

Audited Financial Statements of

School District No. 78 (Fraser-Cascade)

June 30, 2016

School District No. 78 (Fraser-Cascade)

June 30, 2016

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School District No. 78 (Fraser-Cascade)

MANAGEMENT REPORT

Version: 8964-8219-6236

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 78 (Fraser-Cascade) 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. 78 (Fraser-Cascade) (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, McConnell Voelkl, 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. 78 (Fraser-Cascade) 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. 78 (Fraser-Cascade)

Original signed by Board Chair

ion

Date Signed

Sept. 19/16.

Original signed by Superintendent

Date Signed

Sept. 16/16

Original signed by Secretary-Treasurer

Date Signed

Sept. 16/16.

Signature of the Secretary-Treasurer



F.W. Voelkl, CPA, CA
C.M. Kelley, CPA, CA (incorporated professional)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 78 (Fraser Cascade), and
To the Minister of Education, Province of British Columbia:

We have audited the accompanying financial statements of **SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**, which comprise the statement of financial position as at **JUNE 30, 2016**, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether these 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, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion, the financial statements of the **SCHOOL DISTRICT NO. 78 (FRASER CASCADE)** as at and for the year ended **JUNE 30, 2016**, are prepared, in all material respects, in accordance with the financial reporting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter:

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

McConnell, Voelkl

CHARTERED PROFESSIONAL ACCOUNTANTS

September 14, 2016

Hope, BC, Canada

Members, Chartered Professional Accountants of British Columbia

School District No. 78 (Fraser-Cascade)

Statement of Financial Position

As at June 30, 2016

Statement 1

	2016 Actual	2015 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	8,396,089	6,772,111
Accounts Receivable		
Due from LEA/Direct Funding	1,031,715	861,116
Other (Note 3)	119,826	81,932
Portfolio Investments (Note 4)	1,563,988	3,291,796
Total Financial Assets	11,111,618	11,006,955
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	450,358	343,702
Unearned Revenue (Note 6)	31,511	22,918
Deferred Revenue (Note 7)	643,076	590,743
Deferred Capital Revenue (Note 8)	18,903,018	15,830,104
Employee Future Benefits (Note 9)	1,230,013	1,222,393
Other Liabilities (Note 5)	808,697	640,067
Total Liabilities	22,066,673	18,649,927
Net Financial Assets (Debt)	(10,955,055)	(7,642,972)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	25,349,461	21,956,676
Prepaid Expenses	2,946	8,026
Total Non-Financial Assets	25,352,407	21,964,702
Accumulated Surplus (Deficit)	14,397,352	14,321,730

Contractual Obligations and Contingencies (Note 14, 16)

Original signed by Board Chair

SER. 19/16.

Date Signed

Original signed by Superintendent

SER. 16/16

Date Signed

Original signed by Secretary-Treasurer

SER. 16/16.

Date Signed

School District No. 78 (Fraser-Cascade)**Statement 2**

Statement of Operations

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	16,952,566	16,696,651	16,727,275
Other			7,417
Tuition	24,000	88,687	33,481
Other Revenue	3,380,301	3,935,689	3,366,021
Rentals and Leases	50,000	61,500	55,100
Investment Income	120,000	174,239	156,897
Amortization of Deferred Capital Revenue (Note 2f)	725,669	725,669	755,966
Total Revenue	21,252,536	21,682,435	21,102,157
Expenses			
Instruction	17,176,675	16,442,063	15,525,250
District Administration	1,047,178	943,966	921,844
Operations and Maintenance	3,628,256	3,413,245	3,119,282
Transportation and Housing	851,415	807,539	865,181
Total Expense	22,703,524	21,606,813	20,431,557
Surplus (Deficit) for the year	(1,450,988)	75,622	670,600
Accumulated Surplus (Deficit) from Operations, beginning of year		14,321,730	13,651,130
Accumulated Surplus (Deficit) from Operations, end of year		14,397,352	14,321,730

