

Audited Financial Statements of

School District No. 69 (Qualicum)

June 30, 2016

School District No. 69 (Qualicum)

June 30, 2016

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School District No. 69 (Qualicum)

MANAGEMENT REPORT

Version: 1695-9950-7967

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 69 (Qualicum) 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.





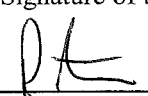

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 69 (Qualicum) (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, McGorman MacLean, 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. 69 (Qualicum) 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. 69 (Qualicum)

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

McGORMAN

MacLEAN

Chartered Professional Accountants

Mark A. A. McGorman, Ltd.

Campbell B. MacLean, Ltd.

Stana Pazicka, Inc.

Leanne Souchuck CPA, CA

INDEPENDENT AUDITORS' REPORT

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To the Board of Education of School District No. 69 (Qualicum) and the Minister of Education

We have audited the accompanying statement of financial position of School District No. 69 (Qualicum) as at June 30, 2016 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 and fair presentation of these financial statements in accordance with accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the 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, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2016 and the results of its operations, changes in net financial assets (debt) and cash flows for the year then ended in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 2 to the financial statements which describes the basis of accounting and the significant difference between such basis of accounting and Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Parksville, Canada
September 27, 2016



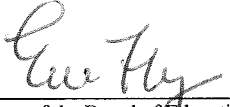

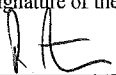
CHARTERED PROFESSIONAL ACCOUNTANTS

School District No. 69 (Qualicum)

Statement 1

Statement of Financial Position

As at June 30, 2016

	2016 Actual \$	2015 Actual \$
Financial Assets		
Cash and Cash Equivalents	12,314,046	11,588,333
Accounts Receivable		
Due from Province - Ministry of Education	114,253	58,700
Due from Province - Other		140,224
Other (Note 3)	215,072	369,507
Total Financial Assets	12,643,371	12,156,764
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	3,362,897	3,111,837
Unearned Revenue (Note 5)	1,714,961	1,288,870
Deferred Revenue (Note 6)	609,645	833,461
Deferred Capital Revenue (Note 7)	47,448,107	48,013,153
Employee Future Benefits (Note 8)	5,430,013	5,274,602
Capital Lease Obligations (Note 9)	78,126	108,757
Total Liabilities	58,643,749	58,630,680
Net Financial Assets (Debt)	(46,000,378)	(46,473,916)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	64,738,648	65,499,958
Prepaid Expenses	89,103	51,087
Total Non-Financial Assets	64,827,751	65,551,045
Accumulated Surplus (Deficit)	18,827,373	19,077,129
Contractual Obligations and Contingencies (Note 11)		
Approved by the Board		
Signature of the Chairperson of the Board of Education		29/09/16 Date Signed
Signature of the Superintendent		29/09/16 Date Signed
Signature of the Secretary Treasurer		29/09/2016 Date Signed

School District No. 69 (Qualicum)

Statement 2

Statement of Operations

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	41,607,777	42,196,875	41,784,667
Other	101,450	117,376	99,070
Tuition	2,811,000	3,060,513	1,992,246
Other Revenue	1,433,385	2,120,046	1,603,926
Rentals and Leases	350,000	455,048	396,351
Investment Income	132,000	123,732	143,034
Amortization of Deferred Capital Revenue	2,103,955	2,103,955	2,095,594
Total Revenue	<u>48,539,567</u>	<u>50,177,545</u>	<u>48,114,888</u>
Expenses (Note 14)			
Instruction	38,279,206	39,009,498	36,292,970
District Administration	1,765,530	1,813,416	2,020,518
Operations and Maintenance	7,209,183	7,930,976	7,737,242
Transportation and Housing	1,595,296	1,671,787	1,657,561
Debt Services		1,624	2,167
Total Expense	<u>48,849,215</u>	<u>50,427,301</u>	<u>47,710,458</u>
Surplus (Deficit) for the year	<u>(309,648)</u>	<u>(249,756)</u>	<u>404,430</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		19,077,129	18,672,699
Accumulated Surplus (Deficit) from Operations, end of year		<u>18,827,373</u>	<u>19,077,129</u>

