

Audited Financial Statements of

School District No. 70 (Alberni)

June 30, 2016

School District No. 70 (Alberni)

June 30, 2016

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School District No. 70 (Alberni)

MANAGEMENT REPORT

Version: 1161-8854-6872

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 70 (Alberni) 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.

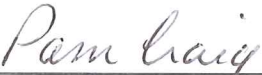
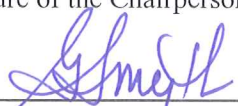
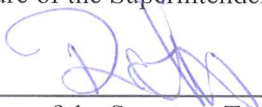
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 70 (Alberni) (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, KPMG, 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. 70 (Alberni) 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. 70 (Alberni)

 Signature of the Chairperson of the Board of Education	<u>2016-09-13</u> Date Signed
 Signature of the Superintendent	<u>2016-09-13</u> Date Signed
 Signature of the Secretary Treasurer	<u>13 Sep 2016</u> Date Signed



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INDEPENDENT AUDITORS' REPORT

To the Board of Education and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 70 (Alberni), which comprise the statement of financial position as at June 30, 2016, the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions 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 our 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 School District No. 70 (Alberni) as at and for the year ended June 30, 2016 are prepared, in all material respects, in accordance with the financial reporting provisions 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 differences between such basis of accounting and Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

September 13, 2016
Victoria, Canada

School District No. 70 (Alberni)

Statement of Financial Position
As at June 30, 2016

	2016 Actual \$	2015 Actual \$
Financial Assets		
Cash and Cash Equivalents	7,703,445	7,518,947
Accounts Receivable		
Other (Note 3)	302,586	1,170,929
Total Financial Assets	8,006,031	8,689,876
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,054,269	3,677,466
Deferred Revenue (Note 5)	1,703,579	1,504,301
Deferred Capital Revenue (Note 6)	65,726,481	66,674,106
Employee Future Benefits (Note 7)	753,340	793,231
Debt (Note 8)	2,100,141	1,984,975
Capital Lease Obligations (Note 9)	21,478	52,629
Total Liabilities	74,359,288	74,686,708
Net Financial Assets (Debt)	(66,353,257)	(65,996,832)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	82,662,654	83,875,559
Restricted Assets (Endowments) (Note 11)	30,000	29,750
Prepaid Expenses		3,531
Total Non-Financial Assets	82,692,654	83,908,840
Accumulated Surplus (Deficit) (Note 13)	16,339,397	17,912,008

Contractual Obligations and Contingencies

Approved by the Board

Pam Craig

Signature of the Chairperson of the Board of Education

2016-09-13

Date Signed

[Signature]

Signature of the Superintendent

2016-09-13

Date Signed

[Signature]

Signature of the Secretary Treasurer

13 Sep 2016

Date Signed

School District No. 70 (Alberni)

Statement of Operations
Year Ended June 30, 2016

Statement 2

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	36,938,639	37,169,952	36,777,927
Tuition	300,000	292,385	636,013
Other Revenue	3,363,263	3,429,369	3,655,663
Rentals and Leases	50,000	80,155	55,168
Investment Income	30,000	44,518	34,906
Amortization of Deferred Capital Revenue	2,212,029	2,212,029	2,212,798
Total Revenue	42,893,931	43,228,408	43,372,475
Expenses			
Instruction	33,713,562	33,449,528	33,007,738
District Administration	1,559,440	1,984,763	1,652,763
Operations and Maintenance	7,229,459	7,507,510	7,534,707
Transportation and Housing	1,680,421	1,795,768	1,727,693
Debt Services	60,587	63,450	22,919
Total Expense	44,243,469	44,801,019	43,945,820
Surplus (Deficit) for the year	(1,349,538)	(1,572,611)	(573,345)
Accumulated Surplus (Deficit) from Operations, beginning of year		17,912,008	18,485,353
Accumulated Surplus (Deficit) from Operations, end of year		16,339,397	17,912,008

School District No. 70 (Alberni)

