D - Changes in Unspent Deferred Capital Revenue	43

School District No. 62 (Sooke)

MANAGEMENT REPORT

Version: 6481-5735-3753

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, BDO Canada 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)

9/28/16

Signature of the Chairperson of the Board of Education

Date Signed

9/29/16

Signature of the Superintendent

Date Signed

Sept 29/16

Signature of the Secretary Treasurer

Date Signed



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Independent Auditor's Report

To the Board of Education of School District No. 62 (Sooke)

We have audited the accompanying financial statements of School District No. 62 (Sooke), which comprise the statement of financial position as at June 30, 2016, and the statement of operations, statement of changes in net financial assets (debt) and statement of cash flows for the year then ended, and 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 accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 statement of financial position as at June 30, 2016, and the statements of operations, change in net financial assets (debt) and cash flows for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.



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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 30 through 43 of School District No. 62 (Sooke)'s Financial Statements.

Other Matters

The financial statements of School District No. 62 (Sooke) for the year ended June 30, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on September 29, 2015.

BDO Canada LLP

Chartered Professional Accountants

Victoria, British Columbia
September 27, 2016

School District No. 62 (Sooke)

Statement of Financial Position

As at June 30, 2016

	2016 Actual \$	2015 Actual \$
Financial Assets		
Cash and Cash Equivalents	17,802,284	29,960,791
Accounts Receivable		
Due from Province - Ministry of Education	1,124,917	8,083,677
Due from Province - Other	-	118,846
Due from LEA/Direct Funding	409,815	165,253
Other (Note 3)	862,507	856,874
Portfolio Investments (Note 5)	129,770	128,037
Total Financial Assets	20,329,293	39,313,478
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	70,250	-
Other (Note 6)	10,050,909	16,493,061
Unearned Revenue (Note 7)	4,046,274	2,994,350
Deferred Revenue (Note 8)	783,144	862,071
Deferred Capital Revenue (Note 9)	184,606,021	177,313,882
Employee Future Benefits (Note 10)	3,033,499	2,833,174
Total Liabilities	202,590,097	200,496,538
Net Financial Assets (Debt)	(182,260,804)	(161,183,060)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	229,826,766	207,229,910
Restricted Assets (Endowments) (Note 13)	642,839	642,839
Prepaid Expenses (Note 4)	2,639,850	2,682,717
Total Non-Financial Assets	233,109,455	210,555,466
Accumulated Surplus (Deficit)	50,848,651	49,372,406

Contractual Obligations and Contingencies

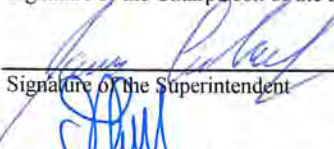
Approved by the Board



Signature of the Chairperson of the Board of Education

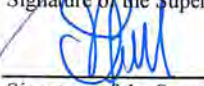
9/28/16

Date Signed


Signature of the Superintendent

9/29/16

Date Signed


Signature of the Secretary Treasurer

Sept 29/16

Date Signed

School District No. 62 (Sooke)

Statement of Operations
Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	85,085,522	92,590,880	87,792,048
Other	30,000		
Tuition	3,403,000	4,830,173	3,660,937
Other Revenue	3,499,777	4,462,593	3,343,884
Rentals and Leases	325,000	300,530	194,929
Investment Income	118,000	97,795	156,287
Amortization of Deferred Capital Revenue (Note 9)	3,800,000	4,059,055	3,782,055
Amortization of Deferred Capital Revenue - for long term lease (Note 9)	61,477	61,477	61,477
Total Revenue	<u>96,322,776</u>	<u>106,402,503</u>	<u>98,991,617</u>
Expenses			
Instruction	78,793,952	85,205,075	75,913,137
District Administration	2,243,154	2,968,859	2,469,768
Operations and Maintenance	14,108,332	14,358,799	13,802,021
Transportation and Housing	2,015,861	2,393,525	2,022,866
Total Expense	<u>97,161,299</u>	<u>104,926,258</u>	<u>94,207,792</u>
Surplus (Deficit) for the year	<u>(838,523)</u>	<u>1,476,245</u>	<u>4,783,825</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		49,372,406	44,588,581
Accumulated Surplus (Deficit) from Operations, end of year		<u>50,848,651</u>	<u>49,372,406</u>

School District No. 62 (Sooke)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(838,523)	1,476,245	4,783,825
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 11)	(20,000,000)	(27,621,049)	(46,761,480)
Amortization of Tangible Capital Assets (Note 11)	4,700,000	5,024,193	4,686,382
Total Effect of change in Tangible Capital Assets	(15,300,000)	(22,596,856)	(42,075,098)
Acquisition of Prepaid Expenses	-	(237,126)	(218,517)
Use of Prepaid Expenses	61,477	279,993	269,600
Total Effect of change in Other Non-Financial Assets	61,477	42,867	51,083
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(16,077,046)</u>	<u>(21,077,744)</u>	(37,240,190)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(21,077,744)</u>	(37,240,190)
Net Financial Assets (Debt), beginning of year		<u>(161,183,060)</u>	(123,942,870)
Net Financial Assets (Debt), end of year		<u>(182,260,804)</u>	<u>(161,183,060)</u>