School District No. 69 (Qualicum)
Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2016

Statement 4

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Surplus (Deficit) for the year	<u>(309,648)</u>	<u>(249,756)</u>	<u>404,430</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,662,287)	(1,668,950)	(1,037,471)
Amortization of Tangible Capital Assets	2,430,260	2,430,260	2,404,882
Total Effect of change in Tangible Capital Assets	<u>767,973</u>	<u>761,310</u>	<u>1,367,411</u>
Acquisition of Prepaid Expenses		(89,103)	(51,087)
Use of Prepaid Expenses		51,087	82,431
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(38,016)</u>	<u>31,344</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>458,325</u>	<u>473,538</u>	<u>1,803,185</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		473,538	1,803,185
Net Financial Assets (Debt), beginning of year		(46,473,916)	(48,277,101)
Net Financial Assets (Debt), end of year		<u>(46,000,378)</u>	<u>(46,473,916)</u>

School District No. 69 (Qualicum)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2016

	2016 Actual \$	2015 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	(249,756)	404,430
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	239,106	44,233
Prepaid Expenses	(38,016)	31,344
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	251,060	(574,070)
Unearned Revenue	426,091	781,670
Deferred Revenue	(223,816)	(168,857)
Employee Future Benefits	155,411	73,466
Amortization of Tangible Capital Assets	2,430,260	2,404,882
Amortization of Deferred Capital Revenue	(2,103,955)	(2,095,594)
Services and Supplies purchased with bylaw capital	(366,340)	(264,943)
Total Operating Transactions	520,045	636,561
Capital Transactions		
Tangible Capital Assets Purchased	(1,668,950)	(1,016,005)
Total Capital Transactions	(1,668,950)	(1,016,005)
Financing Transactions		
Capital Revenue Received	1,905,249	1,184,765
Capital Lease Payments	(30,631)	(27,830)
Total Financing Transactions	1,874,618	1,156,935
Net Increase (Decrease) in Cash and Cash Equivalents	725,713	777,491
Cash and Cash Equivalents, beginning of year	11,588,333	10,810,842
Cash and Cash Equivalents, end of year	12,314,046	11,588,333
Cash and Cash Equivalents, end of year, is made up of:		
Cash	12,314,046	11,588,333
	12,314,046	11,588,333

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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. 69 (Qualicum)", and operates as "School District No. 69 (Qualicum)." A board of education ("Board") elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 69 (Qualicum) 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

The 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(k).

In November 2011, the 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(k), 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 tangible capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year ended June 30, 2015 - increase in annual surplus by \$1,175,772

June 30, 2015 - increase in accumulated surplus and decrease in deferred contributions by \$48,013,153

Year ended June 30, 2016 - increase in annual surplus by \$611,833

June 30, 2015 - increase in accumulated surplus and decrease in deferred contributions by \$47,401,320

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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the 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(k).

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.

f) 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) 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.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise.
- Estimated useful life is as follows:

Buildings	40 years
Furniture and Equipment	10 years
Vehicles	10 years
Computer Hardware	5 years

h) Prepaid Expenses

Amounts for maintenance contracts 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.

i) 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) 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 15 – Accumulated Surplus).

k) 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.

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.

l) Expenditures

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

Categories of Salaries

- Principals and Vice-Principals employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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.

m) Financial Instruments

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

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 instruments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition of a financial asset or a financial liability.

n) 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	\$ 62,336	\$ 51,344
Mount Arrowsmith Teachers Association	24,620	68,483
BC Principals and Vice-Principals Association	-	73,137
Other	128,116	176,543
	<u>\$ 215,072</u>	<u>\$ 369,507</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	<u>2016</u>	<u>2015</u>
Trades payable	\$ 924,860	\$ 1,017,291
Salaries and benefits payable	2,119,322	1,766,689
Accrued vacation pay	188,400	212,872
Other	130,315	114,985
	<u>\$ 3,362,897</u>	<u>\$ 3,111,837</u>

NOTE 5 UNEARNED REVENUE

	<u>2016</u>	<u>2015</u>
Tuition fees	\$ 1,705,211	\$ 1,273,995
Transportation	9,750	14,125
Other	-	750
	<u>\$ 1,714,961</u>	<u>\$ 1,288,870</u>

NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by the Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

NOTE 7 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred revenue is included in Schedule 4C and 4D.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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.

