

Audited Financial Statements of

School District No. 64 (Gulf Islands)

June 30, 2017

School District No. 64 (Gulf Islands)

June 30, 2017

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School District No. 64 (Gulf Islands)

MANAGEMENT REPORT

Version: 3647-2902-9919

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 64 (Gulf Islands) 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.

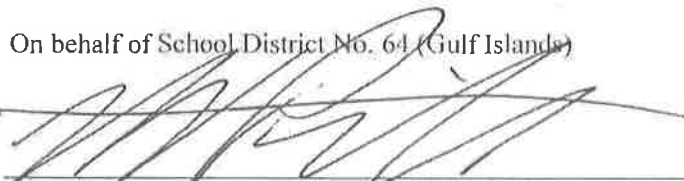
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The external auditors, KPMG, 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. 64 (Gulf Islands) 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. 64 (Gulf Islands)


Signature of the Chairperson of the Board of Education

Sep 13/17
Date Signed


Signature of the Superintendent

Sep 13/17
Date Signed


Signature of the Secretary Treasurer

Sep 13/17
Date Signed



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of School District No. 64 (Gulf Islands), which comprise the statement of financial position as at June 30, 2017, the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements of School District No. 64 (Gulf Islands) as at and for the year ended June 30, 2017 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

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

KPMG LLP

Chartered Professional Accountants

September 13, 2017
Victoria, Canada

School District No. 64 (Gulf Islands)

Statement 1

Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	4,458,660	4,035,425
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	48,991	39,943
Other (Note 3)	199,888	162,774
Portfolio Investments (Note 4)	93,000	85,188
Total Financial Assets	4,800,539	4,323,330
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	686,945	
Other (Note 5)	1,458,267	1,329,349
Unearned Revenue (Note 6)	450,560	378,215
Deferred Revenue (Note 7)	664,200	629,248
Deferred Capital Revenue (Note 8)	19,277,104	18,606,463
Employee Future Benefits (Note 9)	949,401	1,010,705
Total Liabilities	23,486,477	21,953,980
Net Financial Assets (Debt)	(18,685,938)	(17,630,650)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	25,238,325	24,843,066
Prepaid Expenses	133,167	78,000
Total Non-Financial Assets	25,371,492	24,921,066
Accumulated Surplus (Deficit) (Note 12)	6,685,554	7,290,416

Contractual Obligations and Contingencies (Note 13 and 15)

Approved by the Board

Signature of the Chairperson of the Board of Education

Sep 13/17
Date Signed

Signature of the Superintendent

Sep 13/17
Date Signed

Signature of the Secretary Treasurer

Sep 13/17
Date Signed

School District No. 64 (Gulf Islands)

Statement 2

Statement of Operations

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	21,348,950	20,936,378	20,857,819
Tuition	710,000	708,418	848,720
Other Revenue	912,453	1,035,927	892,835
Rentals and Leases	12,000	11,610	13,828
Investment Income	45,000	46,956	52,285
Amortization of Deferred Capital Revenue	912,759	912,759	907,727
Total Revenue	23,941,162	23,652,048	23,573,214
Expenses			
Instruction	17,401,738	17,617,865	17,197,574
District Administration	1,110,147	1,153,462	1,068,917
Operations and Maintenance	3,819,867	3,851,735	4,055,600
Transportation and Housing	1,660,918	1,633,848	1,598,885
Total Expense	23,992,670	24,256,910	23,920,976
Surplus (Deficit) for the year	(51,508)	(604,862)	(347,762)
Accumulated Surplus (Deficit) from Operations, beginning of year		7,290,416	7,638,178
Accumulated Surplus (Deficit) from Operations, end of year		6,685,554	7,290,416

School District No. 64 (Gulf Islands)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(51,508)</u>	<u>(604,862)</u>	<u>(347,762)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(86,792)	(1,446,318)	(744,033)
Amortization of Tangible Capital Assets	1,051,059	1,051,059	1,071,299
Total Effect of change in Tangible Capital Assets	<u>964,267</u>	<u>(395,259)</u>	<u>327,266</u>
Acquisition of Prepaid Expenses		(133,167)	(78,000)
Use of Prepaid Expenses		78,000	74,198
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(55,167)</u>	<u>(3,802)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>912,759</u>	<u>(1,055,288)</u>	<u>(24,298)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(1,055,288)</u>	<u>(24,298)</u>
Net Financial Assets (Debt), beginning of year		<u>(17,630,650)</u>	<u>(17,606,352)</u>
Net Financial Assets (Debt), end of year		<u><u>(18,685,938)</u></u>	<u><u>(17,630,650)</u></u>

