

Audited Financial Statements of

School District No. 69 (Qualicum)

June 30, 2017

School District No. 69 (Qualicum)

June 30, 2017

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School District No. 69 (Qualicum)

MANAGEMENT REPORT

Version: 2711-1965-8983

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 69 (Qualicum) 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.

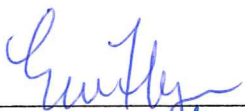
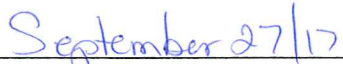
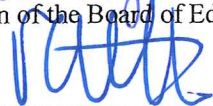
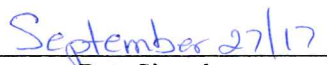

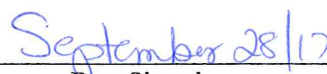
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 69 (Qualicum) (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, McGorman MacLean, 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. 69 (Qualicum) 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. 69 (Qualicum)

	
Signature of the Chairperson of the Board of Education	Date Signed
	
Signature of the Superintendent	Date Signed
	
Signature of the Secretary Treasurer	Date Signed

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 69 (Qualicum), and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 69 (Qualicum), which comprise the statement of financial position of as at June 30, 2017, the statements of operations, changes in net financial assets (debt) and 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 the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

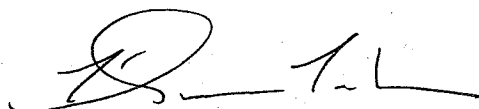
In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District No. 69 (Qualicum) as at June 30, 2017 and the results of its operations, changes in net financial assets (debt) and cash flows for the year then ended in accordance with 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 difference between such basis of accounting and Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



CHARTERED PROFESSIONAL ACCOUNTANTS

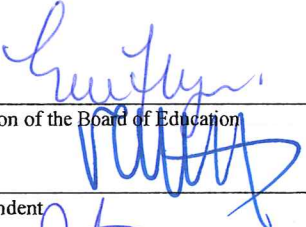
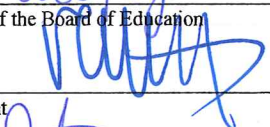

Parksville, Canada
September 26, 2017

School District No. 69 (Qualicum)

Statement 1

Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual (Restated - Note 21)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	13,135,688	12,197,121
Accounts Receivable		
Due from Province - Ministry of Education	30,397	114,253
Other (Note 3)	325,969	215,072
Portfolio Investments (Note 4)	89,875	116,925
Total Financial Assets	13,581,929	12,643,371
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	3,708,746	3,362,897
Unearned Revenue (Note 6)	1,744,405	1,714,961
Deferred Revenue (Note 7)	633,306	609,645
Deferred Capital Revenue (Note 8)	46,568,035	47,448,107
Employee Future Benefits (Note 9)	5,572,657	5,430,013
Capital Lease Obligations (Note 10)	46,958	78,126
Total Liabilities	58,274,107	58,643,749
Net Financial Assets (Debt)	(44,692,178)	(46,000,378)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	63,566,142	64,738,648
Prepaid Expenses	135,898	89,103
Total Non-Financial Assets	63,702,040	64,827,751
Accumulated Surplus (Deficit)	19,009,862	18,827,373
Contractual Obligations and Contingencies (Note 12)		
Approved by the Board		
Signature of the Chairperson of the Board of Education		September 27/17 Date Signed
Signature of the Superintendent		September 27/17 Date Signed
Signature of the Secretary Treasurer		September 28/17 Date Signed

School District No. 69 (Qualicum)

Statement 2

Statement of Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	42,556,564	43,271,559	42,196,875
Other	101,450	116,622	117,376
Tuition	3,500,000	3,607,652	3,060,513
Other Revenue	1,485,000	1,771,867	2,120,046
Rentals and Leases	450,000	515,508	455,048
Investment Income	125,000	127,381	123,732
Amortization of Deferred Capital Revenue	2,168,494	2,168,493	2,103,955
Total Revenue	50,386,508	51,579,082	50,177,545
Expenses (Note 15)			
Instruction	39,168,494	39,992,776	39,009,498
District Administration	1,837,756	1,774,457	1,813,416
Operations and Maintenance	7,486,296	7,809,255	7,930,976
Transportation and Housing	1,851,401	1,819,019	1,671,787
Debt Services	1,624	1,086	1,624
Total Expense	50,345,571	51,396,593	50,427,301
Surplus (Deficit) for the year	40,937	182,489	(249,756)
Accumulated Surplus (Deficit) from Operations, beginning of year		18,827,373	19,077,129
Accumulated Surplus (Deficit) from Operations, end of year		19,009,862	18,827,373