	2016	2015
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – April 1	\$ 5,974,493	\$ 5,519,457
Service Cost	434,063	381,302
Interest Cost	138,038	182,417
Benefit Payments	(455,609)	(544,853)
Actuarial (Gain) Loss	(223,819)	436,170
Accrued Benefit Obligation – March 31	<u>\$ 5,867,166</u>	<u>\$ 5,974,493</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 5,867,166	\$ 5,974,493
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(5,867,166)	(5,974,493)
Employer Contributions After Measurement Date	142,101	96,448
Benefits Expense After Measurement Date	(136,387)	(143,026)
Unamortized Net Actuarial Loss	431,439	746,469
Accrued Benefit Liability – June 30	<u>\$ (5,430,013)</u>	<u>\$ (5,274,602)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 5,274,602	\$ 5,201,136
Net expense for fiscal year	656,673	611,112
Employer Contributions	(501,263)	(537,646)
Accrued Benefit Liability – June 30	<u>\$ 5,430,013</u>	<u>\$ 5,274,602</u>
Components of Net Benefit Expense		
Service Cost	\$ 424,436	\$ 394,492
Interest Cost	141,027	171,323
Amortization of Net Actuarial Gain	91,210	45,297
Net Benefit Expense	<u>\$ 656,673</u>	<u>\$ 611,112</u>

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

	2016	2015
Discount Rate – April 1	2.25%	3.25%
Discount Rate – March 31	2.50%	2.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARS – March 31	10.1	9.5

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 9 CAPITAL LEASE OBLIGATIONS

The School District has entered into two capital leases for the purchase of equipment. The leases are financed through the Municipal Finance Authority, which charges interest at 2%. The leases expire on October 28, 2018 and December 28, 2019. The principal repayments due are as follows:

2017	\$ 32,254
2018	32,254
2019	13,844
2020	2,065
Total minimum lease payments	80,417
Less amounts representing interest	2,291
Present value of net minimum capital lease payments	<u>\$ 78,126</u>

Total interest expense for the year was \$4,397 (2015 - \$2,167).

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	June 30, 2016	June 30, 2015
Sites	\$ 11,929,778	\$ 11,929,778
Buildings	50,654,446	51,841,004
Furniture and Equipment	553,824	560,580
Vehicles	1,545,999	1,090,989
Computer Hardware	54,601	77,607
Total	<u>\$ 64,738,648</u>	<u>\$ 65,499,958</u>

June 30, 2016

Cost:	Opening Balance	Additions	Disposals	Transfers (WIP)	Total 2016
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	99,311,578	962,603	-	-	100,274,181
Furniture and Equipment	871,693	80,413	48,000	-	904,106
Vehicles	1,709,238	625,934	114,028	-	2,221,144
Computer Hardware	115,030	-	13,850	-	101,180
Total	<u>\$ 113,937,317</u>	<u>\$ 1,668,950</u>	<u>\$ 175,878</u>	<u>\$ -</u>	<u>\$ 115,430,389</u>

Accumulated Amortization:	Opening Balance	Additions	Disposals	Total 2016
Buildings	\$ 47,470,574	\$ 2,149,161	\$ -	\$ 49,619,735
Furniture and Equipment	311,113	87,169	48,000	350,282
Vehicles	618,249	170,924	114,028	675,145
Computer Hardware	37,423	23,006	13,850	46,579
Total	<u>\$ 48,437,359</u>	<u>\$ 2,430,260</u>	<u>\$ 175,878</u>	<u>\$ 50,691,741</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 10 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2015

Cost:	Opening Balance	Additions	Disposals	Transfers (WIP)	Total 2015
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	98,416,974	887,788	-	6,816	99,311,578
Buildings - work in progress	6,816	-	-	(6,816)	-
Furniture and Equipment	779,156	123,357	30,820	-	871,693
Vehicles	1,709,238	-	-	-	1,709,238
Computer Hardware	88,704	26,326	-	-	115,030
Total	\$ 112,930,666	\$ 1,037,471	\$ 30,820	\$ -	\$113,937,317

