

Audited Financial Statements of

# **School District No. 71 (Comox Valley)**

June 30, 2017

# School District No. 71 (Comox Valley)

June 30, 2017

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# School District No. 71 (Comox Valley)

## MANAGEMENT REPORT

Version: 1414-9668-7686

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 71 (Comox 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. 71 (Comox 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, The Office of the Auditor General of British Columbia, 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. 71 (Comox 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. ~~71 (Comox Valley)~~

<del>Signature of the Chairperson of the Board of Education</del>	September 26, 2017
	Date Signed

<del>Signature of the Superintendent</del>	September 26, 2017
	Date Signed

<del>Signature of the Secretary Treasurer</del>	September 26, 2017
	Date Signed



## **INDEPENDENT AUDITOR'S REPORT**

*To the Board of Education of School District No. 71 (Comox Valley), and  
To the Minister of Education, Province of British Columbia*

I have audited the accompanying financial statements of School District No. 71 (Comox Valley) (“the entity”), which comprise the statement of financial position as at June 30, 2017, and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation of these financial statements in accordance with Canadian Public Sector Accounting Standards, 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***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 overall presentation of the financial statements.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### ***Basis for Qualified Opinion***

As described in Note 2a) to the financial statements, the entity's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to

recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

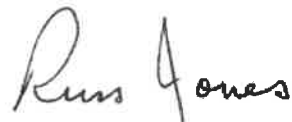
Under Canadian Public Sector Accounting Standards, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion certain contributions of the entity do not meet the definition of a liability, and as such the entity's method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. When the cumulative effects of this departure to date are adjusted through opening accumulated surplus, the entity's records indicate that the effects of this departure on the current year financial statements is an overstatement of the liability for deferred revenue of \$0.3 million and deferred capital revenue of \$66.3 million, an understatement of opening accumulated surplus of \$68.8 million, and a current year overstatement of revenue of \$2.2 million. Accordingly, the current year surplus is overstated by \$2.2 million and net debt is overstated by \$66.6 million.

#### ***Qualified Opinion***

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of School District No. 71 (Comox Valley) as at June 30, 2017, and the results of its operations, changes in its net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Victoria, British Columbia  
September 28, 2017



Russ Jones, FCPA, FCA  
Deputy Auditor General



# School District No. 71 (Comox Valley)

## Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 21)	20,680,860	14,941,830
Accounts Receivable		
Due from Province - Ministry of Education	1,350,673	807,956
Due from LEA/Direct Funding	24,284	63,973
Other (Note 3)	460,567	263,566
<b>Total Financial Assets</b>	<u>22,516,384</u>	<u>16,077,325</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	9,928,256	7,851,449
Unearned Revenue (Note 5)	2,612,502	2,019,996
Deferred Revenue (Note 6)	1,716,840	1,520,595
Deferred Capital Revenue (Note 7)	80,867,012	71,343,201
Employee Future Benefits (Note 8)	3,915,244	3,880,584
Capital Lease Obligations (Note 9)	348,476	550,500
<b>Total Liabilities</b>	<u>99,388,330</u>	<u>87,166,325</u>
<b>Net Financial Assets (Debt)</b>	<u>(76,871,946)</u>	<u>(71,089,000)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	109,044,289	100,528,512
Prepaid Expenses	772,853	813,274
<b>Total Non-Financial Assets</b>	<u>109,817,142</u>	<u>101,341,786</u>
<b>Accumulated Surplus (Deficit) (Note 13)</b>	<u>32,945,196</u>	<u>30,252,786</u>

Contractual Obligations and Contingencies (Note 15 & 16)

Approved by the Board

Signature of the Chairperson of the Board of Education	September 26, 2017 Date Signed
Signature of the Superintendent	September 26, 2017 Date Signed
Signature of the Secretary Treasurer	September 26, 2017 Date Signed

**School District No. 71 (Comox Valley)**

Statement 2

Statement of Operations  
Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	76,122,800	77,996,174	74,080,142
Tuition	2,437,500	2,576,687	2,670,160
Other Revenue	2,754,538	3,389,142	3,350,514
Rentals and Leases	203,220	146,028	153,534
Investment Income	117,000	165,797	147,072
Gain (Loss) on Disposal of Tangible Capital Assets (Note 11)		862,950	
Amortization of Deferred Capital Revenue	3,336,465	4,570,935	3,788,224
<b>Total Revenue</b>	<u>84,971,523</u>	<u>89,707,713</u>	<u>84,189,646</u>
<b>Expenses (Note 18)</b>			
Instruction	68,207,419	67,303,299	67,267,194
District Administration	2,415,685	2,366,648	2,322,849
Operations and Maintenance	13,506,914	15,479,946	14,413,945
Transportation and Housing	1,825,699	1,845,010	1,826,629
Debt Services	20,400	20,400	28,667
<b>Total Expense</b>	<u>85,976,117</u>	<u>87,015,303</u>	<u>85,859,284</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,004,594)</u>	<u>2,692,410</u>	<u>(1,669,638)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<u>30,252,786</u>	31,922,424
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>32,945,196</u>	<u>30,252,786</u>