School District No. 69 (Qualicum)
Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2017

Statement 4

	2017 Budget	2017 Actual	2016 Actual (Restated - Note 21)
	\$	\$	\$
Surplus (Deficit) for the year	<u>40,937</u>	<u>182,489</u>	<u>(249,756)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,091,407)	(1,321,977)	(1,668,950)
Amortization of Tangible Capital Assets	2,494,483	2,494,483	2,430,260
Total Effect of change in Tangible Capital Assets	<u>1,403,076</u>	<u>1,172,506</u>	<u>761,310</u>
Acquisition of Prepaid Expenses		(135,898)	(89,103)
Use of Prepaid Expenses		89,103	51,087
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(46,795)</u>	<u>(38,016)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>1,444,013</u>	<u>1,308,200</u>	<u>473,538</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>1,308,200</u>	<u>473,538</u>
Net Financial Assets (Debt), beginning of year		<u>(46,000,378)</u>	<u>(46,473,916)</u>
Net Financial Assets (Debt), end of year		<u>(44,692,178)</u>	<u>(46,000,378)</u>

School District No. 69 (Qualicum)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual	2016 Actual
	(Restated - Note 21)	
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	182,489	(249,756)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(27,041)	239,106
Prepaid Expenses	(46,795)	(38,016)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	345,849	251,060
Unearned Revenue	29,444	426,091
Deferred Revenue	23,661	(223,816)
Employee Future Benefits	142,644	155,411
Amortization of Tangible Capital Assets	2,494,483	2,430,260
Amortization of Deferred Capital Revenue	(2,168,493)	(2,103,955)
Services and Supplies purchased with bylaw capital	(389,450)	(366,340)
Services and Supplies purchased with other Provincial capital	(16,087)	-
Total Operating Transactions	570,704	520,045
Capital Transactions		
Tangible Capital Assets Purchased	(1,294,827)	(1,668,950)
Tangible Capital Assets - Other Provincial	(27,150)	-
Total Capital Transactions	(1,321,977)	(1,668,950)
Financing Transactions		
Capital Revenue Received	1,693,958	1,905,249
Capital Lease Payments	(31,168)	(30,631)
Total Financing Transactions	1,662,790	1,874,618
Investing Transactions		
Investments in Portfolio Investments	27,050	(116,925)
Total Investing Transactions	27,050	(116,925)
Net Increase (Decrease) in Cash and Cash Equivalents	938,567	608,788
Cash and Cash Equivalents, beginning of year	12,197,121	11,588,333
Cash and Cash Equivalents, end of year	13,135,688	12,197,121
Cash and Cash Equivalents, end of year, is made up of:		
Cash	13,135,688	12,197,121
	13,135,688	12,197,121
Supplementary Cash Flow Information		

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 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. 69 (Qualicum)", and operates as "School District No. 69 (Qualicum)." 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. 69 (Qualicum) 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(f) and 2(l).

In November 2011, the 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(f) and 2(l), 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 tangible 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. The impact of this difference on the financial statements of the School District is as follows:

Year ended June 30, 2016 - increase in annual surplus by \$565,046

June 30, 2016 - increase in accumulated surplus and decrease in deferred contributions by \$47,448,107

Year ended June 30, 2017 - decrease in annual surplus by \$880,072

June 30, 2017 - increase in accumulated surplus and decrease in deferred contributions by \$46,568,035

b) 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounts Receivable

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

d) Portfolio Investments

The School District had investments in GIC's that will mature as of December 2017. GIC's are reported at amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

During the periods presented, there are no remeasurement gains or losses, and as a result, no Statement of Remeasurement Gains and Losses has been presented. Detailed information regarding portfolio investments is disclosed in Note 4.

e) 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.

f) 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 the 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(l).