Accumulated Amortization:	Opening Balance	Additions	Disposals	Total 2015
Buildings	\$ 45,332,273	\$ 2,138,301	\$ -	\$ 47,470,574
Furniture and Equipment	264,017	77,916	30,820	311,113
Vehicles	447,325	170,924	-	618,249
Computer Hardware	19,682	17,741	-	37,423
Total	\$ 46,063,297	\$ 2,404,882	\$ 30,820	\$ 48,437,359

Included in tangible capital assets is equipment under capital lease with a cost of \$153,568. The related accumulated amortization is \$15,357.

NOTE 11 CONTRACTUAL OBLIGATIONS AND 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 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 "plans"). The board 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 provided are based on a formula. As at December 31, 2014, the Teachers' Pension Plan has about 45,000 active members and approximately 35,000 retired members. As at December 31, 2014, the Municipal Pension Plan has about 185,000 active members, including approximately 24,000 from School Districts.

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

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 12 EMPLOYEE PENSION PLANS (continued)

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, 2012 indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The School District paid \$4,177,146 for employer contributions to these plans in the year ended June 30, 2016 (2015 - \$4,000,408).

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 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 Plan.

NOTE 13 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 14 EXPENSE BY OBJECT

	2016	2015
Salaries and benefits	\$ 39,586,363	\$ 38,185,152
Services and supplies	8,409,054	7,118,257
Amortization	2,430,260	2,404,882
Interest	1,624	2,167
	<u>\$ 50,427,301</u>	<u>\$ 47,710,458</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 15 ACCUMULATED SURPLUS

Accumulated surplus consists of:

	2016	2015
Invested in tangible capital assets	\$ 17,722,217	\$ 17,819,981
Local capital surplus	100,000	-
Total capital surplus	17,822,217	17,819,981
Operating surplus	1,005,156	1,257,148
	<u>\$ 18,827,373</u>	<u>\$ 19,077,129</u>

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

- Operating funds were used to fund Local Capital (\$468,550)
- Capital assets were purchased with Operating funds (\$244,697)

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

	2016	2015
School budgets	\$ 132,741	\$ 221,461
Capital maintenance	230,000	170,000
	362,741	391,461
Unrestricted operating surplus	642,415	865,687
Total operating surplus	<u>\$ 1,005,156</u>	<u>\$ 1,257,148</u>

NOTE 16 RELATED PARTY TRANSACTIONS

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

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 17 BUDGET FIGURES

The budget figures included in the financial statements are not audited. The budget figures data presented in these financial statements is based upon the 2015/16 amended annual budget adopted by the Board on January 26, 2016. The following chart compares the original annual budget bylaw approved April 28, 2015 to the amended annual budget bylaw reported in these financial statements.

	2016 Amended Annual Budget	2016 Annual Budget
Revenues		
Provincial Grants		
Ministry of Education	\$ 43,711,732	\$ 43,771,279
Other Provincial Revenues	101,450	101,450
Tuition	2,811,000	2,811,000
Other Revenue	1,433,385	1,433,385
Rentals and Leases	350,000	350,000
Investment Income	132,000	132,000
Total Revenue	<u>48,539,567</u>	<u>48,599,114</u>
Expenses		
Instruction	38,279,206	38,118,490
District Administration	1,765,530	1,777,998
Operations and Maintenance	7,209,183	7,269,260
Transportation and Housing	1,595,296	1,595,296
Total Expenses	<u>48,849,215</u>	<u>48,761,044</u>
Net Revenue (Expenses)	(309,648)	(161,930)
 Budgeted Allocation of Surplus	 351,893	 287,217
Transfer to Unfunded Employee Future Benefits	-	(80,000)
Budgeted Surplus for the year	<u>\$ 42,245</u>	<u>\$ 45,287</u>

NOTE 18 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 19 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 are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in the Central Deposit Program with the Ministry of Finance.

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 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 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.

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.

