

Audited Financial Statements of

School District No. 46 (Sunshine Coast)

June 30, 2017

School District No. 46 (Sunshine Coast)

June 30, 2017

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School District No. 46 (Sunshine Coast)

MANAGEMENT REPORT

Version: 5797-5051-3068

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 46 (Sunshine Coast) 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.



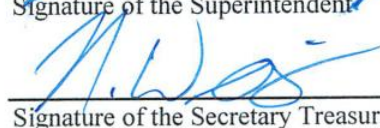
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 46 (Sunshine Coast) (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, TCG Chartered Professional Accountants 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. 46 (Sunshine Coast) 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. 46 (Sunshine Coast)

	September 13, 2017
Signature of the Chairperson of the Board of Education	Date Signed
	September 13, 2017
Signature of the Superintendent	Date Signed
	September 13, 2017
Signature of the Secretary Treasurer	Date Signed

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education of School District No. 46 (Sunshine Coast) and to the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 46 (Sunshine Coast), which comprise the statement of financial position as at June 30, 2017, and the statement of operations, statement of changes in net financial assets (net debt) and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the 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. 46 (Sunshine Coast) for the year ended June 30, 2017, are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements which disclose that the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 2(a) to the financial statements discloses the impact of these differences.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4D is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

TCG LLP

Sechelt, British Columbia
September 13, 2017

Chartered Professional Accountants

School District No. 46 (Sunshine Coast)

Statement of Financial Position

As at June 30, 2017

Statement 1

	2017 Actual	2016 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	10,357,452	9,291,498
Accounts Receivable		
Due from Province - Ministry of Education	26,405	28,570
Other (Note 3)	173,267	202,077
Total Financial Assets	10,557,124	9,522,145
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	3,819,746	3,575,862
Unearned Revenue (Note 5)	181,474	34,588
Deferred Revenue (Note 6)	1,282,338	1,398,728
Deferred Capital Revenue (Note 7)	41,161,151	40,392,727
Employee Future Benefits (Note 8)	2,010,315	1,912,600
Debt (Note 10)	239,863	-
Capital Lease Obligations (Note 11)	-	342,366
Total Liabilities	48,694,887	47,656,871
Net Financial Assets (Debt)	(38,137,763)	(38,134,726)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	48,538,993	48,162,583
Prepaid Expenses	91,954	165,629
Total Non-Financial Assets	48,630,947	48,328,212
Accumulated Surplus (Deficit)	10,493,184	10,193,486

Contractual Obligations and Contingencies

Approved by the Board

Signature of the Chairperson of the Board of Education

September 13, 2017

Date Signed

Signature of the Superintendent

September 13, 2017

Date Signed

Signature of the Secretary Treasurer

September 13, 2017

Date Signed

School District No. 46 (Sunshine Coast)

Statement 2

Statement of Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	37,873,324	38,726,760	37,096,095
Other	35,000	45,400	61,400
Tuition	78,408	106,418	77,264
Other Revenue	1,531,976	1,919,609	1,635,761
Rentals and Leases	55,000	75,816	81,640
Investment Income	96,000	94,627	96,005
Amortization of Deferred Capital Revenue	1,604,043	1,604,041	1,582,843
Total Revenue	<u>41,273,751</u>	<u>42,572,671</u>	<u>40,631,008</u>
Expenses			
Instruction	33,250,265	32,669,839	31,796,185
District Administration	1,972,326	1,975,843	1,776,653
Operations and Maintenance	6,657,366	6,422,740	6,441,605
Transportation and Housing	1,594,805	1,200,244	1,167,924
Debt Services		4,307	6,538
Total Expense	<u>43,474,762</u>	<u>42,272,973</u>	<u>41,188,905</u>
Surplus (Deficit) for the year	<u>(2,201,011)</u>	<u>299,698</u>	<u>(557,897)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		10,193,486	10,751,383
Accumulated Surplus (Deficit) from Operations, end of year		<u>10,493,184</u>	<u>10,193,486</u>

School District No. 46 (Sunshine Coast)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

