

Audited Financial Statements of

School District No. 59 (Peace River South)

June 30, 2016

School District No. 59 (Peace River South)

June 30, 2016

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School District No. 59 (Peace River South)

MANAGEMENT REPORT

Version: 4319-3574-1591

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 59 (Peace River South) 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. 59 (Peace River South) (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, Sander Rose Bone Grindle LLP, 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. 59 (Peace River South) 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. 59 (Peace River South)

Signature of the Chairperson of the Board of Education	Date Signed
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Signature of the Superintendent	Date Signed
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Signature of the Secretary Treasurer	Date Signed
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CHARTERED PROFESSIONAL ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., FCPA, FCA
- * Dale J. Rose, CPA, CA
- * Alan Bone, B. Comm., CPA, CA
- * Jason Grindle, B. Comm., CPA, CA
- * Jaron Neufeld, B. Comm., CPA, CA

Independent Auditor's Report

To the Board of Education of School District No. 59 (Peace River South) and the Minister of Education of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of School District No. 59 (Peace River South), which comprise the statement of financial position 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 Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards (PSAS) modified by BC Regulation 198/2011, "Restricted Contributions Regulation", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the 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 present fairly, in all material respects, the financial position of School District No. 59 (Peace River South) as at June 30, 2016 and the results of its operations, its changes in net financial assets (debt), and its cash flows for the year then ended in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards (PSAS) modified by BC Regulation 198/2011, "Restricted Contributions Regulation".

(continues)



Independent Auditor's Report (continued)

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describe the basis of accounting and the significant differences between such basis of accounting and Canadian Public Sector Accounting Standards. Note 2 to the financial statements discloses the impact of these differences.

Dawson Creek, BC
September 21, 2016

Sander Rose Bone Grindle LLP

Chartered Professional Accountants

School District No. 59 (Peace River South)

Statement of Financial Position

As at June 30, 2016

	2016 Actual	2015 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	10,898,176	10,227,894
Accounts Receivable		
Due from Province - Ministry of Education	366,437	268,437
Due from Province - Other	12,000	
Other (Note 3)	242,895	251,240
Total Financial Assets	<u>11,519,508</u>	<u>10,747,571</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	30,456	35,876
Other (Note 4)	3,485,664	2,904,809
Unearned Revenue (Note 5)	44,883	24,907
Deferred Revenue (Note 6)	822,293	865,448
Deferred Capital Revenue (Note 7)	24,041,060	24,784,198
Employee Future Benefits (Note 8)	749,799	697,369
Total Liabilities	<u>29,174,155</u>	<u>29,312,607</u>
Net Financial Assets (Debt)	<u>(17,654,647)</u>	<u>(18,565,036)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 9)	34,087,763	34,819,249
Prepaid Expenses	112,080	128,150
Total Non-Financial Assets	<u>34,199,843</u>	<u>34,947,399</u>
Accumulated Surplus (Deficit) (Note 18)	<u>16,545,196</u>	<u>16,382,363</u>

Contractual Obligations and Contingencies (Note 14)

Approved by the Board

Signature of the Chairperson of the Board of Education_____
Date Signed_____
Signature of the Superintendent_____
Date Signed_____
Signature of the Secretary Treasurer_____
Date Signed

School District No. 59 (Peace River South)

Statement of Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	45,064,051	45,032,558	44,006,365
Other	140,785	165,085	70,986
Tuition	50,515	50,515	78,142
Other Revenue	1,330,500	1,637,489	1,622,521
Rentals and Leases	190,000	199,565	173,088
Investment Income	140,000	132,031	153,085
Amortization of Deferred Capital Revenue	1,447,114	1,447,114	1,454,216
Total Revenue	<u>48,362,965</u>	<u>48,664,357</u>	<u>47,558,403</u>
Expenses			
Instruction	34,084,161	33,531,693	32,118,299
District Administration	1,887,795	1,823,248	1,880,048
Operations and Maintenance	9,795,308	9,555,659	9,464,101
Transportation and Housing	3,799,479	3,590,924	3,495,142
Total Expense	<u>49,566,743</u>	<u>48,501,524</u>	<u>46,957,590</u>
Surplus (Deficit) for the year	<u>(1,203,778)</u>	<u>162,833</u>	<u>600,813</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		16,382,363	15,781,550
Accumulated Surplus (Deficit) from Operations, end of year		<u>16,545,196</u>	<u>16,382,363</u>