NOTE 20 COMPARATIVE FIGURES

Certain 2015 comparative figures have been changed to reflect financial statement presentation adopted in the current year.

School District No. 69 (Qualicum)
Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2016

Schedule 1

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,257,148		17,819,981	19,077,129	18,672,699
Changes for the year					
Surplus (Deficit) for the year					
Interfund Transfers	414,468		(664,224)	(249,756)	404,430
Tangible Capital Assets Purchased	(197,910)		197,910	-	-
Local Capital	(436,296)		436,296	-	-
Other	(32,254)		32,254	-	-
Net Changes for the year	(251,992)	-	2,236	(249,756)	404,430
Accumulated Surplus (Deficit), end of year - Statement 2	1,005,156	-	17,822,217	18,827,373	19,077,129

School District No. 69 (Qualicum)

Schedule 2

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	39,993,201	40,183,450	39,733,085
Other	101,450	117,376	99,070
Tuition	2,811,000	3,060,513	1,992,246
Other Revenue	133,385	239,003	386,000
Rentals and Leases	350,000	455,048	396,351
Investment Income	132,000	123,732	143,034
Total Revenue	<u>43,521,036</u>	<u>44,179,122</u>	<u>42,749,786</u>
Expenses			
Instruction	35,580,945	35,697,685	33,636,176
District Administration	1,765,530	1,813,416	2,020,518
Operations and Maintenance	4,562,608	4,752,690	4,717,736
Transportation and Housing	1,595,296	1,500,863	1,486,637
Total Expense	<u>43,504,379</u>	<u>43,764,654</u>	<u>41,861,067</u>
Operating Surplus (Deficit) for the year	<u>16,657</u>	<u>414,468</u>	<u>888,719</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>351,893</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(197,910)	(58,141)
Local Capital	(368,550)	(436,296)	(338,553)
Other		(32,254)	(29,997)
Total Net Transfers	<u>(368,550)</u>	<u>(666,460)</u>	<u>(426,691)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(251,992)</u>	<u>462,028</u>
Operating Surplus (Deficit), beginning of year		1,257,148	795,120
Operating Surplus (Deficit), end of year		<u>1,005,156</u>	<u>1,257,148</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 15)		362,741	391,461
Unrestricted		642,415	865,687
Total Operating Surplus (Deficit), end of year		<u>1,005,156</u>	<u>1,257,148</u>

School District No. 69 (Qualicum)

Schedule 2A

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	39,057,025	39,137,402	38,949,457
Strike Savings Recovery			(911,281)
Other Ministry of Education Grants			
Labour Settlement Funding			654,326
Pay Equity	936,176	936,176	936,176
Funding for Graduated Adults		4,281	11,353
Economic Stability Dividend		30,406	
FSA Monitoring		8,696	8,696
Miscellaneous		66,489	84,358
Total Provincial Grants - Ministry of Education	39,993,201	40,183,450	39,733,085
Provincial Grants - Other	101,450	117,376	99,070
Tuition			
Offshore Tuition Fees	2,811,000	3,060,513	1,992,246
Total Tuition	2,811,000	3,060,513	1,992,246
Other Revenues			
Miscellaneous			
Transportation revenue	119,385	125,704	124,874
Miscellaneous	10,000	73,083	202,405
Other grants		28,145	48,117
Workshop fees		6,230	1,125
Donations		-	5,752
Pcard Dividend	4,000	5,841	3,727
Total Other Revenue	133,385	239,003	386,000
Rentals and Leases	350,000	455,048	396,351
Investment Income	132,000	123,732	143,034
Total Operating Revenue	43,521,036	44,179,122	42,749,786

School District No. 69 (Qualicum)

