

Audited Financial Statements of

School District No. 79 (Cowichan Valley)

June 30, 2017

School District No. 79 (Cowichan Valley)

June 30, 2017

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School District No. 79 (Cowichan Valley)

MANAGEMENT REPORT

Version: 2954-2208-9226

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 79 (Cowichan Valley) 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.


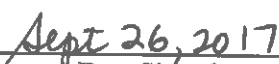

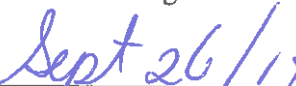
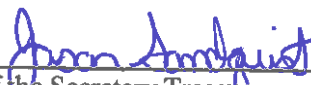

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 79 (Cowichan Valley) (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, Collins Barrow Victoria Ltd., 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. 79 (Cowichan Valley) 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. 79 (Cowichan Valley)

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



Downtown:	Westshore:	Collins Barrow Victoria Ltd
645 Fort Street	967 Langford Parkway	Chartered Professional Accountants
Suite 540	Suite 218	T 250.386.0500
Victoria, BC	Victoria, BC	F 250.386.6151
V8W 1G2 Canada	V9B 0A5 Canada	www.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 79 (Cowichan Valley)

We have audited the accompanying financial statements of the School District No. 79 (Cowichan Valley), which comprise the statements of financial position as at June 30, 2017, the statements of operations, changes in net financial assets (debt), and cash flows for the year ended June 30, 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of School District No. 79 (Cowichan Valley) 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 2a to the financial statements, which discloses 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 2a to the financial statements discloses the impact of these differences.

Other Matters

The attached supplementary information included in schedule 1 through 4 is presented for the purposes of additional analysis and has not been audited.

Collins Barrow Victoria Ltd.

Chartered Professional Accountants

September 26, 2017
Victoria, Canada

School District No. 79 (Cowichan Valley)







Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	21,407,945	15,994,057
Accounts Receivable		
Due from Province - Ministry of Education	302,564	403,718
Due from Province - Other	1,000	
Due from LEA/Direct Funding	221,456	2,412,041
Other (Note 3)	457,165	397,159
Inventories for Resale	47,999	3,977
Total Financial Assets	<u>22,438,129</u>	<u>19,210,952</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	14,417	17,499
Other (Note 4)	7,300,632	5,631,399
Unearned Revenue (Note 5)	1,111,232	1,266,306
Deferred Revenue (Note 6)	2,952,971	3,087,123
Deferred Capital Revenue (Note 7)	81,302,737	81,020,548
Employee Future Benefits (Note 8)	3,457,600	3,351,040
Capital Lease Obligations (Note 10)	40,435	-
Other Liabilities	767,488	852,064
Total Liabilities	<u>96,947,512</u>	<u>95,225,979</u>
Net Financial Assets (Debt)	<u>(74,509,383)</u>	<u>(76,015,027)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	123,409,244	122,843,545
Restricted Assets (Endowments) (Note 13)	92,893	92,893
Prepaid Expenses	256,968	216,139
Total Non-Financial Assets	<u>123,759,105</u>	<u>123,152,577</u>
Accumulated Surplus (Deficit)	<u>49,249,722</u>	<u>47,137,550</u>

Contractual Obligations and Contingencies (Note 16 & 18)

Approved by the Board

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

School District No. 79 (Cowichan Valley)

Statement of Operations
Year Ended June 30, 2017

Statement 2

	2017 Budget (Note 17) \$	2017 Actual \$	2016 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	66,397,143	72,391,943	68,271,461
Other	293,579	411,946	153,974
Tuition	2,715,000	2,904,520	2,304,269
Other Revenue	6,827,050	7,081,716	7,143,233
Rentals and Leases	120,000	119,345	121,250
Investment Income	157,554	169,091	170,971
Amortization of Deferred Capital Revenue	3,715,507	3,723,319	3,634,426
Climbing Wall Reimbursement			5,000
Total Revenue	<u>80,225,833</u>	<u>86,801,880</u>	<u>81,804,584</u>
Expenses (Note 20)			
Instruction	63,468,814	67,052,364	64,928,400
District Administration	2,052,072	2,131,717	1,958,398
Operations and Maintenance	12,979,058	12,890,201	12,694,329
Transportation and Housing	2,600,085	2,613,615	2,539,655
Debt Services		1,811	
Total Expense	<u>81,100,029</u>	<u>84,689,708</u>	<u>82,120,782</u>
Surplus (Deficit) for the year	<u>(874,196)</u>	<u>2,112,172</u>	<u>(316,198)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		<u>47,137,550</u>	<u>47,453,748</u>
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>49,249,722</u></u>	<u><u>47,137,550</u></u>