# School District No. 71 (Comox Valley)

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(1,004,594)	<b>2,692,410</b>	(1,669,638)
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(12,353,037)	<b>(14,314,447)</b>	(4,395,253)
Amortization of Tangible Capital Assets	4,435,395	<b>5,796,620</b>	5,330,941
Net carrying value of Tangible Capital Assets disposed of		<b>2,050</b>	
<b>Total Effect of change in Tangible Capital Assets</b>	<b>(7,917,642)</b>	<b>(8,515,777)</b>	935,688
Acquisition of Prepaid Expenses		<b>(772,853)</b>	(813,274)
Use of Prepaid Expenses		<b>813,274</b>	284,778
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>40,421</b>	(528,496)
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<b>(8,922,236)</b>	<b>(5,782,946)</b>	(1,262,446)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<b>(5,782,946)</b>	(1,262,446)
<b>Net Financial Assets (Debt), beginning of year</b>		<b>(71,089,000)</b>	(69,826,554)
<b>Net Financial Assets (Debt), end of year</b>		<b>(76,871,946)</b>	(71,089,000)



# School District No. 71 (Comox Valley)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	2,692,410	(1,669,638)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(700,029)	(663,266)
Prepaid Expenses	40,421	(528,496)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,076,807	858,795
Unearned Revenue	592,506	87,046
Deferred Revenue	196,245	(355,560)
Employee Future Benefits	34,660	112,521
Loss (Gain) on Disposal of Tangible Capital Assets	(862,950)	-
Amortization of Tangible Capital Assets	5,796,620	5,330,941
Amortization of Deferred Capital Revenue	(4,570,935)	(3,788,224)
<b>Total Operating Transactions</b>	<u>5,295,755</u>	<u>(615,881)</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(2,021,913)	(1,828,578)
Tangible Capital Assets -WIP Purchased	(12,292,534)	(2,497,250)
District Portion of Proceeds on Disposal	600,000	-
Principal Payment on Capital Lease Obligation	(202,024)	(193,757)
Prepaid Rent Consideration Received on Disposal of Land (Note 11)	265,000	-
<b>Total Capital Transactions</b>	<u>(13,651,471)</u>	<u>(4,519,585)</u>
<b>Financing Transactions</b>		
Loan Payments	-	(5,805)
Capital Revenue Received	14,094,746	4,009,878
<b>Total Financing Transactions</b>	<u>14,094,746</u>	<u>4,004,073</u>
<b>Investing Transactions</b>		
Change in Portfolio Investments	-	2,025,507
<b>Total Investing Transactions</b>	<u>-</u>	<u>2,025,507</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	5,739,030	894,114
<b>Cash and Cash Equivalents, beginning of year</b>	<u>14,941,830</u>	<u>14,047,716</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>20,680,860</u>	<u>14,941,830</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>20,680,860</u>	<u>14,941,830</u>
	<u>20,680,860</u>	<u>14,941,830</u>

Supplementary Cash Flow Information

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established in 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 71 (Comox Valley)", and operates as "School District No. 71 (Comox 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. 71 (Comox Valley) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

a) Basis of Accounting

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

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(e) and 2(l), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction that the contribution is subject to is met and 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. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability.

The impact of these differences on the financial statements of the School District are as follows:

Year-ended June 30, 2017 – decrease in annual surplus by \$2,183,935  
June 30, 2017 - increase in accumulated surplus by \$68,790,319, a decrease in deferred revenue by \$286,258 and a decrease in deferred capital revenue by \$66,320,127.

Year-ended June 30, 2016 – decrease in annual surplus by \$2,657,769  
June 30, 2016 – increase in accumulated surplus by \$71,446,088, a decrease in deferred revenue by \$172,172 and a decrease in deferred capital revenue by \$68,618,147.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) 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.

e) 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 (l).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the Statement of Operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria are 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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

f) Employee Future Benefits

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

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method prorated 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, 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.

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.

g) Asset Retirement Obligations

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

h) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts directly related to acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

i) Prepaid Expenses

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

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incidental to ownership of the property to the School District are considered capital leases.

These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13).

l) 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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

l) Revenue Recognition (continued)

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

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

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

m) Expenditures

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

Categories of Salaries

- Principals, 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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

n) Financial Instruments

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

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

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

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

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

o) Measurement Uncertainty

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



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2017	2016
Due from Federal Government	\$291,912	\$125,480
Other	168,655	138,086
	\$460,567	\$263,566

**NOTE 4      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER**

	2017	2016
Trade Payables	\$2,437,145	\$2,004,918
Salaries and Benefits Payable	2,185,970	2,189,189
Accrued Vacation Payable	370,841	354,397
Other	4,934,300	3,302,945
	\$9,928,256	\$7,851,449

**NOTE 5      UNEARNED REVENUE**

	2017	2016
Balance, beginning of year	\$2,019,996	\$1,932,951
Changes for the year:		
Increase:		
Tuition fees collected	5,211,568	4,686,015
Decrease:		
Tuition fees recognized	(4,619,062)	(4,598,970)
Net Changes for the Year	592,506	87,045
Balance, end of year	\$2,612,502	\$2,019,996

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**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.

	2017	2016
Balance, beginning of year	\$1,520,595	\$1,876,155
Increases:		
Provincial Grants - Ministry of Education	3,613,063	2,860,188
School Generated Funds	2,584,185	2,314,108
Other	128,664	181,690
	6,325,912	5,355,986
Decreases:		
Transfer to Revenue	6,129,667	5,743,424
Allocated to Other Payables	-	(31,878)
Net change for the year	196,245	(355,560)
Balance, end of year	\$1,716,840	\$1,520,595

**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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 7 DEFERRED CAPITAL REVENUE (Continued)**