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>(1,349,538)</u>	<u>(1,572,611)</u>	<u>(573,345)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,334,404)	(1,638,447)	(2,223,703)
Amortization of Tangible Capital Assets	2,851,352	2,851,352	2,819,852
Total Effect of change in Tangible Capital Assets	<u>1,516,948</u>	<u>1,212,905</u>	<u>596,149</u>
Acquisition of Prepaid Expenses		3,531	44,124
Increase in Restricted Assets (Endowments)		(250)	
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>3,281</u>	<u>44,124</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>167,410</u>	<u>(356,425)</u>	<u>66,928</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(356,425)</u>	<u>66,928</u>
Net Financial Assets (Debt), beginning of year		<u>(65,996,832)</u>	<u>(66,063,760)</u>
Net Financial Assets (Debt), end of year		<u><u>(66,353,257)</u></u>	<u><u>(65,996,832)</u></u>

School District No. 70 (Alberni)

Statement of Cash Flows
Year Ended June 30, 2016

	2016 Actual	2015 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(1,572,611)	(573,345)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	868,343	1,409,009
Prepaid Expenses	3,531	44,124
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	376,804	(502,073)
Deferred Revenue	199,278	(70,076)
Employee Future Benefits	(39,891)	43,111
Amortization of Tangible Capital Assets	2,851,352	2,819,852
Amortization of Deferred Capital Revenue	(2,212,029)	(2,212,798)
Total Operating Transactions	<u>474,777</u>	<u>957,804</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,492,371)	(630,121)
Demand Loan Capital Asset Purchases	(146,076)	(1,593,582)
Total Capital Transactions	<u>(1,638,447)</u>	<u>(2,223,703)</u>
Financing Transactions		
Loan Proceeds	146,076	1,593,582
Loan Payments	(30,911)	(29,014)
Capital Revenue Received	1,264,404	430,000
Capital Lease Obligation Repayments	(31,151)	(34,790)
Total Financing Transactions	<u>1,348,418</u>	<u>1,959,778</u>
Investing Transactions		
(Increase) in Endowments	(250)	-
Total Investing Transactions	<u>(250)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	184,498	693,879
Cash and Cash Equivalents, beginning of year	7,518,947	6,825,068
Cash and Cash Equivalents, end of year	<u>7,703,445</u>	<u>7,518,947</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>7,703,445</u>	<u>7,518,947</u>
	<u>7,703,445</u>	<u>7,518,947</u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 1887, 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. 70 (Alberni)", and operates as "School District No. 70 (Alberni)." 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. 70 (Alberni) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The *Budget Transparency and Accountability Act* requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016

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

a) Basis of Accounting (continued)

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian public sector accounting standards.

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District does not administer any trust activities on behalf of external parties.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash and cash equivalents that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. 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.

d) Accounts Receivable

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

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016

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

e) Deferred Revenue and Deferred Capital Revenue

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

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.

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 (EARSLS) 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 the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted.

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. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016

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

g) Asset Retirement Obligations

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

h) Liability for Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The District is directly responsible or accepts responsibility
- 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.

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

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

i) Tangible Capital Assets (continued)

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

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

j) Capital Leases

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

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

k) Prepaid Expenses

Payments for insurance, subscriptions, membership and maintenance contracts for use within the District in a future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

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

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

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

m) Revenue Recognition

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

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

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

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

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

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

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.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

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

n) Expenditures

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

Allocation of Costs

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

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

Unrealized gains and losses from changes in the fair value of financial instruments measured at fair value are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented, therefore no statement of remeasurement gains or losses is included in these financial statements.

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

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

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 3 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, estimates for contingent liabilities, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2016</u>	<u>2015</u>
Due from Federal Government	\$53,049	\$54,859
Other	249,537	1,116,070
	<u>\$302,586</u>	<u>\$1,170,929</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
Trade payables	\$1,337,649	\$995,321
Salaries and benefits payable	2,171,511	2,137,036
Accrued vacation pay	545,109	545,109
	<u>\$4,054,269</u>	<u>\$3,677,466</u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 5 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.