School District No. 79 (Cowichan Valley)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget (Note 17)	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(874,196)</u>	<u>2,112,172</u>	<u>(316,198)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,391,153)	(4,915,655)	(4,144,816)
Amortization of Tangible Capital Assets	4,337,020	4,349,956	4,292,868
Total Effect of change in Tangible Capital Assets	<u>1,945,867</u>	<u>(565,699)</u>	<u>148,052</u>
Acquisition of Prepaid Expenses	(210,000)	(245,822)	(216,139)
Use of Prepaid Expenses	210,000	204,993	225,015
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(40,829)</u>	<u>8,876</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>1,071,671</u>	<u>1,505,644</u>	<u>(159,270)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>1,505,644</u>	<u>(159,270)</u>
Net Financial Assets (Debt), beginning of year		<u>(76,015,027)</u>	<u>(75,855,757)</u>
Net Financial Assets (Debt), end of year		<u>(74,509,383)</u>	<u>(76,015,027)</u>

School District No. 79 (Cowichan Valley)

Statement of Cash Flows
Year Ended June 30, 2017

Statement 5

	2017 Actual	2016 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,112,172	(316,198)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,230,733	(1,444,281)
Inventories for Resale	(44,022)	7,276
Prepaid Expenses	(40,829)	8,876
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,666,148	(500,820)
Unearned Revenue	(155,074)	99,801
Deferred Revenue	(134,152)	(165,582)
Employee Future Benefits	106,559	(161,984)
Other Liabilities	(84,576)	22,947
Amortization of Tangible Capital Assets	4,349,956	4,292,868
Amortization of Deferred Capital Revenue	(3,723,319)	(3,634,426)
Recognition of Deferred Capital Revenue Spent on Sites	(277,628)	(93,190)
Total Operating Transactions	<u>6,005,968</u>	<u>(1,884,713)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,860,575)	(4,145,046)
Miscellaneous Capital Adjustment		230
Tangible Capital Assets Leased	(55,080)	
Total Capital Transactions	<u>(4,915,655)</u>	<u>(4,144,816)</u>
Financing Transactions		
Capital Revenue Received	4,283,140	3,920,777
Capital Lease	40,435	
Total Financing Transactions	<u>4,323,575</u>	<u>3,920,777</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,413,888	(2,108,752)
Cash and Cash Equivalents, beginning of year	<u>15,994,057</u>	<u>18,102,809</u>
Cash and Cash Equivalents, end of year	<u>21,407,945</u>	<u>15,994,057</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>21,407,945</u>	<u>15,994,057</u>
Supplementary Cash Flow Information	<u>21,407,945</u>	<u>15,994,057</u>



Cowichan Valley School District

Notes to Financial Statements

For the 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. 79 (Cowichan Valley)", and operates as "School District No. 79 (Cowichan Valley)". 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. 79 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(m).

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(m), 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, 2016 – decrease in annual surplus by \$285,605.

June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$3,920,031.

Year-ended June 30, 2017 - increase in annual surplus by \$539,871.

June 30, 2017 – increase in accumulated surplus and decrease in deferred contributions by \$4,263,194.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased 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) Inventories for Resale

Inventories for resale including school supplies are measured at lower of cost and net realizable value. Cost includes all costs incurred to get ready for sale including taxes. Net realizable value is the expected selling price in the ordinary course of business.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and fees for busing to be delivered in future periods. Revenue will be recognized in that future period when the services are provided.

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by 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).



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

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

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 the 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 and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

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

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

h) 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 market 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.



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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, 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 as 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

Prepaid utilities, prepaid insurance, and prepaid services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Supplies Inventory

Supplies inventory held for consumption or use include materials and supplies and are recorded at the lower of historical cost and replacement cost.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

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

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 14 – Interfund Transfers and Note 21 – Internally Restricted Surplus).

n) Revenue Recognition

Revenues are recorded 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.



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(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. 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.

o) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes:

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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

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

- 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 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.

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, accounts payable and accrued liabilities, 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

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

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.