	2017	2016
<b>Deferred capital revenue subject to amortization</b>		
Balance, beginning of year	\$68,618,147	\$71,037,871
Increases:		
Provincial Grants for Capital additions	1,713,491	1,520,165
Transferred from Work in Progress	559,424	-
Decreases:		
Correct WIP Balance	-	(151,665)
Amortization & Deemed Disposals	(4,570,935)	(3,788,224)
Net change for the year	(2,298,020)	(2,419,724)
<b>Balance, end of year</b>	<b>\$66,320,127</b>	<b>\$68,618,147</b>
<b>Work in Progress</b>		
Balance, beginning of year	\$2,632,215	-
Increases:		
Correct WIP Balance	-	151,665
Transferred from deferred revenue – WIP	12,277,018	2,480,550
Decreases:		
Transferred to deferred capital revenue	(559,424)	-
Net Changes for the year	11,717,594	2,632,215
<b>Balance, end of year</b>	<b>\$14,349,809</b>	<b>\$2,632,215</b>
<b>Deferred capital revenue – Unspent</b>		
Balance, beginning of year	\$92,839	\$83,676
Increases:		
Provincial Grants – Ministry of Education	14,094,746	4,009,878
Decrease:		
Transfer to deferred capital revenue subject to amortization	(1,713,491)	(1,520,165)
Transfer to deferred capital revenue – WIP	(12,277,018)	(2,480,550)
Net change for the year	104,237	9,163
<b>Balance, end of year</b>	<b>\$197,076</b>	<b>\$92,839</b>
<b>Total deferred capital revenue balance, end of year</b>	<b>\$80,867,012</b>	<b>\$71,343,201</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**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.

	2017	2016
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$3,389,202	\$3,498,268
Service Cost	266,479	299,239
Interest Cost	85,624	81,254
Benefit Payments	(249,299)	(311,660)
Actuarial Loss (Gain)	(261,034)	(177,899)
Accrued Benefit Obligation – March 31	\$3,230,972	\$3,389,202
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$3,230,972	\$3,389,202
Funded Status – Deficit	3,320,972	3,389,202
Employer Contributions After Measurement Date	(25,418)	(19,570)
Benefits Expense After Measurement Date	89,540	88,026
Unamortized Net Actuarial Loss	620,150	422,927
Accrued Benefit Liability – June 30	\$3,915,244	\$3,880,584
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability – July 1	\$3,880,584	\$3,768,064
Net expense for year	289,807	330,514
Employer Contributions	(255,147)	(217,994)
Accrued Benefit Liability – June 30	\$3,915,244	\$3,880,584
	2017	2016
<b>Components of Net Benefit Expense</b>		
Service Cost	\$266,619	\$291,049
Interest Cost	86,999	82,347
Amortization of Net Actuarial Gain	(63,811)	(42,882)
Net Benefit Expense	\$289,807	\$330,514

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 8      EMPLOYEE FUTURE BENEFITS** *(Continued)*

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

	2017	2016
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	8.5	8.5

**NOTE 9      CAPITAL LEASE OBLIGATIONS**

	Present Value
	2017
Capital Leases for the purchase of Computer Hardware:	
MacQuarie Equipment Finance, expires December 31, 2017, interest at 2.90%	\$17,390
MacQuarie Equipment Finance, expires June 30, 2019, interest at 3.88%	73,826
MacQuarie Equipment Finance, expires June 30, 2019, interest at 4.07%	41,137
MacQuarie Equipment Finance, expires September 30, 2019, interest at 5.14%	61,041
MacQuarie Equipment Finance, expires December 31, 2018, interest at 4.70%	111,844
MacQuarie Equipment Finance, expires June 30, 2020, interest at 3.85%	43,238
	\$348,476
Repayments are due as follows:	
2018                      \$204,843	
2019                      137,470	
2020 <u>22,557</u>	
	364,870
Less: Interest	<u>(16,394)</u>
Present Value	<u>\$348,476</u>

Total interest expense for the year was \$20,400 (2016 - \$28,667).

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 10 TANGIBLE CAPITAL ASSETS**

**June 30, 2017**

<b>Cost:</b>	<b>Balance at July 1, 2016</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2017</b>
Sites	\$14,153,939	\$-	\$2,050	\$ -	\$14,151,889
Buildings	158,043,351	2,272,915	-	11,623,236	171,939,502
Furniture & Equipment	625,834	49,095	466,082	109,874	318,721
Vehicles	698,610	67,937	60,303	-	706,244
Computer Software	-	-	-	-	-
Computer Hardware	4,285,302	191,390	-	-	4,476,692
<b>Total</b>	<b>\$177,807,036</b>	<b>\$2,581,337</b>	<b>\$528,435</b>	<b>\$11,733,110</b>	<b>\$191,593,048</b>

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2016</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2017</b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	74,815,283	4,853,905	-	79,669,188
Furniture & Equipment	516,434	39,455	466,082	89,807
Vehicles	265,759	70,244	60,303	275,700
Computer Software	-	-	-	-
Computer Hardware	1,681,048	833,016	-	2,514,064
<b>Total</b>	<b>\$77,278,524</b>	<b>\$5,796,620</b>	<b>\$526,385</b>	<b>\$82,548,759</b>

**June 30, 2016**

<b>Cost:</b>	<b>Balance at July 1, 2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2016</b>
Sites	\$14,153,939	\$-	\$ -	\$ -	\$14,153,939
Buildings	153,897,550	1,520,165	-	2,625,636	158,043,351
Furniture & Equipment	629,295	-	26,740	23,279	625,834
Vehicles	822,512	105,613	229,515	-	698,610
Computer Software	-	-	-	-	-
Computer Hardware	4,013,077	272,225	-	-	4,285,302
<b>Total</b>	<b>\$173,516,373</b>	<b>\$1,898,003</b>	<b>\$256,255</b>	<b>\$2,648,915</b>	<b>\$177,807,036</b>