Statement 4

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(2,201,011)</u>	<u>299,698</u>	<u>(557,897)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,200,000)	(2,461,391)	(2,327,141)
Amortization of Tangible Capital Assets	2,084,981	2,084,981	2,026,438
Total Effect of change in Tangible Capital Assets	<u>(115,019)</u>	<u>(376,410)</u>	<u>(300,703)</u>
Acquisition of Prepaid Expenses		(91,954)	(165,629)
Use of Prepaid Expenses		165,629	140,263
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>73,675</u>	<u>(25,366)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(2,316,030)</u>	<u>(3,037)</u>	<u>(883,966)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(3,037)	(883,966)
Net Financial Assets (Debt), beginning of year		(38,134,726)	(37,250,760)
Net Financial Assets (Debt), end of year		<u>(38,137,763)</u>	<u>(38,134,726)</u>

School District No. 46 (Sunshine Coast)

Statement of Cash Flows
Year Ended June 30, 2017

Statement 5

	2017 Actual \$	2016 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	299,698	(557,897)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(11,865)	1,709,326
Prepaid Expenses	73,675	(25,366)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	243,884	(1,453,222)
Unearned Revenue	189,726	30,388
Deferred Revenue	(116,390)	95,886
Employee Future Benefits	97,715	(32,718)
Amortization of Tangible Capital Assets	2,084,981	2,026,438
Amortization of Deferred Capital Revenue	(1,604,041)	(1,582,843)
Total Operating Transactions	1,257,383	209,992
Capital Transactions		
Tangible Capital Assets Purchased	(974,004)	(1,558,559)
Tangible Capital Assets -WIP Purchased	(1,461,286)	(667,502)
Total Capital Transactions	(2,435,290)	(2,226,061)
Financing Transactions		
Loan Payments	(23,540)	
Capital Revenue Received	2,372,465	2,058,915
Capital Lease Principal Payments Made	(105,064)	(108,727)
Total Financing Transactions	2,243,861	1,950,188
Net Increase (Decrease) in Cash and Cash Equivalents	1,065,954	(65,881)
Cash and Cash Equivalents, beginning of year	9,291,498	9,357,379
Cash and Cash Equivalents, end of year	10,357,452	9,291,498
Cash and Cash Equivalents, end of year, is made up of:		
Cash	10,357,452	9,291,498
	10,357,452	9,291,498
Supplementary Cash Flow Information		

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 AUTHORITY AND PURPOSE

The School District 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. 46 (Sunshine Coast)", and operates as "School District No. 46 (Sunshine Coast)." 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. 46 (Sunshine Coast) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(f) and 2(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(f) 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. The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2017 - increase in annual surplus by \$2,372,465
June 30, 2017 - increase in accumulated surplus and decrease in deferred contributions by \$41,161,151.

Year-ended June 30, 2016 - increase in annual surplus by \$2,058,915
June 30, 2016 - increase in accumulated surplus and decrease in deferred contributions by \$40,392,727.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

b) Cash and Cash Equivalents

Cash and cash equivalents include deposits with the Provincial Treasury's Central Deposit Program 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.

c) Accounts Receivable

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

d) Portfolio Investments

The School District occasionally has investments in GIC's and term deposits that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits 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 the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

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.

e) Unearned Revenue

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by 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. See Note 2 (a) for the impact of this policy on these financial statements.

g) Employee Future Benefits

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

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2017 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

h) 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.

i) 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 as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying 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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

i) Tangible Capital Assets *(Continued)*

- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

Software licenses, property tax, equipment leases, insurance premiums, subscriptions, services, memberships and supplies are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 21 – Internally Restricted Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

m) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2 (a) for the impact of this policy on these financial statements.

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

n) 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, Vice-Principals, and Directors of Instruction 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.

o) 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. 46 (SUNSHINE COAST)
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, bank overdraft, accounts payable and accrued liabilities, long term debt and other 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. 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 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.

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2017	2016
GST receivable	\$ 83,899	\$ 63,910
Other	89,368	138,167
	<u>\$173,267</u>	<u>\$202,077</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2017	2016
Trade payables	\$ 1,051,458	\$ 1,004,661
Salaries and benefits payable	2,367,845	2,202,268
Accrued vacation pay	400,443	368,933
Other	-	-
	<u>\$ 3,819,746</u>	<u>\$ 3,575,862</u>

NOTE 5 UNEARNED REVENUE

	2017	2016
Balance, beginning of year	\$ 34,588	\$ 4,200
Changes for the year:		
Increase:		
Aboriginal Support Workers - SIGD	134,447	-
Spani Payment	4,305	-
Facilities Booking Fees	-	613
ISP-Homestay Fees	42,722	33,975
Decrease:		
License Fees	-	(4,200)
Homestay Fees	(33,975)	-
Facilities Booking Fees	(613)	-
Net changes for the year	<u>181,474</u>	<u>34,588</u>
Balance, end of year	<u>\$ 181,474</u>	<u>\$ 34,588</u>

NOTE 6 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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

NOTE 7 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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, retirement/severance, vacation and overtime. 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 portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 9.