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

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

q) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 (a) requires management 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Due from Federal Government	\$ 114,099	\$ 73,751
Due from Other School Districts	-	2,145
Busing Fees	-	6,399
International Students	66,010	68,600
Industry Training Authority	14,900	11,543
BC Hydro PowerSmart	32,638	16,867
Rentals	6,576	3,289
Vancouver Island University	596	17,093
Other	237,346	212,472
Allowance for Doubtful Accounts	(15,000)	(15,000)
	<u>\$ 457,165</u>	<u>\$ 397,159</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Trades payable	\$ 1,221,533	\$ 656,372
Salaries and benefits payable	687,081	324,386
Accrued vacation pay	1,716,564	1,492,473
Other	3,675,454	3,158,168
	<u>\$ 7,300,632</u>	<u>\$ 5,631,399</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

NOTE 5 UNEARNED REVENUE

	June 30, 2017	June 30, 2016
Balance, beginning of year	\$ 1,266,306	\$ 1,166,505
Changes for the year:		
Increase:		
Tuition Fees	2,818,074	2,345,841
Busing Fees	15,152	406,035
	<u>\$ 2,833,226</u>	<u>\$ 2,751,876</u>
Decrease:		
Tuition fees	\$ 2,900,520	\$ 2,287,560
Busing Fees	87,780	364,515
	<u>2,988,300</u>	<u>2,652,075</u>
Net changes for the year	<u>(155,074)</u>	<u>99,801</u>
Balance, end of year	<u>\$ 1,111,232</u>	<u>\$ 1,266,306</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.



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2017

NOTE 8 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 portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 10.

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 4,288,450	\$ 4,024,279
Service Cost	268,506	296,477
Interest Cost	104,822	91,004
Benefit Payments	(543,428)	(483,822)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(238,874)	360,512
Accrued Benefit Obligation – March 31	<u>3,879,476</u>	<u>\$ 4,288,450</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 3,879,476	\$ 4,288,450
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	<u>(3,879,476)</u>	<u>(4,288,450)</u>
Employer Contributions after Measurement Date	56,402	185,680
Benefit Expense after Measurement Date	(94,222)	(93,332)
Unamortized Net Actuarial (Gain) Loss	459,696	845,062
Accrued Benefit Asset (Liability) – June 30	<u>\$(3,457,600)</u>	<u>\$(3,351,040)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) – July 1	\$ 3,351,040	\$ 3,513,025
Net expense for Fiscal Year	520,710	484,215
Employer Contributions	(414,150)	(646,200)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 3,457,600</u>	<u>\$ 3,351,040</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	June 30, 2017	June 30, 2016
Components of Net Benefit Expense		
Service Cost	\$ 268,784	\$ 289,485
Interest Cost	105,434	94,458
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	146,492	100,272
Net Benefit Expense (Income)	<u>\$ 520,710</u>	<u>\$ 484,215</u>

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

	June 30, 2017	June 30, 2016
Assumptions		
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	7.8	7.8

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 4 years.

Unfunded liability, as at July 1, 2016 as previously reported	\$ 217,014
Reductions during the year	<u>(50,000)</u>
Unfunded liability, as at June 30, 2017	<u>\$ 167,014</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2017

NOTE 10 CAPITAL LEASE OBLIGATIONS

The School District entered into a capital lease for computer equipment. The payments are over 3 years and include interest at 5%. Repayments are due as follows:

2018	\$ 19,747
2019	19,747
2020	3,291
Total minimum lease payments	<u>42,785</u>
Less amounts representing interest	<u>(2,350)</u>
Present value of net minimum capital lease payments	<u>\$ 40,435</u>

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value June 30, 2017	Net Book Value June 30, 2016
Sites	\$ 26,449,041	\$ 26,138,792
Buildings	93,779,499	93,424,209
Furniture & Equipment	896,634	1,043,459
Vehicles	2,190,383	2,170,181
Computer Software	24,640	35,352
Computer Hardware	69,047	31,552
Total	<u>\$ 123,409,244</u>	<u>\$ 122,843,545</u>



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2017

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2017

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2017
Sites	\$ 26,138,792	\$ 310,249	\$ -	-	\$ 26,449,041
Buildings	166,487,686	4,090,627	-	-	170,578,313
Furniture & Equipment	2,192,735	72,448	592,354	-	1,672,829
Vehicles	3,670,492	387,251	157,301	-	3,900,442
Computer Software	53,562	-	-	-	53,562
Computer Hardware	87,927	55,080	18,087	-	124,920
Total	\$ 198,631,194	\$ 4,915,655	\$ 767,742	-	\$ 202,779,107