School District No. 62 (Sooke)

Statement of Cash Flows
Year Ended June 30, 2016

	2016 Actual \$	2015 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	1,476,245	4,783,825
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	6,827,411	566,510
Prepaid Expenses	42,867	51,083
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(6,371,902)	788,675
Unearned Revenue	1,051,924	1,419,410
Deferred Revenue	(78,927)	(360,128)
Employee Future Benefits	200,325	110,016
Amortization of Tangible Capital Assets (Note 11)	5,024,193	4,686,382
Amortization of Deferred Capital Revenue (Note 9)	(4,059,055)	(3,782,055)
Recognition of Deferred Capital Revenue Spent on Sites (Note 9)	(3,309,034)	(4,843,219)
Deferred Capital Revenue transferred to revenue	(890,248)	(1,255,470)
Amortization of Deferred Capital Revenue - for long term lease	(61,477)	(61,477)
Total Operating Transactions	<u>(147,678)</u>	<u>2,103,552</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,867,375)	(6,326,758)
Tangible Capital Assets -WIP Purchased	(22,572,968)	(40,434,722)
Land Received in Lieu of School Site Acquisition Charge	(180,706)	-
Total Capital Transactions	<u>(27,621,049)</u>	<u>(46,761,480)</u>
Financing Transactions		
Capital Revenue Received	15,611,953	37,090,904
Total Financing Transactions	<u>15,611,953</u>	<u>37,090,904</u>
Investing Transactions		
Proceeds on Disposal of Portfolio Investments	(1,733)	(1,892)
Total Investing Transactions	<u>(1,733)</u>	<u>(1,892)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(12,158,507)</u>	<u>(7,568,916)</u>
Cash and Cash Equivalents, beginning of year	<u>29,960,791</u>	<u>37,529,707</u>
Cash and Cash Equivalents, end of year	<u>17,802,284</u>	<u>29,960,791</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	9,287,088	8,203,247
Cash Equivalents	8,515,196	21,757,544
	<u>17,802,284</u>	<u>29,960,791</u>



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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.



NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

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

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

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

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

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2015 - increase in annual surplus by \$37,750,302.

June 30, 2015 - increase in accumulated surplus and decrease in deferred contributions by \$161,533,171.

Year-ended June 30, 2016 – increase in annual surplus by \$19,917,570.

June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$181,450,741.

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.



NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

c) ***Cash and Cash Equivalents***

Cash and cash equivalents include cash and 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.

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. See note 2 (a) for the impact of this policy on these financial statements.



NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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 (EARSL) 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.

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.



NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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 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.
- 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



NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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
- 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.



NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

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.



NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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 3(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.

r) *Comparative figures*

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.



NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 3: Accounts Receivable – Other Receivables

	June 30, 2016	June 30, 2015
Due from Federal Government	\$ 320,850	\$ 397,095
Due from Other School Districts	-	11,736
Due from Parent Advisory Committees	183	11,775
Due from CUPE	10,324	4,881
Due from Sooke Teacher Association	41,204	70,071
Due from Sooke Principals and Vice Principals Assn.	-	399
Due from EMCS Society	-	35,765
Due from Westshore Recreation Centre	29,777	26,565
Other	545,621	298,587
Less Allowance for Doubtful Accounts	(85,452)	-
	<u>\$ 862,507</u>	<u>\$ 856,874</u>



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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 \$2,402,723 (2015: \$2,464,200) of the prepaid expenses.

NOTE 5: Portfolio Investments

	Cost	
	June 30, 2016	June 30, 2015
Investments in the cost category:		
GICs maturing in 2017 bearing interest at .85%	\$ 129,770	\$ 128,037
	\$ 129,770	\$ 128,037

NOTE 6: Accounts Payable and Accrued Liabilities - Other

	June 30, 2016	June 30, 2015
Trade payables	\$ 6,687,965	\$ 10,058,459
Salaries and benefits payable	2,701,068	4,199,486
Accrued vacation pay	660,574	876,424
Other	1,302	1,358,692
	\$ 10,050,909	\$ 16,493,061



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 7: Unearned Revenue

	June 30, 2016	June 30, 2015
Balance, beginning of year	\$ 2,994,350	\$ 1,574,940
Increase:		
Tuition fees collected	5,612,876	5,020,147
Bus fees collected	613,088	234,826
Academy fees collected	76,751	414,832
	<u>6,302,715</u>	<u>5,669,805</u>
Decrease:		
Tuition fees recognized	4,830,173	3,660,937
Bus fees recognized	360,268	234,976
Academy fees recognized	60,350	354,482
Net change for the year	<u>1,051,924</u>	<u>1,419,510</u>
Balance, end of year	<u>\$ 4,046,274</u>	<u>\$ 2,994,350</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, 2016	June 30, 2015
Balance, beginning of year	\$ 862,071	\$ 1,222,199
Increase:		
Provincial Grants - Ministry of Education	3,208,288	3,163,543
Other revenue	2,899,154	2,193,370
Investment income	39,303	78,138
Decrease:		
Transfers to revenue	6,225,672	5,789,401
Recovered from Ministry	-	5,778
Net change for the year	<u>(78,928)</u>	<u>(360,128)</u>
Balance, end of year	<u>\$ 783,144</u>	<u>\$ 862,071</u>