	<u>2017</u>	<u>2016</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,976,379	1,860,441
Service Cost	171,924	167,902
Interest Cost	49,981	43,279
Benefit Payments	-148,843	-229,613
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	-172,965	134,370
Accrued Benefit Obligation – March 31	<u>1,876,476</u>	<u>1,976,379</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	1,876,476	1,976,379
Market Value of Plan Assets - March 31	<u>0</u>	<u>0</u>
		-
Funded Status - Surplus (Deficit)	-1,876,476	1,976,379
Employer Contributions After Measurement Date	9,666	20,467
Benefits Expense After Measurement Date	-56,259	-55,476
Unamortized Net Actuarial (Gain) Loss	<u>-87,245</u>	<u>98,788</u>
		-
Accrued Benefit Asset (Liability) - June 30	<u>-2,010,315</u>	<u>1,912,600</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	1,912,600	1,945,316
Net Expense for Fiscal Year	235,757	209,479
Employer Contributions	<u>-138,042</u>	<u>-242,195</u>
Accrued Benefit Liability (Asset) - June 30	<u>2,010,315</u>	<u>1,912,600</u>
Components of Net Benefit Expense		
Service Cost	172,092	168,908
Interest Cost	50,597	44,955
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	<u>13,068</u>	<u>-4,383</u>
Net Benefit Expense (Income)	<u>235,757</u>	<u>209,479</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS

(Continued)

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%	2.50%
Long Term Salary Growth - March 31	2.50%	2.50%
EARSL - March 31	7.7	7.7

NOTE 9 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

It is planned that the initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards will be eliminated in eight (8) years, after payments commence.

Unfunded liability, as at July 1, 2016 as previously reported	\$	511,406
Reductions during the year		<u>0</u>
Unfunded liability, as at June 30, 2017	\$	<u>511,406</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 10 DEBT

The following loans approved under *Section 144* of the *School Act* are outstanding:

Type	Year Borrowed	Interest Rate	Term	Amount Borrowed	Principal Repaid	2017 Balance	Payment Amount	Maturity Date
Term	2016	1.74%	5 Years	\$74,961	20,693	54,268	\$1,293	01/31/21
Term	2016	1.74%	5 Years	26,120	5,937	20,183	451	04/30/21
Term	2016	1.74%	5 Years	26,101	3,799	22,302	450	09/30/21
Term	2017	1.74%	1 Year	1,027	-	1,027	172	12/31/17
Term	2017	1.74%	1 Years	78,588	-	78,588	6,096	07/31/18
Term	2017	1.74%	2 Years	57,021	-	57,021	2,412	06/30/19
Term	2017	1.74%	3 Years	6,474	-	6,474	206	02/29/20
				<u>\$270,292</u>	<u>30,429</u>	<u>239,863</u>	<u>\$11,081</u>	

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2018	\$128,899
2019	62,757
2020	27,404
2021	19,296
2022	1,507
Thereafter	-
	<u>\$239,863</u>

NOTE 11 CAPITAL LEASE OBLIGATIONS

The School District repaid several capital leases held by the Municipal Finance Authority for multi-function business devices and technology in the classroom.

Total interest on leases for the year ended June 30, 2017 was \$2,850 (2016: \$6,538).

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2017	Net Book Value 2016
Sites	\$ 3,051,972	\$ 3,051,972
Buildings	43,412,114	42,629,039
Buildings – WIP	433,317	667,502
Furniture & Equipment	986,268	1,000,963
Vehicles	331,535	425,417
Computer Software	23,179	9,773
Computer Hardware	300,609	377,917
Total	\$ 48,538,994	\$ 48,162,583

June 30, 2017

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2017
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$ 3,051,972
Buildings	78,056,248	772,679		1,695,471	80,524,398
Buildings – WIP	667,502	433,317		(667,502)	433,317
Furniture & Equipment	2,003,706	185,678	(567,232)		1,622,152
Vehicles	938,852		(151,083)		787,769
Computer Software	9,773	15,361			25,134
Computer Hardware	518,476	26,387			544,863
Total	\$ 85,246,529	\$ 1,433,422	\$ (718,315)	\$ 1,027,969	\$ 86,989,605