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	73,063,477	3,735,337	-	76,798,814
Furniture & Equipment	1,149,276	219,273	592,354	776,195
Vehicles	1,500,311	367,049	157,301	1,710,059
Computer Software	18,210	10,712	-	28,922
Computer Hardware	56,375	17,585	18,087	55,873
Total	\$ 75,787,649	\$ 4,349,956	\$ 767,742	\$ 79,369,863

June 30, 2016

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2016
Sites	\$ 26,043,353	\$ 95,439	\$ -	\$ -	\$ 26,138,792
Buildings	163,175,287	3,312,399	-	-	166,487,686
Furniture & Equipment	2,286,515	62,088	155,868	-	2,192,735
Vehicles	3,246,459	666,853	242,820	-	3,670,492
Computer Software	58,366	8,037	12,841	-	53,562
Computer Hardware	296,959	-	209,032	-	87,927
Total	\$195,106,939	\$4,144,816	\$620,561	\$ -	\$198,631,194

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	69,394,971	3,668,506	-	73,063,477
Furniture & Equipment	1,076,493	228,651	155,868	1,149,276
Vehicles	1,418,485	324,646	242,820	1,500,311
Computer Software	19,378	11,673	12,841	18,210
Computer Hardware	206,015	59,392	209,032	56,375
Total	\$ 72,115,342	\$4,292,868	\$620,561	\$75,787,649



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

NOTE 12 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The boards of trustees for these plans represent plan members and employers and are responsible for managing the pension plans including investing assets and administering benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 45,000 active members and approximately 36,000 retired members. As at December 31, 2015 the Municipal Pension Plan has about 189,000 active members, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and 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 deficit for basic pension benefits.

The school district paid \$6,738,649 for employer contributions to the plans for the year ended June 30, 2017 (2016: \$7,182,119).

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



Cowichan Valley School District

Notes to Financial Statements
For the year ended June 30, 2017

NOTE 13 RESTRICTED ASSETS – ENDOWMENT FUNDS

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 potential restriction is that any investment income of the endowment funds 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	2016	2017
W.F. Marshall Scholarship	\$ 2,592	\$ 2,592
Xerox Canada Scholarship	12,500	12,500
George Alistair MacKay Scholarship	37,766	37,766
Wunderlich Safety Scholarship	2,216	2,216
V.L. Stanley-Jones Memorial Scholarship	20,000	20,000
Raoula Pedersen Memorial Fine Arts	9,426	9,426
Christina McLeod Memorial Scholarship	8,393	8,393
Total	\$ 92,893	\$ 92,893

NOTE 14 INTERFUND TRANSFERS

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

	Operating Fund	Special Purpose Fund	Capital Fund
Tangible Capital Assets purchased from Operating funds	(54,972)		54,972
Tangible Capital Assets purchased from Special Purpose funds		(560,295)	560,295
Total	(54,972)	(560,295)	615,267

NOTE 15 RELATED PARTY TRANSACTIONS

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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

NOTE 16 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.

Contractual Obligations	2018	2019	2020	2021	2022	Thereafter
Facility Lease	\$ 46,826	\$ 2,500	\$ -	\$ -	\$ -	-
Equipment Lease	235,804	235,804	158,846	141,670	23,612	-
Busing Contract	195,262	199,167	203,150	207,213	-	-
	<u>\$ 477,892</u>	<u>\$ 437,471</u>	<u>\$ 361,996</u>	<u>\$ 348,883</u>	<u>\$ 23,612</u>	<u>-</u>

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through adoption of an annual budget on May 3, 2016.

NOTE 18 CONTINGENCIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.

NOTE 19 ASSET RETIREMENT OBLIGATION

Future legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo renovations or demolition. The amount cannot be reasonably determined.