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.

g) 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

g) Employee Future Benefits (continued)

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, early retirement, 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, 2017 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.

h) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts directly related to acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Tangible Capital Assets (continued)

- Estimated useful life is as follows:

Buildings	40 years
Furniture and Equipment	10 years
Vehicles	10 years
Computer Hardware	5 years

i) Prepaid Expenses

Amounts for maintenance contracts and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

j) 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.

k) 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 – Accumulated Surplus).

l) 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.

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.
- 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Revenue Recognition (continued)

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

Revenue related to fees or services received in advance of the fee being earned or the service being 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.

m) 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.
- 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract. Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and capital lease obligations.

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 instruments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition of a financial asset or a financial liability.

o) 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, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2017	2016
Due from Federal Government	\$ 55,899	\$ 62,336
Mount Arrowsmith Teachers Association	46,165	24,620
Zibo No 11 th High School	60,000	-
Other	163,905	128,116
	<u>\$ 325,969</u>	<u>\$ 215,072</u>

NOTE 4 PORTFOLIO INVESTMENTS

	2017	2016
Investments in the cost and amortized cost category:		
GIC maturing December 22, 2017 bearing interest at 1.25%	\$ 89,875	\$ 116,925
	<u>\$ 89,875</u>	<u>\$ 116,925</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2017	2016
Trades payable	\$ 988,348	\$ 924,860
Salaries and benefits payable	2,375,893	2,119,322
Accrued vacation pay	221,031	188,400
Other	123,474	130,315
	<u>\$ 3,708,746</u>	<u>\$ 3,362,897</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 6 UNEARNED REVENUE

	2017	2016
Tuition fees	\$ 1,739,655	\$ 1,705,211
Transportation	4,750	9,750
	<u>\$ 1,744,405</u>	<u>\$ 1,714,961</u>

NOTE 7 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by the Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

NOTE 8 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred revenue is included in Schedule 4C and 4D.

NOTE 9 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.

	2017	2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 5,867,166	\$ 5,974,493
Service Cost	395,555	434,063
Interest Cost	149,995	138,038
Benefit Payments	(539,300)	(455,609)
Actuarial (Gain) Loss	(110,153)	(223,819)
Accrued Benefit Obligation – March 31	<u>\$ 5,763,263</u>	<u>\$ 5,867,166</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 5,763,263	\$ 5,867,166
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(5,763,263)	(5,867,166)
Employer Contributions After Measurement Date	77,418	142,101
Benefits Expense After Measurement Date	(139,049)	(136,387)
Unamortized Net Actuarial Loss	252,237	431,439
Accrued Benefit Liability – June 30	<u>\$ (5,572,657)</u>	<u>\$ (5,430,013)</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 9 EMPLOYEE FUTURE BENEFITS (continued)

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability – July 1	\$ 5,430,013	\$ 5,274,602
Net expense for fiscal year	617,261	656,673
Employer Contributions	(474,616)	(501,263)
Accrued Benefit Liability – June 30	<u>\$ 5,572,657</u>	<u>\$ 5,430,013</u>

Components of Net Benefit Expense

Service Cost	\$ 395,252	\$ 424,436
Interest Cost	152,959	141,027
Amortization of Net Actuarial Loss	69,050	91,210
Net Benefit Expense	<u>\$ 617,261</u>	<u>\$ 656,673</u>

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

	2017	2016
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.1	10.1

NOTE 10 CAPITAL LEASE OBLIGATIONS

The School District has entered into two capital leases for the purchase of equipment. The leases are financed through the Municipal Finance Authority, which charges interest at 2%. The leases expire on October 28, 2018 and December 28, 2019. The principal repayments are due as follows:

2018	\$ 32,254
2019	13,844
2020	<u>2,065</u>
Total minimum lease payments	48,163
Less amounts representing interest	<u>1,205</u>
Present value of net minimum capital lease payments	<u>\$ 46,958</u>

Total interest expense for the year was \$1,086 (2016 - \$1,624).