	Opening Accumulated Amortization	Increases	Disposals	Total 2017
Buildings	\$ 35,427,209	\$ 1,685,075	\$ -	\$ 37,112,284
Furniture & Equipment	1,002,743	200,370	(567,232)	635,881
Vehicles	513,435	93,885	(151,083)	456,237
Computer Hardware	140,559	103,696		244,255
Computer Software	-	1,955		1,955
Total	\$ 37,083,946	\$ 2,084,981	\$ (718,315)	\$ 38,450,612

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2016

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2016
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$ 3,051,972
Buildings	76,891,892	1,164,356			78,056,248
Buildings – WIP	-	667,502			667,502
Furniture & Equipment	1,888,781	268,082	(153,157)		2,003,706
Vehicles	1,012,759	50,349	(124,256)		938,852
Computer Software	-	9,773			9,773
Computer Hardware	357,203	167,079	(5,806)		518,476
Total	\$ 83,202,607	\$ 2,327,141	\$ (283,219)	\$ -	\$ 85,246,529

	Opening Accumulated Amortization	Increases	Disposals	Total 2016
Buildings	\$ 33,762,366	\$ 1,664,843	\$ -	\$ 35,427,209
Furniture & Equipment	967,022	188,878	(153,157)	1,002,743
Vehicles	536,415	101,276	(124,256)	513,435
Computer Hardware	74,924	71,441	(5,806)	140,559
Total	\$ 35,340,727	\$ 2,026,438	\$ (283,219)	\$ 37,083,946

Contributed tangible capital assets:

Additions to Furniture & Equipment and Vehicles include the following contributed tangible capital assets:

	2017	2016
Maintenance Equipment	\$ -	\$ -
School Furniture	-	-
Furniture & Equipment	159,577	157,319
Computers & Software	41,748	176,852
Vehicles	-	50,349
Total	\$ 201,325	\$ 384,520

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 13 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 45,000 active members, and approximately 36,000 retired members. As of December 31, 2015, the Municipal Pension Plan has about 189,000 active members, including approximately 24,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate is then adjusted to the extent there is any amortization of any funding deficit.

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

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

The school district paid \$3,166,935 for employer contributions to the plans for the year ended June 30, 2017 (2016: \$3,373,341)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

NOTE 14 RELATED PARTY TRANSACTIONS

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 15 INTERFUND TRANSFERS

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

• Purchase of Capital Assets from Operating Fund	\$ 49,458
• Purchase of Capital Assets from Special Purpose Fund	\$151,867
• Capital Lease payment from Operating Fund	\$107,914
• Capital Loan payment from Operating Fund	\$ 24,997

NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contract 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.

The Rebuild of Gibsons Elementary School was substantially complete at June 30, 2015. There was a holdback account set up related to the project to protect the District against liens and deficiencies. At June 30, 2017 the balance in this holdback account was \$118,847, which represents the amount of outstanding work to be performed.

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an *amended* annual budget on *February 9, 2016*.

The *amended* annual budget figures are adjusted to reflect more current enrolment information and grant figures. The revision of the annual budget is a provincial requirement, and the inclusion of amended budgets in the financial statements presents the most relevant information to the user.

NOTE 18 CONTINGENCIES

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

NOTE 19 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2017 the liability cannot reasonably determined.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 20 EXPENSE BY OBJECT

	2017	2016
Salaries and benefits	\$ 33,556,892	\$ 33,001,101
Services and supplies	6,626,793	6,154,828
Amortization	2,084,981	2,026,438
Interest	4,307	6,538
	<u>\$ 42,272,973</u>	<u>\$ 41,188,905</u>

NOTE 21 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

School Surpluses	\$ 595,947	
Appropriated for 2017/18 Year	349,112	
Financial Provisions	800,000	
Contractual Obligations	265,999	
District Programs	<u>716,245</u>	
Subtotal Internally Restricted		\$ 2,727,303
Unrestricted Operating Surplus (Deficit)		750,315
Unfunded Accrued Employee Future Benefits		<u>(511,406)</u>
Total Available for Future Operations		<u>\$ 2,966,212</u>

NOTE 22 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 23 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 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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 23 RISK MANAGEMENT (*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 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 the Provincial Treasury's Central Deposit Program, GICs and term deposits.