School District No. 64 (Gulf Islands)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(604,862)	(347,762)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(46,162)	(47,072)
Prepaid Expenses	(55,167)	(3,802)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	815,863	25,972
Unearned Revenue	72,345	(46,648)
Deferred Revenue	34,952	50,845
Employee Future Benefits	(61,304)	87,926
Amortization of Tangible Capital Assets	1,051,059	1,071,299
Amortization of Deferred Capital Revenue	(912,759)	(907,727)
Total Operating Transactions	293,965	(116,969)
Capital Transactions		
Tangible Capital Assets Purchased	(1,373,586)	(517,805)
Tangible Capital Assets -WIP Purchased	(72,732)	(226,228)
Total Capital Transactions	(1,446,318)	(744,033)
Financing Transactions		
Capital Revenue Received	1,590,422	500,590
Expensed Portion of Bylaw Capital	(7,022)	(203,481)
Total Financing Transactions	1,583,400	297,109
Investing Transactions		
Investments in Portfolio Investments	(7,812)	185,749
Total Investing Transactions	(7,812)	185,749
Net Increase (Decrease) in Cash and Cash Equivalents	423,235	(378,144)
Cash and Cash Equivalents, beginning of year	4,035,425	4,413,569
Cash and Cash Equivalents, end of year	4,458,660	4,035,425
Cash and Cash Equivalents, end of year, is made up of:		
Cash	4,458,660	4,035,425
	4,458,660	4,035,425
Supplementary Cash Flow Information		

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 AUTHORITY AND PURPOSE

The school district, established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 64 (Gulf Islands)", and operates as "School District No. 64 (Gulf Islands)." A board of education ("Board") elected for a three-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. 64 is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements 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 supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all taxpayer-supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

a) Basis of Accounting (continued)

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

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

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

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

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

The school district does not administer any trust activities on behalf of external parties.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash held in bank accounts and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

d) Accounts Receivable

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

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

e) Portfolio Investments

The school district has investments in bonds, equity instruments and mutual funds that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. Bonds and other investments not quoted in an active market are reported at cost or 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.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

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(n).

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.

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

h) Employee Future Benefits

The school district provides 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, 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 (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2017 and projected to June 30, 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.

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) Asset Retirement Obligations

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

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

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.
- 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. Estimated useful life is as follows:

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

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

k) Liability for Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the School District is directly responsible or accepts responsibility
- iv) it is expected that future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

l) Prepaid Expenses

Amounts for insurance 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.

m) 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.

n) 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

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

n) Revenue Recognition (continued)

- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

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.

o) 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.

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

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.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments recorded at fair value are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

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

q) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2017	2016
Due from Provincial Government	\$ 48,991	39,943
Due from Federal Government	\$ 85,181	\$ 62,505
Other	114,708	100,269
	199,888	162,774
	\$248,879	\$202,717

NOTE 4 PORTFOLIO INVESTMENTS

	2017	2016
Investments in the cost and amortized cost category:		
Debentures maturing in 2021 bearing interest at 5.4%	\$ 14,389	\$4,750
Investments in the fair value category:		
Equity instruments	\$ 4,166	\$ 3,680
Mutual funds	74,445	76,758
	78,611	80,438
Total investments	\$93,000	\$85,188

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2017	2016
Trade payables	\$ 932,318	\$ 782,116
Salaries and benefits payable	62,157	117,849
Accrued vacation pay	198,065	198,184
Other	265,728	231,200
	\$ 1,458,268	\$ 1,329,349

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 6 UNEARNED REVENUE

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$378,215	\$424,863
Changes for the year:		
Increase:		
Tuition fees collected	831,610	802,072
Decrease:		
Tuition fees recognized	<u>(759,265)</u>	<u>(848,720)</u>
Net changes for the year	<u>72,345</u>	<u>(46,648)</u>
Balance, end of year	<u>\$450,560</u>	<u>\$378,215</u>