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	June 30, 2017	June 30, 2016
Sites	\$ 11,929,778	\$ 11,929,778
Buildings	49,445,344	50,654,446
Furniture and Equipment	526,067	553,824
Vehicles	1,630,588	1,545,999
Computer Hardware	34,365	54,601
Total	<u>\$ 63,566,142</u>	<u>\$ 64,738,648</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 11 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2017

Cost:	Opening Balance	Additions	Disposals	Transfers (WIP)	Total 2017
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	100,274,181	952,620	-	-	101,226,801
Furniture and Equipment	904,106	62,653	53,090	-	913,669
Vehicles	2,221,144	306,704	212,146	-	2,315,702
Computer Hardware	101,180	-	21,049	-	80,131
Total	\$ 115,430,389	\$ 1,321,977	\$ 286,285	\$ -	\$ 116,466,081

Accumulated Amortization:	Opening Balance	Additions	Disposals	Total 2017
Buildings	\$ 49,619,735	\$ 2,161,722	\$ -	\$ 51,781,457
Furniture and Equipment	350,282	90,410	53,090	387,602
Vehicles	675,145	222,115	212,146	685,114
Computer Hardware	46,579	20,236	21,049	45,766
Total	\$ 50,691,741	\$ 2,494,483	\$ 286,285	\$ 52,899,939

June 30, 2016

Cost:	Opening Balance	Additions	Disposals	Transfers (WIP)	Total 2016
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	99,311,578	962,603	-	-	100,274,181
Furniture and Equipment	871,693	80,413	48,000	-	904,106
Vehicles	1,709,238	625,934	114,028	-	2,221,144
Computer Hardware	115,030	-	13,850	-	101,180
Total	\$ 113,937,317	\$ 1,668,950	\$ 175,878	\$ -	\$ 115,430,389

Accumulated Amortization:	Opening Balance	Additions	Disposals	Total 2016
Buildings	\$ 47,470,574	\$ 2,149,161	\$ -	\$ 49,619,735
Furniture and Equipment	311,113	87,169	48,000	350,282
Vehicles	618,249	170,924	114,028	675,145
Computer Hardware	37,423	23,006	13,850	46,579
Total	\$ 48,437,359	\$ 2,430,260	\$ 175,878	\$ 50,691,741

Included in tangible capital assets is equipment under capital lease with a cost of \$153,568. The related accumulated amortization is \$43,924.

NOTE 12 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The School District, in conducting its usual business activities, is involved in legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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 "plans"). The board of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 45,000 active members and approximately 36,000 retired members. As at December 31, 2015, the Municipal Pension Plan has about 189,000 active members, including approximately 24,000 from School Districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and 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 any amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits on a going concern basis. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$3,883,506 for employer contributions to these plans in the year ended June 30, 2017 (2016 - \$4,177,146).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. 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 plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

NOTE 14 ASSET RETIREMENT OBLIGATION

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 estimated due to unknown timelines.

NOTE 15 EXPENSE BY OBJECT

	2017	2016
Salaries and benefits	\$ 40,460,282	\$ 39,586,363
Services and supplies	8,440,742	8,409,054
Amortization	2,494,483	2,430,260
Interest	1,086	1,624
	<u>\$ 51,396,593</u>	<u>\$ 50,427,301</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 16 ACCUMULATED SURPLUS

Accumulated surplus consists of:

	2017	2016
Invested in tangible capital assets	\$ 17,442,869	\$ 17,722,217
Local capital surplus	300,000	100,000
Total capital surplus	17,742,869	17,822,217
Operating surplus	1,266,993	1,005,156
	<u>\$ 19,009,862</u>	<u>\$ 18,827,373</u>

Interfund transfers between the operating and capital funds for the year ended June 30, 2017, were as follows:

- Operating funds were used to fund Local Capital (\$514,382)
- Capital assets were purchased with Operating funds (\$44,557)

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

	2017	2016
School budgets	\$ 119,996	\$ 132,741
Capital maintenance	290,000	230,000
Educational Programs	109,502	-
Student Learning Grant	74,432	-
2017-18 Budgeted Allocation of Surplus	280,958	-
	874,888	362,741
Unrestricted operating surplus	392,105	642,415
Total operating surplus	<u>\$ 1,266,993</u>	<u>\$ 1,005,156</u>

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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 18 BUDGET FIGURES

The budget figures included in the financial statements are not audited. The budget figures data presented in these financial statements is based upon the 2016/17 amended annual budget adopted by the Board on January 24, 2017. The following chart compares the original annual budget bylaw approved April 27, 2016 to the amended annual budget bylaw reported in these financial statements.