NOTE 20 EXPENSE BY OBJECT

	2017	2016
Salaries and benefits	\$69,955,249	\$67,980,426
Services and supplies	10,384,503	9,847,488
Amortization	4,349,956	4,292,868
	<u>\$84,689,708</u>	<u>\$82,120,782</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

NOTE 21 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

2017/2018 Operating Budget	\$ 1,372,841	
Aboriginal Education Target	6,460	
BC Education Plan	234,021	
Career Equipment	100,000	
CUPE Professional Development Funds	2,465	
Distributed Learning	151,831	
Fortis BC Boiler Grant	31,068	
Learning Resources	299,639	
Local Education Agreement	144,974	
School Rollovers 10%	38,748	
Student Learning Grant	383,449	
		\$ 2,765,496
Unrestricted Operating Surplus (Deficit)		1,254,101
Unfunded Accrued Employee Future Benefits		(167,014)
		\$ 3,852,583
Total Available for Future Operations		\$ 3,852,583

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:
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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2017

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.

b) **Market risk:**

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as funds are deposited with a primary financial institution and the Ministry of Finance.

c) **Liquidity Risk**

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

The School District manages its 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.



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School District No. 79 (Cowichan Valley)

Additional Comments of Auditors

For the Year Ended June 30, 2017

The accompanying schedules 1 to 4D are presented as supplementary information only. In this respect, they do not form part of the financial statements of School District No. 79 (Cowichan Valley). The information in these schedules has been subject to audit procedures only to the extent necessary to report on the financial statements, and hence they are excluded from our audit report dated September 26, 2017.

School District No. 79 (Cowichan Valley)
 Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2017

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,031,632	92,893	45,013,025	47,137,550	47,453,748
Changes for the year					
Surplus (Deficit) for the year	1,892,379	560,295	(340,502)	2,112,172	(316,198)
Interfund Transfers	(54,972)	(560,295)	615,267	-	-
Tangible Capital Assets Purchased	(16,456)	-	16,456	-	-
Other	1,820,951	-	291,221	2,112,172	(316,198)
Net Changes for the year	3,852,583	92,893	45,304,246	49,249,722	47,137,550
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 79 (Cowichan Valley)

Schedule of Operating Operations

Year Ended June 30, 2017

Schedule 2 (Unaudited)

	2017 Budget (Note 17)	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	63,483,562	68,388,869	65,140,386
Other	75,000	191,400	153,974
Tuition	2,715,000	2,904,520	2,304,269
Other Revenue	5,045,940	5,313,479	5,550,639
Rentals and Leases	120,000	119,345	121,250
Investment Income	145,000	153,302	157,568
Total Revenue	<u>71,584,502</u>	<u>77,070,915</u>	<u>73,428,086</u>
Expenses			
Instruction	59,090,307	61,892,959	60,506,680
District Administration	2,052,072	2,131,717	1,958,398
Operations and Maintenance	8,967,259	8,865,466	8,686,591
Transportation and Housing	2,274,864	2,288,394	2,254,525
Total Expense	<u>72,384,502</u>	<u>75,178,536</u>	<u>73,406,194</u>
Operating Surplus (Deficit) for the year	<u>(800,000)</u>	<u>1,892,379</u>	<u>21,892</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>800,000</u>		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	<u>-</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(54,972)	(26,606)
Other		(16,456)	
Total Net Transfers	<u>-</u>	<u>(71,428)</u>	<u>(26,606)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>1,820,951</u>	<u>(4,714)</u>
Operating Surplus (Deficit), beginning of year		<u>2,031,632</u>	<u>2,036,346</u>
Operating Surplus (Deficit), end of year		<u>3,852,583</u>	<u>2,031,632</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 21)		2,765,496	1,433,261
Unrestricted		1,254,101	815,385
Unfunded Accrued Employee Future Benefits (Note 9)		(167,014)	(217,014)
Total Operating Surplus (Deficit), end of year		<u>3,852,583</u>	<u>2,031,632</u>