NOTE 7 DEFERRED REVENUE

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

	<u>2017</u>			<u>2016</u>
	<u>Ministry of Education</u>	<u>Other</u>	<u>Total</u>	
Balance, beginning of year	\$112,454	\$516,794	\$629,248	\$578,403
Increases:				
Grants	1,147,879	-	1,147,879	902,818
Other	-	833,561	833,561	766,478
Decreases:				
Transfers to revenue	<u>(1,123,133)</u>	<u>(823,355)</u>	<u>(1,946,488)</u>	<u>(1,618,451)</u>
Net change for the year	<u>24,746</u>	<u>10,206</u>	<u>34,952</u>	<u>50,845</u>
Balance, end of the year	<u>\$137,200</u>	<u>\$527,000</u>	<u>\$664,200</u>	<u>\$629,248</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	<u>2017</u>	<u>2016</u>
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 17,942,745	\$ 18,469,141
Increases:		
Capital additions	1,184,928	381,331
Decreases:		
Amortization	(912,759)	(907,727)
Net change for the year	<u>272,169</u>	<u>(526,396)</u>
Balance, end of year	<u>\$ 18,214,914</u>	<u>\$ 17,942,745</u>
Deferred capital revenue, work in progress		
Balance, beginning of year	\$ 538,256	\$ 312,028
Increases:		
Transfer from unspent deferred capital revenue	<u>72,732</u>	<u>226,228</u>
Balance, end of year	<u>\$ 610,988</u>	<u>\$ 538,256</u>
Deferred capital revenue not subject to amortization		
Balance, beginning of year	\$ 125,462	\$ 435,912
Increases:		
Provincial Grants – Ministry of Education	1,508,002	422,931
Provincial Grants – Other	80,166	-
Donations	2,000	77,659
Investment Income	254	-
Decreases:		
Transfer to deferred capital revenue subject to amortization	(1,184,928)	(381,331)
Transferred to deferred capital revenue Work in progress	(72,732)	(226,228)
Transferred to revenue	(7,022)	(203,481)
Net change for the year	<u>325,740</u>	<u>(310,450)</u>
Balance, end of year	<u>451,202</u>	<u>125,462</u>
Total deferred capital revenue balance, end of year	<u><u>\$ 19,277,104</u></u>	<u><u>\$ 18,606,463</u></u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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.

	June 30, 2017	June 30, 2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,137,451	998,947
Service Cost	86,266	87,398
Interest Cost	26,975	22,825
Benefit Payments	-154,251	-67,565
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	-148,997	95,846
Accrued Benefit Obligation – March 31	947,444	1,137,451
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	947,444	1,137,451
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	-947,444	-1,137,451
Employer Contributions After Measurement Date	45,226	0
Benefits Expense After Measurement Date	-28,256	-28,310
Unamortized Net Actuarial (Gain) Loss	-18,928	155,056
Accrued Benefit Asset (Liability) - June 30	-949,401	-1,010,705
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	1,010,705	922,779
Net Expense for Fiscal Year	138,173	125,074
Employer Contributions	-199,477	-37,148
Accrued Benefit Liability (Asset) - June 30	949,401	1,010,705
Components of Net Benefit Expense		
Service Cost	86,289	87,115
Interest Cost	26,897	23,863
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	24,988	14,096
Net Benefit Expense (Income)	138,173	125,074
Assumptions		
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	8.8	8.8

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 10 TANGIBLE CAPITAL ASSETS

June 30, 2017

Cost:	Balance at July 1, 2016	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2017
Sites	\$ 4,107,653	\$ -	\$ -	\$ -	\$4,107,653
Buildings	41,728,818	953,497	-	-	42,682,315
Buildings – work in progress	538,256	72,732	-	-	610,988
Furniture & Equipment	425,885	49,759	(38,989)	-	436,655
Vehicles	939,885	256,576	-	-	1,196,461
Computer Software	12,172	-	-	-	12,172
Computer Hardware	152,224	113,754	(46,225)	-	219,753
Total	\$47,904,893	\$1,446,318	\$(85,214)	\$ -	\$49,265,997

Accumulated Amortization:	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	22,481,215	897,510	-	23,378,725
Furniture & Equipment	183,491	40,371	(38,989)	184,873
Vehicles	333,519	93,988	-	427,507
Computer Software	7,302	2,434	-	9,736
Computer Hardware	56,300	16,756	(46,225)	26,831
Total	\$23,061,827	\$1,051,059	\$(85,214)	\$24,027,672

June 30, 2016

Cost:	Balance at July 1, 2015	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2016
Sites	\$ 4,107,653	\$ -	-	\$ -	\$ 4,107,653
Buildings	41,301,711	427,107	-	-	41,728,818
Buildings – work in progress	312,028	226,228	-	-	538,256
Furniture & Equipment	456,966	22,255	(53,336)	-	425,885
Vehicles	959,683	-	(19,798)	-	939,885
Computer Software	12,172	-	-	-	12,172
Computer Hardware	125,907	68,443	(42,126)	-	152,224
Total	\$47,276,120	\$744,033	\$(115,260)	\$ -	\$47,904,893