	2016	2015
Balance, beginning of year	\$1,504,301	\$1,574,377
Changes for the year:		
Increase:		
Provincial grants	2,344,560	2,251,687
Other revenue	1,172,385	1,171,158
	3,516,945	3,422,845
Decrease:		
Allocated to revenue	(3,317,667)	(3,492,921)
Net changes for the year	199,278	(70,076)
Balance, end of year	\$1,703,579	\$1,504,301

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 6 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the *Restricted Contributions Regulation 198/2011* issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	2016	2015
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$66,458,872	\$68,241,670
Increases:		
Capital additions	1,264,404	430,000
Decreases:		
Amortization	(2,212,029)	(2,212,798)
Net change for the year	(947,625)	(1,782,798)
Balance, end of year	65,511,247	66,458,872
Unspent deferred capital revenue		
Balance, beginning of year	215,234	215,234
Increases:		
Provincial Grants – Ministry of Education	1,264,404	430,000
Decreases:		
Transfer to deferred capital revenue subject to amortization:		
Capital additions	(1,264,404)	(430,000)
Net change for the year	-	-
Balance, end of year	215,234	215,234
Total deferred capital revenue balance, end of year	\$ 65,726,481	\$ 66,674,106

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 7 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 Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$842,142	\$816,786
Service Cost	47,785	42,359
Interest Cost	19,075	26,471
Benefit Payments	(76,476)	(63,696)
Actuarial Loss	19,234	20,222
Accrued Benefit Obligation – March 31	\$851,760	\$842,142
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$851,760	\$842,142
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(851,760)	(842,142)
Employer Contributions After Measurement Date	45,657	9,235
Benefits Expense After Measurement Date	(15,384)	(16,715)
Unamortized Net Actuarial Loss	68,147	56,391
Accrued Benefit Liability - June 30	(753,340)	(793,231)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$793,231	\$750,119
Net Expense for Fiscal Year	73,007	73,594
Employer Contributions	(112,898)	(30,482)
Accrued Benefit Liability - June 30	\$753,340	\$793,231

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 7 EMPLOYEE FUTURE BENEFITS *(continued)*

	2016	2015
Components of Net Benefit Expense		
Service Cost	\$45,991	\$43,715
Interest Cost	19,538	24,622
Amortization of Net Actuarial Loss	7,479	5,257
Net Benefit Expense	\$73,007	\$73,594

Assumptions

Discount Rate - April 1	2.25%	3.25%
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	9.1	9.1

NOTE 8 DEBT

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

	Approval Date	Year Borrowed	Interest Rate	Term	Amount Borrowed	Amount Paid	2016 Balance	2015 Balance
Demand	1998	1998	Prime rate	Demand	\$144,605	19,582	125,023	\$143,098
Term	2010	2010	3.44%	5 years	124,259	6,529	117,730	123,785
Term	2010	2010	3.44%	5 years	124,259	6,529	117,730	123,785
Demand	2015	2015	Prime rate	Demand	1,739,658	-	1,739,658	1,594,307
					\$2,132,781	32,640	2,100,141	1,984,975

Future principal payments on debt as currently scheduled are as follows:

2017	\$ 27,392
2018	122,905
2019	126,511
2020	130,223
2021	147,448
Thereafter	1,545,662
	\$ 2,100,141

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 9 CAPITAL LEASE OBLIGATIONS

The District leases certain equipment through the Municipal Finance Authority of British Columbia with repayments due as follows:

2017	\$13,628
2018	7,950
Total minimum lease payments	\$21,578
Less amounts representing interest at 2%	(100)
Present value of net minimum capital lease payments	\$ 21,478

Total interest expense on leases for the year was \$2,293 (2015: \$1,573).