Schedule 2B

Schedule of Operating Expense by Object

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Salaries			
Teachers	17,693,050	17,548,653	15,985,569
Principals and Vice Principals	2,307,576	2,348,614	2,233,222
Educational Assistants	3,147,607	3,043,238	3,071,186
Support Staff	4,419,611	4,585,093	4,650,321
Other Professionals	1,200,089	1,200,023	1,208,363
Substitutes	1,208,807	1,137,215	1,438,921
Total Salaries	29,976,740	29,862,836	28,587,582
Employee Benefits	8,124,364	8,444,593	8,245,609
Total Salaries and Benefits	38,101,104	38,307,429	36,833,191
Services and Supplies			
Services	2,032,976	1,998,728	1,956,501
Student Transportation	1,000	-	-
Professional Development and Travel	398,338	541,624	392,525
Rentals and Leases	5,000	2,438	24,283
Dues and Fees	50,450	62,322	52,770
Insurance	174,000	139,474	157,918
Supplies	1,670,011	1,789,592	1,492,976
Utilities	1,071,500	923,047	950,903
Total Services and Supplies	5,403,275	5,457,225	5,027,876
Total Operating Expense	43,504,379	43,764,654	41,861,067

School District No. 69 (Qualicum)

Operating Expense by Function, Program and Object
Year Ended June 30, 2016

Schedule 2C

	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	14,451,014	213,644		10,930		707,390	15,382,978
1.03 Career Programs	175,325			49,212		1,970	226,507
1.07 Library Services	423,983			177,727		21,402	623,112
1.08 Counselling	382,522	51,561					434,083
1.10 Special Education	1,656,355	281,502	2,847,567	42,282		227,200	5,054,906
1.30 English Language Learning	126,103						126,103
1.31 Aboriginal Education	33,750	100,261	195,671	6,677			336,359
1.41 School Administration		1,550,193		976,770		49,938	2,576,901
1.61 Continuing Education	17,028				70,728		17,028
1.62 Offshore Students	282,573	151,453		49,373	33,618		554,127
1.64 Other							33,618
Total Function 1	17,548,653	2,348,614	3,043,238	1,312,971	104,346	1,007,900	25,365,722
4 District Administration							
4.11 Educational Administration					341,631		341,631
4.40 School District Governance					85,421		85,421
4.41 Business Administration				283,460	435,072	445	718,977
Total Function 4	-	-	-	283,460	862,124	445	1,146,029
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				51,776	188,347	163	240,286
5.50 Maintenance Operations				1,942,429		42,468	1,984,897
5.52 Maintenance of Grounds				173,679			173,679
5.56 Utilities							-
Total Function 5	-	-	-	2,167,884	188,347	42,631	2,398,862
7 Transportation and Housing							
7.41 Transportation and Housing Administration				50,889	45,206	626	96,721
7.70 Student Transportation				769,889		85,613	855,502
7.73 Housing							-
Total Function 7	-	-	-	820,778	45,206	86,239	952,223
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	17,548,653	2,348,614	3,043,238	4,585,093	1,200,023	1,137,215	29,862,836

School District No. 69 (Qualicum)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

Schedule 2C

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2016 Actual \$	2016 Budget \$	2015 Actual \$
1 Instruction							
1.02 Regular Instruction	15,382,978	4,391,435	19,774,413	689,113	20,463,526	20,489,030	18,750,682
1.03 Career Programs	226,507	64,673	291,180	388,624	679,804	709,724	1,574,257
1.07 Library Services	623,112	180,448	803,560	26,551	830,111	834,227	763,820
1.08 Counselling	434,083	120,560	554,643		554,643	552,558	375,362
1.10 Special Education	5,054,906	1,522,669	6,577,575	65,642	6,643,217	6,744,108	6,757,039
1.30 English Language Learning	126,103	33,950	160,053		160,053	159,895	69,879
1.31 Aboriginal Education	336,359	103,497	439,856	100,453	540,309	540,309	490,654
1.41 School Administration	2,576,901	699,884	3,276,785	102,098	3,378,883	3,320,643	3,129,338
1.61 Continuing Education	17,028	4,617	21,645		21,645	21,622	
1.62 Offshore Students	554,127	155,314	709,441	1,673,401	2,382,842	2,168,771	1,695,363
1.64 Other	33,618	9,034	42,652		42,652	40,058	29,782
Total Function 1	25,365,722	7,286,081	32,651,803	3,045,882	35,697,685	35,580,945	33,636,176
4 District Administration							
4.11 Educational Administration	341,631	83,519	425,150	76,528	501,678	481,253	490,341
4.40 School District Governance	85,421	8,456	93,877	94,969	188,846	177,881	215,401
4.41 Business Administration	718,977	172,558	891,535	231,357	1,122,892	1,106,396	1,314,776
Total Function 4	1,146,029	264,533	1,410,562	402,854	1,813,416	1,765,530	2,020,518
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	240,286	52,470	292,756	160,385	453,141	481,147	411,619
5.50 Maintenance Operations	1,984,897	511,238	2,496,135	498,805	2,994,940	2,718,160	3,005,234
5.52 Maintenance of Grounds	173,679	47,012	220,691	58,073	278,764	291,801	349,980
5.56 Utilities	-	-	-	1,025,845	1,025,845	1,071,500	950,903
Total Function 5	2,398,862	610,720	3,009,582	1,743,108	4,752,690	4,562,608	4,717,736
7 Transportation and Housing							
7.41 Transportation and Housing Administration	96,721	23,530	120,251	13,364	133,615	151,599	160,119
7.70 Student Transportation	855,502	259,729	1,115,231	231,717	1,346,948	1,419,697	1,302,368
7.73 Housing	-	-	-	20,300	20,300	24,000	24,150
Total Function 7	952,223	283,259	1,235,482	265,381	1,500,863	1,595,296	1,486,637
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	29,862,836	8,444,593	38,307,429	5,457,225	43,764,654	43,504,379	41,861,067