School District No. 59 (Peace River South)

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>(1,203,778)</u>	<u>162,833</u>	<u>600,813</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(374,050)	(1,157,827)	(716,266)
Amortization of Tangible Capital Assets	1,889,313	1,889,313	1,895,205
Total Effect of change in Tangible Capital Assets	<u>1,515,263</u>	<u>731,486</u>	<u>1,178,939</u>
Acquisition of Prepaid Expenses		(112,079)	(128,149)
Use of Prepaid Expenses		128,149	67,421
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>16,070</u>	<u>(60,728)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>311,485</u>	<u>910,389</u>	<u>1,719,024</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>910,389</u>	<u>1,719,024</u>
Net Financial Assets (Debt), beginning of year		<u>(18,565,036)</u>	<u>(20,284,060)</u>
Net Financial Assets (Debt), end of year		<u>(17,654,647)</u>	<u>(18,565,036)</u>

School District No. 59 (Peace River South)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2016

	2016 Actual \$	2015 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	162,833	600,813
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(101,655)	383,844
Prepaid Expenses	16,070	(60,728)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	575,435	(243,935)
Unearned Revenue	19,976	(13,291)
Deferred Revenue	(43,155)	316,405
Employee Future Benefits	52,430	65,950
Amortization of Tangible Capital Assets	1,889,313	1,895,205
Amortization of Deferred Capital Revenue	(1,447,114)	(1,454,216)
Bylaw Capital Spent on Non-Capital Items	(1,282,140)	(876,547)
Total Operating Transactions	<u>(158,007)</u>	<u>613,500</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,157,827)	(716,266)
Total Capital Transactions	<u>(1,157,827)</u>	<u>(716,266)</u>
Financing Transactions		
Capital Revenue Received	1,986,116	1,587,728
Total Financing Transactions	<u>1,986,116</u>	<u>1,587,728</u>
Net Increase (Decrease) in Cash and Cash Equivalents	670,282	1,484,962
Cash and Cash Equivalents, beginning of year	10,227,894	8,742,932
Cash and Cash Equivalents, end of year	<u>10,898,176</u>	<u>10,227,894</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	4,498,299	3,437,678
Cash Equivalents	6,399,877	6,790,216
	<u>10,898,176</u>	<u>10,227,894</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 59 (Peace River South)", and operates as "School District No. 59 (Peace River South)." 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. 59 (Peace River South) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

As noted in Notes 2(e) and 2(j), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

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

- Year-ended June 30, 2015 - decrease in annual surplus by \$988,381;
- June 30, 2015 - increase in accumulated surplus and decrease in deferred contributions by \$24,223,958;
- Year-ended June 30, 2016 – decrease in annual surplus by \$619,233; and,
- June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$23,604,725.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

b) Cash and Cash Equivalents

Cash and cash equivalents include Certificates of Deposit with the Provincial Treasury that are readily convertible to known amounts of cash, have no set maturity terms, and that are subject to an insignificant risk of change in value. These cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Unearned Revenue

Unearned revenue includes proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) Deferred Revenue and Deferred Capital Revenue

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

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

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

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 (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

g) Tangible Capital Assets

The following criteria apply:

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

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

g) 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

h) Prepaid Expenses

Prepaid expenses consist of unexpired insurance premiums and other prepaid amounts which will be amortized over the term of the policies, or in the period the actual expense relates to, respectively.

i) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 11 – Interfund Transfers and Note 18 – Accumulated Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

j) Revenue Recognition

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

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

j) Revenue Recognition (Continued)

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

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

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

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

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

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

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

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

k) Expenses

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

Categories of Salaries

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

Allocation of Costs

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

l) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and other liabilities.

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

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

l) Financial Instruments (Continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

m) 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, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

n) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School 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.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2016	2015
Due from Federal Government	\$ 176,823	\$ 160,931
Due from Other School Districts	3,383	-
Insurance claim	5,091	13,239
Other Accounts Receivable	57,598	77,070
Allowance for Doubtful Accounts	-	-
	\$ 242,895	\$ 251,240

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2016	2015
Trade payables	\$ 913,635	\$ 546,135
Salaries and benefits payable	1,723,942	1,481,455
Accrued vacation pay	794,118	761,596
Other	53,969	115,623
	\$ 3,485,664	\$ 2,904,809