- b) 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 they invest solely in Provincial Treasury's Central Deposit Program, GICs and term deposits that have a maturity date of no more than 3 years.

- c) 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. 46 (Sunshine Coast)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,515,503		7,677,983	10,193,486	10,751,383
Changes for the year					
Surplus (Deficit) for the year	633,078	151,867	(485,247)	299,698	(557,897)
Interfund Transfers					
Tangible Capital Assets Purchased	(49,458)	(151,867)	201,325	-	
Other	(132,911)		132,911	-	
Net Changes for the year	450,709	-	(151,011)	299,698	(557,897)
Accumulated Surplus (Deficit), end of year - Statement 2	2,966,212	-	7,526,972	10,493,184	10,193,486

School District No. 46 (Sunshine Coast)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	36,154,665	36,617,123	35,462,150
Other	35,000	45,400	61,400
Tuition	78,408	106,418	77,264
Other Revenue	711,976	691,104	585,246
Rentals and Leases	55,000	75,816	81,640
Investment Income	90,000	87,308	91,537
Total Revenue	37,125,049	37,623,169	36,359,237
Expenses			
Instruction	30,918,928	29,666,998	29,320,579
District Administration	1,972,326	1,975,843	1,776,653
Operations and Maintenance	4,452,948	4,240,891	4,303,121
Transportation and Housing	1,500,920	1,106,359	1,066,648
Total Expense	38,845,122	36,990,091	36,467,001
Operating Surplus (Deficit) for the year	(1,720,073)	633,078	(107,764)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,720,073		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(49,458)	(384,520)
Other		(132,911)	(115,265)
Total Net Transfers	-	(182,369)	(499,785)
Total Operating Surplus (Deficit), for the year	-	450,709	(607,549)
Operating Surplus (Deficit), beginning of year		2,515,503	3,123,052
Operating Surplus (Deficit), end of year		2,966,212	2,515,503
Operating Surplus (Deficit), end of year			
Internally Restricted		2,727,303	2,488,811
Unrestricted		750,315	538,098
Unfunded Accrued Employee Future Benefits		(511,406)	(511,406)
Total Operating Surplus (Deficit), end of year		2,966,212	2,515,503

School District No. 46 (Sunshine Coast)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	35,110,063	35,321,865	34,858,835
Other Ministry of Education Grants			
Pay Equity	510,381	510,381	510,381
Funding for Graduated Adults	4,565	2,284	3,425
Transportation Supplement	380,465	380,465	
Economic Stability Dividend		16,887	23,163
Return of Administrative Savings		182,072	
Carbon Tax Grant	25,000	19,668	24,000
Student Learning Grant		157,813	
FSA Scorer Funds	8,696	8,188	8,696
Supplemental Mid Year Enrollment	115,495		
Curriculum Implementation			8,650
Shoulder Tappers		17,500	25,000
Total Provincial Grants - Ministry of Education	36,154,665	36,617,123	35,462,150
Provincial Grants - Other	35,000	45,400	61,400
Tuition			
International and Out of Province Students	78,408	105,868	72,314
Student Fees		550	4,950
Total Tuition	78,408	106,418	77,264
Other Revenues			
Other School District/Education Authorities	536,000	537,333	543,813
Miscellaneous			
Miscellaneous	175,976	153,771	41,433
Total Other Revenue	711,976	691,104	585,246
Rentals and Leases	55,000	75,816	81,640
Investment Income	90,000	87,308	91,537
Total Operating Revenue	37,125,049	37,623,169	36,359,237

School District No. 46 (Sunshine Coast)Schedule of Operating Expense by Object
Year Ended June 30, 2017

Schedule 2B (Unaudited)

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	13,957,500	14,185,694	14,204,121
Principals and Vice Principals	1,920,000	1,920,788	1,798,672
Educational Assistants	2,895,648	2,760,629	2,837,242
Support Staff	3,946,851	3,834,399	3,595,955
Other Professionals	1,335,001	1,361,797	1,207,479
Substitutes	2,111,631	1,715,444	1,673,314
Total Salaries	26,166,631	25,778,751	25,316,783
Employee Benefits	6,235,036	6,156,053	6,456,930
Total Salaries and Benefits	32,401,667	31,934,804	31,773,713
Services and Supplies			
Services	739,058	679,537	666,947
Student Transportation	1,456,999	1,054,191	1,025,947
Professional Development and Travel	154,364	146,224	147,436
Rentals and Leases	40,200	37,717	29,702
Dues and Fees	54,500	60,634	58,214
Insurance	83,000	53,766	72,847
Supplies	3,219,831	2,352,026	2,068,455
Utilities	695,503	671,192	623,740
Total Services and Supplies	6,443,455	5,055,287	4,693,288
Total Operating Expense	38,845,122	36,990,091	36,467,001