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 10 TANGIBLE CAPITAL ASSETS *(Continued)*

Accumulated Amortization:	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	21,579,204	902,011	-	22,481,215
Furniture & Equipment	191,122	45,705	(53,336)	183,491
Vehicles	257,349	95,968	(19,798)	333,519
Computer Software	4,868	2,434	-	7,302
Computer Hardware	73,245	25,181	(42,126)	56,300
Total	\$22,105,788	\$1,071,299	\$ (115,260)	\$23,061,827

Net Book Value:

	Net Book Value June 30, 2017	Net Book Value June 30, 2016
Sites	\$ 4,107,653	\$ 4,107,653
Buildings	19,303,590	19,247,603
Buildings -- work in progress	610,988	538,256
Furniture & Equipment	251,782	242,394
Vehicles	768,954	606,366
Computer Software	2,436	4,870
Computer Hardware	192,922	95,924
Total	\$25,238,325	\$24,843,066

NOTE 11 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.

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 11 EMPLOYEE PENSION PLANS *(Continued)*

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 \$449 million surplus for basic pension benefits. The next valuation will be as at December 31, 2017 with results available in 2018. 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. 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 \$1,727,200 for employer contributions to these plans in the year ended June 30, 2017 (2016 - \$1,849,711).

NOTE 12 ACCUMULATED SURPLUS

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

	2017	2016
Invested in tangible capital assets	\$6,412,423	\$6,362,065
Operating surplus	273,131	928,351
	<u>\$6,685,554</u>	<u>\$7,290,416</u>

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

- \$155,692 from the Operating Fund to the Capital Fund for capital purchases.
- \$32,966 from the Special Purpose Fund to the Capital Fund for capital purchases.

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

Equipment purchase	50,000	
School flex funds carried forward	42,910	
Pro-Growth	23,213	
Other	11,801	
Subtotal Internally Restricted		\$127,924
Unrestricted Operating Surplus		145,207
Total available for Future Operations		<u>\$273,131</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 13 CONTRACTUAL OBLIGATIONS

On June 21, 2012 the school district signed a 50 year lease agreement in which land use will be provided to the Capital Regional District for \$1 per year for 50 years with an option to renew for a further 50 years. There is no transfer of title contained in the lease agreement.

The school district leases premises from the District of North Vancouver to operate Windsor House School in North Vancouver, British Columbia. The term of the lease is from August 1, 2016 to July 31, 2021. During the year the school district paid \$31,782 in lease and rental fees to the District of North Vancouver. The amount to be paid to June 30 each year for the next 4 years is \$30,000.

NOTE 14 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2016/17 amended annual budget adopted by the Board on February 22, 2017. The chart following reconciles the originally approved annual budget bylaw approved June 8, 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	\$21,348,950	\$20,717,802
Tuition	710,000	775,000
Other Revenue	912,453	848,500
Rentals and Leases	12,000	12,000
Investment Income	45,000	39,500
Amortization of Deferred Capital Revenue	912,759	918,000
Total Revenue	23,941,162	23,310,802
Expenses		
Instruction	17,401,738	16,905,430
District Administration	1,110,147	1,092,580
Operations and Maintenance	3,819,867	3,975,369
Transportation and Housing	1,660,918	1,712,376
Total Expense	23,992,670	23,685,755
Net Revenue (Expense)	(51,508)	(374,953)
Budgeted Allocation of Surplus	-	216,953
Budgeted Deficit for the year	\$(51,508)	\$(158,000)

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 15 CONTINGENCIES

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

NOTE 16 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 17 EXPENSE BY OBJECT

	2017	2016
Salaries and benefits	\$18,456,100	\$17,993,104
Services and supplies	4,749,751	4,856,573
Amortization	1,051,059	1,071,299
	<u>\$24,256,910</u>	<u>\$23,920,976</u>

NOTE 18 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 19 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.

SCHOOL DISTRICT NO. 64 (Gulf Islands)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 19 RISK MANAGEMENT *(Continued)*

a) Credit risk (continued)

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.

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.

b) Market risk

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The school district is exposed to interest rate risk through its investments. It is management's opinion that the school district is not exposed to significant interest rate risk as it invests primarily in GIC's and Provincial Bonds.