School District No. 69 (Qualicum)

Schedule 3

Schedule of Special Purpose Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,614,576	1,647,085	1,786,639
Other Revenue	1,300,000	1,881,043	1,217,926
Total Revenue	<u>2,914,576</u>	<u>3,528,128</u>	<u>3,004,565</u>
Expenses			
Instruction	2,698,261	3,311,813	2,656,794
Operations and Maintenance	216,315	216,315	247,771
Total Expense	<u>2,914,576</u>	<u>3,528,128</u>	<u>2,904,565</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>100,000</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(100,000)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(100,000)</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. 69 (Qualicum)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2016

Schedule 3A

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	13,325	777,782	-	-	17,354	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	216,315	819,411	-	1,830	1,687,906	96,000	19,600	101,323	361,927
Other	-	-	-	-	-	-	-	-	-
Less: Allocated to Revenue	216,315	819,411	-	1,830	1,687,906	96,000	19,600	101,323	361,927
Deferred Revenue, end of year	-	819,411	-	15,155	1,881,043	96,000	19,600	118,677	361,927
	-	-	-	-	584,645	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	216,315	819,411	-	15,155	1,881,043	96,000	19,600	118,677	361,927
Other Revenue	-	-	-	-	-	-	-	-	-
Expenses									
Salaries	-	-	-	-	-	-	-	-	-
Teachers	-	517,115	-	-	-	-	-	31,165	1,855
Principals and Vice Principals	-	132,315	-	-	-	-	-	-	30,112
Educational Assistants	-	-	-	-	-	-	-	-	239,079
Support Staff	106,951	-	-	-	-	-	-	-	-
Employee Benefits	106,951	649,430	-	-	-	-	-	31,165	271,046
Services and Supplies	109,364	169,981	-	15,155	1,881,043	96,000	19,600	12,391	37,970
	216,315	819,411	-	15,155	1,881,043	96,000	19,600	75,121	52,911
	-	-	-	-	-	-	-	118,677	361,927
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 69 (Qualicum)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2016

	Service Delivery	TOTAL
	Transformation	
	\$	\$
Deferred Revenue, beginning of year	25,000	833,461
Add: Restricted Grants		
Provincial Grants - Ministry of Education	-	1,616,406
Other	-	1,687,906
	-	3,304,312
Less: Allocated to Revenue	-	3,528,128
Deferred Revenue, end of year	25,000	609,645
Revenues		
Provincial Grants - Ministry of Education	-	1,647,085
Other Revenue	-	1,881,043
	-	3,528,128
Expenses		
Salaries		
Teachers		550,135
Principals and Vice Principals		30,112
Educational Assistants		371,394
Support Staff		106,951
	-	1,058,592
Employee Benefits		220,342
Services and Supplies		2,249,194
	-	3,528,128
Net Revenue (Expense) before Interfund Transfers	-	-
Interfund Transfers	-	-
Net Revenue (Expense)	-	-