School District No. 79 (Cowichan Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget (Note 17) \$	2017 Actual \$	2016 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	67,676,205	71,593,287	69,167,840
INAC/LEA Recovery	(4,550,940)	(4,705,364)	(4,550,940)
Other Ministry of Education Grants			
Pay Equity	363,682	363,682	363,682
Funding for Graduated Adults	(188,857)	6,849	20,831
Transportation Supplement		283,524	
Economic Stability Dividend		41,580	55,559
Return of Administrative Savings		348,411	
Carbon Tax Grant		57,123	48,870
Student Learning Grant		385,813	
FSA & Exam Allocation		12,964	13,769
Miscellaneous Grants		1,000	750
MyEd BC Rebate			5,075
Curriculum Improvement Support			14,950
Additional Supplement Distribution	183,472		
Total Provincial Grants - Ministry of Education	63,483,562	68,388,869	65,140,386
Provincial Grants - Other	75,000	191,400	153,974
Tuition			
International and Out of Province Students	2,715,000	2,900,520	2,287,560
Other Tuition		4,000	16,709
Total Tuition	2,715,000	2,904,520	2,304,269
Other Revenues			
LEA/Direct Funding from First Nations	4,550,940	4,705,364	4,550,940
Miscellaneous			
BC Hydro Energy Manager	50,000	51,721	73,929
ISP Fees	95,000	312,451	471,665
Transportation Fees	350,000	50,488	364,515
Homestay Placement Fees		124,250	69,100
Asset Sales			14,849
Miscellaneous		69,205	5,641
Total Other Revenue	5,045,940	5,313,479	5,550,639
Rentals and Leases	120,000	119,345	121,250
Investment Income	145,000	153,302	157,568
Total Operating Revenue	71,584,502	77,070,915	73,428,086

School District No. 79 (Cowichan Valley)

Schedule 2B (Unaudited)

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

	2017 Budget (Note 17) \$	2017 Actual \$	2016 Actual \$
Salaries			
Teachers	30,712,153	31,726,510	31,249,343
Principals and Vice Principals	4,027,638	4,210,763	3,960,282
Educational Assistants	5,254,639	6,115,151	5,203,982
Support Staff	7,919,260	7,848,187	7,996,600
Other Professionals	1,652,634	1,749,812	1,692,172
Substitutes	3,107,486	3,119,950	2,736,598
Total Salaries	52,673,810	54,770,373	52,838,977
Employee Benefits	12,487,662	12,410,649	13,061,262
Total Salaries and Benefits	65,161,472	67,181,022	65,900,239
Services and Supplies			
Services	2,482,387	2,953,120	2,931,147
Student Transportation	88,600	370,509	256,138
Professional Development and Travel	470,000	617,807	560,481
Rentals and Leases	80,100	51,985	78,915
Dues and Fees	84,160	83,463	89,757
Insurance	244,134	237,731	219,617
Supplies	2,463,519	2,439,177	2,292,282
Utilities	1,310,130	1,243,722	1,077,618
Total Services and Supplies	7,223,030	7,997,514	7,505,955
Total Operating Expense	72,384,502	75,178,536	73,406,194

School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C (Unaudited)

	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	25,646,307	624,885	106,204	328,023	63,142	2,002,457	28,771,018
1.03 Career Programs	79,865	47,092	25,695	119,399		32,399	304,450
1.07 Library Services	603,497	129,508		161,890		57,894	952,789
1.08 Counselling	950,796			357,715		20,363	1,328,874
1.10 Special Education	3,266,928	311,177	5,220,975	99,081	138,424	426,434	9,463,019
1.30 English Language Learning	363,640						363,640
1.31 Aboriginal Education	314,055	140,575	762,277	44,927	42,074		1,303,908
1.41 School Administration		2,687,690		1,134,919		75,279	3,897,888
1.60 Summer School							
1.61 Continuing Education	88,916	4,290		1,171		5,005	99,382
1.62 International and Out of Province Students	412,506	242,690		101,819	97,039	40,282	894,336
1.64 Other							
Total Function 1	31,726,510	4,187,907	6,115,151	2,348,944	298,605	2,702,187	47,379,304
4 District Administration							
4.11 Educational Administration		22,856		52,549	393,967	2,770	472,142
4.40 School District Governance				410,413	82,676		82,676
4.41 Business Administration				481,780		25,454	917,647
Total Function 4		22,856		462,962	958,423	28,224	1,472,465
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				90,527	435,449	35,533	561,509
5.50 Maintenance Operations				3,359,728		228,734	3,588,462
5.52 Maintenance of Grounds				387,408			387,408
5.56 Utilities							
Total Function 5				3,837,663	435,449	264,267	4,537,379
7 Transportation and Housing							
7.41 Transportation and Housing Administration				100,597	57,335	5,539	163,471
7.70 Student Transportation				1,098,021		119,733	1,217,754
Total Function 7				1,198,618	57,335	125,272	1,381,225
9 Debt Services							
Total Function 9							
Total Functions 1 - 9	31,726,510	4,210,763	6,115,151	7,948,187	1,749,812	3,119,950	54,770,373

School District No. 79 (Cowichan Valley)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

Schedule 3 (Unaudited)