School District No. 78 (Fraser-Cascade)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Surplus (Deficit) for the year	<u>(1,450,988)</u>	<u>75,622</u>	<u>670,600</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 10)	(4,297,783)	(4,414,602)	(1,594,733)
Amortization of Tangible Capital Assets (Note 10)	1,021,817	1,021,817	1,040,866
Total Effect of change in Tangible Capital Assets	<u>(3,275,966)</u>	<u>(3,392,785)</u>	<u>(553,867)</u>
Use of Prepaid Expenses		5,080	(1,472)
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>5,080</u>	<u>(1,472)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(4,726,954)</u>	<u>(3,312,083)</u>	<u>115,261</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(3,312,083)</u>	<u>115,261</u>
Net Financial Assets (Debt), beginning of year		<u>(7,642,972)</u>	<u>(7,758,233)</u>
Net Financial Assets (Debt), end of year		<u>(10,955,055)</u>	<u>(7,642,972)</u>

School District No. 78 (Fraser-Cascade)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2016

	2016 Actual \$	2015 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	75,622	670,600
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(208,493)	126,032
Prepaid Expenses	5,080	(1,472)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	275,286	(714,642)
Unearned Revenue	8,593	(12,846)
Deferred Revenue	52,333	15,445
Employee Future Benefits	7,620	120,170
Other Liabilities		(9,569)
Amortization of Tangible Capital Assets (Note 10)	1,021,817	1,040,866
Amortization of Deferred Capital Revenue	(725,669)	(755,966)
Total Operating Transactions	512,189	478,618
Capital Transactions		
Tangible Capital Assets Purchased (Note 10)	(4,414,602)	(849,733)
Tangible Capital Assets -WIP Purchased		(745,000)
Total Capital Transactions	(4,414,602)	(1,594,733)
Financing Transactions		
Capital Revenue Received	3,798,583	1,296,124
Total Financing Transactions	3,798,583	1,296,124
Investing Transactions		
Investments in Portfolio Investments	1,727,808	(544,782)
Total Investing Transactions	1,727,808	(544,782)
Net Increase (Decrease) in Cash and Cash Equivalents	1,623,978	(364,773)
Cash and Cash Equivalents, beginning of year	6,772,111	7,136,884
Cash and Cash Equivalents, end of year	8,396,089	6,772,111
Cash and Cash Equivalents, end of year, is made up of:		
Cash	8,396,089	6,772,111
	8,396,089	6,772,111

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 2, 1996, 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. 78 (Fraser Cascade)", and operates as "School District No. 78 (Fraser Cascade)." 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. 78 (Fraser Cascade) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

As noted in notes 2 (f) and 3(n), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. As a result, revenue recognized in the Statement of Operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2015 - increase in annual surplus by \$540,158

June 30, 2015 - increase in accumulated surplus and decrease in deferred contributions by \$15,830,104

Year-ended June 30, 2016 – increase in annual surplus by \$3,072,914

June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$18,903,018

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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) Portfolio Investments

The School District has investments in term deposits that have a maturity of greater than 3 months at the time of acquisition. Term deposits are reported at cost.

Detailed information regarding portfolio investments is disclosed in Note 4.

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (n).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the Statement of Operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2 (a) for the impact of this policy on these financial statements.

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

g) Employee Future Benefits

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

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

h) Asset Retirement Obligations

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

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

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

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

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

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

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

k) Capital Leases

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

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

l) Prepaid Expenses

Fees for the District's budget software license and support and prepaid dues are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

m) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 20 – Internally Restricted Surplus).

n) Revenue Recognition

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

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

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

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

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

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

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

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

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

o) Expenditures

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

Categories of Salaries:

- Principals, Vice-Principals, and the District Coordinator of Student Support Services, employed under an administrative officer contract are categorized as Principals and Vice-Principals.

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

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

Allocation of Costs:

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

p) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdraft, accounts payable and accrued liabilities, long term debt and other liabilities.

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Re-measurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Re-measurement 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.