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016</u>	<u>June 30, 2015</u>
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 90,618,973	\$ 91,551,721
Increases:		
Transfer from deferred capital revenue – unspent	1,465,134	1,159,112
Transfer from deferred capital revenue – work in progress	85,920,642	1,751,672
Decreases:		
Amortization of deferred capital revenue	(4,059,055)	(3,782,055)
Amortization of long term lease	(61,477)	(61,477)
Net change for the year	<u>83,265,244</u>	<u>(932,748)</u>
Balance, end of year	<u>\$ 173,884,217</u>	<u>\$ 90,618,973</u>
 Deferred capital revenue - work in progress		
Balance, beginning of year	\$ 70,914,198	\$ 32,231,148
Increases:		
Transfer from deferred capital revenue - unspent	22,572,968	40,434,722
Decreases:		
Transfer to deferred capital revenue subject to amortization	(85,920,642)	(1,751,672)
Net change for the year	<u>(63,347,674)</u>	<u>38,683,050</u>
Balance, end of year	<u>\$ 7,566,524</u>	<u>\$ 70,914,198</u>



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

	June 30, 2016	June 30, 2015
Deferred capital revenue - unspent		
Balance, beginning of year	\$ 15,780,711	\$ 26,382,330
Increases:		
Provincial Grants - Ministry of Education	13,593,827	28,222,192
Investment income	234,486	444,917
Other	825,639	394,844
Receivable from Ministry of Education – COA Draws	958,001	8,028,951
	<u>15,611,953</u>	<u>37,090,904</u>
Decreases:		
Transfer to revenue - Site purchases	(3,309,034)	(4,843,219)
Transfer to revenue - Expensed costs	(890,248)	(1,255,470)
Transfer to deferred capital revenue subject to amortization	(1,465,134)	(1,159,112)
Transfer to deferred capital revenue - work in progress	(22,572,968)	(40,434,722)
	<u>(28,237,384)</u>	<u>(47,692,523)</u>
Net change for the year	<u>(12,625,431)</u>	<u>(10,601,619)</u>
Balance, end of year	<u>\$ 3,155,280</u>	<u>\$ 15,780,711</u>
Total deferred capital revenue balance, end of year	<u>\$ 184,606,021</u>	<u>\$ 177,313,882</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.



NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation - April 1	\$ 3,530,943	\$ 3,270,512
Service cost	296,129	260,963
Interest cost	82,694	109,219
Benefit payments	(299,190)	(412,174)
Actuarial loss (gain)	680,889	302,423
	\$ 4,291,465	\$ 3,530,943
Reconciliation of Funded Status at End of Fiscal Year		
Accrued benefit obligation - March 31	\$ 4,291,465	\$ 3,530,943
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(4,291,465)	(3,530,943)
Employer contributions after measurement date	46,004	51,408
Benefits expense after measurement date	(112,107)	(94,706)
Unamortized net actuarial loss	1,324,068	741,067
	\$ (3,033,499)	\$ (2,833,174)
Reconciliation of Change in Accrued Benefit Liability		
Accrued benefit liability - July 1	\$ 2,833,174	\$ 2,723,158
Net expense for fiscal year	494,111	436,627
Employer contributions	(293,786)	(326,611)
	\$ 3,033,499	\$ 2,833,174
Components of Net Benefit Expense		
Service cost	\$ 306,641	\$ 269,755
Interest cost	89,583	102,588
Amortization of net actuarial loss	97,877	64,285
	\$ 494,111	\$ 436,627



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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

	June 30, 2016	June 30, 2015
Discount rate - April 1	2.25%	3.25%
Discount rate - March 31	2.50%	2.25%
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 years

NOTE 11: Tangible Capital Assets

Net Book Value	June 30, 2016	June 30, 2015
Sites	\$ 35,732,523	\$ 32,208,472
Buildings	175,207,495	99,248,310
Buildings - work in progress	7,566,524	67,944,538
Furniture and equipment	7,568,970	1,559,911
Furniture and equipment - work in progress	-	2,764,225
Vehicles	2,675,129	2,357,539
Computer software	39,623	77,434
Computer hardware	1,036,502	864,046
Computer hardware - work in progress	-	205,435
Total	\$ 229,826,766	\$ 207,229,910

