

Audited Financial Statements of

School District No. 62 (Sooke)

June 30, 2019

School District No. 62 (Sooke)

June 30, 2019

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School District No. 62 (Sooke)

MANAGEMENT REPORT

Version: 6430-5684-3701

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 62 (Sooke) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

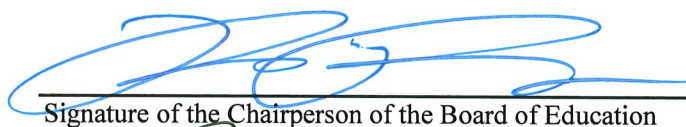
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 62 (Sooke) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 62 (Sooke) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 62 (Sooke)



Signature of the Chairperson of the Board of Education

9/24/2019

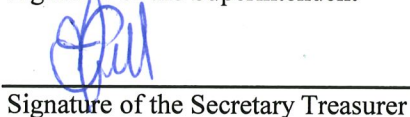
Date Signed



Signature of the Superintendent

Sept. 24, 2019

Date Signed



Signature of the Secretary Treasurer

Sept 24/19

Date Signed



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

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 62 (Sooke), and
To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 62 (Sooke) (the Entity), which comprise:

- the statement of financial position as at June 30, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the period ended June 30, 2019 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2 to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- Unaudited Schedules 1-4 attached to the audited financial statements
- Financial statement discussion and analysis

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditors' report thereon, included in the financial statements document as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.



We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

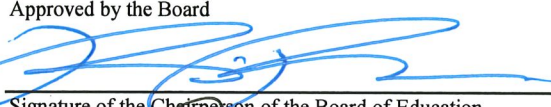

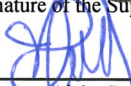
Victoria, Canada
September 24, 2019

School District No. 62 (Sooke)

Statement 1

Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	23,395,777	21,066,368
Accounts Receivable		
Due from Province - Ministry of Education	1,699,046	1,578,415
Due from Province - Other	20,733	
Due from LEA Funding		328,791
Other (Note 3)	619,554	638,381
Portfolio Investments (Note 5)	133,447	131,861
Total Financial Assets	<u>25,868,557</u>	<u>23,743,816</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	333,793	83,250
Other (Note 6)	8,362,856	6,477,578
Unearned Revenue (Note 7)	4,317,878	5,152,116
Deferred Revenue (Note 8)	1,380,559	1,088,373
Deferred Capital Revenue (Note 9)	186,713,865	185,132,730
Employee Future Benefits (Note 10)	3,946,934	3,466,966
Total Liabilities	<u>205,055,885</u>	<u>201,401,013</u>
Net Financial Assets (Debt)	<u>(179,187,328)</u>	<u>(177,657,197)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	284,540,111	262,139,808
Restricted Assets (Endowments) (Note 14)	642,839	642,839
Prepaid Expenses (Note 4)	2,913,147	3,012,167
Other Assets	100,000	
Total Non-Financial Assets	<u>288,196,097</u>	<u>265,794,814</u>
Accumulated Surplus (Deficit) (Note 24)	<u>109,008,769</u>	<u>88,137,617</u>
Contractual Obligations (Note 18)		
Contractual Rights (Note 19)		
Contingent Assets (Note 20)		
Contingent Liabilities (Note 21)		
Approved by the Board		
		9/24/2019
Signature of the Chairperson of the Board of Education		Date Signed
		Sept. 24, 2019
Signature of the Superintendent		Date Signed
		Sept 24/19
Signature of the Secretary Treasurer		Date Signed

School District No. 62 (Sooke)

Statement of Operations
Year Ended June 30, 2019

	2019 Budget (Note 22) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	119,809,074	138,267,744	140,712,775
Other		22,000	
Municipal Grants Spent on Sites		350,000	1,919,860
Tuition	6,996,209	7,023,433	6,748,585
Other Revenue	5,253,342	5,075,789	4,500,948
Rentals and Leases	388,500	436,237	409,217
Investment Income	257,886	393,681	252,738
Gain (Loss) on Disposal of Tangible Capital Assets			1,125,087
Amortization of Deferred Capital Revenue	7,228,094	7,328,966	7,113,259
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477	61,477
Total Revenue	<u>139,994,582</u>	<u>158,959,327</u>	<u>162,843,946</u>
Expenses (Note 23)			
Instruction	112,979,823	109,963,400	101,600,189
District Administration	4,630,315	4,272,160	3,130,630
Operations and Maintenance	20,475,417	20,849,356	18,697,362
Transportation and Housing	2,970,866	3,003,259	2,755,408
Total Expense	<u>141,056,421</u>	<u>138,088,175</u>	<u>126,183,589</u>
Surplus (Deficit) for the year	<u>(1,061,839)</u>	<u>20,871,152</u>	<u>36,660,357</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		88,137,617	51,477,260
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>109,008,769</u></u>	<u>88,137,617</u>

School District No. 62 (Sooke)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget (Note 22) \$	2019 Actual \$	2018 Actual \$
Surplus (Deficit) for the year	(1,061,839)	20,871,152	36,660,357
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,390,935)	(30,539,108)	(44,250,059)
Amortization of Tangible Capital Assets	8,113,806	8,138,805	7,937,612
Net carrying value of Tangible Capital Assets disposed of			4,550
Total Effect of change in Tangible Capital Assets	<u>6,722,871</u>	<u>(22,400,303)</u>	<u>(36,307,897)</u>
Acquisition of Prepaid Expenses		(694,853)	(732,396)
Use of Prepaid Expenses	61,477	793,873	199,261
Acquisition of Other Assets		(100,000)	
Total Effect of change in Other Non-Financial Assets	<u>61,477</u>	<u>(980)</u>	<u>(533,135)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>5,722,509</u>	<u>(1,530,131)</u>	<u>(180,675)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(1,530,131)	(180,675)
Net Financial Assets (Debt), beginning of year		(177,657,197)	(177,476,522)
Net Financial Assets (Debt), end of year		<u>(179,187,328)</u>	<u>(177,657,197)</u>