<b>Accumulated Amortization:</b>	<b>Balance at July 1, 2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2016</b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	70,968,858	3,846,425	-	74,815,283
Furniture & Equipment	450,166	93,008	26,740	516,434
Vehicles	378,094	117,180	229,515	265,759
Computer Software	-	-	-	-
Computer Hardware	406,720	1,274,328	-	1,681,048
<b>Total</b>	<b>\$72,203,838</b>	<b>\$5,330,941</b>	<b>\$256,255</b>	<b>\$77,278,524</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)**

**Net Book Value:**

	June 30, 2017	June 30, 2016
Sites	\$14,151,889	\$14,153,939
Buildings	92,270,314	83,228,068
Furniture & Equipment	228,914	109,400
Vehicles	430,544	432,851
Computer Software	-	-
Computer Hardware	1,962,628	2,604,254
<b>Total</b>	<b>\$109,044,289</b>	<b>\$100,528,512</b>

During the year, \$0 (2016 – \$69,425) of Computer Hardware was acquired through capital lease.

**NOTE 11 DISPOSAL OF SITES AND BUILDINGS**

During the year land legally described as Lot 2, Plan VIP81287 was exchanged with the Corporation of the City of Courtenay and concurrently sold to the Comox Valley Regional District. Proceeds were allocated 100% to Local Capital and recorded as \$600,000 Cash and \$265,000 Prepaid Rent, resulting in a Gain on Disposal. The Prepaid Rent will not be utilized until the sale of a second parcel of land to the Comox Valley Regional District completes which is expected to occur by June 30, 2021.

Cash Proceeds on Land Disposal	\$ 600,000
Prepaid Rent Consideration Received on Land Disposal	265,000
Total Proceeds on Land Disposal	<u>865,000</u>
Cost of Land	- 2,050
Total Gain on Disposal of Land	<u>\$ 862,950</u>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**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, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 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 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 \$6,527,591 for employer contributions to the plans for the year ended June 30, 2017 (2016: \$7,187,195)

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.



**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 13 ACCUMULATED SURPLUS**

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

	2017	2016
Invested in tangible capital assets	\$28,025,880	\$ 28,727,653
Operating surplus	2,656,789	585,582
Local capital surplus	2,262,527	939,551
	\$32,945,196	\$ 30,252,786

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

- Operating Funds of \$1,004,338 were transferred to Local Capital

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

School Supply Accounts	\$77,938
District Programs/Initiatives	602,764
Student Learning Grant	363,840
Aboriginal Education	124,081
Unallocated – Future Years Budgets	1,488,166
Total operating surplus restricted for future operations	\$2,656,789

The local capital surplus has been internally restricted by the Board for:

Future Information Technology Reserve	\$507,527
Vehicles and Extra-Curricular Fleet	310,000
Multi-Function Devices and Other Equipment Initiatives	180,000
GP Vanier Seismic Project Contribution Agreement	350,000
Board Office Prepaid Rent and Updates	915,000
Total operating surplus restricted for future operations	\$2,262,527

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 14 BUDGET FIGURES**

Budget figures included in the Financial Statements are the amended budget approved by the Board through adoption of an amended annual budget on January 24, 2017. While Public Sector Accounting Standards require the presentation of the originally planned budget, an amended budget based on more accurate enrolment numbers was approved by the Board and filed with the Ministry of Education on January 24, 2017. Significant changes between the original and amended budget are as follows:

Revenue	Original Budget	Amended Budget	Change
	2016/17	2016/17	
Provincial Grants Ministry of Education	\$ 71,893,505	\$ 76,122,800	\$ (4,229,295)
Provincial Grants Other	-	-	-
Tuition	3,797,500	2,437,500	1,360,000
Other Revenue	2,804,538	2,754,538	50,000
Rentals and Leases	201,508	203,220	(1,712)
Investment Income	87,000	117,000	(30,000)
Amortization of Deferred Capital Revenue	3,358,590	3,336,465	22,125
<b>Total Revenue</b>	<b>\$ 82,142,641</b>	<b>\$ 84,971,523</b>	<b>\$ (2,828,882)</b>
<b>Expenses</b>			
Instruction	\$ 65,344,684	\$ 68,207,419	\$ (2,862,735)
District Administration	2,383,413	2,415,685	(32,272)
Operations and Maintenance	13,597,052	13,506,914	90,138
Transportation and Housing	1,800,736	1,825,699	(24,963)
Debt Services	-	20,400	(20,400)
<b>Total expense</b>	<b>\$ 83,125,885</b>	<b>\$ 85,976,117</b>	<b>\$ (2,850,232)</b>
<b>Surplus (Deficit) for the year</b>	<b>\$ (983,244)</b>	<b>\$ (1,004,594)</b>	<b>\$ (21,350)</b>
Budgeted Retirement of Deficit	-	115,264	(115,264)
<b>Budgeted Surplus (Deficit) for the year</b>	<b>\$ (983,244)</b>	<b>\$ (889,330)</b>	<b>\$ (93,914)</b>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 15 CONTRACTUAL OBLIGATIONS**

The School District has entered into multiple-year contracts for the construction of tangible capital assets, specifically the structural seismic mitigation to G.P. Vanier Secondary. These contractual obligations will become liabilities in the future when the terms of the contracts are met. The capital project funding agreement estimates the maximum potential project funding to be \$33,812,305. As of June 30, 2017 \$14,230,253 has been spent and recorded as work in progress with an expected project completion date of August 31, 2018.