Cost:	Balance July 1, 2015	Additions	Disposals	Transfers (WIP)	Balance June 30, 2016
Sites	\$ 32,208,472	\$ 3,524,051	\$ -	\$ -	\$ 35,732,523
Buildings	166,318,858	781,033	-	79,192,280	246,292,171
Buildings - work in progress	67,944,538	18,814,266	-	(79,192,280)	7,566,524
Furniture and equipment	3,445,970	48,118	(213,012)	6,305,538	9,586,614
Furniture - work in progress	2,764,225	3,541,313	-	(6,305,538)	-
Vehicles	3,665,109	684,101	(225,348)	-	4,123,862
Computer software	189,056	-	(18,468)	-	170,588
Computer hardware	1,305,731	10,778	(91,476)	422,824	1,647,857
Computer hardware - work in progress	205,435	217,389	-	(422,824)	-
Total	\$278,047,394	\$27,621,049	\$(548,304)	\$ -	\$305,120,139



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Accumulated Amortization:	Balance July 1, 2015	Amortization	Disposals	Balance June 30, 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	67,070,548	4,014,128	-	71,084,676
Furniture and equipment	1,886,059	344,597	(213,012)	2,017,644
Vehicles	1,307,570	366,511	(225,348)	1,448,733
Computer software	111,622	37,811	(18,468)	130,965
Computer hardware	441,685	261,146	(91,476)	611,355
Total	\$ 70,817,484	\$ 5,024,193	\$ (548,304)	\$ 75,293,373

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

Additions to Sites, Computer hardware, Buildings and Furniture and Equipment include the following contributed tangible capital assets:

	June 30, 2016	June 30, 2015
Land received in lieu of school site acquisition charge	\$ 180,706	\$ -
Hans Helgesen Parent Advisory Council	27,889	-
Lakewood Parent Advisory Council	-	11,583
Colwood Parent Advisory Council	-	12,988
Total	\$ 208,595	\$ 24,571



NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 36,000 retired members from school districts. The Municipal Pension Plan has about 189,000 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 most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$499 million funding surplus for basic pension benefits. The next valuation will be as at December 31, 2017 with results available later in 2018. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available later in 2016.

Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The School District paid \$9,540,505 (2015: \$7,970,317) for employer contributions to these plans in the year ended June 30, 2016.

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 2016 bearing interest at 1.20% - Derochie endowment
- GIC's maturing in 2016 bearing interest at 1.20% - Sooke Women's Institute endowment
- GIC's maturing in 2016 bearing interest at 1.50% - 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



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2015	Contributions	Balance June 30, 2016
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, 2016, the District held the following funds in place, as directed by agreement with the employees and have not been included in the cash or accounts payable balances in the financial statements:

	June 30, 2016	June 30, 2015
Deferred Salary Leave Plan	\$ 263,355	\$ 245,093
Teachers' Summer Savings Plan	410,027	360,026

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.



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 16: Commitments

- (a) The School District has an unutilized line of credit in the amount of \$1,000,000.
- (b) The School District does not have any agreements for capital projects for the design and building of new schools.
- (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:

	2017	2018	2019	2020
Rent leases	\$ 191,753	\$ 189,866	\$ -	\$ -
Vehicle lease	5,297	-	-	-
Copier leases	82,954	53,475	24,719	12,048
Total	\$ 280,003	\$ 243,341	\$ 24,719	\$ 12,048

NOTE 17: Budget Figures

Budget figures included in the financial statements were approved by the Board through the adoption of an annual budget on April 28, 2015.

NOTE 18: 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, 2016, 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.



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 19: Expense by Object

	June 30, 2016	June 30, 2015
Salaries and benefits	\$ 85,052,515	\$ 76,654,569
Services and supplies	14,849,549	12,866,841
Amortization	5,024,193	4,686,382
	<u>\$ 104,926,258</u>	<u>\$ 94,207,792</u>

NOTE 20: Accumulated Surplus

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

	June 30, 2016	June 30, 2015
Invested in tangible capital assets	\$ 50,778,858	\$ 48,161,049
Operating deficit	(573,046)	568,518
Special purpose - endowments	642,839	642,839
	<u>\$ 50,848,651</u>	<u>\$ 49,372,406</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.



NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

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.



NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

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, 2016

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	568,518	642,839	48,161,049	49,372,406	44,588,581
Changes for the year					
Surplus (Deficit) for the year	(1,076,246)	27,889	2,524,602	1,476,245	4,783,825
Interfund Transfers					
Tangible Capital Assets Purchased	(65,318)	(27,889)	93,207	-	
Net Changes for the year	<u>(1,141,564)</u>	<u>-</u>	<u>2,617,809</u>	<u>1,476,245</u>	<u>4,783,825</u>
Accumulated Surplus (Deficit), end of year - Statement 2	<u>(573,046)</u>	<u>642,839</u>	<u>50,778,858</u>	<u>50,848,651</u>	<u>49,372,406</u>