School District No. 62 (Sooke)

Statement of Cash Flows
Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	20,871,152	36,660,357
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	206,254	339,788
Prepaid Expenses	(980)	(533,135)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,135,821	622,319
Unearned Revenue	(834,238)	298,272
Deferred Revenue	292,186	132,679
Employee Future Benefits	479,968	265,087
Loss (Gain) on Disposal of Tangible Capital Assets		(1,125,087)
Amortization of Tangible Capital Assets	8,138,805	7,937,612
Amortization of Deferred Capital Revenue	(7,328,966)	(7,113,259)
Recognition of Deferred Capital Revenue Spent on Sites	(19,891,360)	(31,658,699)
Deferred Capital Revenue Transferred to Revenue	(1,392,966)	(661,260)
Amortization of Deferred Capital Revenue - for lease	(61,477)	(61,477)
Total Operating Transactions	<u>2,614,199</u>	<u>5,103,197</u>
Capital Transactions		
Tangible Capital Assets Purchased	(20,378,480)	(32,724,703)
Tangible Capital Assets -WIP Purchased	(10,160,628)	(11,525,356)
District Portion of Proceeds on Disposal		1,129,637
Total Capital Transactions	<u>(30,539,108)</u>	<u>(43,120,422)</u>
Financing Transactions		
Capital Revenue Received	30,255,904	43,926,126
Total Financing Transactions	<u>30,255,904</u>	<u>43,926,126</u>
Investing Transactions		
Investments in Portfolio Investments	(1,586)	(985)
Total Investing Transactions	<u>(1,586)</u>	<u>(985)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,329,409</u>	<u>5,907,916</u>
Cash and Cash Equivalents, beginning of year	<u>21,066,368</u>	<u>15,158,452</u>
Cash and Cash Equivalents, end of year	<u>23,395,777</u>	<u>21,066,368</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	12,112,279	9,513,866
Cash Equivalents	11,283,498	11,552,502
	<u>23,395,777</u>	<u>21,066,368</u>

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 1 AUTHORITY AND PURPOSE

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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

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

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

b) Basis of Consolidation

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

The School District has entered into trust activities with some employees; these are described in Note 15.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

e) Portfolio Investments

The School District has investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. GIC's are reported at cost.

f) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

g) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2(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. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

h) Employee Future Benefits

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

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

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

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

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

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction of the asset.
- Donated tangible capital assets from non-related parties are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- 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. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

k) 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.

l) Prepaid Expenses

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

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 (see Note 16 – Interfund Transfers and Note 24 – Accumulated Surplus).

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

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

n) Revenue Recognition (*continued*)

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

o) 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.

p) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

q) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities. The School District does not have any derivative financial instruments.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

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

r) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	June 30, 2019	June 30, 2018
Due from Federal Government	\$ 193,754	\$ 122,804
Payroll accounts receivable	50,787	69,280
School site acquisition charges receivable	106,236	-
Other accounts receivable	268,777	446,297
	\$ 619,554	\$ 638,381

NOTE 4 PREPAID LEASE

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

The unamortized balance of the lease represents \$2,218,294 (2018: \$2,279,771) of the prepaid expenses.

NOTE 5 PORTFOLIO INVESTMENTS

	June 30, 2019	June 30, 2018
Investments in the cost category:		
GICs maturing in 2020 bearing interest at 1.50% (2018: 1.20%)	\$ 133,447	\$ 131,861
	\$ 133,447	\$ 131,861

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2019	June 30, 2018
Trade payables	\$ 3,739,502	\$ 2,138,625
Salaries and benefits payable	3,988,899	3,781,866
Accrued vacation pay	634,455	555,104
Other	-	1,983
	\$ 8,362,856	\$ 6,477,578

SCHOOL DISTRICT NO. 62 (Sooke)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 7 UNEARNED REVENUE**

	June 30, 2019	June 30, 2018
Balance, beginning of year	\$ 5,152,116	\$ 4,853,844
Increase:		
Tuition fees collected	6,318,844	7,051,943
Academy fees collected	-	125,590
Rental fees collected	-	4,059
	<u>6,318,844</u>	<u>7,181,592</u>
Decrease:		
Tuition fees recognized	(7,023,433)	(6,748,585)
Academy fees recognized	(125,590)	(132,497)
Rental revenue recognized	(4,059)	(2,238)
	<u>(7,153,082)</u>	<u>(6,883,320)</u>
Net change for the year	(834,238)	298,272
Balance, end of year	<u>\$ 4,317,878</u>	<u>\$ 5,152,116</u>

NOTE 8 DEFERRED REVENUE

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

	June 30, 2019	June 30, 2018
Balance, beginning of year	\$ 1,088,373	\$ 955,694
Increase:		
Provincial Grants - Ministry of Education	16,036,111	15,001,586
Other revenue	4,132,928	3,818,274
Investment income	17,460	22,510
	<u>20,186,499</u>	<u>18,842,370</u>
Decrease:		
Transfers to revenue	(19,894,313)	(18,709,691)
	<u>(19,894,313)</u>	<u>(18,709,691)</u>
Net change for the year	292,186	132,679
Balance, end of year	<u>\$ 1,380,559</u>	<u>\$ 1,088,373</u>

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 9 DEFERRED CAPITAL REVENUE**