NOTE 10 TANGIBLE CAPITAL ASSETS

Cost:	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ 4,518,715	\$ -	\$ -	\$ 4,518,715
Buildings	108,630,103	1,410,480	-	110,040,583
Furniture & Equipment	2,537,810	36,532	(425,882)	2,148,460
Vehicles	962,206	-	-	962,206
Computer Software	12,889	-	-	12,889
Computer Hardware	160,581	191,435	(52,123)	299,893
Total	\$116,822,304	\$ 1,638,447	(\$478,005)	\$117,982,746

Accumulated Amortization:	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	31,507,192	2,466,656	-	33,973,848
Furniture & Equipment	1,023,715	253,781	(425,882)	851,614
Vehicles	360,128	96,221	-	456,349
Computer Software	7,730	2,578	-	10,308
Computer Hardware	47,980	32,116	(52,123)	27,973
Total	\$32,946,745	\$2,851,352	(\$478,005)	\$35,320,092

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 10 TANGIBLE CAPITAL ASSETS *(Continued)*

Net Book Value:

	2016	2015
Sites	\$ 4,518,715	\$ 4,518,715
Buildings	76,066,735	77,122,911
Furniture & Equipment	1,296,846	1,514,095
Vehicles	505,857	602,078
Computer Software	2,581	5,159
Computer Hardware	271,920	112,601
Total	\$82,662,654	\$83,875,559

- Works of art and historic assets - the School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures and public display areas. These assets are not recorded as tangible capital assets and are not amortized.
- Assets under capital lease – equipment includes assets under capital lease with a net book value of \$21,478 (2015: \$52,629).

NOTE 11

Name of Endowment	Balance Beginning of Year	Contributions During Year	Earnings for the Year	Transfer to Deferred Revenue	Balance End of Year
Garner	\$29,750	\$ 250	\$450	\$(450)	\$30,000

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 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. 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 the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits. The next valuation will be as at December 31, 2017 with results available later in 2018. 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. The next valuation will be as at December 31, 2015 with results available later in 2016. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

School District No. 70 paid \$3,886,006.64 (2015: \$3,710,978) for employer contributions to these plans in the year ended June 30, 2016.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

NOTE 13 ACCUMULATED SURPLUS

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

	2016	2015
Invested in tangible capital assets	\$15,060,788	\$15,410,082
Operating surplus	1,005,601	2,104,761
Special purpose surplus	30,000	30,000
Local capital surplus	243,008	367,165
	\$16,339,397	\$17,912,008

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

- Transfer from operating fund to capital fund: \$ 171,604 for the acquisition of tangible capital assets.

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

Internally restricted for future budget deficiencies	\$1,005,601
Unrestricted Operating Surplus	-
Total available for future operations	<u>\$1,005,601</u>

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

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

The nature of the School District's activities are such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2016, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position or operations.

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016

NOTE 16 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2015 amended annual budget adopted by the Board on February 23, 2016. The chart following reconciles the originally approved annual budget bylaw approved June 9, 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	\$ 36,938,639	\$ 36,803,060
Other		
Federal Grants		
Tuition	300,000	300,000
Other Revenue	3,363,263	3,504,547
Rentals and Leases	50,000	50,000
Investment Income	30,000	30,000
Amortization of Deferred Capital Revenue	2,212,029	2,240,666
Total Revenue	42,893,931	42,928,273
Expenses		
Instruction	33,713,562	33,132,441
District Administration	1,559,440	1,569,452
Operations and Maintenance	7,229,459	7,137,215
Transportation and Housing	1,680,421	1,684,440
Debt Services	60,587	25,600
Total Expense	44,243,469	43,549,148
Net Revenue (Expense)	(1,349,538)	(620,875)
Budgeted Allocation of Surplus	780,215	
Budgeted Surplus for the year	(569,323)	(620,875)

NOTE 17 EXPENSE BY OBJECT

	2016	2015
Salaries and benefits	\$ 35,072,831	\$ 34,287,214
Services and supplies	6,813,386	6,815,835
Interest expense	63,450	22,919
Amortization	2,851,352	2,819,852
	\$ 44,801,019	\$ 43,945,820

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016**

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.

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, cash equivalents and amounts receivable.

The School District is exposed to credit risk in the event of non-performance by a borrower.

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 Province of BC Provincial Treasury Central Deposit Program.