	2017 Amended Annual Budget	2017 Annual Budget
Revenues		
Provincial Grants		
Ministry of Education	\$ 44,725,058	\$ 43,141,677
Other Provincial Revenues	101,450	101,450
Tuition	3,500,000	3,200,000
Other Revenue	1,485,000	1,475,000
Rentals and Leases	450,000	450,000
Investment Income	125,000	125,000
Total Revenue	50,386,508	48,493,127
Expenses		
Instruction	39,168,494	38,289,897
District Administration	1,837,756	2,019,825
Operations and Maintenance	7,486,296	6,864,196
Transportation and Housing	1,851,401	1,615,085
Debt Services	1,624	-
Total Expenses	50,345,571	48,789,003
Net Revenue (Expenses)	40,937	(295,876)
 Budgeted Allocation of Surplus	 -	 338,121
Budgeted Surplus for the year	\$ 40,937	\$ 42,245

NOTE 19 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. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 20 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 and cash equivalents, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a debtor. 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 and cash equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in the Central Deposit Program with the Ministry of Finance.

b) Market risk:

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in 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 the Central Deposit Program with the Ministry of Finance.

c) Liquidity risk:

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

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

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

NOTE 21 COMPARATIVE FIGURES

Certain 2016 comparative figures have been changed to reflect financial statement presentation adopted in the current year.

School District No. 69 (Qualicum)
Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2017

Schedule 1

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,005,156		17,822,217	18,827,373	19,077,129
Changes for the year					
Surplus (Deficit) for the year	785,273		(602,784)	182,489	(249,756)
Interfund Transfers	(9,054)		9,054	-	-
Tangible Capital Assets Purchased	(482,128)		482,128	-	-
Local Capital	(32,254)		32,254	-	-
Other	261,837	-	(79,348)	182,489	(249,756)
Net Changes for the year					
	1,266,993	-	17,742,869	19,009,862	18,827,373
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 69 (Qualicum)

Schedule 2

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	40,614,958	40,884,302	40,183,450
Other	101,450	100,535	117,376
Tuition	3,500,000	3,607,652	3,060,513
Other Revenue	135,000	251,012	239,003
Rentals and Leases	450,000	515,508	455,048
Investment Income	125,000	127,381	123,732
Total Revenue	44,926,408	45,486,390	44,179,122
Expenses			
Instruction	36,418,203	36,690,429	35,697,685
District Administration	1,837,756	1,774,457	1,813,416
Operations and Maintenance	4,645,498	4,639,327	4,752,690
Transportation and Housing	1,656,401	1,596,904	1,500,863
Total Expense	44,557,858	44,701,117	43,764,654
Operating Surplus (Deficit) for the year	368,550	785,273	414,468
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(9,054)	(197,910)
Local Capital	(336,296)	(482,128)	(436,296)
Other	(32,254)	(32,254)	(32,254)
Total Net Transfers	(368,550)	(523,436)	(666,460)
Total Operating Surplus (Deficit), for the year	-	261,837	(251,992)
Operating Surplus (Deficit), beginning of year		1,005,156	1,257,148
Operating Surplus (Deficit), end of year		1,266,993	1,005,156
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 16)		874,888	362,741
Unrestricted		392,105	642,415
Total Operating Surplus (Deficit), end of year		1,266,993	1,005,156

School District No. 69 (Qualicum)

Schedule 2A

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

	2017 Budget	2017 Actual	2016 Actual (Restated - Note 21)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	38,995,178	39,220,295	39,137,402
Other Ministry of Education Grants			
Pay Equity	936,176	936,176	936,176
Funding for Graduated Adults		11,701	4,281
Transportation Supplement	426,341	426,341	
Economic Stability Dividend		22,231	30,406
Return of Administrative Savings	197,263		
Carbon Tax Grant		51,074	
Student Learning Grant		208,297	
FSA Monitoring		8,187	8,696
Miscellaneous	60,000		66,489
Total Provincial Grants - Ministry of Education	40,614,958	40,884,302	40,183,450
Provincial Grants - Other	101,450	100,535	117,376
Tuition			
International and Out of Province Students	3,500,000	3,607,652	3,060,513
Total Tuition	3,500,000	3,607,652	3,060,513
Other Revenues			
Miscellaneous			
Transportation revenue	121,000	44,930	125,704
Miscellaneous	10,000	150,859	73,083
Other grants		44,026	28,145
Workshop fees		4,115	6,230
Pcard Dividend	4,000	7,082	5,841
Total Other Revenue	135,000	251,012	239,003
Rentals and Leases	450,000	515,508	455,048
Investment Income	125,000	127,381	123,732
Total Operating Revenue	44,926,408	45,486,390	44,179,122