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

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

q) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2016	2015
Due from Federal Government	\$ 84,281	\$ 66,504
Due from Employees	9,372	9,285
Rent Receivable	10,500	0
FCTA Salary Recovery	0	0
Special Needs Support	0	0
Other/ Benefit Recovery	2,881	6,143
	<u>\$119,826</u>	<u>\$81,932</u>

NOTE 4 PORTFOLIO INVESTMENTS

	2016	2015
Investments in the cost and amortized cost category:		
Term Deposits	<u>\$1,563,988</u>	<u>\$ 3,291,796</u>

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2016	2015
Trade payables	<u>\$ 450,358</u>	<u>\$ 343,702</u>
Salaries and benefits payable	715,463	565,162
Accrued vacation pay	93,234	74,905
	<u>0</u>	<u>0</u>
Other Liabilities	<u>\$808,697</u>	<u>\$ 640,067</u>

NOTE 6 UNEARNED REVENUE

	2016	2015
Balance, beginning of year	\$ 22,918	\$ 35,764
Changes for the year:		
Increase:		
Tuition fees	12,100	11,364
Seiyotes Conference	51,600	0
	<u>63,700</u>	<u>11,364</u>
Decrease:		
Tuition fees	11,364	11,281
Seiyotes Conference	43,744	12,929
	<u>55,108</u>	<u>24,210</u>
Net changes for the year	55,108	24,210
Balance, end of year	<u>\$ 31,511</u>	<u>\$ 22,918</u>

NOTE 7 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 2A.

NOTE 8 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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.

NOTE 9 EMPLOYEE FUTURE BENEFITS

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,290,110	1,222,587
Service Cost	106,440	93,833
Interest Cost	29,868	40,312
Benefit Payments	(99,485)	(58,729)
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	14,511	(7,893)
Accrued Benefit Obligation – March 31	<u>1,440,445</u>	<u>1,290,110</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	1,440,445	1,290,110
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(1,440,445)	(1,290,110)
Employer Contributions After Measurement Date	0	0
Benefits Expense After Measurement Date	(38,486)	(34,077)
Unamortized Net Actuarial (Gain) Loss	203,589	101,794
Accrued Benefit Asset (Liability) - June 30	<u>(1,230,013)</u>	<u>(1,222,393)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	1,222,393	1,102,223
Net Expense for Fiscal Year	153,434	148,185
Employer Contributions	(145,814)	(28,015)
Accrued Benefit Liability (Asset) - June 30	<u>1,222,393</u>	<u>1,222,393</u>
Components of Net Benefit Expense		
Service Cost	109,232	96,985
Interest Cost	31,485	37,701
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	12,717	13,498
Net Benefit Expense (Income)	<u>153,434</u>	<u>148,185</u>

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 9 EMPLOYEE FUTURE BENEFITS *(Continued)*

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

Discount Rate – April 1	2.25%	3.00%
Discount Rate – March 31	2.50%	3.25%
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	10.9	10.1

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2016	Net Book Value 2015
Sites	\$ 703,489	\$ 703,489
Buildings	23,310,340	19,232,427
Buildings – work in progress	0	745,000
Furniture & Equipment	329,593	290,207
Vehicles	673,903	724,860
Computer Software		
Computer Hardware	332,136	260,693
Total	\$25,349,461	\$21,956,676

June 30, 2016

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2016
Sites	\$ 703,489	\$	\$	\$	\$ 703,489
Buildings	37,767,162	4,125,463		745,000	42,637,625
Buildings – work in progress	745,000			745,000)	0
Furniture & Equipment	433,889	82,775			516,664
Vehicles	1,164,536	65,497	133,000		1,097,033
Computer Software					
Computer Hardware	347,121	140,867	19,085		468,903
Total	\$41,161,197	\$4,414,602	\$ 152,085	\$0	\$45,423,714

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2016
Sites	\$0	\$	\$	\$
Buildings	18,534,735	792,550		19,327,285
Furniture & Equipment	143,682	43,389		187,071
Vehicles	439,676	116,454	133,000	423,130
Computer Software				
Computer Hardware	86,428	69,424	19,085	136,767
Total	\$19,204,521	\$1,021,817	\$152,085	\$20,074,253