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 cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid that have a maturity date of no more than 3 years and the Province of BC Provincial Treasury Central Deposit Program. The School District is also exposed to interest rate risk on its debt, the majority of which pays interest at a variable rate.

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016

NOTE 19 **RISK MANAGEMENT** (*Continued*)

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.

School District No. 70 (Alberni)

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	2,104,761	30,000	15,777,247	17,912,008	18,485,353
Changes for the year					
Surplus (Deficit) for the year	(872,393)		(700,218)	(1,572,611)	(573,345)
Interfund Transfers	(171,604)		171,604	-	
Tangible Capital Assets Purchased	(55,163)		55,163	-	
Other	(1,099,160)	-	(473,451)	(1,572,611)	(573,345)
Net Changes for the year	1,005,601	30,000	15,303,796	16,339,397	17,912,008

Accumulated Surplus (Deficit), end of year - Statement 2

School District No. 70 (Alberni)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	34,572,760	34,816,269	34,459,893
Tuition	300,000	292,385	636,013
Other Revenue	2,403,947	2,462,830	2,395,848
Rentals and Leases	50,000	80,155	55,168
Investment Income	30,000	44,518	34,906
Total Revenue	37,356,707	37,696,157	37,581,828
Expenses			
Instruction	30,631,703	30,375,197	29,780,324
District Administration	1,545,902	1,971,225	1,639,846
Operations and Maintenance	4,865,920	5,143,971	5,098,457
Transportation and Housing	962,810	1,078,157	1,020,537
Total Expense	38,006,335	38,568,550	37,539,164
Operating Surplus (Deficit) for the year	(649,628)	(872,393)	42,664
Budgeted Appropriation (Retirement) of Surplus (Deficit)	780,215		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(70,000)	(171,604)	
Other	(60,587)	(55,163)	
Total Net Transfers	(130,587)	(226,767)	-
Total Operating Surplus (Deficit), for the year	-	(1,099,160)	42,664
Operating Surplus (Deficit), beginning of year		2,104,761	2,062,097
Operating Surplus (Deficit), end of year		1,005,601	2,104,761
Operating Surplus (Deficit), end of year			
Internally Restricted		1,005,601	582,399
Unrestricted			1,522,362
Total Operating Surplus (Deficit), end of year		1,005,601	2,104,761

School District No. 70 (Alberni)

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	36,086,346	36,583,418	36,359,191
AANDC/LEA Recovery	(2,320,147)	(2,445,329)	(2,320,147)
Strike Savings Recovery			(930,645)
Other Ministry of Education Grants			
Labour Settlement Funding			664,705
Pay Equity	595,220	595,220	595,220
Funding for Graduated Adults	3,995	11,415	
Economic Stability Dividend	30,000	27,409	
FSA Exam Allocations	8,696	8,696	8,696
Education Guarantee / Safe Schools / Teacher Health Benefits Grant			56,549
Carbon Tax Rebate	20,000		26,324
Refugee Grant		1,790	
Shoulder Tappers Grant		25,000	
Curriculum Implementation Grant	8,650	8,650	
Additional DL Feb. count grant	140,000		
Total Provincial Grants - Ministry of Education	34,572,760	34,816,269	34,459,893
Tuition			
Offshore Tuition Fees	300,000	292,385	636,013
Total Tuition	300,000	292,385	636,013
Other Revenues			
Other School District/Education Authorities			41,883
LEA/Direct Funding from First Nations	2,320,147	2,445,329	2,324,040
Miscellaneous			
Administration Fees	10,000	13,538	13,223
Trade Adjustment Funding	50,000		16,702
ADTU Chargeback	23,800		
Other		3,963	
Total Other Revenue	2,403,947	2,462,830	2,395,848
Rentals and Leases	50,000	80,155	55,168
Investment Income	30,000	44,518	34,906
Total Operating Revenue	37,356,707	37,696,157	37,581,828