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. 64 (Gulf Islands)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	928,351		6,362,065	7,290,416	7,638,178
Changes for the year					
Surplus (Deficit) for the year	(499,528)	32,966	(138,300)	(604,862)	(347,762)
Interfund Transfers	(155,692)	(32,966)	188,658	-	-
Tangible Capital Assets Purchased	(655,220)	-	50,358	(604,862)	(347,762)
Net Changes for the year	273,131	-	6,412,423	6,685,554	7,290,416
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 64 (Gulf Islands)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	20,324,521	19,813,245	19,744,975
Tuition	710,000	708,418	848,720
Other Revenue	241,318	225,008	200,850
Rentals and Leases	12,000	11,610	13,828
Investment Income	35,000	34,520	35,182
Total Revenue	21,322,839	20,792,801	20,843,555
Expenses			
Instruction	15,869,759	15,824,462	15,721,618
District Administration	1,103,906	1,122,221	1,063,862
Operations and Maintenance	2,710,346	2,805,786	2,764,338
Transportation and Housing	1,566,930	1,539,860	1,502,917
Total Expense	21,250,941	21,292,329	21,052,735
Operating Surplus (Deficit) for the year	71,898	(499,528)	(209,180)
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(71,898)	(155,692)	(111,484)
Total Net Transfers	(71,898)	(155,692)	(111,484)
Total Operating Surplus (Deficit), for the year		(655,220)	(320,664)
Operating Surplus (Deficit), beginning of year		928,351	1,249,015
Operating Surplus (Deficit), end of year		273,131	928,351
Operating Surplus (Deficit), end of year			
Internally Restricted		127,924	328,870
Unrestricted		145,207	599,481
Total Operating Surplus (Deficit), end of year		273,131	928,351

School District No. 64 (Gulf Islands)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	19,891,559	19,831,182	19,602,039
Other Ministry of Education Grants			
Pay Equity	102,398	102,398	102,398
Funding for Graduated Adults	15,407	7,991	9,132
Transportation Supplement	328,264	328,264	
Economic Stability Dividend	48,184	9,140	12,634
Return of Administrative Savings	(99,976)	99,976	
Carbon Tax Grant	9,179	10,061	6,000
Student Learning Grant		87,344	
French Monitor Program	22,000	16,328	
15-16 Curriculum Implementation Grant			4,800
FSA Exam Marking	7,506	7,506	7,972
Enrolment audit recovery		(686,945)	
Total Provincial Grants - Ministry of Education	20,324,521	19,813,245	19,744,975
Tuition			
International and Out of Province Students	710,000	708,418	848,720
Total Tuition	710,000	708,418	848,720
Other Revenues			
Miscellaneous			
Miscellaneous	191,918	178,533	150,193
GISPA Registration	40,000	37,075	35,735
Connecting Generations Grant	1,400	1,400	5,500
Innovation Grant	8,000	8,000	9,422
Total Other Revenue	241,318	225,008	200,850
Rentals and Leases	12,000	11,610	13,828
Investment Income	35,000	34,520	35,182
Total Operating Revenue	21,322,839	20,792,801	20,843,555

School District No. 64 (Gulf Islands)

Schedule 2B (Unaudited)

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

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	7,799,253	7,729,901	7,505,256
Principals and Vice Principals	1,465,029	1,429,088	1,454,258
Educational Assistants	884,009	989,653	914,560
Support Staff	2,206,896	2,300,952	2,172,440
Other Professionals	1,130,661	1,145,980	1,135,556
Substitutes	697,945	749,114	788,843
Total Salaries	14,183,793	14,344,688	13,970,913
Employee Benefits	3,353,954	3,337,853	3,457,756
Total Salaries and Benefits	17,537,747	17,682,541	17,428,669
Services and Supplies			
Services	1,024,080	1,036,879	1,020,866
Student Transportation	896,600	888,422	866,939
Professional Development and Travel	488,558	438,474	404,740
Rentals and Leases	152,000	128,620	194,329
Dues and Fees	40,099	34,217	33,123
Insurance	57,003	49,165	61,650
Supplies	624,854	580,616	616,968
Utilities	430,000	453,395	425,451
Total Services and Supplies	3,713,194	3,609,788	3,624,066
Total Operating Expense	21,250,941	21,292,329	21,052,735

School District No. 64 (Gulf Islands)Operating Expense by Function, Program and Object
Year Ended June 30, 2017