June 30, 2015

Cost:	Balance at July 1, 2014	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2015
Sites	\$ 703,489	\$	\$	\$	\$ 703,489
Buildings	37,336,592	430,570			37,767,162
Buildings – work in progress				745,000	745,000
Furniture & Equipment	390,263	43,626			433,889
Vehicles	1,593,133	236,404	665,000		1,164,537
Computer Software					
Computer Hardware	277,501	139,133	69,514		347,120
Total	\$40,300,978	\$1,594,733	\$734,514	\$745,000	\$41,161,197

Accumulated Amortization:	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
Sites	\$0	\$	\$	\$
Buildings	17,747,708	787,027		18,534,735
Furniture & Equipment	104,656	39,026		143,682
Vehicles	945,363	159,313	665,000	439,676
Computer Software				
Computer Hardware	100,442	55,500	69,514	86,428
Total	\$18,898,169	\$1,040,866	\$734,514	\$19,204,521

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 11 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 33,000 retired members from school districts. As at December 31, 2013 the Municipal Pension Plan has about 182,000 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 funding surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

School District No. 78 (Fraser- Cascade) paid \$1,636,973 for employer contributions to these plans in the year ended June 30, 2016 (2015:\$1,562,267).

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, 2015, with results available in 2016.

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 Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

NOTE 12 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2016, were as follows:

- Purchase of equipment and computers totaling \$209,112 from operating
- Purchase of vehicles totaling \$65,497 from operating

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 13 RELATED PARTY TRANSACTIONS

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

NOTE 14 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for operating leases 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 future payments on the operating leases.

Contractual obligations	2017	2018	2019	2020	Thereafter
Future operating lease payments:	\$31,668	\$25,180	\$4,439	4,439	\$4,439

NOTE 15 BUDGET FIGURES

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

NOTE 16 CONTINGENCIES

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

NOTE 17 ASSET RETIREMENT OBLIGATION

The School District has undergone reviews of asbestos materials in the district and school facilities. The asbestos material found does not pose a risk to the public, however, upon upgrade or renovation of the facilities, certain asbestos abatement procedures may need to take place. Until the work is undertaken, the estimate of the cost is not able to be determined.

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 18 EXPENSE BY OBJECT

	2016	2015
Salaries and benefits	\$17,242,597	\$16,486,944
Services and supplies	3,342,399	2,903,747
Interest	0	0
Amortization	1,021,817	1,040,866
Other	0	0
	<u>\$ 21,606,813</u>	<u>\$ 20,431,557</u>

NOTE 19 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

<i>School Surpluses</i>	\$ 554,367	
<i>Aboriginal Education Council Funds</i>	356,000	
<i>Trustee Professional Development C/F</i>	25,544	
<i>Outdoor Education</i>	10,073	
<i>Truck Purchase</i>	25,000	
<i>Technology Plan/Welding C/F</i>	42,500	
<i>Modular Unit</i>	200,000	
Subtotal Internally Restricted	<u></u>	<u>\$ 1,213,484</u>

Unrestricted Operating Surplus (Deficit)	<u>3,869,780</u>
Total Available for Future Operations	<u>\$5,083,264</u>
Total Capital Surplus	<u>\$9,314,088</u>
Total Accumulated Surplus	<u>\$14,397,352</u>

NOTE 20 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 21 RISK MANAGEMENT

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

SCHOOL DISTRICT NO. 78 (FRASER CASCADE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

NOTE 21 RISK MANAGEMENT *(Continued)*

a) Credit Risk

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

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

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

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 solely in term deposits that have a maturity date of no more than 3 years.

c) Liquidity Risk

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

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

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



F.W. Voelkl, CPA, CA
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INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Board of Education of School District No. 78 (Fraser Cascade), and
To the Minister of Education, Province of British Columbia:

We have audited the financial statements of **SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**, which comprise the statement of financial position as at **JUNE 30, 2016**, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated September 14, 2016 which contained an unmodified opinion on the financial statements as a whole. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such financial information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