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

	June 30, 2019	June 30, 2018
Deferred Capital Revenue Subject to Amortization		
Balance, beginning of year	\$ 181,655,964	\$ 176,556,492
Increases:		
Transfer from deferred capital revenue – capital additions	440,266	533,027
Transfer from deferred capital revenue – work in progress	2,248,813	11,741,181
	<u>2,689,079</u>	<u>12,274,208</u>
Decreases:		
Amortization of deferred capital revenue	(7,328,966)	(7,113,259)
Amortization of long term lease	(61,477)	(61,477)
	<u>(7,390,443)</u>	<u>(7,174,736)</u>
Net change for the year	(4,701,364)	5,099,472
Balance, end of year	<u>\$ 176,954,600</u>	<u>\$ 181,655,964</u>
Deferred Capital Revenue - Work In Progress		
Balance, beginning of year	\$ 800,177	\$ 1,969,972
Increases:		
Transfer from deferred capital revenue - unspent	8,681,981	10,571,386
	<u>8,681,981</u>	<u>10,571,386</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	(2,248,813)	(11,741,181)
	<u>(2,248,813)</u>	<u>(11,741,181)</u>
Net change for the year	6,433,168	(1,169,795)
Balance, end of year	<u>\$ 7,233,345</u>	<u>\$ 800,177</u>

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 9 DEFERRED CAPITAL REVENUE (continued)

	June 30, 2019	June 30, 2018
Deferred Capital Revenue - Unspent		
Balance, beginning of year	\$ 2,676,589	\$ 2,174,835
Increases:		
Provincial Grants - Ministry of Education	29,381,381	42,523,993
Provincial Grants – Other	19,593	24,787
Other	825,896	1,046,133
Investment income	29,034	30,930
MEd Restricted Portion of Proceeds on Disposal	-	300,283
	<u>30,255,904</u>	<u>43,926,126</u>
Decreases:		
Transfer to deferred capital revenue – capital additions	(440,266)	(533,027)
Transfer to deferred capital revenue – work in progress	(8,681,981)	(10,571,386)
Transfer to revenue – site purchases	(19,891,360)	(31,658,699)
Transfer to revenue – expensed costs	(1,392,966)	(661,260)
	<u>(30,406,573)</u>	<u>(43,424,372)</u>
Net change for the year	(150,669)	501,754
Balance, end of year	\$ 2,525,920	\$ 2,676,589
Total Deferred Capital Revenue Balance, end of year	\$ 186,713,865	\$ 185,132,730

NOTE 10 EMPLOYEE FUTURE BENEFITS

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

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

	June 30, 2019	June 30, 2018
Discount rate - April 1	2.75%	2.75%
Discount rate - March 31	2.50%	2.75%
Long-term salary growth - April 1	2.50% + seniority	2.50% + seniority
Long-term salary growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.6 years	9.2 years

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 10 EMPLOYEE FUTURE BENEFITS (continued)**

	June 30, 2019	June 30, 2018
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation - April 1	\$ 4,281,261	\$ 4,225,726
Service cost	357,304	337,815
Interest cost	122,347	119,820
Benefit payments	(201,357)	(329,492)
Actuarial loss (gain)	468,035	(72,608)
Accrued benefit obligation - March 31	\$ 5,027,590	\$ 4,281,261
Reconciliation of Funded Status at End of Fiscal Year		
Accrued benefit obligation - March 31	\$ 5,027,590	\$ 4,281,261
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(5,027,590)	(4,281,261)
Employer contributions after measurement date	50,423	59,242
Benefits expense after measurement date	(152,751)	(119,913)
Unamortized net actuarial loss	1,182,984	874,966
Accrued benefit liability - June 30	\$ (3,946,934)	\$ (3,466,966)
Reconciliation of Change in Accrued Benefit Liability		
Accrued benefit liability - July 1	\$ 3,466,965	\$ 3,201,879
Net expense for fiscal year	672,506	631,048
Employer contributions	(192,537)	(365,961)
Accrued benefit liability - June 30	\$ 3,946,934	\$ 3,466,966
Components of Net Benefit Expense		
Service cost	\$ 387,882	\$ 342,687
Interest cost	124,607	120,452
Amortization of net actuarial loss	160,017	167,909
Net benefit expense for fiscal year	\$ 672,506	\$ 631,048

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value	June 30, 2019	June 30, 2018
Sites	\$ 87,410,868	\$ 67,519,508
Buildings	179,428,110	182,843,527
Buildings - WIP	7,184,008	1,641,472
Furniture & Equipment	7,418,039	6,906,908
Furniture & Equipment - WIP	148,709	112,675
Vehicles	2,620,722	2,566,426
Computer Software	-	1,375
Computer Hardware	329,655	547,917
Total	\$ 284,540,111	\$ 262,139,808

June 30, 2019

Cost:	Balance at July 1, 2018	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$ 67,519,508	\$ 19,891,360	\$ -	\$ -	\$ 87,410,868
Buildings	268,713,719	(21,336)	-	3,014,785	271,707,168
Buildings - WIP	1,641,472	8,557,321	-	(3,014,785)	7,184,008
Furniture & Equipment	10,066,119	-	(576,678)	1,567,273	11,056,714
Furniture - WIP	112,675	1,603,307	-	(1,567,273)	148,709
Vehicles	4,304,384	508,456	(34,024)	-	4,778,816
Computer Software	13,764	-	(13,764)	-	-
Computer Hardware	1,215,597	-	(248,574)	-	967,023
Computer Hardware - WIP	-	-	-	-	-
Total	\$ 353,587,238	\$ 30,539,108	\$ (873,040)	\$ -	\$ 383,253,306

Accumulated Amortization:	Balance at July 1, 2018	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	85,870,192	6,408,866	-	-	92,279,058
Furniture & Equipment	3,159,211	1,056,142	(576,678)	-	3,638,675
Vehicles	1,737,958	454,160	(34,024)	-	2,158,094
Computer software	12,389	1,375	(13,764)	-	-
Computer hardware	667,680	218,262	(248,574)	-	637,368
Total	\$ 91,447,430	\$ 8,138,805	\$ (873,040)	\$ -	\$ 98,713,195

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS (continued)**June 30, 2018**

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

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

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

Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$22,673 (2018 - \$0).