On May 23, 2017 the School District entered into a multiple-year contract for transportation services. This contract commences September 1, 2017 for a minimum duration of five years. Assuming that factors relating directly to pricing remain consistent with the 2016/17 school year, contractual costs can be estimated and incrementally increased by at least 2.5% annually based on the contract terms.

Contractual Obligations	2018	2019	2020	2021	2022
Transportation Contract	\$1,799,895	\$1,844,893	\$1,891,015	\$1,938,290	\$1,986,748
	<u>\$1,799,895</u>	<u>\$1,844,893</u>	<u>\$1,891,015</u>	<u>\$1,938,290</u>	<u>\$1,986,748</u>

**NOTE 16 CONTINGENCIES**

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

**NOTE 17 ASSET RETIREMENT OBLIGATION**

Certain schools in the School District contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of future removal costs cannot be reasonably estimated due to unknown timelines.

**NOTE 18 EXPENSE BY OBJECT**

	2017	2016
Salaries and benefits	\$67,340,023	\$67,414,855
Services and supplies	13,878,660	13,113,488
Amortization	5,796,620	5,330,941
	<u>\$87,015,303</u>	<u>\$85,859,284</u>

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 19 ECONOMIC DEPENDENCE**

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

**NOTE 20 RISK MANAGEMENT**

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

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

a) Credit risk:

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions.

b) Market risk:

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

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

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

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.

**SCHOOL DISTRICT NO. 71 (COMOX VALLEY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 20 RISK MANAGEMENT (continued)**

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

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

**NOTE 21 CASH AND CASH EQUIVALENTS**

	<u>2017</u>	<u>2016</u>
School Generated Funds	\$ 803,421	\$ 794,449
District Funds	13,360,290	6,824,049
Funds Restricted for the Teacher Salary Deferral Program	202,661	119,942
BC Ministry of Finance Central Deposit Program	6,314,488	7,203,390
Total Cash and Cash Equivalents	<u>\$20,680,860</u>	<u>\$14,941,830</u>

**NOTE 22 COMPARATIVE FIGURES**

Certain 2015/16 comparative figures have been reclassified to conform to the current year's financial statement presentation.

# School District No. 71 (Comox 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
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	585,582		29,667,204	30,252,786	31,922,424
<b>Changes for the year</b>					
Surplus (Deficit) for the year	3,075,545		(383,135)	2,692,410	(1,669,638)
Interrund Transfers	(1,004,338)		1,004,338	-	
Local Capital	2,071,207	-	621,203	2,692,410	(1,669,638)
<b>Net Changes for the year</b>	<u>2,656,789</u>	<u>-</u>	<u>30,288,407</u>	<u>32,945,196</u>	<u>30,252,786</u>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>					

# School District No. 71 (Comox Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	73,165,643	74,588,011	71,025,441
Tuition	2,437,500	2,576,687	2,670,160
Other Revenue	524,538	674,889	654,518
Rentals and Leases	203,220	146,028	153,534
Investment Income	117,000	158,546	139,345
<b>Total Revenue</b>	<b>76,447,901</b>	<b>78,144,161</b>	<b>74,642,998</b>
<b>Expenses</b>			
Instruction	63,400,519	61,553,889	61,909,832
District Administration	2,415,685	2,366,648	2,322,849
Operations and Maintenance	8,691,262	9,303,069	8,702,747
Transportation and Housing	1,825,699	1,845,010	1,826,629
<b>Total Expense</b>	<b>76,333,165</b>	<b>75,068,616</b>	<b>74,762,057</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>114,736</b>	<b>3,075,545</b>	<b>(119,059)</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>115,264</b>		
<b>Net Transfers (to) from other funds</b>			
Local Capital	(230,000)	(1,004,338)	
<b>Total Net Transfers</b>	<b>(230,000)</b>	<b>(1,004,338)</b>	<b>-</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>2,071,207</b>	<b>(119,059)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>585,582</b>	<b>704,641</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>2,656,789</b>	<b>585,582</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>1,168,623</b>	<b>585,582</b>
Unrestricted		<b>1,488,166</b>	
<b>Total Operating Surplus (Deficit), end of year</b>		<b>2,656,789</b>	<b>585,582</b>

# School District No. 71 (Comox Valley)

Schedule 2A (Unaudited)

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

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	71,997,368	72,941,075	70,568,109
INAC/LEA Recovery	(174,538)	(134,428)	(174,538)
Other Ministry of Education Grants			
Pay Equity	451,831	451,831	451,831
Funding for Graduated Adults		9,702	11,696
Transportation Supplement	421,375	421,375	
Economic Stability Dividend	29,000	43,559	56,359
Return of Administrative Savings	354,941	354,941	
Carbon Tax Grant	50,000	58,058	56,964
Student Learning Grant		404,434	
Other Ministry of Education Grants	35,666	19,964	30,020
Shoulder Tappers Grant		17,500	25,000
<b>Total Provincial Grants - Ministry of Education</b>	<b>73,165,643</b>	<b>74,588,011</b>	<b>71,025,441</b>
<b>Tuition</b>			
International and Out of Province Students	2,437,500	2,576,687	2,670,160
<b>Total Tuition</b>	<b>2,437,500</b>	<b>2,576,687</b>	<b>2,670,160</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	174,538	134,428	156,059
Miscellaneous			
Instructional Cafeteria	120,000	113,349	126,489
Other Miscellaneous	230,000	427,112	371,970
<b>Total Other Revenue</b>	<b>524,538</b>	<b>674,889</b>	<b>654,518</b>
<b>Rentals and Leases</b>	<b>203,220</b>	<b>146,028</b>	<b>153,534</b>
<b>Investment Income</b>	<b>117,000</b>	<b>158,546</b>	<b>139,345</b>
<b>Total Operating Revenue</b>	<b>76,447,901</b>	<b>78,144,161</b>	<b>74,642,998</b>