School District No. 46 (Sunshine Coast)

Schedule 2C (Unaudited)

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	10,574,337	289,547		606,319		1,588,566	13,058,769
1.03 Career Programs	140,128					165	140,293
1.07 Library Services	244,779			77,443			322,222
1.08 Counselling	400,416			124,770			525,186
1.10 Special Education	2,235,859	109,019	2,664,481	242,007	130,555	76,822	5,458,743
1.30 English Language Learning	131,850						131,850
1.31 Aboriginal Education	458,325	110,379	96,148				664,852
1.41 School Administration		1,411,843		524,479			1,936,322
1.62 International and Out of Province Students							-
1.64 Other				43,315			43,315
Total Function 1	14,185,694	1,920,788	2,760,629	1,618,333	130,555	1,665,553	22,281,552
4 District Administration							
4.11 Educational Administration					412,144		412,144
4.40 School District Governance					103,984		103,984
4.41 Business Administration				133,359	557,282	29,238	719,879
Total Function 4	-	-	-	133,359	1,073,410	29,238	1,236,007
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				45,880	135,654	9,064	190,598
5.50 Maintenance Operations				1,964,287		11,089	1,975,376
5.52 Maintenance of Grounds				62,135			62,135
5.56 Utilities							-
Total Function 5	-	-	-	2,072,302	135,654	20,153	2,228,109
7 Transportation and Housing							
7.41 Transportation and Housing Administration					22,178		22,178
7.70 Student Transportation				10,405		500	10,905
7.73 Housing							-
Total Function 7	-	-	-	10,405	22,178	500	33,083
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,185,694	1,920,788	2,760,629	3,834,399	1,361,797	1,715,444	25,778,751

School District No. 46 (Sunshine Coast)

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	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	13,058,769	2,829,946	15,888,715	1,605,204	17,493,919	18,015,426	17,500,301
1.03 Career Programs	140,293	35,872	176,165	3,224	179,389	241,000	238,090
1.07 Library Services	322,222	89,700	411,922	43,576	455,498	478,512	441,941
1.08 Counselling	525,186	134,206	659,392	236	659,628	661,136	789,225
1.10 Special Education	5,458,743	1,522,948	6,981,691	205,708	7,187,399	7,423,470	7,048,276
1.30 English Language Learning	131,850	33,753	165,603	4,275	169,878	256,038	158,763
1.31 Aboriginal Education	664,852	148,916	813,768	64,514	878,282	1,324,061	757,947
1.41 School Administration	1,936,322	439,084	2,375,406	77,533	2,452,939	2,311,692	2,229,447
1.62 International and Out of Province Students	-	-	-	44,811	44,811	66,558	31,684
1.64 Other	43,315	8,090	51,405	93,850	145,255	141,035	124,905
Total Function 1	22,281,552	5,242,515	27,524,067	2,142,931	29,666,998	30,918,928	29,320,579
4 District Administration							
4.11 Educational Administration	412,144	95,268	507,412	24,383	531,795	495,705	493,627
4.40 School District Governance	103,984	2,859	106,843	104,287	211,130	189,293	188,804
4.41 Business Administration	719,879	157,504	877,383	355,535	1,232,918	1,287,328	1,094,222
Total Function 4	1,236,007	255,631	1,491,638	484,205	1,975,843	1,972,326	1,776,653
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	190,598	40,793	231,391	68,453	299,844	306,184	299,267
5.50 Maintenance Operations	1,975,376	592,856	2,568,232	571,853	3,140,085	3,322,958	3,287,543
5.52 Maintenance of Grounds	62,135	16,482	78,617	51,153	129,770	128,303	92,571
5.56 Utilities	-	-	-	671,192	671,192	695,503	623,740
Total Function 5	2,228,109	650,131	2,878,240	1,362,651	4,240,891	4,452,948	4,303,121
7 Transportation and Housing							
7.41 Transportation and Housing Administration	22,178	4,389	26,567	-	26,567	27,060	26,792
7.70 Student Transportation	10,905	3,387	14,292	1,064,546	1,078,838	1,473,860	1,039,856
7.73 Housing	-	-	-	954	954	-	-
Total Function 7	33,083	7,776	40,859	1,065,500	1,106,359	1,500,920	1,066,648
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	25,778,751	6,156,053	31,934,804	5,055,287	36,990,091	38,845,122	36,467,001