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

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

There were no sites or buildings sold during the year ended June 30, 2019.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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 boards 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 are based on a formula. As at December 31, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

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. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The School District paid \$9,534,064 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$9,582,473).

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017 indicated a \$1,656 million funding surplus for basic pension benefits. The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021.

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. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019. Results for this actuarial valuation are not available at the time of publishing these notes.

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 plans.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 14 RESTRICTED ASSETS – ENDOWMENT FUNDS

Donors have provided endowment contributions which have been invested in guaranteed investment certificates (GIC) and high interest savings accounts as follows:

- Cal Meyer endowment - GIC maturing in 2020 bearing interest at 1.90%
- Sooke Women's Institute endowment – high interest savings account bearing interest at 2.45%
- Derochie endowment - GIC maturing in 2019 bearing interest at 1.20%
- STARR endowment - high interest savings account bearing interest at 2.45%

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

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

Name of Endowment	Balance July 1, 2018	Contributions	Balance June 30, 2019
Cal Meyer	\$ 609,285	\$ -	\$ 609,285
Sooke Women's Institute	17,554	-	17,554
Derochie	10,000	-	10,000
STARR	6,000	-	6,000
Total	\$ 642,839	\$ -	\$ 642,839

NOTE 15 TRUSTS UNDER ADMINISTRATION

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

As at June 30, 2019, the District held the following funds in place, as directed by agreement with the employees. These amounts have not been included in the cash or accounts payable balances in the financial statements:

	June 30, 2019	June 30, 2018
Deferred Salary Leave Plan	\$ 61,331	\$ 127,137
Teachers' Summer Savings Plan	906,730	714,672
Total	\$ 968,061	\$ 841,809

NOTE 16 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2019, were as follows:

- Transfer to the capital fund for tangible capital assets purchased from the operating fund \$46,854
- Transfer to the capital fund for tangible capital assets work in progress from the operating fund \$1,379,274

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 17 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 18 CONTRACTUAL OBLIGATIONS

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

	2020	2021	2022	2023	2024	Thereafter
Premises leases	\$ 192,107	\$ 189,379	\$ 189,379	\$ -	\$ -	\$ -
Copier leases	81,926	65,302	57,973	25,213	-	-
Total	\$ 274,033	\$ 254,681	\$ 247,352	\$ 25,213	\$ -	\$ -

The School District has entered into contracts related to capital projects with a remaining cost of approximately \$16,635,436.

NOTE 19 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for the leasing of School District property. The following table summarizes the contractual rights of the School District for future assets.

	2020	2021	2022	2023	2024	Thereafter
Future lease/rental revenue	\$247,212	\$102,855	\$77,223	\$73,245	\$74,100	\$284,715
Total	\$247,212	\$102,855	\$77,223	\$73,245	\$74,100	\$284,715

NOTE 20 CONTINGENT ASSETS

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

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

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 21 CONTINGENT LIABILITIES**

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2019, 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.

As at June 30, 2019, the School District has identified obligations relating to asbestos removal in several of its facilities. The obligations have not been recognized where there is an indeterminate settlement date of the future demolition or renovation of the facilities, and therefore the fair value cannot be reasonably estimated. A liability will be recognized in the period when the fair value can be reasonably estimated.

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

NOTE 22 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 26, 2019. The original budget was adopted on May 22, 2018. The original and amended budgets are presented below.

	2019 Amended Annual Budget \$	2019 Annual Budget \$
Revenues		
Provincial Grants		
Ministry of Education	119,809,074	113,796,868
Tuition	6,996,209	6,896,209
Other Revenue	5,253,342	3,853,721
Rentals and Leases	388,500	388,500
Investment Income	257,886	102,530
Amortization of Deferred Capital Revenue	7,228,094	6,689,801
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477
Total Revenue	<u>139,994,582</u>	<u>131,789,106</u>
Expenses		
Instruction	112,979,823	106,470,860
District Administration	4,630,315	4,470,527
Operations and Maintenance	20,475,417	19,350,637
Transportation and Housing	2,970,866	2,958,222
Total Expense	<u>141,056,421</u>	<u>133,250,246</u>
Net Revenue (Expense)	<u>(1,061,839)</u>	<u>(1,461,140)</u>
Budgeted Allocation (Retirement) of Surplus (Deficit)	3,163,062	-
Budgeted Surplus (Deficit), for the year	<u>2,101,223</u>	<u>(1,461,140)</u>

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 23 EXPENSE BY OBJECT**

	June 30, 2019	June 30, 2018
Salaries and benefits	\$ 109,553,503	\$ 99,428,863
Services and supplies	20,395,867	18,817,114
Amortization	8,138,805	7,937,612
Total	\$ 138,088,175	\$ 126,183,589

NOTE 24 ACCUMULATED SURPLUS

	June 30, 2019	June 30, 2018
Total Internally Restricted Fund Balances	\$ 5,795,361	\$ 5,531,231
Special Purpose Fund – endowments	642,839	642,839
Invested in Tangible Capital Assets	102,570,569	81,963,547
Total Accumulated Surplus	\$ 109,008,769	\$ 88,137,617

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

	June 30, 2019	June 30, 2018
Internally Restricted – Operating Fund		
Due to nature of constraints on funds	\$ 222,554	\$ 185,119
Due to anticipated unusual expenses	2,654,118	1,154,655
Due to operations spanning the school year	1,838,943	3,045,575
Total Internally Restricted – Operating Fund	4,715,615	4,385,348
Internally Restricted – Capital Fund		
Local capital reserve	1,079,746	1,145,883
Total Internally Restricted – Capital Fund	1,079,746	1,145,883
Total Internally Restricted Fund Balances	\$ 5,795,361	\$ 5,531,231

NOTE 25 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 26 RISK MANAGEMENT

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

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

a) Credit risk

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

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

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

b) Market risk

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

i. Currency risk

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

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as it invests solely in Guaranteed Investment Certificates that have a fixed maturity.

c) Liquidity risk

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

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

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

There have been no changes to risk exposures from 2018 related to credit, market or liquidity risks.