McConnell, Voelkl

CHARTERED PROFESSIONAL ACCOUNTANTS

September 14, 2016

Hope, BC, Canada

School District No. 78 (Fraser-Cascade)
Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2016

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,986,103		9,335,627	14,321,730	13,651,130
Changes for the year					
Surplus (Deficit) for the year	371,770		(296,148)	75,622	670,600
Interfund Transfers					
Tangible Capital Assets Purchased	(274,609)		274,609	-	
Net Changes for the year	<u>97,161</u>	<u>-</u>	<u>(21,539)</u>	<u>75,622</u>	<u>670,600</u>
Accumulated Surplus (Deficit), end of year - Statement 2	<u>5,083,264</u>	<u>-</u>	<u>9,314,088</u>	<u>14,397,352</u>	<u>14,321,730</u>

School District No. 78 (Fraser-Cascade)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	15,984,235	15,743,457	15,772,459
Other			7,417
Tuition	24,000	88,687	33,481
Other Revenue	2,876,301	3,308,859	2,860,797
Rentals and Leases	50,000	61,500	55,100
Investment Income	120,000	174,239	156,897
Total Revenue	19,054,536	19,376,742	18,886,151
Expenses			
Instruction	15,820,743	14,978,438	14,191,266
District Administration	1,047,178	943,966	921,844
Operations and Maintenance	2,606,494	2,391,483	2,111,673
Transportation and Housing	734,961	691,085	705,868
Total Expense	20,209,376	19,004,972	17,930,651
Operating Surplus (Deficit) for the year	(1,154,840)	371,770	955,500
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,154,840		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(274,609)	(298,609)
Local Capital			(500,000)
Total Net Transfers	-	(274,609)	(798,609)
Total Operating Surplus (Deficit), for the year	-	97,161	156,891
Operating Surplus (Deficit), beginning of year		4,986,103	4,829,212
Operating Surplus (Deficit), end of year		5,083,264	4,986,103
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 19)		1,213,484	1,437,676
Unrestricted		3,869,780	3,548,427
Total Operating Surplus (Deficit), end of year		5,083,264	4,986,103

School District No. 78 (Fraser-Cascade)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	18,616,020	18,683,091	18,595,140
AANDC/LEA Recovery	(2,861,301)	(3,206,922)	(2,861,301)
Strike Savings Recovery			(533,531)
Other Ministry of Education Grants			
Labour Settlement Funding			284,214
Pay Equity	229,516	229,516	229,516
Funding for Graduated Adults			6,368
Teacher levelling up benefit			13,169
FSA and Monitoring marking		7,972	7,972
Carbon Tax Reimbursement			30,912
Shoulder Tappers		25,000	
Curriculum Implementation		4,800	
Total Provincial Grants - Ministry of Education	15,984,235	15,743,457	15,772,459
Provincial Grants - Other			7,417
Tuition			
Continuing Education		700	
Offshore Tuition Fees	24,000	87,987	33,481
Total Tuition	24,000	88,687	33,481
Other Revenues			
LEA/Direct Funding from First Nations	2,861,301	3,301,692	2,843,354
Miscellaneous			
Computer Sale			900
B.C. Hydro Incentive			3,203
Bus Sale			3,500
Industry Training Authority		2,000	4,000
UBC Grant	15,000	3,584	5,840
BMO Incentive		1,047	
Administration fee/other		536	
Total Other Revenue	2,876,301	3,308,859	2,860,797
Rentals and Leases	50,000	61,500	55,100
Investment Income	120,000	174,239	156,897
Total Operating Revenue	19,054,536	19,376,742	18,886,151