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
1 Instruction							
1.02 Regular Instruction	6,267,132	435,522	126,636	86,826	16,228	540,879	7,473,223
1.03 Career Programs	94,992		102,705	2,283	64,394	5,710	270,084
1.07 Library Services	82,144	38,074		53,721		3,876	177,815
1.08 Counseling	293,280						293,280
1.10 Special Education	724,351	124,513	694,847	89,989	130,942	79,136	1,843,778
1.30 English Language Learning	62,003						62,003
1.31 Aboriginal Education		25,077	43,646		16,880	4,271	89,874
1.41 School Administration		772,354		380,462		16,527	1,169,343
1.62 International and Out of Province Students	205,999	33,548		4,001	170,130	1,409	415,087
1.64 Other							
Total Function 1	7,729,901	1,429,088	967,834	617,282	398,574	651,808	11,794,487
4 District Administration							
4.11 Educational Administration				9,629	202,397		212,026
4.40 School District Governance					93,856		93,856
4.41 Business Administration				145,720	271,932	2,765	420,417
Total Function 4	-	-	-	155,349	568,185	2,765	726,299
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				66,189	149,261	5,109	220,559
5.50 Maintenance Operations				977,912		65,972	1,043,884
5.52 Maintenance of Grounds				137,229			137,229
5.56 Utilities				15,350			15,350
Total Function 5	-	-	-	1,196,680	149,261	71,081	1,417,022
7 Transportation and Housing							
7.41 Transportation and Housing Administration							
7.70 Student Transportation			21,819	13,535	29,960	1,109	44,604
7.73 Housing				318,106		22,351	362,276
Total Function 7	-	-	21,819	331,641	29,960	23,460	406,880
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	7,729,901	1,429,088	989,653	2,300,952	1,145,980	749,114	14,344,688

School District No. 64 (Gulf Islands)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2017 Actual \$	2017 Budget \$ (Note 14)	2016 Actual \$
1 Instruction							
1.02 Regular Instruction	7,473,223	1,851,702	9,324,925	603,260	9,928,185	10,121,900	9,998,819
1.03 Career Programs	270,084	62,611	332,695	51,241	383,936	386,440	322,245
1.07 Library Services	177,815	39,772	217,587	20,194	237,781	234,826	226,468
1.08 Counseling	293,280	64,692	357,972	8,964	366,936	370,904	377,437
1.10 Special Education	1,843,778	404,873	2,248,651	189,607	2,438,258	2,247,675	2,151,747
1.30 English Language Learning	62,003	14,805	76,808		76,808	77,701	37,591
1.31 Aboriginal Education	89,874	21,343	111,217	54,286	165,503	169,690	197,981
1.41 School Administration	1,169,343	269,272	1,438,615	80,618	1,519,233	1,584,374	1,603,710
1.62 International and Out of Province Students	415,087	73,801	488,888	207,801	696,689	664,049	794,018
1.64 Other	-	-	-	11,133	11,133	12,200	11,602
Total Function 1	11,794,487	2,802,871	14,597,358	1,227,104	15,824,462	15,869,759	15,721,618
4 District Administration							
4.11 Educational Administration	212,026	40,667	252,693	56,733	309,426	306,449	255,734
4.40 School District Governance	93,856	2,024	95,880	55,690	151,570	158,661	147,909
4.41 Business Administration	420,417	85,105	505,522	155,703	661,225	638,796	660,219
Total Function 4	726,299	127,796	854,095	268,126	1,122,221	1,103,906	1,063,862
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	220,559	49,962	270,521	51,125	321,646	364,824	374,290
5.50 Maintenance Operations	1,043,884	226,826	1,270,710	458,721	1,729,431	1,580,187	1,670,445
5.52 Maintenance of Grounds	137,229	31,208	168,437	36,433	204,870	240,490	232,240
5.56 Utilities	15,350	3,562	18,912	530,927	549,839	524,845	487,363
Total Function 5	1,417,022	311,558	1,728,580	1,077,206	2,805,786	2,710,346	2,764,338
7 Transportation and Housing							
7.41 Transportation and Housing Administration	44,604	7,863	52,467	4,245	56,712	56,023	53,789
7.70 Student Transportation	362,276	87,765	450,041	958,687	1,408,728	1,433,407	1,394,611
7.73 Housing	-	-	-	74,420	74,420	77,500	54,517
Total Function 7	406,880	95,628	502,508	1,037,352	1,539,860	1,566,930	1,502,917
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,344,688	3,337,853	17,682,541	3,609,788	21,292,339	21,250,941	21,052,735