**School District No. 71 (Comox Valley)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	31,803,559	<b>30,595,561</b>	31,037,295
Principals and Vice Principals	4,679,873	<b>4,397,603</b>	4,320,718
Educational Assistants	5,092,306	<b>4,983,160</b>	5,188,426
Support Staff	6,744,491	<b>6,751,786</b>	6,892,404
Other Professionals	1,916,235	<b>1,923,267</b>	1,838,445
Substitutes	2,364,681	<b>2,383,454</b>	2,269,896
<b>Total Salaries</b>	<b>52,601,145</b>	<b>51,034,831</b>	<b>51,547,184</b>
<b>Employee Benefits</b>	13,308,573	<b>13,351,331</b>	13,436,180
<b>Total Salaries and Benefits</b>	<b>65,909,718</b>	<b>64,386,162</b>	<b>64,983,364</b>
<b>Services and Supplies</b>			
Services	3,615,813	<b>2,240,724</b>	2,127,976
Student Transportation	1,941,587	<b>1,980,005</b>	1,998,118
Professional Development and Travel	331,666	<b>415,074</b>	344,412
Dues and Fees	57,117	<b>46,398</b>	91,238
Insurance	193,790	<b>196,028</b>	169,303
Supplies	2,728,896	<b>4,254,445</b>	3,678,819
Utilities	1,554,578	<b>1,549,780</b>	1,368,827
<b>Total Services and Supplies</b>	<b>10,423,447</b>	<b>10,682,454</b>	<b>9,778,693</b>
<b>Total Operating Expense</b>	<b>76,333,165</b>	<b>75,068,616</b>	<b>74,762,057</b>

# School District No. 71 (Comox 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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	23,821,157	942,788	57,088		132,963	2,009,917	26,963,913
1.03 Career Programs	288,970		149,382			18,776	457,128
1.07 Library Services	362,220	1,949		613,759		11,759	989,687
1.08 Counselling	1,240,221					3,803	1,244,024
1.10 Special Education	3,795,701	258,820	4,187,298	62,236		224,353	8,528,408
1.30 English Language Learning	102,266						102,266
1.31 Aboriginal Education	249,774	112,993	480,540	33,610		20,046	896,963
1.41 School Administration		2,850,579		1,379,374		60,783	4,290,736
1.62 International and Out of Province Students	735,252	115,237	64,412	45,042	195,586	31,431	1,186,960
1.64 Other		115,237	44,440	79,604		2,586	241,867
<b>Total Function 1</b>	<b>30,595,561</b>	<b>4,397,603</b>	<b>4,983,160</b>	<b>2,213,625</b>	<b>328,549</b>	<b>2,383,454</b>	<b>44,901,952</b>
<b>4 District Administration</b>							
4.11 Educational Administration					487,230		487,230
4.40 School District Governance					127,944		127,944
4.41 Business Administration				301,928	637,132		939,060
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301,928</b>	<b>1,252,306</b>	<b>-</b>	<b>1,554,234</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration					199,510		199,510
5.50 Maintenance Operations				4,236,233	102,042		4,338,275
5.52 Maintenance of Grounds							-
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,236,233</b>	<b>301,552</b>	<b>-</b>	<b>4,537,785</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					40,860		40,860
7.70 Student Transportation							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,860</b>	<b>-</b>	<b>40,860</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>30,595,561</b>	<b>4,397,603</b>	<b>4,983,160</b>	<b>6,751,786</b>	<b>1,923,267</b>	<b>2,383,454</b>	<b>51,034,831</b>

# School District No. 71 (Comox Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	(Note 14)	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	26,963,913	7,560,378	34,524,291	2,293,848	36,818,139	36,805,311	36,771,259
1.03 Career Programs	457,128	129,635	586,763	350,263	937,026	853,654	854,116
1.07 Library Services	989,687	263,887	1,253,574	253,393	1,506,967	1,459,773	1,575,064
1.08 Counselling	1,244,024	296,331	1,540,355	436	1,540,791	1,861,947	1,725,989
1.10 Special Education	8,528,408	2,179,480	10,707,888	141,870	10,849,758	11,671,881	10,931,448
1.30 English Language Learning	102,266	24,046	126,312	198	126,510	108,770	144,387
1.31 Aboriginal Education	896,963	201,969	1,098,932	221,472	1,320,404	1,453,803	1,275,393
1.41 School Administration	4,290,736	976,383	5,267,119	383,240	5,650,359	6,461,445	5,920,046
1.62 International and Out of Province Students	1,186,960	293,914	1,480,874	638,333	2,119,207	2,017,225	1,966,476
1.64 Other	241,867	78,360	320,227	364,501	684,728	706,710	745,654
<b>Total Function 1</b>	<b>44,901,952</b>	<b>12,004,383</b>	<b>56,906,335</b>	<b>4,647,554</b>	<b>61,553,889</b>	<b>63,400,519</b>	<b>61,909,832</b>
<b>4 District Administration</b>							
4.11 Educational Administration	487,230	96,326	583,556	16,515	600,071	682,734	551,139
4.40 School District Governance	127,944	8,909	136,853	111,611	248,464	224,768	222,661
4.41 Business Administration	939,060	190,280	1,129,340	388,773	1,518,113	1,508,183	1,549,049
<b>Total Function 4</b>	<b>1,554,234</b>	<b>295,515</b>	<b>1,849,749</b>	<b>516,899</b>	<b>2,366,648</b>	<b>2,415,685</b>	<b>2,322,849</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	199,510	42,906	242,416	177,963	420,379	441,485	398,185
5.50 Maintenance Operations	4,338,275	1,001,509	5,339,784	1,371,303	6,711,087	6,200,199	6,425,908
5.52 Maintenance of Grounds	-	-	-	179,080	179,080	100,000	116,731
5.56 Utilities	-	-	-	1,992,523	1,992,523	1,949,578	1,761,923
<b>Total Function 5</b>	<b>4,537,785</b>	<b>1,044,415</b>	<b>5,582,200</b>	<b>3,720,869</b>	<b>9,303,069</b>	<b>8,691,262</b>	<b>8,702,747</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	40,860	7,018	47,878	-	47,878	71,485	48,435
7.70 Student Transportation	-	-	-	1,797,132	1,797,132	1,754,214	1,778,194
<b>Total Function 7</b>	<b>40,860</b>	<b>7,018</b>	<b>47,878</b>	<b>1,797,132</b>	<b>1,845,010</b>	<b>1,825,699</b>	<b>1,826,629</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>51,034,831</b>	<b>13,351,331</b>	<b>64,386,162</b>	<b>10,682,454</b>	<b>75,068,616</b>	<b>76,333,165</b>	<b>74,762,057</b>