School District No. 62 (Sooke)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,385,348	642,839	83,109,430	88,137,617	51,477,260
Changes for the year					
Surplus (Deficit) for the year	1,756,395		19,114,757	20,871,152	36,660,357
Interfund Transfers					
Tangible Capital Assets Purchased	(46,854)		46,854	-	
Tangible Capital Assets - Work in Progress	(1,379,274)		1,379,274	-	
Net Changes for the year	330,267	-	20,540,885	20,871,152	36,660,357
Accumulated Surplus (Deficit), end of year - Statement 2	4,715,615	642,839	103,650,315	109,008,769	88,137,617

School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 22)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	101,045,483	101,395,592	95,093,950
Other		22,000	
Tuition	6,996,209	7,023,433	6,748,585
Other Revenue	861,051	1,003,155	894,274
Rentals and Leases	388,500	436,237	409,217
Investment Income	202,530	351,002	219,703
Total Revenue	109,493,773	110,231,419	103,365,729
Expenses			
Instruction	92,650,963	90,280,311	83,151,838
District Administration	4,630,315	4,272,160	3,130,630
Operations and Maintenance	11,465,573	11,373,454	10,135,137
Transportation and Housing	2,519,049	2,549,099	2,320,470
Total Expense	111,265,900	108,475,024	98,738,075
Operating Surplus (Deficit) for the year	(1,772,127)	1,756,395	4,627,654
Budgeted Appropriation (Retirement) of Surplus (Deficit)	3,163,062		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,390,935)	(46,854)	(475,954)
Tangible Capital Assets - Work in Progress		(1,379,274)	(953,970)
Total Net Transfers	(1,390,935)	(1,426,128)	(1,429,924)
Total Operating Surplus (Deficit), for the year	-	330,267	3,197,730
Operating Surplus (Deficit), beginning of year		4,385,348	1,187,618
Operating Surplus (Deficit), end of year		4,715,615	4,385,348
Operating Surplus (Deficit), end of year			
Internally Restricted		4,715,615	4,385,348
Total Operating Surplus (Deficit), end of year		4,715,615	4,385,348

School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 22)	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	99,979,117	99,820,400	93,393,983
ISC/LEA Recovery	(370,051)	(323,885)	(328,791)
Other Ministry of Education Grants			
Pay Equity	931,052	931,052	931,052
Funding for Graduated Adults	40,000	79,833	77,641
Transportation Supplement	358,365	358,365	358,365
Economic Stability Dividend	50,000	124,163	64,052
Return of Administrative Savings			450,041
Carbon Tax Grant	45,000	74,695	72,643
Employer Health Tax Grant	-	254,511	-
Strategic Priorities - Mental Health Grant	-	31,000	-
Support Staff Benefits Grant	-	-	-
BCTEA - LEA Capacity Building Grant	-	20,550	-
FSA and Monitored Marking	12,000	12,964	12,964
Access Grant	-	5,000	5,000
SRG3 Assessments	-	2,944	57,000
Equity Scan	-	4,000	-
Total Provincial Grants - Ministry of Education	101,045,483	101,395,592	95,093,950
Provincial Grants - Other	-	22,000	-
Tuition			
Continuing Education	110,000	96,249	72,953
International and Out of Province Students	6,886,209	6,927,184	6,675,632
Total Tuition	6,996,209	7,023,433	6,748,585
Other Revenues			
LEA Funding from First Nations	370,051	353,813	328,791
Miscellaneous			
Grants for Crossing Guards	80,000	70,000	70,000
Miscellaneous	120,000	104,354	241,667
Rebates	91,000	77,832	45,643
Reclassified from SGF Discretionary	200,000	261,360	208,021
Bus Pass Fees	-	-	152
Careers Program		135,796	
Total Other Revenue	861,051	1,003,155	894,274
Rentals and Leases	388,500	436,237	409,217
Investment Income	202,530	351,002	219,703
Total Operating Revenue	109,493,773	110,231,419	103,365,729

School District No. 62 (Sooke)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2019

	2019 Budget (Note 22)	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	42,673,214	42,793,923	39,599,214
Principals and Vice Principals	7,301,552	7,043,741	6,778,203
Educational Assistants	7,532,924	7,589,956	6,512,599
Support Staff	11,047,860	11,247,385	10,111,882
Other Professionals	3,638,503	3,278,964	2,786,834
Substitutes	3,806,170	3,536,743	2,836,279
Total Salaries	76,000,223	75,490,712	68,625,011
Employee Benefits	19,825,174	18,440,368	16,636,945
Total Salaries and Benefits	95,825,397	93,931,080	85,261,956
Services and Supplies			
Services	7,136,779	7,156,211	5,725,050
Student Transportation	-	-	-
Professional Development and Travel	1,140,238	948,387	921,671
Rentals and Leases	364,163	336,185	183,526
Dues and Fees	185,950	172,222	160,143
Insurance	345,180	335,620	316,554
Interest	-	-	-
Supplies	4,443,349	4,012,608	4,638,840
Utilities	1,774,044	1,582,711	1,497,462
Bad Debts	50,800	-	32,873
Total Services and Supplies	15,440,503	14,543,944	13,476,119
Total Operating Expense	111,265,900	108,475,024	98,738,075