School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	81,245,820	85,398,622	78,483,339
Tuition	3,403,000	4,830,173	3,660,937
Other Revenue	799,777	1,090,474	811,063
Rentals and Leases	325,000	300,530	194,929
Investment Income	100,000	56,512	109,727
Total Revenue	85,873,597	91,676,311	83,259,995
Expenses			
Instruction	73,205,465	79,372,777	70,561,329
District Administration	2,243,154	2,968,859	2,469,768
Operations and Maintenance	8,409,117	8,383,907	7,714,843
Transportation and Housing	2,015,861	2,027,014	1,741,230
Total Expense	85,873,597	92,752,557	82,487,170
Operating Surplus (Deficit) for the year	-	(1,076,246)	772,825
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(65,318)	(252,319)
Total Net Transfers	-	(65,318)	(252,319)
Total Operating Surplus (Deficit), for the year	-	(1,141,564)	520,506
Operating Surplus (Deficit), beginning of year		568,518	48,012
Operating Surplus (Deficit), end of year		(573,046)	568,518
Operating Surplus (Deficit), end of year			
Unrestricted		(573,046)	568,518
Total Operating Surplus (Deficit), end of year		(573,046)	568,518

School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	79,760,305	84,539,955	78,822,957
AANDC/LEA Recovery	(277,537)	(359,420)	(304,693)
Strike Savings Recovery			(2,757,491)
Other Ministry of Education Grants			
Labour Settlement Funding			1,499,728
Pay Equity	931,052	931,052	931,052
Funding for Graduated Adults	-	91,880	215,544
Economic Stability Dividend	-	71,759	
FSA Scoring	-	13,769	13,769
Carbon Tax Rebate	60,000	65,764	62,473
Curriculum Implementation	-	15,400	-
French Monitor	-	15,798	-
Special Funding for Refugee Students	-	11,915	-
MYED SD Academy Travel Subsidy	-	750	-
Estimated Holdback and NGN Funding	772,000	-	-
Total Provincial Grants - Ministry of Education	81,245,820	85,398,622	78,483,339
Tuition			
Continuing Education	85,000	317,453	147,629
Offshore Tuition Fees	3,318,000	4,512,720	3,513,308
Total Tuition	3,403,000	4,830,173	3,660,937
Other Revenues			
LEA/Direct Funding from First Nations	277,537	269,321	256,903
Miscellaneous			
Bus Pass Fees	310,000	360,268	234,976
Grants for Crossing Guards	85,800	84,000	86,168
Miscellaneous	126,440	221,937	117,100
Reclassified from SGF Discretionary	-	154,948	115,916
Total Other Revenue	799,777	1,090,474	811,063
Rentals and Leases	325,000	300,530	194,929
Investment Income	100,000	56,512	109,727
Total Operating Revenue	85,873,597	91,676,311	83,259,995

School District No. 62 (Sooke)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Salaries			
Teachers	36,056,947	39,376,676	34,090,646
Principals and Vice Principals	5,570,006	5,841,893	5,693,375
Educational Assistants	5,105,515	5,743,198	5,348,684
Support Staff	9,195,727	9,303,474	8,398,515
Other Professionals	2,401,946	2,396,006	2,400,687
Substitutes	2,191,086	2,785,265	2,287,877
Total Salaries	60,521,227	65,446,512	58,219,784
Employee Benefits	16,674,299	17,077,754	16,130,869
Total Salaries and Benefits	77,195,526	82,524,266	74,350,653
Services and Supplies			
Services	2,584,423	4,579,340	3,417,175
Student Transportation	2,000	1,233	14,707
Professional Development and Travel	676,227	793,807	561,362
Rentals and Leases	209,000	210,976	313,765
Dues and Fees	162,033	208,273	206,476
Insurance	218,525	198,473	241,577
Supplies	3,172,863	2,570,288	2,040,777
Utilities	1,653,000	1,615,101	1,333,229
Bad Debts		50,800	7,449
Total Services and Supplies	8,678,071	10,228,291	8,136,517
Total Operating Expense	85,873,597	92,752,557	82,487,170

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	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	33,824,124	218,002	161,932	1,092,054	262,994	2,015,328	37,574,434
1.03 Career Programs	21,460			108,498		1,201	131,159
1.07 Library Services	650,023			234,467		1,847	886,337
1.08 Counselling	1,384,415					1,736	1,386,151
1.10 Special Education	2,220,921	212,590	5,233,166	64,252	641,439	269,789	8,642,157
1.30 English Language Learning	388,340			15,429			403,769
1.31 Aboriginal Education	377,931	110,213	347,970	62,368		18,809	917,291
1.41 School Administration		5,044,536		1,927,689		107,242	7,079,467
1.61 Continuing Education			130	141,755		16,068	157,953
1.62 Offshore Students	509,462	256,552		171,420		281	937,715
1.64 Other				1,831			1,831
Total Function 1	39,376,676	5,841,893	5,743,198	3,819,763	904,433	2,432,301	58,118,264
4 District Administration							
4.11 Educational Administration					237,139		237,139
4.40 School District Governance					99,118		99,118
4.41 Business Administration				396,959	943,310	54,120	1,394,389
Total Function 4	-	-	-	396,959	1,279,567	54,120	1,730,646
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				60,439	123,772	2,624	186,835
5.50 Maintenance Operations				3,461,952		222,025	3,683,977
5.52 Maintenance of Grounds				399,899			399,899
5.56 Utilities							-
Total Function 5	-	-	-	3,922,290	123,772	224,649	4,270,711
7 Transportation and Housing							
7.41 Transportation and Housing Administration				54,236	88,234	586	143,056
7.70 Student Transportation				1,110,226		73,609	1,183,835
Total Function 7	-	-	-	1,164,462	88,234	74,195	1,326,891
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	39,376,676	5,841,893	5,743,198	9,303,474	2,396,006	2,785,265	65,446,512