NOTE 5 UNEARNED REVENUE

	2016	2015
Balance, beginning of year	\$ 24,907	\$ 38,198
Changes for the year:		
Increase:		
Dual credit equipment	-	20,000
Other revenue	27,947	17,586
	27,947	37,586
Decrease:		
Tuition fees	-	20,250
Other revenue	7,971	30,627
	7,971	50,877
Balance, end of year	\$ 44,883	\$ 24,907

NOTE 6 DEFERRED REVENUE

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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. Changes in deferred revenue are as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 865,448	\$ 549,043
Changes for the year:		
Increase: Contributions received		
Provincial Grants – Ministry of Education	1,974,472	2,066,858
Other	1,096,300	1,034,167
Investment income	2,242	2,109
Transfers	-	-
	<u>3,073,014</u>	<u>3,103,134</u>
Decrease:		
Expenses	3,116,169	2,778,888
Recovered	-	-
Strike Savings Recovery	-	7,841
	<u>3,116,169</u>	<u>2,786,729</u>
Net changes for the year	<u>(43,155)</u>	<u>316,405</u>
Balance, end of year	<u>\$ 822,293</u>	<u>\$ 865,448</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 7 DEFERRED CAPITAL REVENUE

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

	Deferred Capital 2016	Unspent Capital 2016	Total Deferred Capital Revenue 2016	Total Deferred Capital Revenue 2015
Balance, beginning of year	\$24,223,958	\$560,240	\$24,784,198	\$25,527,233
Changes for the year:				
Increase:				
Transfer from Unspent – Capital Additions	827,881	-	827,881	465,835
Provincial Grants – Ministry of Education	-	1,984,640	1,984,640	1,585,938
Investment income	-	1,476	1,476	1,790
	<u>827,881</u>	<u>1,986,116</u>	<u>2,813,997</u>	<u>2,053,563</u>
Decrease:				
Amortization of Deferred Capital	1,447,114	-	1,447,114	1,454,216
Capital Additions–transfer to Deferred Capital	-	827,881	827,881	465,835
Non-capital items	-	1,282,140	1,282,140	876,547
	<u>1,447,114</u>	<u>2,110,021</u>	<u>3,557,135</u>	<u>2,796,598</u>
Net changes for the year	<u>(619,233)</u>	<u>(123,905)</u>	<u>(743,138)</u>	<u>(743,035)</u>
Balance, end of year	<u>\$23,604,725</u>	<u>\$436,335</u>	<u>\$24,041,060</u>	<u>\$24,784,198</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
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 Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,086,687	\$ 1,030,656
Service Cost	98,633	87,114
Interest Cost	25,173	34,155
Benefit Payments	(124,664)	(95,536)
Actuarial (Gain) Loss	(199,293)	30,297
Accrued Benefit Obligation – March 31	\$886,536	\$1,086,686
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$886,536	\$1,086,686
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(886,536)	(1,086,686)
Employer Contributions After Measurement Date	12,740	14,463
Benefits Expense After Measurement Date	(25,141)	(30,952)
Unamortized Net Actuarial (Gain) Loss	149,138	405,806
Accrued Benefit Asset (Liability) - June 30	(\$749,799)	(\$697,369)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	\$ 697,369	\$ 631,419
Recognize Benefit Expense April 1 - June 30, 2012	-	-
Accrued Benefit Liability (Asset) - July 1 (restated)	\$697,369	\$631,419
Net Expense for Fiscal Year	175,371	175,949
Employer Contributions	(122,941)	(109,999)
Accrued Benefit Liability (Asset) - June 30	\$ 749,799	\$ 697,369
Components of Net Benefit Expense		
Service Cost	\$ 93,457	\$ 89,994
Interest Cost	24,539	31,910
Amortization of Net Actuarial (Gain)/Loss	57,375	54,046
Net Benefit Expense (Income)	\$ 175,371	\$ 175,950

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 8 EMPLOYEE FUTURE BENEFITS *(Continued)*

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
EARSL - March 31	9.5	9.1

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value

	Net Book Value June 30, 2016	Net Book Value June 30, 2015
Sites	\$ 5,244,781	\$ 5,244,781
Buildings	25,605,555	26,018,117
Furniture & Equipment	1,049,124	1,138,261
Vehicles	2,124,922	2,350,339
Computer Software	257	513
Computer Hardware	63,124	67,238
Total	\$ 34,087,763	\$ 34,819,249