School District No. 64 (Gulf Islands)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	984,429	1,123,133	909,363
Other Revenue	671,135	810,919	691,985
Investment Income	10,000	12,436	17,103
Total Revenue	<u>1,665,564</u>	<u>1,946,488</u>	<u>1,618,451</u>
Expenses			
Instruction	1,531,979	1,793,403	1,475,956
District Administration	6,241	31,241	5,055
Operations and Maintenance	112,450	88,878	112,450
Total Expense	<u>1,650,670</u>	<u>1,913,522</u>	<u>1,593,461</u>
Special Purpose Surplus (Deficit) for the year	<u>14,894</u>	<u>32,966</u>	<u>24,990</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(14,894)	(32,966)	(24,990)
Total Net Transfers	<u>(14,894)</u>	<u>(32,966)</u>	<u>(24,990)</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>

School District No. 64 (Gulf Islands)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2017

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			2,430	25,000	156,101	44,315	41,108		
Add: Restricted Grants									
Provincial Grants - Ministry of Education	112,450	399,658			658,010	128,982	22,050	71,840	160,781
Other					171	280	1,650		
Investment Income									
Less: Allocated to Revenue	112,450	399,658			658,181	129,262	23,700	71,840	160,781
Deferred Revenue, end of year			1,658	25,000	680,784	141,531	26,871	71,840	160,781
			772		133,498	32,046	37,937		
Revenues	112,450	399,658	1,658	25,000	680,613	141,251	25,221	71,840	160,781
Provincial Grants - Ministry of Education					171	280	1,650		
Other Revenue									
Investment Income									
Expenses	112,450	399,658	1,658	25,000	680,784	141,531	26,871	71,840	160,781
Salaries									
Teachers									
Principals and Vice Principals		269,972		20,730		4,561	6,116	16,503	4,000
Educational Assistants		58,000				45,778		10,000	3,400
Support Staff		1,090				8,646	6,099		2,756
Other Professionals									
Substitutes									
Employee Benefits									
Services and Supplies	88,878	70,596	1,658	4,270		59,304	13,161	34,181	10,156
	88,878	399,658	1,658	25,000	671,390	65,048	10,892	30,585	147,766
Net Revenue (Expense) before Interfund Transfers	23,572				671,390	141,531	26,871	71,840	160,781
Interfund Transfers					9,394				
Tangible Capital Assets Purchased	(23,572)				(9,394)				
Net Revenue (Expense)	(23,572)				(9,394)				

School District No. 64 (Gulf Islands)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

Schedule 3A (Unaudited)

	Coding and Curriculum Implementation	Priority Measures	Educational Trust	Drake Rd Transfer	CES Apprenticeship	ACE-IT	CEF	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	346,471	-	-	13,823	-	629,248
Audit: Restricted Grants								
Provincial Grants - Ministry of Education	37,252	201,532						
Other Investment Income			82,119	9,315	40,550	5,000	7,935	1,147,480
			12,265			29,600		821,524
Less: Allocated to Revenue	37,252	201,532	94,384	9,315	40,550	34,600	7,935	1,981,440
Deferred Revenue, end of year	5,254	167,085	84,674	6,241	40,550	14,176	7,935	1,946,488
	31,998	34,447	356,181	3,074	-	34,247	-	664,200
Revenues								
Provincial Grants - Ministry of Education	5,254	167,085						1,123,133
Other Revenue			72,409	6,241	40,550	5,000	7,935	810,919
Investment Income			12,265			9,176		12,436
	5,254	167,085	84,674	6,241	40,550	14,176	7,935	1,946,488
Expenses								
Salaries								
Teachers		130,734						448,616
Principals and Vice Principals								4,000
Educational Assistants								117,178
Support Staff								34,595
Other Professionals					16,004		6,546	6,546
Substitutes	4,454	5,001				455		18,853
	4,454	135,735			16,004	455	6,546	629,788
Employee Benefits	653	31,350			5,492	91	1,389	143,771
Services and Supplies	147		84,674	6,241	19,054	13,830		1,139,963
	5,254	167,085	84,674	6,241	40,550	14,176	7,935	1,913,522
Net Revenue (Expense) before Interfund Transfers								32,966
Interfund Transfers								
Tangible Capital Assets Purchased								(32,966)
								(32,966)
Net Revenue (Expense)								-