School District No. 62 (Sooke)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	37,574,434	10,143,356	47,717,790	2,315,548	50,033,338	45,870,963	43,688,741
1.03 Career Programs	131,159	34,349	165,508	41,582	207,090	263,747	234,183
1.07 Library Services	886,337	239,312	1,125,649	112,757	1,238,406	1,133,458	1,028,994
1.08 Counselling	1,386,151	366,163	1,752,314	7,500	1,759,814	1,677,255	1,474,188
1.10 Special Education	8,642,157	2,215,495	10,857,652	417,261	11,274,913	10,536,919	10,528,151
1.30 English Language Learning	403,769	127,832	531,601	13,417	545,018	670,918	515,495
1.31 Aboriginal Education	917,291	238,141	1,155,432	205,725	1,361,157	1,218,900	1,200,185
1.41 School Administration	7,079,467	1,714,705	8,794,172	337,369	9,131,541	8,796,676	8,823,496
1.61 Continuing Education	157,953	20,236	178,189	409,852	588,041	471,750	507,712
1.62 Offshore Students	937,715	242,762	1,180,477	2,047,008	3,227,485	2,556,745	2,545,462
1.64 Other	1,831	165	1,996	3,978	5,974	8,134	14,722
Total Function 1	58,118,264	15,342,516	73,460,780	5,911,997	79,372,777	73,205,465	70,561,329
4 District Administration							
4.11 Educational Administration	237,139	18,903	256,042	24,897	280,939	285,135	278,875
4.40 School District Governance	99,118	1,730	100,848	74,809	175,657	193,243	181,756
4.41 Business Administration	1,394,389	303,384	1,697,773	814,490	2,512,263	1,764,776	2,009,137
Total Function 4	1,730,646	324,017	2,054,663	914,196	2,968,859	2,243,154	2,469,768
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	186,835	43,692	230,527	206,677	437,204	412,845	363,896
5.50 Maintenance Operations	3,683,977	966,549	4,650,526	1,064,389	5,714,915	1,878,846	5,425,448
5.52 Maintenance of Grounds	399,899	85,880	485,779	130,908	616,687	4,464,426	595,166
5.56 Utilities	-	-	-	1,615,101	1,615,101	1,653,000	1,330,333
Total Function 5	4,270,711	1,096,121	5,366,832	3,017,075	8,383,907	8,409,117	7,714,843
7 Transportation and Housing							
7.41 Transportation and Housing Administration	143,056	29,984	173,040	11,269	184,309	225,406	142,810
7.70 Student Transportation	1,183,835	285,116	1,468,951	373,754	1,842,705	1,790,455	1,598,420
Total Function 7	1,326,891	315,100	1,641,991	385,023	2,027,014	2,015,861	1,741,230
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	65,446,512	17,077,754	82,524,266	10,228,291	92,752,557	85,873,597	82,487,170

School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	3,205,972	3,292,976	3,210,020
Other	30,000		
Other Revenue	2,700,000	2,891,413	2,532,821
Investment Income	18,000	41,283	46,560
Total Revenue	5,953,972	6,225,672	5,789,401
Expenses			
Instruction	5,588,487	5,832,298	5,351,808
Operations and Maintenance	365,485	365,485	365,485
Total Expense	5,953,972	6,197,783	5,717,293
Special Purpose Surplus (Deficit) for the year	-	27,889	72,108
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(27,889)	(72,108)
Total Net Transfers	-	(27,889)	(72,108)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year		642,839	642,839
Special Purpose Surplus (Deficit), end of year		642,839	642,839
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		642,839	642,839
Total Special Purpose Surplus (Deficit), end of year		642,839	642,839