June 30, 2016

	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Cost:				
Sites	\$ 5,244,781	\$ -	\$ -	\$ 5,244,781
Buildings	66,479,539	827,881	-	67,307,420
Furniture & Equipment	1,925,705	103,433	(169,028)	1,860,110
Vehicles	4,118,443	186,427	(493,168)	3,811,702
Computer Software	1,281	-	-	1,281
Computer Hardware	220,998	40,086	(151,322)	109,762
Total	\$ 77,990,747	\$ 1,157,827	\$ (813,518)	\$ 78,335,056

	Balance at July 1, 2015	Amortization Expense	Disposals	Balance at June 30, 2016
Accumulated Amortization:				
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	40,461,422	1,240,443	-	41,701,865
Furniture & Equipment	787,444	192,570	(169,028)	810,986
Vehicles	1,768,104	411,844	(493,168)	1,686,780
Computer Software	768	256	-	1,024
Computer Hardware	153,760	44,200	(151,322)	46,638
Total	\$ 43,171,498	\$ 1,889,313	\$ (813,518)	\$ 44,247,293

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2015

Cost:	Balance at			Balance at
	July 1, 2014	Additions	Disposals	June 30, 2015
Sites	\$ 5,244,781	\$ -	\$ -	\$ 5,244,781
Buildings	66,479,539	-	-	66,479,539
Furniture & Equipment	1,939,567	127,834	(141,696)	1,925,705
Vehicles	3,921,847	573,261	(376,665)	4,118,443
Computer Software	57,181	-	(55,900)	1,281
Computer Hardware	205,827	15,171	-	220,998
Total	\$ 77,848,742	\$ 716,266	\$ (574,261)	\$ 77,990,747

Accumulated Amortization:	Balance at			Balance at
	July 1, 2014	Additions	Disposals	June 30, 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	39,204,960	1,256,462	-	40,461,422
Furniture & Equipment	735,183	193,957	(141,696)	787,444
Vehicles	1,752,584	392,185	(376,665)	1,768,104
Computer Software	45,232	11,436	(55,900)	768
Computer Hardware	112,595	41,165	-	153,760
Total	\$ 41,850,554	\$ 1,895,205	\$ (574,261)	\$ 43,171,498

NOTE 10 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 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 approximately 45,000 active members and approximately 35,000 retired members. As of December 31, 2014, the Municipal Pension Plan has about 185,000 active members, including approximately 24,000 from school districts.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 10 EMPLOYEE PENSION PLANS *(Continued)*

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis. The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available 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 on a going concern basis. 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 the Plans in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the Plans.

The School District paid \$3,650,273 for employer contributions to these plans in the year ended June 30, 2016 (2015: \$3,529,006).

NOTE 11 INTERFUND TRANSFERS

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

- A transfer in the amount of \$329,946 (2015: \$250,431) was made from the operating fund to the capital fund for capital equipment purchases.

NOTE 12 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. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 13 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on January 20, 2016. The Board adopted a preliminary annual budget on June 24, 2015. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2016 Amended	2016 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$ 45,064,051	\$ 45,456,676	\$ (392,625)
Other	140,785	80,000	60,785
Tuition	50,515	40,980	9,535
Other Revenue	1,330,500	497,498	833,002
Rentals and Leases	190,000	160,000	30,000
Investment Income	140,000	140,000	-
Amortization of Deferred Capital Revenue	1,447,114	1,411,273	35,841
Total Revenue	<u>48,362,965</u>	<u>47,786,427</u>	<u>576,538</u>
Expenses			
Instruction	34,084,161	33,086,119	998,042
District Administration	1,887,795	1,818,701	69,094
Operations and Maintenance	9,795,308	10,264,907	(469,599)
Transportation and Housing	3,799,479	3,806,930	(7,451)
Total Expenses	<u>49,566,743</u>	<u>48,976,657</u>	<u>590,086</u>
Surplus (Deficit) for the year	<u>(1,203,778)</u>	<u>(1,190,230)</u>	<u>(13,548)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets			
From Operating and Special Purpose Funds	(374,050)	(358,650)	(15,400)
From Deferred Capital Revenue	-	-	-
Total Acquisition of Tangible Capital Assets	<u>(374,050)</u>	<u>(358,650)</u>	<u>(15,400)</u>
Amortization of Tangible Capital Assets	1,889,313	1,884,952	4,361
Total Effect of change in Tangible Capital Assets	<u>1,515,263</u>	<u>1,526,302</u>	<u>(11,039)</u>
(Increase) Decrease in Net Financial Assets	<u>\$ 311,485</u>	<u>\$ 336,072</u>	<u>\$ (24,587)</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 14 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Each year the School District is involved with a number of legal actions and arbitrations. Although the outcomes of these matters are not determinable at this time, management believes they will not have a material adverse effect on the School District's financial position or results of the operation.