School District No. 70 (Alberni)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Salaries			
Teachers	15,800,348	15,842,570	14,970,731
Principals and Vice Principals	2,307,142	2,290,673	2,353,080
Educational Assistants	2,591,191	2,535,166	2,510,776
Support Staff	4,118,499	3,849,780	4,115,898
Other Professionals	943,161	953,684	941,574
Substitutes	1,114,474	1,257,462	1,144,206
Total Salaries	26,874,815	26,729,335	26,036,265
Employee Benefits	6,877,865	6,943,939	6,782,259
Total Salaries and Benefits	33,752,680	33,673,274	32,818,524
Services and Supplies			
Services	1,256,490	1,593,760	1,409,767
Student Transportation	333,095	411,603	373,728
Professional Development and Travel	210,826	312,072	236,544
Rentals and Leases	84,737	122,430	95,074
Dues and Fees	74,878	96,063	84,012
Insurance	89,337	97,990	100,236
Interest		55,163	
Supplies	1,550,542	1,424,612	1,687,780
Utilities	653,750	781,583	733,499
Total Services and Supplies	4,253,655	4,895,276	4,720,640
Total Operating Expense	38,006,335	38,568,550	37,539,164

School District No. 70 (Alberni)

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	13,796,356	1,064,518	104,594	257,364		686,247	15,909,079
1.03 Career Programs	72,494			22,459			94,953
1.07 Library Services	212,031	91,976		43,596			347,603
1.08 Counselling	100,031			112,082			212,113
1.10 Special Education	869,095	131,389	2,410,610	11,022	109,327		3,642,515
1.30 English Language Learning	285,174						285,174
1.31 Aboriginal Education	483,103	260,794	19,962	66,307			830,166
1.41 School Administration		741,996		370,686	71,581	13,882	1,198,145
1.60 Summer School	14,487						14,487
1.61 Continuing Education	9,799						9,799
1.62 Offshore Students							-
1.64 Other							-
Total Function 1	15,842,570	2,290,673	2,535,166	883,516	180,908	811,201	22,544,034
4 District Administration							
4.11 Educational Administration				11,273	249,184		260,457
4.40 School District Governance					75,446		75,446
4.41 Business Administration				264,786	354,384		619,170
Total Function 4	-	-	-	276,059	679,014	-	955,073
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					93,762		93,762
5.50 Maintenance Operations				2,185,185		434,480	2,619,665
5.52 Maintenance of Grounds				118,595			118,595
5.56 Utilities							-
Total Function 5	-	-	-	2,303,780	93,762	434,480	2,832,022
7 Transportation and Housing							
7.70 Student Transportation				386,425		11,781	398,206
7.73 Housing							-
Total Function 7	-	-	-	386,425	-	11,781	398,206
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	15,842,570	2,290,673	2,535,166	3,849,780	953,684	1,257,462	26,729,335

School District No. 70 (Alberni)