School District No. 46 (Sunshine Coast)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,718,659	2,109,637	1,633,945
Other Revenue	820,000	1,228,505	1,050,515
Investment Income	6,000	7,319	4,468
Total Revenue	<u>2,544,659</u>	<u>3,345,461</u>	<u>2,688,928</u>
Expenses			
Instruction	2,331,337	3,002,841	2,475,606
Operations and Maintenance	213,322	190,753	213,322
Total Expense	<u>2,544,659</u>	<u>3,193,594</u>	<u>2,688,928</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>151,867</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(151,867)	
Total Net Transfers	<u>-</u>	<u>(151,867)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 46 (Sunshine Coast)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			32,601	552,271	25,000	533,257			59,274
Add: Restricted Grants									
Provincial Grants - Ministry of Education	213,322	727,873					193,472	22,050	15,235
Other				86,911		969,856			
Investment Income				7,319					
	213,322	727,873	-	94,230	-	969,856	193,472	22,050	15,235
Less: Allocated to Revenue	190,955	727,873	11,612	126,936	25,000	927,830	193,472	22,050	59,279
Deferred Revenue, end of year	22,367	-	20,989	519,565	-	575,283	-	-	15,230
Revenues									
Provincial Grants - Ministry of Education	190,955	727,873	11,612		25,000		193,472	22,050	59,279
Other Revenue				119,617		927,830			
Investment Income				7,319					
	190,955	727,873	11,612	126,936	25,000	927,830	193,472	22,050	59,279
Expenses									
Salaries									
Teachers		444,579							
Educational Assistants		132,321					118,000		
Support Staff	82,016								
Substitutes									
	82,016	576,900	-	-	-	-	118,000	-	-
Employee Benefits	22,555	150,973					44,000		
Services and Supplies	86,384		11,612	126,936	25,000	927,830	31,472	22,050	59,279
	190,955	727,873	11,612	126,936	25,000	927,830	193,472	22,050	59,279
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

Schedule 3A (Unaudited)

	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Misc Other Grants	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year				196,325	1,398,728
Add: Restricted Grants					
Provincial Grants - Ministry of Education	490,787	54,941	357,132		2,074,812
Other				90,173	1,146,940
Investment Income					7,319
	490,787	54,941	357,132	90,173	3,229,071
Less: Allocated to Revenue	490,787	31,477	357,132	181,058	3,345,461
Deferred Revenue, end of year	-	23,464	-	105,440	1,282,338
Revenues					
Provincial Grants - Ministry of Education	490,787	31,477	357,132		2,109,637
Other Revenue				181,058	1,228,505
Investment Income					7,319
	490,787	31,477	357,132	181,058	3,345,461
Expenses					
Salaries					
Teachers	69,755		274,362		788,696
Educational Assistants	124,049				374,370
Support Staff					82,016
Substitutes		14,725	14,400		29,125
	193,804	14,725	288,762	-	1,274,207
Employee Benefits	61,983		68,370		347,881
Services and Supplies	235,000	16,752		29,191	1,571,506
	490,787	31,477	357,132	29,191	3,193,594
Net Revenue (Expense) before Interfund Transfers	-	-	-	151,867	151,867
Interfund Transfers					
Tangible Capital Assets Purchased				(151,867)	(151,867)
	-	-	-	(151,867)	(151,867)
Net Revenue (Expense)	-	-	-	-	-