NOTE 15 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2016, the liability is not reasonably determinable.

NOTE 16 EXPENSE BY OBJECT

	2016	2015
Salaries and benefits	\$ 36,594,384	\$ 35,328,853
Services and supplies	10,017,827	9,733,532
Amortization	1,889,313	1,895,205
	\$ 48,501,524	\$ 46,957,590

NOTE 17 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. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 18 ACCUMULATED SURPLUS

	2016	2015
OPERATING		
Internally Restricted (appropriated) by Board for:		
School-based Surpluses	\$ 487,069	\$ 470,018
Capacity Building	-	70,000
Inquiry-based Learning	-	175,000
Maintenance Projects	-	60,692
Primary Literacy Project	-	150,000
District Numeracy Position	-	150,000
Later to Literacy Project	-	100,000
Transportation Reserve	500,000	500,000
Board Contingency Fund	1,623,084	1,430,353
Subtotal Internally Restricted	2,610,153	3,106,063
Unrestricted Operating Surplus (Deficit)	3,340,685	2,570,751
Total Available for Future Operations	\$ 5,950,838	\$ 5,676,814
CAPITAL		
Investment in Tangible Capital Assets	10,483,038	10,595,291
Local Capital	111,320	110,258
Capital Surplus	10,594,358	10,705,549
ACCUMULATED SURPLUS	\$ 16,545,196	\$ 16,382,363

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.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 19 RISK MANAGEMENT (Continued)

a) Credit risk

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

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 considered collectible.

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

b) Market risk

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is not 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.

CHARTERED PROFESSIONAL ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., FCPA, FCA
- * Dale J. Rose, CPA, CA
- * Alan Bone, B. Comm., CPA, CA
- * Jason Grindle, B. Comm., CPA, CA
- * Jaron Neufeld, B. Comm., CPA, CA

26.

REPORT ON SUPPLEMENTARY FINANCIAL INFORMATION

To the Board of Education of School District No. 59 (Peace River South) and the Minister of Education of British Columbia

We have audited the financial statements of School District No. 59 (Peace River South), which comprise the statement of financial position as at June 30, 2016 and statement of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. This report contained an unmodified opinion on the financial statements as a whole. The following supplemental financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

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

Dawson Creek, BC
September 21, 2016

Sander Rose Bone Grindle LLP

Chartered Professional Accountants

School District No. 59 (Peace River South)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2016

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,676,814		10,705,549	16,382,363	15,781,550
Changes for the year					
Surplus (Deficit) for the year	603,970		(441,137)	162,833	600,813
Interfund Transfers					
Tangible Capital Assets Purchased	(329,946)		329,946	-	
Net Changes for the year	274,024	-	(111,191)	162,833	600,813
Accumulated Surplus (Deficit), end of year - Statement 2	5,950,838	-	10,594,358	16,545,196	16,382,363

School District No. 59 (Peace River South)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	41,598,791	41,719,308	41,379,088
Other	140,785	165,085	70,986
Tuition	50,515	50,515	78,142
Other Revenue	490,500	554,349	596,330
Rentals and Leases	190,000	199,565	173,088
Investment Income	140,000	129,050	149,808
Total Revenue	<u>42,610,591</u>	<u>42,817,872</u>	<u>42,447,442</u>
Expenses			
Instruction	31,467,058	30,784,241	29,450,078
District Administration	1,887,795	1,823,248	1,880,048
Operations and Maintenance	6,629,682	6,427,333	6,973,867
Transportation and Housing	3,387,635	3,179,080	3,102,957
Total Expense	<u>43,372,170</u>	<u>42,213,902</u>	<u>41,406,950</u>
Operating Surplus (Deficit) for the year	<u>(761,579)</u>	<u>603,970</u>	<u>1,040,492</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,135,629</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(374,050)	(329,946)	(250,431)
Total Net Transfers	<u>(374,050)</u>	<u>(329,946)</u>	<u>(250,431)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>274,024</u>	<u>790,061</u>
Operating Surplus (Deficit), beginning of year		5,676,814	4,886,753
Operating Surplus (Deficit), end of year		<u>5,950,838</u>	<u>5,676,814</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		2,610,153	3,106,063
Unrestricted		3,340,685	2,570,751
Total Operating Surplus (Deficit), end of year		<u>5,950,838</u>	<u>5,676,814</u>