	2017 Budget (Note 17) \$	2017 Actual \$	2016 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	2,913,581	3,725,446	3,037,885
Other	218,579	220,546	
Other Revenue	1,781,110	1,768,237	1,592,594
Investment Income	1,554	5,471	2,504
Total Revenue	<u>4,914,824</u>	<u>5,719,700</u>	<u>4,632,983</u>
Expenses			
Instruction	4,378,507	5,159,405	4,421,720
Total Expense	<u>4,378,507</u>	<u>5,159,405</u>	<u>4,421,720</u>
Special Purpose Surplus (Deficit) for the year	<u>536,317</u>	<u>560,295</u>	<u>211,263</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(536,317)	(560,295)	(211,263)
Total Net Transfers	<u>(536,317)</u>	<u>(560,295)</u>	<u>(211,263)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		92,893	92,893
Special Purpose Surplus (Deficit), end of year		<u>92,893</u>	<u>92,893</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		92,893	92,893
Total Special Purpose Surplus (Deficit), end of year		<u>92,893</u>	<u>92,893</u>

School District No. 79 (Cowichan Valley)

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	928,395		27,010	12,041	46,817	1,301,794	110,993	55,225	75,132
Add: Restricted Grants									
Provincial Grants - Ministry of Education	416,763	1,393,700					193,472	34,300	155,331
Other	9,063			1,776		1,888,362			
Investment Income				3,069					
Donations				4,845					
Less: Allocated to Revenue	425,826	1,393,700	-	4,845	-	1,888,362	193,472	34,300	155,331
Deferred Revenue, end of year	420,734	1,393,700	27,010	4,000	-	1,738,338	229,030	26,946	230,463
Revenues	933,487	-	27,010	12,886	46,817	1,451,818	75,435	62,579	-
Provincial Grants - Ministry of Education	416,763	1,393,700					229,030	26,946	230,463
Provincial Grants - Other						1,738,338			
Other Revenue	3,971			2,500					
Investment Income	420,734	1,393,700		1,500		1,738,338	229,030	26,946	230,463
Expenses									
Salaries									
Teachers		879,024							
Principals and Vice Principals									
Educational Assistants		223,674							
Support Staff		44,274					3,560		
Substitutes		1,146,972					3,560		
Employee Benefits	98,079	246,728					866	9,899	10,964
Services and Supplies	98,079	1,393,700		4,000		1,718,277	224,604	3,300	90,793
				4,000		1,718,277	229,030	13,747	19,057
								26,946	120,613
Net Revenue (Expense) before Interfund Transfers	322,655	-	-	-	-	20,061	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(322,655)					(20,061)			
	(322,655)					(20,061)			
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 79 (Cowichan Valley)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2017

	\$	TOTAL \$
Deferred Revenue, beginning of year	-	3,087,123
Add: Restricted Grants		
Provincial Grants - Ministry of Education	3,625,199	
Other	1,946,441	
Investment Income	10,839	
Donations	3,069	
Less: Allocated to Revenue	-	5,585,548
Deferred Revenue, end of year	-	<u>2,952,971</u>
Revenues		
Provincial Grants - Ministry of Education	3,725,446	
Provincial Grants - Other	220,546	
Other Revenue	1,768,237	
Investment Income	5,471	
Expenses		
Salaries		
Teachers	1,489,207	
Principals and Vice Principals	37,133	
Educational Assistants	617,629	
Support Staff	30,646	
Substitutes	79,760	
Employee Benefits	2,254,375	
Services and Supplies	519,852	
	2,385,178	
	-	5,159,405
Net Revenue (Expense) before Interfund Transfers	-	<u>560,295</u>
Interfund Transfers		
Tangible Capital Assets Purchased	-	(560,295)
Net Revenue (Expense)	-	<u>-</u>