School District No. 64 (Gulf Islands)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	40,000			-	203,481
Amortization of Deferred Capital Revenue	912,759	912,759		912,759	907,727
Total Revenue	<u>952,759</u>	<u>912,759</u>	<u>-</u>	<u>912,759</u>	<u>1,111,208</u>
Expenses					
Operations and Maintenance	40,000			-	203,481
Amortization of Tangible Capital Assets					
Operations and Maintenance	957,071	957,071		957,071	975,331
Transportation and Housing	93,988	93,988		93,988	95,968
Total Expense	<u>1,091,059</u>	<u>1,051,059</u>	<u>-</u>	<u>1,051,059</u>	<u>1,274,780</u>
Capital Surplus (Deficit) for the year	<u>(138,300)</u>	<u>(138,300)</u>	<u>-</u>	<u>(138,300)</u>	<u>(163,572)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	86,792	188,658		188,658	136,474
Total Net Transfers	<u>86,792</u>	<u>188,658</u>	<u>-</u>	<u>188,658</u>	<u>136,474</u>
Total Capital Surplus (Deficit) for the year	<u>(51,508)</u>	<u>50,358</u>	<u>-</u>	<u>50,358</u>	<u>(27,098)</u>
Capital Surplus (Deficit), beginning of year		6,362,065		6,362,065	6,389,163
Capital Surplus (Deficit), end of year		<u>6,412,423</u>	<u>-</u>	<u>6,412,423</u>	<u>6,362,065</u>

School District No. 64 (Gulf Islands)

Tangible Capital Assets

Year Ended June 30, 2017

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,107,653	41,728,818	425,885	939,885	12,172	152,224	47,366,637
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		897,363		256,576			1,153,939
Deferred Capital Revenue - Other		5,336	25,653				30,989
Operating Fund		27,226	14,712			113,754	155,692
Special Purpose Funds		23,572	9,394				32,966
	-	953,497	49,759	256,576	-	113,754	1,373,586
Decrease:							
Deemed Disposals			38,989			46,225	85,214
	-	-	38,989	-	-	46,225	85,214
Cost, end of year	4,107,653	42,682,315	436,655	1,196,461	12,172	219,753	48,655,009
Work in Progress, end of year		610,988					610,988
Cost and Work in Progress, end of year	4,107,653	43,293,303	436,655	1,196,461	12,172	219,753	49,265,997
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		22,481,215	183,491	333,519	7,302	56,300	23,061,827
Decrease:							
Deemed Disposals		897,510	40,371	93,988	2,434	16,756	1,051,059
			38,989			46,225	85,214
	-	-	38,989	-	-	46,225	85,214
Accumulated Amortization, end of year		23,378,725	184,873	427,507	9,736	26,831	24,027,672
Tangible Capital Assets - Net	4,107,653	19,914,578	251,782	768,954	2,436	192,922	25,238,325

School District No. 64 (Gulf Islands)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2017

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	538,256				538,256
Changes for the Year					
Increase:					
Deferred Capital Revenue - Other	72,732				72,732
	72,732	-	-	-	72,732
Net Changes for the Year	72,732	-	-	-	72,732
Work in Progress, end of year	610,988	-	-	-	610,988

School District No. 64 (Gulf Islands)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital \$	Other Provincial \$	Other Capital \$	Total Capital \$
Deferred Capital Revenue, beginning of year	17,691,039	184,151	67,555	17,942,745
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,153,939	25,653	5,336	1,184,928
	1,153,939	25,653	5,336	1,184,928
Decrease:				
Amortization of Deferred Capital Revenue	905,889	5,181	1,689	912,759
	905,889	5,181	1,689	912,759
Net Changes for the Year	248,050	20,472	3,647	272,169
Deferred Capital Revenue, end of year	17,939,089	204,623	71,202	18,214,914
Work in Progress, beginning of year		538,256		538,256
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress		72,732		72,732
		72,732	-	72,732
Net Changes for the Year		72,732	-	72,732
Work in Progress, end of year		610,988	-	610,988
Total Deferred Capital Revenue, end of year	17,939,089	815,611	71,202	18,825,902

School District No. 64 (Gulf Islands)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2017

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	115,358	-	-	10,104	125,462
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,508,002	-	80,166	-	-	1,508,002
Provincial Grants - Other	-	-	-	-	2,000	80,166
Other	-	-	-	-	254	2,000
Investment Income	-	-	80,166	-	2,254	254
Decrease:						
Transferred to DCR - Capital Additions	1,153,939	72,732	25,653	-	5,336	1,184,928
Transferred to DCR - Work in Progress	-	-	-	-	-	72,732
Transferred to Revenue	1,153,939	72,732	25,653	-	7,022	7,022
Net Changes for the Year	354,063	(72,732)	54,513	-	(10,104)	325,740
Balance, end of year	354,063	42,626	54,513	-	-	451,202