School District No. 78 (Fraser-Cascade)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Salaries			
Teachers	7,230,705	7,042,073	6,419,202
Principals and Vice Principals	1,363,620	1,334,017	1,452,435
Educational Assistants	1,802,045	1,503,010	1,504,183
Support Staff	1,950,850	2,214,054	1,990,368
Other Professionals	590,694	576,420	583,222
Substitutes	739,718	677,297	641,867
Total Salaries	13,677,632	13,346,871	12,591,277
Employee Benefits	3,444,059	3,132,183	3,108,600
Total Salaries and Benefits	17,121,691	16,479,054	15,699,877
Services and Supplies			
Services	348,169	299,137	258,534
Student Transportation	71,500	53,845	30,305
Professional Development and Travel	257,017	209,520	218,486
Rentals and Leases	45,500	22,875	21,527
Dues and Fees	34,700	88,771	29,158
Insurance	93,500	70,468	70,312
Supplies	1,754,199	1,366,983	1,197,814
Utilities	483,100	414,319	404,638
Total Services and Supplies	3,087,685	2,525,918	2,230,774
Total Operating Expense	20,209,376	19,004,972	17,930,651

School District No. 78 (Fraser-Cascade)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

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	6,188,158	315,983		525,511		538,042	7,567,694
1.03 Career Programs		26,261		8,715			34,976
1.07 Library Services	38,761	9,994					48,755
1.08 Counselling	40,588	6,146					46,734
1.10 Special Education	548,574	207,405	1,111,701			70,291	1,937,971
1.30 English Language Learning	105,393						105,393
1.31 Aboriginal Education	33,310	50,000	391,309		55,000	645	530,264
1.41 School Administration		703,063		174,370		7,337	884,770
1.61 Continuing Education	87,289						87,289
Total Function 1	7,042,073	1,318,852	1,503,010	708,596	55,000	616,315	11,243,846
4 District Administration							
4.11 Educational Administration		15,165			240,361		255,526
4.40 School District Governance					81,263		81,263
4.41 Business Administration				133,981	137,546		271,527
Total Function 4	-	15,165	-	133,981	459,170	-	608,316
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				10,073	29,125		39,198
5.50 Maintenance Operations				917,266		49,285	966,551
5.52 Maintenance of Grounds				104,555			104,555
5.56 Utilities							-
Total Function 5	-	-	-	1,031,894	29,125	49,285	1,110,304
7 Transportation and Housing							
7.41 Transportation and Housing Administration				76,312	33,125		109,437
7.70 Student Transportation				263,271		11,697	274,968
Total Function 7	-	-	-	339,583	33,125	11,697	384,405
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	7,042,073	1,334,017	1,503,010	2,214,054	576,420	677,297	13,346,871

School District No. 78 (Fraser-Cascade)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

Schedule 2C (Unaudited)

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2016 Actual \$	2016 Budget \$	2015 Actual \$
1 Instruction							
1.02 Regular Instruction	7,567,694	1,883,973	9,451,667	739,828	10,191,495	10,174,083	9,250,623
1.03 Career Programs	34,976	5,962	40,938	13,291	54,229	173,500	31,780
1.07 Library Services	48,755	13,584	62,339	25,436	87,775	257,134	76,160
1.08 Counselling	46,734	9,780	56,514		56,514	233,738	61,976
1.10 Special Education	1,937,971	466,634	2,404,605	72,186	2,476,791	2,641,582	2,506,487
1.30 English Language Learning	105,393	25,449	130,842	1,956	132,798	92,752	116,771
1.31 Aboriginal Education	530,264	82,667	612,931	138,710	751,641	815,440	643,160
1.41 School Administration	884,770	205,414	1,090,184	28,101	1,118,285	1,432,514	1,401,640
1.61 Continuing Education	87,289	21,621	108,910		108,910		102,669
Total Function 1	11,243,846	2,715,084	13,958,930	1,019,508	14,978,438	15,820,743	14,191,266
4 District Administration							
4.11 Educational Administration	255,526	65,023	320,549	45,305	365,854	418,736	400,113
4.40 School District Governance	81,263		81,263	85,045	166,308	162,810	186,137
4.41 Business Administration	271,527	54,857	326,384	85,420	411,804	465,632	335,594
Total Function 4	608,316	119,880	728,196	215,770	943,966	1,047,178	921,844
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	39,198	7,626	46,824	9,161	55,985	78,138	50,278
5.50 Maintenance Operations	966,551	172,946	1,139,497	640,104	1,779,601	1,973,349	1,477,517
5.52 Maintenance of Grounds	104,555	26,916	131,471	10,107	141,578	71,907	179,240
5.56 Utilities	-		-	414,319	414,319	483,100	404,638
Total Function 5	1,110,304	207,488	1,317,792	1,073,691	2,391,483	2,606,494	2,111,673
7 Transportation and Housing							
7.41 Transportation and Housing Administration	109,437	22,738	132,175	1,490	133,665	123,870	126,069
7.70 Student Transportation	274,968	66,993	341,961	215,459	557,420	611,091	579,799
Total Function 7	384,405	89,731	474,136	216,949	691,085	734,961	705,868
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	13,346,871	3,132,183	16,479,054	2,525,918	19,004,972	20,209,376	17,930,651