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2016

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK	Service Delivery Transformation
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	15,819	379,774	116,188	39,007	34,284	127,470	59,327
Add: Restricted Grants									
Provincial Grants - Ministry of Education	365,485	1,674,108	3,316		192,000	44,100	182,420	746,859	
Other				2,168,472				33,628	
Investment Income			248	10,861	1,704	511	257	2,420	445
	365,485	1,674,108	3,564	2,179,333	193,704	44,611	182,677	782,907	445
Less: Allocated to Revenue	365,485	1,674,108	1,933	2,193,953	197,237	34,228	216,961	768,775	59,772
Recovered									
Deferred Revenue, end of year	-	-	17,450	365,154	112,655	49,390	-	141,602	-
Revenues									
Provincial Grants - Ministry of Education	365,485	1,674,108	1,685		195,533	33,717	216,704	746,859	58,885
Other Revenue				2,183,092				19,496	
Investment Income			248	10,861	1,704	511	257	2,420	887
	365,485	1,674,108	1,933	2,193,953	197,237	34,228	216,961	768,775	59,772
Expenses									
Salaries									
Teachers		1,071,428		1,900			54,436		
Principals and Vice Principals								92,770	
Educational Assistants		267,860						7,970	
Support Staff				23,512	126,268	886		108,042	
Other Professionals								110,655	
Substitutes				29,991	9,672	12,899	15,210	1,207	
	-	1,339,288	-	55,403	135,940	13,785	69,646	320,644	-
Employee Benefits		334,820		9,373	29,392	3,161	18,195	74,132	
Services and Supplies	365,485		1,933	2,101,288	31,905	17,282	129,120	373,999	59,772
	365,485	1,674,108	1,933	2,166,064	197,237	34,228	216,961	768,775	59,772
Net Revenue (Expense) before Interfund Transfers	-	-	-	27,889	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(27,889)					
	-	-	-	(27,889)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2016

	Nature K	ACE-IT	Endowments	Quality Teaching	Academies	Ab Ed Commercial Fishing	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	6,223	7,500	14,715	6,800	54,964	-	862,071
Add: Restricted Grants							
Provincial Grants - Ministry of Education							3,208,288
Other	2,000	22,500			545,070	67,004	2,838,674
Investment Income	99	56	20,441	102	2,159		39,303
	2,099	22,556	20,441	102	547,229	67,004	6,086,265
Less: Allocated to Revenue	1,230	30,056	22,081	-	610,948	48,905	6,225,672
Recovered					(60,480)		(60,480)
Deferred Revenue, end of year	7,092	-	13,075	6,902	51,725	18,099	783,144
Revenues							
Provincial Grants - Ministry of Education							3,292,976
Other Revenue	1,131	30,000			608,789	48,905	2,891,413
Investment Income	99	56	22,081		2,159		41,283
	1,230	30,056	22,081	-	610,948	48,905	6,225,672
Expenses							
Salaries							
Teachers							1,127,764
Principals and Vice Principals		25,056			48,899		166,725
Educational Assistants							275,830
Support Staff					22,399		281,107
Other Professionals							110,655
Substitutes	108		146		3,939		73,172
	108	25,056	146	-	75,237	-	2,035,253
Employee Benefits	24	5,000	5		18,894		492,996
Services and Supplies	1,098	-	21,930		516,817	48,905	3,669,534
	1,230	30,056	22,081	-	610,948	48,905	6,197,783
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	27,889
Interfund Transfers							
Tangible Capital Assets Purchased							(27,889)
	-	-	-	-	-	-	(27,889)
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual			2015 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	633,730	3,899,282		3,899,282	6,098,689
Other Revenue		480,706		480,706	
Amortization of Deferred Capital Revenue	3,800,000	4,059,055		4,059,055	3,782,055
Amortization of Deferred Capital Revenue - for long term l	61,477	61,477		61,477	61,477
Total Revenue	4,495,207	8,500,520	-	8,500,520	9,942,221
Expenses					
Operations and Maintenance	633,730	951,725		951,725	1,316,947
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,700,000	4,657,682		4,657,682	4,404,746
Transportation and Housing		366,511		366,511	281,636
Total Expense	5,333,730	5,975,918	-	5,975,918	6,003,329
Capital Surplus (Deficit) for the year	(838,523)	2,524,602	-	2,524,602	3,938,892
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		93,207		93,207	324,427
Total Net Transfers	-	93,207	-	93,207	324,427
Total Capital Surplus (Deficit) for the year	(838,523)	2,617,809	-	2,617,809	4,263,319
Capital Surplus (Deficit), beginning of year		48,161,049		48,161,049	43,897,730
Capital Surplus (Deficit), end of year		50,778,858	-	50,778,858	48,161,049

School District No. 62 (Sooke)