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	15,909,079	4,277,873	20,186,952	775,162	20,962,114	20,811,549	20,054,191
1.03 Career Programs	94,953	23,043	117,996	51,599	169,595	193,778	195,811
1.07 Library Services	347,603	88,498	436,101	8,758	444,859	460,585	450,072
1.08 Counselling	212,113	53,983	266,096	355	266,451	280,900	272,605
1.10 Special Education	3,642,515	996,503	4,639,018	125,410	4,764,428	5,164,497	5,047,196
1.30 English Language Learning	285,174	71,114	356,288	8,048	364,336	369,942	354,472
1.31 Aboriginal Education	830,166	204,125	1,034,291	419,014	1,453,305	1,339,266	1,357,968
1.41 School Administration	1,198,145	295,676	1,493,821	9,608	1,503,429	1,704,448	1,707,769
1.60 Summer School	14,487	2,721	17,208		17,208		19
1.61 Continuing Education	9,799	2,499	12,298		12,298		12,209
1.62 Offshore Students	-	-	-	109,088	109,088	168,738	190,012
1.64 Other	-	-	-	308,086	308,086	138,000	138,000
Total Function 1	22,544,034	6,016,035	28,560,069	1,815,128	30,375,197	30,631,703	29,780,324
4 District Administration							
4.11 Educational Administration	260,457	59,737	320,194	114,121	434,315	360,001	364,710
4.40 School District Governance	75,446	1,079	76,525	67,471	143,996	149,814	159,026
4.41 Business Administration	619,170	143,810	762,980	629,934	1,392,914	1,036,087	1,116,110
Total Function 4	955,073	204,626	1,159,699	811,526	1,971,225	1,545,902	1,639,846
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	93,762	20,218	113,980	11,951	125,931	116,658	117,077
5.50 Maintenance Operations	2,619,665	579,916	3,199,581	819,952	4,019,533	3,844,884	3,978,112
5.52 Maintenance of Grounds	118,595	29,695	148,290	68,634	216,924	253,003	269,769
5.56 Utilities	-	-	-	781,583	781,583	651,375	733,499
Total Function 5	2,832,022	629,829	3,461,851	1,682,120	5,143,971	4,865,920	5,098,457
7 Transportation and Housing							
7.70 Student Transportation	398,206	93,449	491,655	574,996	1,066,651	957,526	1,014,587
7.73 Housing	-	-	-	11,506	11,506	5,284	5,950
Total Function 7	398,206	93,449	491,655	586,502	1,078,157	962,810	1,020,537
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	26,729,335	6,943,939	33,673,274	4,895,276	38,568,550	38,006,335	37,539,164

School District No. 70 (Alberni)

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	2,365,879	2,353,683	2,318,034
Other Revenue	959,316	963,984	1,256,908
Total Revenue	<u>3,325,195</u>	<u>3,317,667</u>	<u>3,574,942</u>
Expenses			
Instruction	3,081,859	3,074,331	3,227,414
District Administration	13,538	13,538	12,917
Operations and Maintenance	229,798	229,798	320,498
Total Expense	<u>3,325,195</u>	<u>3,317,667</u>	<u>3,560,829</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>14,113</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(14,113)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(14,113)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		30,000	30,000
Special Purpose Surplus (Deficit), end of year		<u>30,000</u>	<u>30,000</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		<u>30,000</u>	30,000
Total Special Purpose Surplus (Deficit), end of year		<u>30,000</u>	<u>30,000</u>

School District No. 70 (Alberni)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2016

	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									
Add: Restricted Grants									
Provincial Grants - Ministry of Education	229,798	759,257	1,741	3,300	949,517	128,000	22,050	119,388	901,562
Other									
Less: Allocated to Revenue	229,798	759,257	1,741	3,300	949,517	128,000	22,050	119,388	901,562
Deferred Revenue, end of year	-	-	924	524,921	763,701	3,307	-	3,968	903,646
Revenues									
Provincial Grants - Ministry of Education	229,798	771,841	1,639	35,200	775,940	127,282	22,050	115,420	903,646
Other Revenue	229,798	771,841	1,639	35,200	775,940	127,282	22,050	115,420	903,646
Expenses									
Salaries									
Teachers		619,990							
Educational Assistants		151,851							
Support Staff	36,358								251,662
Employee Benefits	36,358	771,841	-	-	-	93,856	-	-	251,662
Services and Supplies	9,089					20,770			65,573
	184,351		1,639	35,200	775,940	12,656	22,050	115,420	586,411
	229,798	771,841	1,639	35,200	775,940	127,282	22,050	115,420	903,646
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 70 (Alberni)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2016

	Service Delivery Transformation	PRP Kackaamin	NON Strong Start	School Meals Program	Early Years Centre	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	25,000	5,803	219,013	89,461		1,504,301
Add: Restricted Grants						
Provincial Grants - Ministry of Education		182,764	151,002	55,366	13,200	2,344,560
Other	-	182,764	151,002	55,366	13,200	1,172,385
Less: Allocated to Revenue	-	182,007	143,439	-	9,405	3,516,945
Deferred Revenue, end of year	25,000	6,560	226,576	144,827	3,795	1,703,579
Revenues						
Provincial Grants - Ministry of Education		182,007	143,439	-	9,405	2,353,683
Other Revenue	-	182,007	143,439	-	9,405	963,984
Expenses						
Salaries						
Teachers		76,690				696,680
Educational Assistants		54,562				206,413
Support Staff						381,876
Employee Benefits	-	131,252	-	-	-	1,284,969
Services and Supplies	-	19,156	143,439	-	9,405	114,588
	-	182,007	143,439	-	9,405	1,918,110
	-					3,317,667
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 70 (Alberni)