School District No. 69 (Qualicum)

Schedule 2B

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

	2017 Budget	2017 Actual	2016 Actual (Restated - Note 21)
	\$	\$	\$
Salaries			
Teachers	17,667,238	17,740,776	17,548,653
Principals and Vice Principals	2,599,983	2,615,952	2,348,614
Educational Assistants	3,228,237	3,121,242	3,043,238
Support Staff	4,448,981	4,410,934	4,585,093
Other Professionals	1,283,347	1,335,329	1,200,023
Substitutes	1,242,713	1,340,769	1,137,215
Total Salaries	30,470,499	30,565,002	29,862,836
Employee Benefits	8,152,811	8,180,308	8,444,593
Total Salaries and Benefits	38,623,310	38,745,310	38,307,429
Services and Supplies			
Services	2,594,558	2,445,394	1,998,728
Student Transportation	1,000	-	-
Professional Development and Travel	427,338	607,738	541,624
Rentals and Leases	5,000	4,146	2,438
Dues and Fees	50,450	70,483	62,322
Insurance	174,000	155,642	139,474
Supplies	1,690,702	1,712,523	1,789,592
Utilities	991,500	959,881	923,047
Total Services and Supplies	5,934,548	5,955,807	5,457,225
Total Operating Expense	44,557,858	44,701,117	43,764,654

School District No. 69 (Qualicum)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C

	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	14,513,457	533,560		10,773		810,171	15,867,961
1.03 Career Programs	180,077			38,478		2,775	221,330
1.07 Library Services	398,512			223,690		2,157	624,359
1.08 Counselling	403,644	50,750					454,394
1.10 Special Education	1,770,021	133,821	2,894,705	40,728		273,761	5,113,036
1.30 English Language Learning	141,795						141,795
1.31 Aboriginal Education	35,337	105,367	226,537	6,885			374,126
1.41 School Administration		1,573,520		961,972		42,207	2,577,699
1.61 Continuing Education	21,861				153,160		21,861
1.62 International and Out of Province Students	276,072	218,934		24,923	35,099		673,089
1.64 Other							35,099
Total Function 1	17,740,776	2,615,952	3,121,242	1,307,449	188,259	1,131,071	26,104,749
4 District Administration							
4.11 Educational Administration					352,528		352,528
4.40 School District Governance					85,353		85,353
4.41 Business Administration				281,701	449,576	27	731,304
Total Function 4	-	-	-	281,701	887,457	27	1,169,185
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				50,031	202,613		252,644
5.50 Maintenance Operations				1,826,431		112,392	1,938,823
5.52 Maintenance of Grounds				105,353		(5,634)	99,719
5.56 Utilities							-
Total Function 5	-	-	-	1,981,815	202,613	106,758	2,291,186
7 Transportation and Housing							
7.41 Transportation and Housing Administration				49,181	57,000	3,085	109,266
7.70 Student Transportation				790,788		99,828	890,616
7.73 Housing							-
Total Function 7	-	-	-	839,969	57,000	102,913	999,882
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	17,740,776	2,615,952	3,121,242	4,410,934	1,335,329	1,340,769	30,565,002