Tangible Capital Assets
Year Ended June 30, 2016

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	32,208,472	166,318,858	3,445,970	3,665,109	189,056	1,305,731	207,133,196
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	799,100	781,033	-	684,101	-	-	2,264,234
Deferred Capital Revenue - Other	2,509,934	-	-	-	-	-	2,509,934
Operating Fund	6,422	-	48,118	-	-	10,778	65,318
Special Purpose Funds	27,889	-	-	-	-	-	27,889
Land Received in Lieu of School Site Acquisition Charge	180,706	-	-	-	-	-	180,706
Transferred from Work in Progress		79,192,280	6,305,538			422,824	85,920,642
	<u>3,524,051</u>	<u>79,973,313</u>	<u>6,353,656</u>	<u>684,101</u>	<u>-</u>	<u>433,602</u>	<u>90,968,723</u>
Decrease:							
Deemed Disposals			213,012	225,348	18,468	91,476	548,304
	<u>-</u>	<u>-</u>	<u>213,012</u>	<u>225,348</u>	<u>18,468</u>	<u>91,476</u>	<u>548,304</u>
Cost, end of year	<u>35,732,523</u>	<u>246,292,171</u>	<u>9,586,614</u>	<u>4,123,862</u>	<u>170,588</u>	<u>1,647,857</u>	<u>297,553,615</u>
Work in Progress, end of year		<u>7,566,524</u>					<u>7,566,524</u>
Cost and Work in Progress, end of year	<u>35,732,523</u>	<u>253,858,695</u>	<u>9,586,614</u>	<u>4,123,862</u>	<u>170,588</u>	<u>1,647,857</u>	<u>305,120,139</u>
Accumulated Amortization, beginning of year		67,070,548	1,886,059	1,307,570	111,622	441,685	70,817,484
Changes for the Year							
Increase: Amortization for the Year		4,014,128	344,597	366,511	37,811	261,146	5,024,193
Decrease:							
Deemed Disposals			213,012	225,348	18,468	91,476	548,304
			<u>213,012</u>	<u>225,348</u>	<u>18,468</u>	<u>91,476</u>	<u>548,304</u>
Accumulated Amortization, end of year		<u>71,084,676</u>	<u>2,017,644</u>	<u>1,448,733</u>	<u>130,965</u>	<u>611,355</u>	<u>75,293,373</u>
Tangible Capital Assets - Net	<u>35,732,523</u>	<u>182,774,019</u>	<u>7,568,970</u>	<u>2,675,129</u>	<u>39,623</u>	<u>1,036,502</u>	<u>229,826,766</u>

School District No. 62 (Sooke)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2016

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	67,944,538	2,764,225	-	205,435	70,914,198
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	8,534,220	1,783,579	-	81,840	10,399,639
Deferred Capital Revenue - Other	10,280,046	1,757,734	-	135,549	12,173,329
	<u>18,814,266</u>	<u>3,541,313</u>	<u>-</u>	<u>217,389</u>	<u>22,572,968</u>
Decrease:					
Transferred to Tangible Capital Assets	79,192,280	6,305,538	-	422,824	85,920,642
	<u>79,192,280</u>	<u>6,305,538</u>	<u>-</u>	<u>422,824</u>	<u>85,920,642</u>
Net Changes for the Year	<u>(60,378,014)</u>	<u>(2,764,225)</u>	<u>-</u>	<u>(205,435)</u>	<u>(63,347,674)</u>
Work in Progress, end of year	<u>7,566,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,566,524</u>

School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2016

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	88,923,011	822,078	873,884	90,618,973
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,465,134	-	-	1,465,134
Transferred from Work in Progress	65,616,950	20,293,922	9,770	85,920,642
	67,082,084	20,293,922	9,770	87,385,776
Decrease:				
Amortization of Deferred Capital Revenue	3,926,459	22,360	110,236	4,059,055
Amortization of Deferred Capital Revenue - for long term lease	61,477	-	-	61,477
	3,987,936	22,360	110,236	4,120,532
Net Changes for the Year	63,094,148	20,271,562	(100,466)	83,265,244
Deferred Capital Revenue, end of year	152,017,159	21,093,640	773,418	173,884,217
Work in Progress, beginning of year	62,783,835	8,130,363	-	70,914,198
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	10,399,639	12,163,559	9,770	22,572,968
	10,399,639	12,163,559	9,770	22,572,968
Decrease:				
Transferred to Deferred Capital Revenue	65,616,950	20,293,922	9,770	85,920,642
	65,616,950	20,293,922	9,770	85,920,642
Net Changes for the Year	(55,217,311)	(8,130,363)	-	(63,347,674)
Work in Progress, end of year	7,566,524	-	-	7,566,524
Total Deferred Capital Revenue, end of year	159,583,683	21,093,640	773,418	181,450,741

School District No. 62 (Sooke)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2016

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	49,655	15,098,963	-	621,177	10,916	15,780,711
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	14,551,828					14,551,828
Other				525,639	300,000	825,639
Investment Income		234,486				234,486
Transfer project surplus to MEd Restricted (from) Bylaw	(3,354)	3,354				-
	14,548,474	237,840	-	525,639	300,000	15,611,953
Decrease:						
Transferred to DCR - Capital Additions	1,465,134					1,465,134
Transferred to DCR - Work in Progress	10,399,639	12,163,559			9,770	22,572,968
Transferred to Revenue - Site Purchases	799,100	2,209,934			300,000	3,309,034
Transferred to Revenue - Expensed Costs	890,248					890,248
	13,554,121	14,373,493	-	-	309,770	28,237,384
Net Changes for the Year	994,353	(14,135,653)	-	525,639	(9,770)	(12,625,431)
Balance, end of year	1,044,008	963,310	-	1,146,816	1,146	3,155,280