School District No. 46 (Sunshine Coast)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	1,604,043	1,604,041		1,604,041	1,582,843
Total Revenue	1,604,043	1,604,041	-	1,604,041	1,582,843
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,991,096	1,991,096		1,991,096	1,925,162
Transportation and Housing	93,885	93,885		93,885	101,276
Debt Services					
Capital Lease Interest			2,850	2,850	6,538
Capital Loan Interest			1,457	1,457	
Total Expense	2,084,981	2,084,981	4,307	2,089,288	2,032,976
Capital Surplus (Deficit) for the year	(480,938)	(480,940)	(4,307)	(485,247)	(450,133)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		201,325		201,325	384,520
Capital Lease Payment			107,914	107,914	115,265
Capital Loan Payment			24,997	24,997	
Total Net Transfers	-	201,325	132,911	334,236	499,785
Other Adjustments to Fund Balances					
Principal Payment					
Capital Lease		105,064	(105,064)	-	
Capital Loan		23,540	(23,540)	-	
Total Other Adjustments to Fund Balances		128,604	(128,604)	-	
Total Capital Surplus (Deficit) for the year	(480,938)	(151,011)	-	(151,011)	49,652
Capital Surplus (Deficit), beginning of year		7,677,983		7,677,983	7,628,331
Capital Surplus (Deficit), end of year		7,526,972	-	7,526,972	7,677,983

School District No. 46 (Sunshine Coast)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	3,051,972	78,056,248	2,003,706	938,852	9,773	518,476	84,579,027
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		772,679					772,679
Operating Fund			7,710		15,361	26,387	49,458
Special Purpose Funds			151,867				151,867
Capital Leases			26,101				26,101
Transferred from Work in Progress		1,695,471					1,695,471
	-	2,468,150	185,678	-	15,361	26,387	2,695,576
Decrease:							
Deemed Disposals			567,232	151,083			718,315
	-	-	567,232	151,083	-	-	718,315
Cost, end of year	3,051,972	80,524,398	1,622,152	787,769	25,134	544,863	86,556,288
Work in Progress, end of year		433,317					433,317
Cost and Work in Progress, end of year	3,051,972	80,957,715	1,622,152	787,769	25,134	544,863	86,989,605
Accumulated Amortization, beginning of year		35,427,209	1,002,743	513,435	-	140,559	37,083,946
Changes for the Year							
Increase: Amortization for the Year		1,685,075	200,370	93,885	1,955	103,696	2,084,981
Decrease:							
Deemed Disposals			567,232	151,083			718,315
		-	567,232	151,083	-	-	718,315
Accumulated Amortization, end of year		37,112,284	635,881	456,237	1,955	244,255	38,450,612
Tangible Capital Assets - Net	3,051,972	43,845,431	986,271	331,532	23,179	300,608	48,538,993

School District No. 46 (Sunshine Coast)

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	667,502				667,502
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	1,461,286				1,461,286
	1,461,286	-	-	-	1,461,286
Decrease:					
Transferred to Tangible Capital Assets	1,695,471				1,695,471
	1,695,471	-	-	-	1,695,471
Net Changes for the Year	(234,185)	-	-	-	(234,185)
Work in Progress, end of year	433,317	-	-	-	433,317

School District No. 46 (Sunshine Coast)

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	39,453,306		21,426	39,474,732
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	772,679			772,679
Transferred from Work in Progress	1,695,471			1,695,471
	2,468,150	-	-	2,468,150
Decrease:				
Amortization of Deferred Capital Revenue	1,582,615		21,426	1,604,041
	1,582,615	-	21,426	1,604,041
Net Changes for the Year	885,535	-	(21,426)	864,109
Deferred Capital Revenue, end of year	40,338,841	-	-	40,338,841
Work in Progress, beginning of year	667,502			667,502
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	1,461,286			1,461,286
	1,461,286	-	-	1,461,286
Decrease				
Transferred to Deferred Capital Revenue	1,695,471			1,695,471
	1,695,471	-	-	1,695,471
Net Changes for the Year	(234,185)	-	-	(234,185)
Work in Progress, end of year	433,317	-	-	433,317
Total Deferred Capital Revenue, end of year	40,772,158	-	-	40,772,158

School District No. 46 (Sunshine Coast)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue
 Year Ended June 30, 2017

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	217,374	33,119				250,493
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,262,665					2,262,665
Provincial Grants - Other			109,800			109,800
	2,262,665	-	109,800	-	-	2,372,465
Decrease:						
Transferred to DCR - Capital Additions	772,679					772,679
Transferred to DCR - Work in Progress	1,461,286					1,461,286
	2,233,965	-	-	-	-	2,233,965
Net Changes for the Year	28,700	-	109,800	-	-	138,500
Balance, end of year	246,074	33,119	109,800	-	-	388,993