School District No. 79 (Cowichan Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget (Note 17) \$	2017 Actual			2016 Actual \$
		Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	
Revenues					
Provincial Grants					
Ministry of Education		277,628		277,628	93,190
Investment Income	11,000		10,318	10,318	10,899
Amortization of Deferred Capital Revenue	3,715,507	3,723,319		3,723,319	3,634,426
Climbing Wall Reimbursement				-	5,000
Total Revenue	<u>3,726,507</u>	<u>4,000,947</u>	<u>10,318</u>	<u>4,011,265</u>	<u>3,743,515</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,011,799	4,024,735		4,024,735	4,007,738
Transportation and Housing	325,221	325,221		325,221	285,130
Debt Services					
Capital Lease Interest			1,811	1,811	
Total Expense	<u>4,337,020</u>	<u>4,349,956</u>	<u>1,811</u>	<u>4,351,767</u>	<u>4,292,868</u>
Capital Surplus (Deficit) for the year	<u>(610,513)</u>	<u>(349,009)</u>	<u>8,507</u>	<u>(340,502)</u>	<u>(549,353)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	536,317	615,267		615,267	237,869
Capital Lease Payment			16,456	16,456	
Total Net Transfers	<u>536,317</u>	<u>615,267</u>	<u>16,456</u>	<u>631,723</u>	<u>237,869</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		36,774	(36,774)		
Principal Payment					
Capital Lease		14,645	(14,645)		
Total Other Adjustments to Fund Balances		<u>51,419</u>	<u>(51,419)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(74,196)</u>	<u>317,677</u>	<u>(26,456)</u>	<u>291,221</u>	<u>(311,484)</u>
Capital Surplus (Deficit), beginning of year		<u>43,913,486</u>	<u>1,099,539</u>	<u>45,013,025</u>	<u>45,324,509</u>
Capital Surplus (Deficit), end of year		<u>44,231,163</u>	<u>1,073,083</u>	<u>45,304,246</u>	<u>45,013,025</u>

School District No. 79 (Cowichan Valley)

Tangible Capital Assets

Year Ended June 30, 2017

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	26,138,792	166,487,686	2,192,735	3,670,492	53,562	87,927	198,631,194
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	277,628	3,562,960		330,409			4,170,997
Deferred Capital Revenue - Other			37,537				37,537
Operating Fund			34,911				54,972
Special Purpose Funds	32,621	507,612		20,061			560,295
Local Capital		20,055		16,719			36,774
Leased Capital						55,080	55,080
Decrease:							
Deemed Disposals	310,249	4,090,627	72,448	387,251	-	55,080	4,915,655
Cost, end of year	26,449,041	170,578,313	1,672,829	3,900,442	53,562	124,920	202,779,107
Work in Progress, end of year			592,354	157,301		18,087	767,742
Cost and Work in Progress, end of year	26,449,041	170,578,313	1,672,829	3,900,442	53,562	124,920	202,779,107
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		73,063,477	1,149,276	1,500,311	18,210	56,375	75,787,649
Decrease:							
Deemed Disposals		3,735,337	219,273	367,049	10,712	17,585	4,349,956
Accumulated Amortization, end of year			592,354	157,301		18,087	767,742
Tangible Capital Assets - Net	26,449,041	93,779,499	896,634	2,190,383	24,640	69,047	123,409,244

School District No. 79 (Cowichan Valley)

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	76,127,246	2,343,139	459,677	78,930,062
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,893,369	37,537		3,930,906
	<u>3,893,369</u>	<u>37,537</u>	<u>-</u>	<u>3,930,906</u>
Decrease:				
Amortization of Deferred Capital Revenue	3,581,080	95,199	47,040	3,723,319
Balance adjustment	4			4
	<u>3,581,084</u>	<u>95,199</u>	<u>47,040</u>	<u>3,723,323</u>
Net Changes for the Year	<u>312,285</u>	<u>(57,662)</u>	<u>(47,040)</u>	<u>207,583</u>
Deferred Capital Revenue, end of year	<u>76,439,531</u>	<u>2,285,477</u>	<u>412,637</u>	<u>79,137,645</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year				-
Work in Progress, end of year				-
Total Deferred Capital Revenue, end of year	<u>76,439,531</u>	<u>2,285,477</u>	<u>412,637</u>	<u>79,137,645</u>

School District No. 79 (Cowichan Valley)

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

Schedule 4D (Unaudited)

	Bylaw Capital	MEEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	2,090,486	-	-	-	2,090,486
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	4,170,997		92,197			4,170,997
Provincial Grants - Other		19,946				19,946
Investment Income		19,946	92,197			4,283,140
Decrease:						
Transferred to DCR - Capital Additions	3,893,369		37,537			3,930,906
Transferred to Revenue - Site Purchases	277,628					277,628
	4,170,997	-	37,537			4,208,534
Net Changes for the Year	-	19,946	54,660			74,606
Balance, end of year	-	2,110,432	54,660			2,165,092