School District No. 78 (Fraser-Cascade)**Schedule 3 (Unaudited)**

Schedule of Special Purpose Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	968,331	953,194	954,816
Other Revenue	504,000	626,830	505,224
Total Revenue	<u>1,472,331</u>	<u>1,580,024</u>	<u>1,460,040</u>
Expenses			
Instruction	1,355,932	1,463,625	1,333,984
Operations and Maintenance	116,399	116,399	126,056
Total Expense	<u>1,472,331</u>	<u>1,580,024</u>	<u>1,460,040</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 78 (Fraser-Cascade)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2016

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education
Other

Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Other Revenue

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals

Employee Benefits
Services and Supplies
Scholarships

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	116,399	390,861	854	18,077	471,803	51,864	5,215	7,363	
Add: Restricted Grants									
Provincial Grants - Ministry of Education			854	21,750	642,281	96,000	12,250	9,723	342,239
Other									
Less: Allocated to Revenue	116,399	390,861	854	21,750	642,281	96,000	12,250	9,723	342,239
Deferred Revenue, end of year	116,399	390,861	1,400	5,608	618,018	78,836	11,883	11,576	342,239
	-	-	7,671	34,219	496,066	69,028	5,582	5,510	-
Revenues	116,399	390,861	1,400	5,608	618,018	78,836	11,883	11,576	342,239
Expenses	116,399	390,861	1,400	5,608	618,018	78,836	11,883	11,576	342,239
Salaries		307,054							918
Teachers									89,920
Principals and Vice Principals									160,225
Educational Assistants						57,408			49,787
Support Staff									41,389
Other Professionals									342,239
Employee Benefits		307,054				57,408			
Services and Supplies	116,399	83,807	1,400		618,018	7,008	11,883	11,576	
Scholarships	116,399	390,861	1,400	5,608	618,018	78,836	11,883	11,576	342,239
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 78 (Fraser-Cascade)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

	Service Delivery Transformation	District Band	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	25,000	3,204	590,743
Add: Restricted Grants			
Provincial Grants - Ministry of Education			968,326
Other	-	-	664,031
	-	-	1,632,357
Less: Allocated to Revenue	-	3,204	1,580,024
Deferred Revenue, end of year	25,000	-	643,076
Revenues			
Provincial Grants - Ministry of Education			953,194
Other Revenue	-	3,204	626,830
	-	3,204	1,580,024
Expenses			
Salaries			
Teachers			307,972
Principals and Vice Principals			89,920
Educational Assistants			217,633
Support Staff			49,787
Other Professionals			41,389
	-	-	706,701
Employee Benefits			14,420
Services and Supplies		3,204	853,295
Scholarships			5,608
	-	3,204	1,580,024
Net Revenue (Expense) before Interfund Transfers	-	-	-
Interfund Transfers	-	-	-
Net Revenue (Expense)	-	-	-