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	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	34,790,455	107,491	106,742	1,531,047	116,213	2,172,257	38,824,205
1.03 Career Programs	154,438			173,886		17,515	345,839
1.07 Library Services	1,207,504			330,454		20,508	1,558,466
1.08 Counselling	1,804,991					2,382	1,807,373
1.10 Special Education	2,570,404	245,155	7,164,682	69,743	822,558	696,960	11,569,502
1.30 English Language Learning	801,840					7,771	809,611
1.31 Aboriginal Education	561,007	100,816	318,532	80,581		11,163	1,072,099
1.41 School Administration		6,345,069		2,222,901		170,480	8,738,450
1.60 Summer School							-
1.61 Continuing Education				34,541			34,541
1.62 International and Out of Province Students	899,600	245,050		309,707		6,391	1,460,748
1.64 Other							-
Total Function 1	42,790,239	7,043,581	7,589,956	4,752,860	938,771	3,105,427	66,220,834
4 District Administration							
4.11 Educational Administration					839,519	707	840,226
4.40 School District Governance					114,098		114,098
4.41 Business Administration	3,684	160		513,619	1,107,082	35,974	1,660,519
Total Function 4	3,684	160	-	513,619	2,060,699	36,681	2,614,843
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				97,163	91,100		188,263
5.50 Maintenance Operations				3,988,026	93,122	306,430	4,387,578
5.52 Maintenance of Grounds				482,804			482,804
5.56 Utilities							-
Total Function 5	-	-	-	4,567,993	184,222	306,430	5,058,645
7 Transportation and Housing							
7.41 Transportation and Housing Administration				113,134	95,272		208,406
7.70 Student Transportation				1,299,779		88,205	1,387,984
Total Function 7	-	-	-	1,412,913	95,272	88,205	1,596,390
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	42,793,923	7,043,741	7,589,956	11,247,385	3,278,964	3,536,743	75,490,712

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 22)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	38,824,205	9,966,393	48,790,598	2,604,549	51,395,147	52,631,556	48,980,899
1.03 Career Programs	345,839	89,004	434,843	417,724	852,567	725,441	939,546
1.07 Library Services	1,558,466	387,766	1,946,232	99,930	2,046,162	1,928,295	1,054,536
1.08 Counselling	1,807,373	440,129	2,247,502	8,921	2,256,423	2,257,859	1,811,431
1.10 Special Education	11,569,502	2,779,779	14,349,281	486,550	14,835,831	15,627,183	12,828,077
1.30 English Language Learning	809,611	196,907	1,006,518	37,214	1,043,732	1,043,861	579,220
1.31 Aboriginal Education	1,072,099	278,808	1,350,907	106,385	1,457,292	1,455,441	1,524,108
1.41 School Administration	8,738,450	1,896,695	10,635,145	648,687	11,283,832	11,948,796	10,269,553
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	34,541	3,244	37,785	25,817	63,602	55,112	402,389
1.62 International and Out of Province Students	1,460,748	353,090	1,813,838	3,231,885	5,045,723	4,977,419	4,762,079
1.64 Other	-	-	-	-	-	-	-
Total Function 1	66,220,834	16,391,815	82,612,649	7,667,662	90,280,311	92,650,963	83,151,838
4 District Administration							
4.11 Educational Administration	840,226	150,106	990,332	80,688	1,071,020	957,878	941,636
4.40 School District Governance	114,098	3,723	117,821	119,565	237,386	261,088	208,771
4.41 Business Administration	1,660,519	331,836	1,992,355	971,399	2,963,754	3,411,349	1,980,223
Total Function 4	2,614,843	485,665	3,100,508	1,171,652	4,272,160	4,630,315	3,130,630
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	188,263	44,455	232,718	232,581	465,299	591,556	392,150
5.50 Maintenance Operations	4,387,578	1,005,668	5,393,246	1,587,993	6,981,239	6,648,408	6,994,337
5.52 Maintenance of Grounds	482,804	110,586	593,390	1,410,343	2,003,733	2,031,213	987,859
5.56 Utilities	-	-	-	1,923,183	1,923,183	2,194,396	1,760,791
Total Function 5	5,058,645	1,160,709	6,219,354	5,154,100	11,373,454	11,465,573	10,135,137
7 Transportation and Housing							
7.41 Transportation and Housing Administration	208,406	45,894	254,300	22,813	277,113	276,294	234,306
7.70 Student Transportation	1,387,984	356,285	1,744,269	527,717	2,271,986	2,242,755	2,086,164
Total Function 7	1,596,390	402,179	1,998,569	550,530	2,549,099	2,519,049	2,320,470
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	75,490,712	18,440,368	93,931,080	14,543,944	108,475,024	111,265,900	98,738,075

School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 22)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	16,248,027	15,937,826	15,218,725
Other Revenue	4,392,291	4,072,634	3,606,674
Investment Income	25,356	9,443	16,789
Total Revenue	<u>20,665,674</u>	<u>20,019,903</u>	<u>18,842,188</u>
Expenses			
Instruction	20,328,860	19,683,089	18,448,351
Operations and Maintenance	336,814	336,814	336,814
Total Expense	<u>20,665,674</u>	<u>20,019,903</u>	<u>18,785,165</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>57,023</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(57,023)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(57,023)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		642,839	642,839
Special Purpose Surplus (Deficit), end of year		<u>642,839</u>	<u>642,839</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		642,839	642,839
Total Special Purpose Surplus (Deficit), end of year		<u>642,839</u>	<u>642,839</u>