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					
Other Revenue			2,555	2,555	2,907
Amortization of Deferred Capital Revenue	2,212,029	2,212,029		2,212,029	2,212,798
Total Revenue	2,212,029	2,212,029	2,555	2,214,584	2,215,705
Expenses					
Operations and Maintenance				-	3,056
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,133,741	2,133,741		2,133,741	2,112,696
Transportation and Housing	717,611	717,611		717,611	707,156
Debt Services					
Capital Lease Interest	4,884		8,287	8,287	5,936
Capital Loan Interest	55,703		55,163	55,163	16,983
Total Expense	2,911,939	2,851,352	63,450	2,914,802	2,845,827
Capital Surplus (Deficit) for the year	(699,910)	(639,323)	(60,895)	(700,218)	(630,122)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	70,000	171,604		171,604	14,113
Capital Lease Payment	4,884			-	
Capital Loan Payment	55,703		55,163	55,163	
Total Net Transfers	130,587	171,604	55,163	226,767	14,113
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		56,363	(56,363)	-	
Principal Payment					
Capital Lease		31,151	(31,151)	-	
Capital Loan		30,911	(30,911)	-	
Total Other Adjustments to Fund Balances		118,425	(118,425)	-	
Total Capital Surplus (Deficit) for the year	(569,323)	(349,294)	(124,157)	(473,451)	(616,009)
Capital Surplus (Deficit), beginning of year		15,410,082	367,165	15,777,247	16,393,256
Capital Surplus (Deficit), end of year		15,060,788	243,008	15,303,796	15,777,247

School District No. 70 (Alberni)

Tangible Capital Assets

Year Ended June 30, 2016

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,518,715	108,630,103	2,537,810	962,206	12,889	160,581	116,822,304
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,264,404					1,264,404
Operating Fund			36,532			135,072	171,604
Local Capital						56,363	56,363
Demand Loan		146,076					146,076
Total Increase		1,410,480	36,532			191,435	1,638,447
Decrease:							
Deemed Disposals			425,882			52,123	478,005
Total Decrease			425,882			52,123	478,005
Cost, end of year	4,518,715	110,040,583	2,148,460	962,206	12,889	299,893	117,982,746
Work in Progress, end of year							
Cost and Work in Progress, end of year	4,518,715	110,040,583	2,148,460	962,206	12,889	299,893	117,982,746
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase:							
Amortization for the Year		2,466,656	253,781	96,221	2,578	32,116	2,851,352
Decrease:							
Deemed Disposals			425,882			52,123	478,005
Total Decrease			425,882			52,123	478,005
Accumulated Amortization, end of year		33,973,848	851,614	456,349	10,308	27,973	35,320,092
Tangible Capital Assets - Net	4,518,715	76,066,735	1,296,846	505,857	2,581	271,920	82,662,654

School District No. 70 (Alberni)

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	65,053,304	1,220,078	185,490	66,458,872
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,264,404			1,264,404
	1,264,404	-	-	1,264,404
Decrease:				
Amortization of Deferred Capital Revenue	2,157,436	47,813	6,780	2,212,029
	2,157,436	47,813	6,780	2,212,029
Net Changes for the Year	(893,032)	(47,813)	(6,780)	(947,625)
Deferred Capital Revenue, end of year	64,160,272	1,172,265	178,710	65,511,247
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	64,160,272	1,172,265	178,710	65,511,247

School District No. 70 (Alberni)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		215,234				215,234
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,264,404					1,264,404
Decrease:						
Transferred to DCR - Capital Additions	1,264,404					1,264,404
Net Changes for the Year						
Balance, end of year		215,234				215,234