# School District No. 71 (Comox Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget (Note 14) \$	2017 Actual \$	2016 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	2,957,157	3,408,163	3,054,701
Other Revenue	2,230,000	2,714,253	2,680,996
Investment Income		7,251	7,727
<b>Total Revenue</b>	<u>5,187,157</u>	<u>6,129,667</u>	<u>5,743,424</u>
<b>Expenses</b>			
Instruction	4,806,900	5,749,410	5,357,362
Operations and Maintenance	380,257	380,257	380,257
<b>Total Expense</b>	<u>5,187,157</u>	<u>6,129,667</u>	<u>5,737,619</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>5,805</u>
<b>Net Transfers (to) from other funds</b>			
Other			(5,805)
<b>Total Net Transfers</b>	<u>-</u>	<u>-</u>	<u>(5,805)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>

**School District No. 71 (Comox Valley)**

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

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	-	-	24,467	641,874	39,195	706,549	-	-
<b>Add:</b> Restricted Grants	380,257	1,419,701	-	-	39,367	-	2,584,185	161,227	39,200
Provincial Grants - Ministry of Education					5,904				
Other					45,271		2,584,185	161,227	39,200
Investment Income				10,919	64,643	-	2,584,769	161,227	39,200
<b>Less:</b> Allocated to Revenue	380,257	1,419,701	-	13,548	622,502	39,195	705,965	-	-
<b>Deferred Revenue, end of year</b>	-	-	-	-	-	-	-	-	-
<b>Revenues</b>	380,257	1,419,701	-	10,919	58,739	-	2,584,769	161,227	39,200
Provincial Grants - Ministry of Education					5,904				
Other Revenue					64,643		2,584,769	161,227	39,200
Investment Income				10,919					
<b>Expenses</b>	380,257	1,419,701	-	10,919	64,643	-	2,584,769	161,227	39,200
Salaries									
Teachers		967,944							
Principals and Vice Principals		233,369							
Educational Assistants									
Support Staff	259,056							120,013	30,592
Substitutes									
Employee Benefits	259,056	1,201,313						120,013	30,592
Services and Supplies	31,713	218,388		10,919	64,643		2,584,769	27,484	8,608
Deferred Revenue	89,488							13,730	
Net Revenue (Expense) before Interfund Transfers	380,257	1,419,701	-	10,919	64,643	-	2,584,769	161,227	39,200
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 71 (Comox Valley)**

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

	OLEP	Community LINK	Coding and Curriculum Implementation	Priority Measures	Professional Development	Deferred Salary	TOTAL
	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		33,196			75,314		1,520,595
<b>Add:</b>							
Restricted Grants							
Provincial Grants - Ministry of Education	195,944	600,980	83,411	732,343		15,373	3,613,063
Other						1,347	2,705,598
Investment Income							7,251
Allocated to Revenue	195,944	600,980	83,411	732,343	66,673	16,720	6,325,912
<b>Deferred Revenue, end of year</b>	-	<b>146,900</b>	<b>82,520</b>	<b>19,595</b>	<b>86,615</b>	-	<b>1,716,840</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education	195,944	487,276	891	712,748		15,373	3,408,163
Other Revenue						1,347	2,714,253
Investment Income							7,251
<b>Expenses</b>							
Salaries							
Teachers							
Principals and Vice Principals	20,005			597,054			1,564,998
Educational Assistants		244,041					20,005
Support Staff		7,121					477,410
Substitutes		345					416,782
Employee Benefits	20,005	251,507		597,054			2,479,540
Services and Supplies	4,600	67,834		115,694			474,321
	171,339	167,935	891		55,372	16,720	3,175,806
	195,944	487,276	891	712,748	55,372	16,720	6,129,667
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-