School District No. 78 (Fraser-Cascade)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual			2015 Actual
	\$	Invested in Tangible Capital Assets	Local Capital	Fund Balance	\$
Revenues					
Provincial Grants					
Amortization of Deferred Capital Revenue	725,669	725,669		725,669	755,966
Total Revenue	<u>725,669</u>	<u>725,669</u>	<u>-</u>	<u>725,669</u>	<u>755,966</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	905,363	905,363		905,363	881,553
Transportation and Housing	116,454	116,454		116,454	159,313
Total Expense	<u>1,021,817</u>	<u>1,021,817</u>	<u>-</u>	<u>1,021,817</u>	<u>1,040,866</u>
Capital Surplus (Deficit) for the year	<u>(296,148)</u>	<u>(296,148)</u>	<u>-</u>	<u>(296,148)</u>	<u>(284,900)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		274,609		274,609	298,609
Local Capital				-	500,000
Total Net Transfers	<u>-</u>	<u>274,609</u>	<u>-</u>	<u>274,609</u>	<u>798,609</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		237,669	(237,669)	-	
Total Other Adjustments to Fund Balances		<u>237,669</u>	<u>(237,669)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(296,148)</u>	<u>216,130</u>	<u>(237,669)</u>	<u>(21,539)</u>	<u>513,709</u>
Capital Surplus (Deficit), beginning of year		6,296,499	3,039,128	9,335,627	8,821,918
Capital Surplus (Deficit), end of year		<u>6,512,629</u>	<u>2,801,459</u>	<u>9,314,088</u>	<u>9,335,627</u>

School District No. 78 (Fraser-Cascade)

Tangible Capital Assets
Year Ended June 30, 2016

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	703,489	37,767,162	433,889	1,164,536	-	347,121	40,416,197
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,798,583	25,000				3,823,583
Deferred Capital Revenue - Other		78,741					78,741
Operating Fund		10,470	57,775	65,497		140,867	274,609
Local Capital		237,669					237,669
Transferred from Work in Progress		745,000					745,000
	-	4,870,463	82,775	65,497	-	140,867	5,159,602
Decrease:							
Deemed Disposals				133,000		19,085	152,085
	-	-	-	133,000	-	19,085	152,085
Cost, end of year	703,489	42,637,625	516,664	1,097,033	-	468,903	45,423,714
Work in Progress, end of year							-
Cost and Work in Progress, end of year	703,489	42,637,625	516,664	1,097,033	-	468,903	45,423,714
Accumulated Amortization, beginning of year		18,534,735	143,682	439,676		86,428	19,204,521
Changes for the Year							
Increase: Amortization for the Year		792,550	43,389	116,454		69,424	1,021,817
Decrease:							
Deemed Disposals				133,000		19,085	152,085
	-	-	-	133,000	-	19,085	152,085
Accumulated Amortization, end of year	19,327,285	187,071	423,130	-	-	136,767	20,074,253
Tangible Capital Assets - Net	703,489	23,310,340	329,593	673,903	-	332,136	25,349,461

School District No. 78 (Fraser-Cascade)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2016

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	745,000				745,000
Changes for the Year					
Decrease:					
Transferred to Tangible Capital Assets	745,000				745,000
	745,000	-	-	-	745,000
Net Changes for the Year	(745,000)	-	-	-	(745,000)
Work in Progress, end of year	-	-	-	-	-

School District No. 78 (Fraser-Cascade)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2016

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	15,552,221	107,957		15,660,178
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,823,583	78,741		3,902,324
	3,823,583	78,741	-	3,902,324
Decrease:				
Amortization of Deferred Capital Revenue	722,071	3,598		725,669
	722,071	3,598	-	725,669
Net Changes for the Year	3,101,512	75,143	-	3,176,655
Deferred Capital Revenue, end of year	18,653,733	183,100	-	18,836,833
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	18,653,733	183,100	-	18,836,833

School District No. 78 (Fraser-Cascade)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2016

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	25,000	78,741		66,185		169,926
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,798,583					3,798,583
	3,798,583	-	-	-	-	3,798,583
Decrease:						
Transferred to DCR - Capital Additions	3,823,583	78,741				3,902,324
	3,823,583	78,741	-	-	-	3,902,324
Net Changes for the Year	(25,000)	(78,741)	-	-	-	(103,741)
Balance, end of year	-	-	-	66,185	-	66,185