School District No. 69 (Qualicum)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2017 Actual \$	2017 Budget \$	2016 Actual (Restated - Note 21) \$
1 Instruction							
1.02 Regular Instruction	15,867,961	4,087,393	19,955,354	946,417	20,901,771	20,747,721	20,463,526
1.03 Career Programs	221,330	58,691	280,021	466,132	746,153	699,771	679,804
1.07 Library Services	624,359	176,443	800,802	25,057	825,859	822,040	830,111
1.08 Counselling	454,394	119,628	574,022		574,022	571,649	554,643
1.10 Special Education	5,113,036	1,586,583	6,699,619	70,077	6,769,696	6,802,967	6,643,217
1.30 English Language Learning	141,795	33,739	175,534		175,534	174,838	160,053
1.31 Aboriginal Education	374,126	89,167	463,293	72,067	535,360	538,466	540,309
1.41 School Administration	2,577,699	677,694	3,255,393	99,309	3,354,702	3,340,238	3,378,883
1.61 Continuing Education	21,861	5,322	27,183		27,183	27,076	21,645
1.62 International and Out of Province Students	673,089	154,712	827,801	1,908,304	2,736,105	2,651,699	2,382,842
1.64 Other	35,099	8,945	44,044		44,044	41,738	42,652
Total Function 1	26,104,749	6,998,317	33,103,066	3,587,363	36,690,429	36,418,203	35,697,685
4 District Administration							
4.11 Educational Administration	352,528	79,048	431,576	60,627	492,203	499,484	501,678
4.40 School District Governance	85,353	8,273	93,626	81,294	174,920	178,868	188,846
4.41 Business Administration	731,304	175,803	907,107	200,227	1,107,334	1,159,404	1,122,892
Total Function 4	1,169,185	263,124	1,432,309	342,148	1,774,457	1,837,756	1,813,416
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	252,644	52,155	304,799	246,369	551,168	481,592	453,141
5.50 Maintenance Operations	1,938,823	527,503	2,466,326	465,454	2,931,780	2,804,855	2,994,940
5.52 Maintenance of Grounds	99,719	32,349	132,068	64,430	196,498	217,551	278,764
5.56 Utilities	-	-	-	959,881	959,881	1,141,500	1,025,845
Total Function 5	2,291,186	612,007	2,903,193	1,736,134	4,639,327	4,645,498	4,752,690
7 Transportation and Housing							
7.41 Transportation and Housing Administration	109,266	23,611	132,877	6,411	139,288	148,804	133,615
7.70 Student Transportation	890,616	283,249	1,173,865	269,751	1,443,616	1,483,597	1,346,948
7.73 Housing	-	-	-	14,000	14,000	24,000	20,300
Total Function 7	999,882	306,860	1,306,742	290,162	1,596,904	1,656,401	1,500,863
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	30,565,002	8,180,308	38,745,310	5,955,807	44,701,117	44,557,858	43,764,654

School District No. 69 (Qualicum)

Schedule 3

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,616,606	1,997,807	1,647,085
Other Revenue	1,350,000	1,520,855	1,881,043
Total Revenue	<u>2,966,606</u>	<u>3,518,662</u>	<u>3,528,128</u>
Expenses			
Instruction	2,750,291	3,302,347	3,311,813
Operations and Maintenance	216,315	216,315	216,315
Total Expense	<u>2,966,606</u>	<u>3,518,662</u>	<u>3,528,128</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

Schedule 3A

Deferred Revenue, beginning of year

Less: Allocated to Revenue
Deferred Revenue, end of year

Expenses

Employee Benefits Services and Suppliers

Interfund Transfers

Net Revenue (Expense)

Version: 2711-1965-8983
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School District No. 69 (Qualicum)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

Schedule 3A

	Coding and Curriculum Implementation	Priority Measures	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	-	-	609,645
Add: Restricted Grants			
Provincial Grants - Ministry of Education	57,495	396,646	2,043,624
Other			1,498,699
	57,495	396,646	3,542,323
Less: Allocated to Revenue	11,678	396,646	3,518,662
Deferred Revenue, end of year	45,817	-	633,306
Revenues			
Provincial Grants - Ministry of Education	11,678	396,646	1,997,807
Other Revenue	11,678	396,646	1,520,855
			3,518,662
Expenses			
Salaries			
Teachers		316,548	870,490
Principals and Vice Principals			32,698
Educational Assistants			352,912
Support Staff			136,537
	-	316,548	1,392,637
Employee Benefits		80,098	322,335
Services and Supplies	11,678		1,803,690
	11,678	396,646	3,518,662
Net Revenue (Expense) before Interfund Transfers	-	-	-
Interfund Transfers	-	-	-
Net Revenue (Expense)	-	-	-

School District No. 69 (Qualicum)