# School District No. 71 (Comox Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations  
Year Ended June 30, 2017

	2017	2017 Actual			2016
	Budget (Note 14)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Other Revenue				-	15,000
Gain (Loss) on Disposal of Tangible Capital Assets		862,950		862,950	
Amortization of Deferred Capital Revenue	3,336,465	4,570,935		4,570,935	3,788,224
<b>Total Revenue</b>	<u>3,336,465</u>	<u>5,433,885</u>	<u>-</u>	<u>5,433,885</u>	<u>3,803,224</u>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,435,395	5,796,620		5,796,620	5,330,941
Debt Services					
Capital Lease Interest	20,400		20,400	20,400	28,667
<b>Total Expense</b>	<u>4,455,795</u>	<u>5,796,620</u>	<u>20,400</u>	<u>5,817,020</u>	<u>5,359,608</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(1,119,330)</u>	<u>(362,735)</u>	<u>(20,400)</u>	<u>(383,135)</u>	<u>(1,556,384)</u>
<b>Net Transfers (to) from other funds</b>					
Local Capital	230,000		1,004,338	1,004,338	
Capital Loan Payment				-	5,805
<b>Total Net Transfers</b>	<u>230,000</u>	<u>-</u>	<u>1,004,338</u>	<u>1,004,338</u>	<u>5,805</u>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(865,000)	865,000	-	
Tangible Capital Assets Purchased from Local Capital		308,422	(308,422)	-	
Tangible Capital Assets WIP Purchased from Local Capital		15,516	(15,516)	-	
Principal Payment					
Capital Lease		202,024	(202,024)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>(339,038)</u>	<u>339,038</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(889,330)</u>	<u>(701,773)</u>	<u>1,322,976</u>	<u>621,203</u>	<u>(1,550,579)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		<u>28,727,653</u>	<u>939,551</u>	<u>29,667,204</u>	<u>31,217,783</u>
<b>Capital Surplus (Deficit), end of year</b>		<u>28,025,880</u>	<u>2,262,527</u>	<u>30,288,407</u>	<u>29,667,204</u>

# School District No. 71 (Comox 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	\$ 14,153,939	\$ 155,417,715	\$ 602,555	\$ 698,610	\$ -	\$ 4,285,302	\$ 175,158,121
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,713,491	49,095	67,937		191,390	1,713,491
Local Capital		559,424					559,424
Transferred from Work in Progress		2,272,915	49,095	67,937		191,390	2,581,337
Decrease:							
Disposed of	2,050		466,082	60,303			2,050
Deemed Disposals	2,050	-	466,082	60,303			526,385
Cost, end of year	14,151,889	157,690,630	185,568	706,244		4,476,692	177,211,023
Work in Progress, end of year		14,248,872	133,153				14,382,025
Cost and Work in Progress, end of year	14,151,889	171,939,502	318,721	706,244		4,476,692	191,593,048
Accumulated Amortization, beginning of year		74,815,283	516,434	265,759		1,681,048	77,278,524
Changes for the Year							
Increase: Amortization for the Year		4,853,905	39,455	70,244		833,016	5,796,620
Decrease:							
Deemed Disposals			466,082	60,303			526,385
Accumulated Amortization, end of year		79,669,188	89,807	275,700		2,514,064	82,548,759
Tangible Capital Assets - Net	14,151,889	92,270,314	228,914	430,544		1,962,628	109,044,289



**School District No. 71 (Comox Valley)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2017

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	2,625,636	23,279			2,648,915
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	12,167,144	109,874			12,277,018
Local Capital	15,516				15,516
	<u>12,182,660</u>	<u>109,874</u>	<u>-</u>	<u>-</u>	<u>12,292,534</u>
Decrease:					
Transferred to Tangible Capital Assets	559,424				559,424
	<u>559,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>559,424</u>
<b>Net Changes for the Year</b>	<u>11,623,236</u>	<u>109,874</u>	<u>-</u>	<u>-</u>	<u>11,733,110</u>
<b>Work in Progress, end of year</b>	<u>14,248,872</u>	<u>133,153</u>	<u>-</u>	<u>-</u>	<u>14,382,025</u>

# School District No. 71 (Comox Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	63,292,913	5,325,234		68,618,147
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,713,491			1,713,491
Transferred from Work in Progress	559,424			559,424
	<u>2,272,915</u>	-	-	<u>2,272,915</u>
Decrease:				
Amortization of Deferred Capital Revenue	3,886,187	684,748		4,570,935
	<u>3,886,187</u>	<u>684,748</u>	-	<u>4,570,935</u>
<b>Net Changes for the Year</b>	<u>(1,613,272)</u>	<u>(684,748)</u>	-	<u>(2,298,020)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>61,679,641</u>	<u>4,640,486</u>	-	<u>66,320,127</u>
<b>Work in Progress, beginning of year</b>	2,632,215			2,632,215
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	12,277,018			12,277,018
	<u>12,277,018</u>	-	-	<u>12,277,018</u>
Decrease				
Transferred to Deferred Capital Revenue	559,424			559,424
	<u>559,424</u>	-	-	<u>559,424</u>
<b>Net Changes for the Year</b>	<u>11,717,594</u>	-	-	<u>11,717,594</u>
<b>Work in Progress, end of year</b>	<u>14,349,809</u>	-	-	<u>14,349,809</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>76,029,450</u>	<u>4,640,486</u>	-	<u>80,669,936</u>

# School District No. 71 (Comox Valley)

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

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	9,163	83,676	-	-	-	92,839
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	13,981,346		113,400			13,981,346
Provincial Grants - Other	13,981,346	-	113,400	-	-	14,094,746
Decrease:						
Transferred to DCR - Capital Additions	1,713,491					1,713,491
Transferred to DCR - Work in Progress	12,277,018					12,277,018
	13,990,509	-	-	-	-	13,990,509
	(9,163)	-	113,400	-	-	104,237
<b>Net Changes for the Year</b>						
	-	83,676	113,400	-	-	197,076
<b>Balance, end of year</b>						
	-	83,676	113,400	-	-	197,076