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	293	15,356	600,898	83,400	58,355	-	113,531
Add: Restricted Grants									
Provincial Grants - Ministry of Education	336,814	381,706				192,000	44,100	241,917	752,786
Other					3,155,515				34,270
Investment Income				12,060		1,300	600		2,000
	336,814	381,706	-	12,060	3,155,515	193,300	44,700	241,917	789,056
Less: Allocated to Revenue	336,814	381,706	293	9,150	3,111,875	228,086	100,159	241,917	818,365
Unearned Academy fees recognized									
Deferred Revenue, end of year	-	-	-	18,266	644,538	48,614	2,896	-	84,222
Revenues									
Provincial Grants - Ministry of Education	336,814	381,706				228,086	100,159	241,917	784,095
Other Revenue					3,111,875				34,270
Investment Income			293	9,150					
	336,814	381,706	293	9,150	3,111,875	228,086	100,159	241,917	818,365
Expenses									
Salaries									
Teachers					1,043			41,826	
Principals and Vice Principals						23,424			34,691
Educational Assistants		298,208							
Support Staff					18,795	142,656	30,978		95,008
Other Professionals									154,434
Substitutes					28,870	1,226	13,087	19,350	13,873
	-	298,208	-	-	48,708	167,306	44,065	61,176	298,006
Employee Benefits		83,498			5,511	31,702	6,114	13,662	65,523
Services and Supplies	336,814		293	9,150	3,057,656	29,078	49,980	167,079	454,836
	336,814	381,706	293	9,150	3,111,875	228,086	100,159	241,917	818,365
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Rural Education Enhancement Fund	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Quality Teaching	Nature K	ACE-IT	Academies	Ab Ed Commercial Fishing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	24,649	-	-	498	5,437	-	75,777	11,775
Add: Restricted Grants									
Provincial Grants - Ministry of Education	230,000	-	1,605,913	12,243,875					
Other							30,000	834,910	
Investment Income						100			200
	230,000	-	1,605,913	12,243,875	-	100	30,000	834,910	200
Less: Allocated to Revenue	230,000	24,649	1,605,913	12,004,119	368	337	30,000	790,518	-
Unearned Academy fees recognized								(125,590)	
Deferred Revenue, end of year	-	-	-	239,756	130	5,200	-	245,759	11,975
Revenues									
Provincial Grants - Ministry of Education	230,000	24,649	1,605,913	12,004,119	368				
Other Revenue						337	30,000	790,518	
Investment Income									-
	230,000	24,649	1,605,913	12,004,119	368	337	30,000	790,518	-
Expenses									
Salaries									
Teachers	79,628	273	27,541	9,565,035			25,000	47,108	
Principals and Vice Principals									
Educational Assistants	19,642		170,000						
Support Staff	51,591		220,826					50,640	
Other Professionals	-		79,529						
Substitutes	12,287	1,373	759,053			233		9,568	
	163,148	1,646	1,256,949	9,565,035	-	233	25,000	107,316	-
Employee Benefits	33,411	419	297,310	2,439,084		44	5,000	25,211	
Services and Supplies	33,441	22,584	51,654		368	60		657,991	
	230,000	24,649	1,605,913	12,004,119	368	337	30,000	790,518	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Art Starts	Donations	Theaters	VIHA	United Way	GISP	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	2,424	6,494	37,433	50,000	2,053	-	1,088,373
Add: Restricted Grants							
Provincial Grants - Ministry of Education						7,000	16,036,111
Other	7,600	34,411	30,072		6,150		4,132,928
Investment Income	100	100	1,000				17,460
	7,700	34,511	31,072	-	6,150	7,000	20,186,499
Less: Allocated to Revenue	7,393	34,479	5,733	50,000	8,029	-	20,019,903
Unearned Academy fees recognized							(125,590)
Deferred Revenue, end of year	2,731	6,526	62,772	-	174	7,000	1,380,559
Revenues							
Provincial Grants - Ministry of Education							15,937,826
Other Revenue	7,393	34,479	5,733	50,000	8,029		4,072,634
Investment Income							9,443
	7,393	34,479	5,733	50,000	8,029	-	20,019,903
Expenses							
Salaries							
Teachers							9,787,454
Principals and Vice Principals							58,115
Educational Assistants							487,850
Support Staff			4,345		126		614,965
Other Professionals							233,963
Substitutes				1,291	4,078		864,289
	-	-	4,345	1,291	4,204	-	12,046,636
Employee Benefits			499	193	617		3,007,798
Services and Supplies	7,393	34,479	889	48,516	3,208		4,965,469
	7,393	34,479	5,733	50,000	8,029	-	20,019,903
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019	2019 Actual			2018
	Budget (Note 22)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	2,515,564	20,934,326		20,934,326	30,400,100
Municipal Grants Spent on Sites		350,000		350,000	1,919,860
Investment Income	30,000		33,236	33,236	16,246
Gain (Loss) on Disposal of Tangible Capital Assets				-	1,125,087
Amortization of Deferred Capital Revenue	7,228,094	7,328,966		7,328,966	7,113,259
Amortization of Deferred Capital Revenue - for lease	61,477	61,477		61,477	61,477
Total Revenue	9,835,135	28,674,769	33,236	28,708,005	40,636,029
Expenses					
Operations and Maintenance	1,011,041	1,454,443		1,454,443	722,737
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,661,989	7,684,645		7,684,645	7,502,674
Transportation and Housing	451,817	454,160		454,160	434,938
Total Expense	9,124,847	9,593,248	-	9,593,248	8,660,349
Capital Surplus (Deficit) for the year	710,288	19,081,521	33,236	19,114,757	31,975,680
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,390,935	46,854		46,854	532,977
Tangible Capital Assets - Work in Progress		1,379,274		1,379,274	953,970
Total Net Transfers	1,390,935	1,426,128	-	1,426,128	1,486,947
Other Adjustments to Fund Balances					
Tangible Capital Assets WIP Purchased from Local Capital		99,373	(99,373)	-	
Total Other Adjustments to Fund Balances		99,373	(99,373)	-	
Total Capital Surplus (Deficit) for the year	2,101,223	20,607,022	(66,137)	20,540,885	33,462,627
Capital Surplus (Deficit), beginning of year		81,963,547	1,145,883	83,109,430	49,646,803
Capital Surplus (Deficit), end of year		102,570,569	1,079,746	103,650,315	83,109,430