School District No. 69 (Qualicum)

Schedule 4

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					
Ministry of Education		366,340		366,340	264,943
Amortization of Deferred Capital Revenue	2,103,955	2,103,955		2,103,955	2,095,594
Total Revenue	2,103,955	2,470,295	-	2,470,295	2,360,537
Expenses					
Operations and Maintenance		366,340	336,295	702,635	537,777
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,430,260	2,259,336		2,259,336	2,233,958
Transportation and Housing		170,924		170,924	170,924
Debt Services					
Capital Lease Interest			1,624	1,624	2,167
Total Expense	2,430,260	2,796,600	337,919	3,134,519	2,944,826
Capital Surplus (Deficit) for the year	(326,305)	(326,305)	(337,919)	(664,224)	(584,289)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		197,910		197,910	158,141
Local Capital	368,550		436,296	436,296	338,553
Capital Lease Payment			32,254	32,254	29,997
Total Net Transfers	368,550	197,910	468,550	666,460	526,691
Other Adjustments to Fund Balances					
Principal Payment					
Capital Lease		30,631	(30,631)	-	
Total Other Adjustments to Fund Balances		30,631	(30,631)	-	
Total Capital Surplus (Deficit) for the year	42,245	(97,764)	100,000	2,236	(57,598)
Capital Surplus (Deficit), beginning of year		17,819,981	-	17,819,981	17,877,579
Capital Surplus (Deficit), end of year		17,722,217	100,000	17,822,217	17,819,981

School District No. 69 (Qualicum)

Tangible Capital Assets
Year Ended June 30, 2016

Schedule 4A

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	11,929,778	99,311,578	871,693	1,709,238	-	115,030	113,937,317
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		838,344	33,626	552,283			1,424,253
Deferred Capital Revenue - Other			46,787				46,787
Operating Fund		124,259		73,651			197,910
Decrease:							
Deemed Disposals			80,413	625,934	-	-	1,668,950
Cost, end of year			48,000	114,028		13,850	175,878
Work in Progress, end of year			48,000	114,028		13,850	175,878
Cost and Work in Progress, end of year			904,106	2,221,144		101,180	115,430,389
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		47,470,574	311,113	618,249	-	37,423	48,437,359
Decrease:							
Deemed Disposals		2,149,161	87,169	170,924	-	23,006	2,430,260
Accumulated Amortization, end of year			48,000	114,028	-	13,850	175,878
		-	48,000	114,028	-	13,850	175,878
		49,619,735	350,282	675,145	-	46,579	50,691,741
Tangible Capital Assets - Net	11,929,778	50,654,446	553,824	1,545,999	-	54,601	64,738,648

School District No. 69 (Qualicum)

Schedule 4C

Deferred Capital Revenue

Year Ended June 30, 2016

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	46,610,972	944,259	15,988	47,571,219
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,424,253		46,787	1,471,040
	1,424,253	-	46,787	1,471,040
Decrease:				
Amortization of Deferred Capital Revenue	2,072,805	29,151	1,999	2,103,955
	2,072,805	29,151	1,999	2,103,955
Net Changes for the Year	(648,552)	(29,151)	44,788	(632,915)
Deferred Capital Revenue, end of year	45,962,420	915,108	60,776	46,938,304
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	45,962,420	915,108	60,776	46,938,304

School District No. 69 (Qualicum)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2016

	Bylaw Capital	ME'd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	99,926	150,972		191,036		441,934
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,858,462					1,858,462
Donated Playground Equipment					46,787	46,787
	1,858,462	-	-	-	46,787	1,905,249
Decrease:						
Transferred to DCR - Capital Additions	1,424,253				46,787	1,471,040
Purchase of Services and Supplies	366,340					366,340
	1,790,593	-	-	-	46,787	1,837,380
Net Changes for the Year	67,869	-	-	-	-	67,869
Balance, end of year	167,795	150,972	-	191,036	-	509,803