Schedule 4

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual (Restated - Note 21)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	325,000	389,450		389,450	366,340
Other		16,087		16,087	
Amortization of Deferred Capital Revenue	2,168,494	2,168,493		2,168,493	2,103,955
Total Revenue	<u>2,493,494</u>	<u>2,574,030</u>	<u>-</u>	<u>2,574,030</u>	<u>2,470,295</u>
Expenses					
Operations and Maintenance	325,000	405,537	275,708	681,245	702,635
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,299,483	2,272,368		2,272,368	2,259,336
Transportation and Housing	195,000	222,115		222,115	170,924
Debt Services					
Capital Lease Interest	1,624		1,086	1,086	1,624
Total Expense	<u>2,821,107</u>	<u>2,900,020</u>	<u>276,794</u>	<u>3,176,814</u>	<u>3,134,519</u>
Capital Surplus (Deficit) for the year	<u>(327,613)</u>	<u>(325,990)</u>	<u>(276,794)</u>	<u>(602,784)</u>	<u>(664,224)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	336,296	9,054		9,054	197,910
Local Capital			482,128	482,128	436,296
Capital Lease Payment	32,254		32,254	32,254	32,254
Total Net Transfers	<u>368,550</u>	<u>9,054</u>	<u>514,382</u>	<u>523,436</u>	<u>666,460</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		6,420	(6,420)	-	
Principal Payment					
Capital Lease		31,168	(31,168)	-	
Total Other Adjustments to Fund Balances		<u>37,588</u>	<u>(37,588)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>40,937</u>	<u>(279,348)</u>	<u>200,000</u>	<u>(79,348)</u>	<u>2,236</u>
Capital Surplus (Deficit), beginning of year		17,722,217	100,000	17,822,217	17,819,981
Capital Surplus (Deficit), end of year		<u>17,442,869</u>	<u>300,000</u>	<u>17,742,869</u>	<u>17,822,217</u>

School District No. 69 (Qualicum)

Tangible Capital Assets

Year Ended June 30, 2017

Schedule 4A

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	11,929,778	100,274,181	904,106	2,221,144	-	101,180	115,430,389
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		952,620		297,650			1,250,270
Deferred Capital Revenue - Other			29,083				29,083
Operating Fund				9,054			9,054
Local Capital			6,420				6,420
Deferred Capital Revenue - Other Provincial			27,150				27,150
Decrease:							
Deemed Disposals	-	952,620	62,653	306,704	-	-	1,321,977
Cost, end of year							
Work in Progress, end of year	-	-	53,090	212,146		21,049	286,285
Cost and Work in Progress, end of year	11,929,778	101,226,801	913,669	2,315,702	-	80,131	116,466,081
Accumulated Amortization, beginning of year	11,929,778	101,226,801	913,669	2,315,702	-	80,131	116,466,081
Changes for the Year							
Increase: Amortization for the Year		49,619,735	350,282	675,145	-	46,579	50,691,741
Decrease:							
Deemed Disposals		2,161,722	90,410	222,115	-	20,236	2,494,483
Accumulated Amortization, end of year							
			53,090	212,146		21,049	286,285
	-		53,090	212,146	-	21,049	286,285
	51,781,457	387,602	387,602	685,114	-	45,766	52,899,939
Tangible Capital Assets - Net	11,929,778	49,445,344	526,067	1,630,588	-	34,365	63,566,142

School District No. 69 (Qualicum)

Schedule 4C

Deferred Capital Revenue
Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	45,962,420	915,108	60,776	46,938,304
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,250,270		29,083	1,279,353
Transferred from Deferred Revenue - Other Provincial		27,150		27,150
	1,250,270	27,150	29,083	1,306,503
Decrease:				
Amortization of Deferred Capital Revenue	2,132,665	29,151	6,677	2,168,493
	2,132,665	29,151	6,677	2,168,493
Net Changes for the Year	(882,395)	(2,001)	22,406	(861,990)
Deferred Capital Revenue, end of year	45,080,025	913,107	83,182	46,076,314
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	45,080,025	913,107	83,182	46,076,314

School District No. 69 (Qualicum)
Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2017

Schedule 4D

	Bylaw Capital	MED Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	167,795	150,972		191,036		509,803
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,597,835		67,040			1,597,835
Provincial Grants - Other					29,083	67,040
Donated Playground Equipment						29,083
Decrease:						
Transferred to DCR - Capital Additions	1,250,270				29,083	1,279,353
Purchase of Services and Supplies	389,450		16,087			405,537
Transferred to DCR - Other Provincial	1,639,720		27,150			27,150
		-	43,237	-	29,083	1,712,040
Net Changes for the Year	(41,885)	-	23,803	-	-	(18,082)
Balance, end of year	125,910	150,972	23,803	191,036	-	491,721