School District No. 62 (Sooke)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	67,519,508	268,713,719	10,066,119	4,304,384	13,764	1,215,597	351,833,091
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	19,541,360			461,602			20,002,962
Deferred Capital Revenue - Other	350,000	(21,336)					328,664
Operating Fund				46,854			46,854
Transferred from Work in Progress		3,014,785	1,567,273				4,582,058
	19,891,360	2,993,449	1,567,273	508,456	-	-	24,960,538
Decrease:							
Deemed Disposals			576,678	34,024	13,764	248,574	873,040
	-	-	576,678	34,024	13,764	248,574	873,040
Cost, end of year	87,410,868	271,707,168	11,056,714	4,778,816	-	967,023	375,920,589
Work in Progress, end of year		7,184,008	148,709				7,332,717
Cost and Work in Progress, end of year	87,410,868	278,891,176	11,205,423	4,778,816	-	967,023	383,253,306
Accumulated Amortization, beginning of year		85,870,192	3,159,211	1,737,958	12,389	667,680	91,447,430
Changes for the Year							
Increase: Amortization for the Year		6,408,866	1,056,142	454,160	1,375	218,262	8,138,805
Decrease:							
Deemed Disposals			576,678	34,024	13,764	248,574	873,040
			-	576,678	13,764	248,574	873,040
Accumulated Amortization, end of year		92,279,058	3,638,675	2,158,094	-	637,368	98,713,195
Tangible Capital Assets - Net	87,410,868	186,612,118	7,566,748	2,620,722	-	329,655	284,540,111

School District No. 62 (Sooke)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	1,641,472	112,675			1,754,147
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	7,213,990	1,345,321			8,559,311
Deferred Capital Revenue - Other	99,997	22,673			122,670
Operating Fund	1,143,961	235,313			1,379,274
Local Capital	99,373				99,373
	<u>8,557,321</u>	<u>1,603,307</u>	-	-	<u>10,160,628</u>
Decrease:					
Transferred to Tangible Capital Assets	3,014,785	1,567,273			4,582,058
	<u>3,014,785</u>	<u>1,567,273</u>	-	-	<u>4,582,058</u>
Net Changes for the Year	<u>5,542,536</u>	<u>36,034</u>	-	-	<u>5,578,570</u>
Work in Progress, end of year	<u>7,184,008</u>	<u>148,709</u>	-	-	<u>7,332,717</u>

School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	160,513,716	20,483,251	658,997	181,655,964
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	461,602	(21,336)		440,266
Transferred from Work in Progress	2,126,143	99,997	22,673	2,248,813
	<u>2,587,745</u>	<u>78,661</u>	<u>22,673</u>	<u>2,689,079</u>
Decrease:				
Amortization of Deferred Capital Revenue	6,539,813	738,128	51,025	7,328,966
Amortization of Deferred Capital Revenue - for long term lease	61,477			61,477
	<u>6,601,290</u>	<u>738,128</u>	<u>51,025</u>	<u>7,390,443</u>
Net Changes for the Year	<u>(4,013,545)</u>	<u>(659,467)</u>	<u>(28,352)</u>	<u>(4,701,364)</u>
Deferred Capital Revenue, end of year	<u>156,500,171</u>	<u>19,823,784</u>	<u>630,645</u>	<u>176,954,600</u>
Work in Progress, beginning of year	800,177			800,177
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	8,559,311	99,997	22,673	8,681,981
	<u>8,559,311</u>	<u>99,997</u>	<u>22,673</u>	<u>8,681,981</u>
Decrease				
Transferred to Deferred Capital Revenue	2,126,143	99,997	22,673	2,248,813
	<u>2,126,143</u>	<u>99,997</u>	<u>22,673</u>	<u>2,248,813</u>
Net Changes for the Year	<u>6,433,168</u>	<u>-</u>	<u>-</u>	<u>6,433,168</u>
Work in Progress, end of year	<u>7,233,345</u>	<u>-</u>	<u>-</u>	<u>7,233,345</u>
Total Deferred Capital Revenue, end of year	<u>163,733,516</u>	<u>19,823,784</u>	<u>630,645</u>	<u>184,187,945</u>

School District No. 62 (Sooke)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,485,506	581,860	46,164	563,059		2,676,589
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	29,381,381					29,381,381
Provincial Grants - Other			19,593			19,593
Other				803,223	22,673	825,896
Investment Income		29,034				29,034
Transfer project surplus to MEd Restricted (from) Bylaw	(1,417,753)	1,417,753				-
Land capital applied to prior year site purchase	563,059			(563,059)		-
	<u>28,526,687</u>	<u>1,446,787</u>	<u>19,593</u>	<u>240,164</u>	<u>22,673</u>	<u>30,255,904</u>
Decrease:						
Transferred to DCR - Capital Additions	461,602	(21,336)				440,266
Transferred to DCR - Work in Progress	8,559,311	99,997			22,673	8,681,981
Transferred to Revenue - Site Purchases	19,541,360			350,000		19,891,360
Transferred to Revenue - Expensed Costs	1,392,966					1,392,966
	<u>29,955,239</u>	<u>78,661</u>	<u>-</u>	<u>350,000</u>	<u>22,673</u>	<u>30,406,573</u>
Net Changes for the Year	<u>(1,428,552)</u>	<u>1,368,126</u>	<u>19,593</u>	<u>(109,836)</u>	<u>-</u>	<u>(150,669)</u>
Balance, end of year	<u>56,954</u>	<u>1,949,986</u>	<u>65,757</u>	<u>453,223</u>	<u>-</u>	<u>2,525,920</u>