School District No. 59 (Peace River South)

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	40,533,296	40,627,735	40,750,232
Strike Savings Recovery			(1,141,032)
Other Ministry of Education Grants			
Labour Settlement Funding			697,128
Pay Equity	944,395	944,395	944,395
Funding for Graduated Adults		1,712	1,939
Economic Stability Dividend		26,170	
Carbon Tax Reimbursement	105,000	98,000	104,691
Education Guarantee			1,939
Other	16,100	21,296	19,796
Total Provincial Grants - Ministry of Education	41,598,791	41,719,308	41,379,088
Provincial Grants - Other	140,785	165,085	70,986
Tuition			
Offshore Tuition Fees	50,515	50,515	78,142
Total Tuition	50,515	50,515	78,142
Other Revenues			
Miscellaneous			
Seconded Teacher Revenue	74,000	82,628	70,764
BC Hydro Energy Program	114,000	23,436	132,036
Substitute Staff Recoveries	90,000	140,803	110,837
Insurance Claim		5,091	13,239
Bus Fees	58,000	50,998	57,952
Miscellaneous	154,500	251,393	211,502
Total Other Revenue	490,500	554,349	596,330
Rentals and Leases	190,000	199,565	173,088
Investment Income	140,000	129,050	149,808
Total Operating Revenue	42,610,591	42,817,872	42,447,442

School District No. 59 (Peace River South)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Salaries			
Teachers	14,086,473	14,223,679	13,387,282
Principals and Vice Principals	3,241,879	3,314,606	3,691,295
Educational Assistants	2,288,668	2,190,171	2,334,077
Support Staff	5,237,517	5,081,956	5,066,625
Other Professionals	1,410,106	1,399,822	1,079,091
Substitutes	1,665,831	1,473,695	1,210,807
Total Salaries	27,930,474	27,683,929	26,769,177
Employee Benefits	7,428,858	6,932,965	6,734,868
Total Salaries and Benefits	35,359,332	34,616,894	33,504,045
Services and Supplies			
Services	1,698,243	1,574,071	1,864,353
Student Transportation	1,097,949	1,037,718	980,628
Professional Development and Travel	589,300	419,700	482,100
Rentals and Leases	20,500	22,571	27,008
Dues and Fees	306,581	317,293	366,422
Insurance	179,400	173,666	173,084
Supplies	2,914,865	2,892,431	2,783,107
Utilities	1,206,000	1,159,558	1,226,203
Total Services and Supplies	8,012,838	7,597,008	7,902,905
Total Operating Expense	43,372,170	42,213,902	41,406,950

School District No. 59 (Peace River South)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	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	11,551,022	1,035,668	365,174	438,867	141,527	960,415	14,492,673
1.03 Career Programs	78,418			3,278	71,290	2,053	155,039
1.07 Library Services	215,687	42,832	114,131			22,435	395,085
1.08 Counselling	531,741			45,373	18,399	3,408	598,921
1.10 Special Education	1,331,685	315,374	1,431,919	112,917	35,946	120,621	3,348,462
1.30 English Language Learning	28,246		27,413			403	56,062
1.31 Aboriginal Education	486,880	168,007	232,117	78,877		11,078	976,959
1.41 School Administration		1,539,021		571,792		52,759	2,163,572
1.62 Offshore Students							-
Total Function 1	14,223,679	3,100,902	2,170,754	1,251,104	267,162	1,173,172	22,186,773
4 District Administration							
4.11 Educational Administration		213,704		16,923	232,491	1,820	464,938
4.40 School District Governance					107,220		107,220
4.41 Business Administration				142,796	453,194	487	596,477
Total Function 4	-	213,704	-	159,719	792,905	2,307	1,168,635
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				58,697	255,980		314,677
5.50 Maintenance Operations				2,005,526		224,469	2,229,995
5.52 Maintenance of Grounds				518,968			518,968
5.56 Utilities							-
Total Function 5	-	-	-	2,583,191	255,980	224,469	3,063,640
7 Transportation and Housing							
7.41 Transportation and Housing Administration				45,944	83,775		129,719
7.70 Student Transportation			19,417	1,041,998		73,747	1,135,162
Total Function 7	-	-	19,417	1,087,942	83,775	73,747	1,264,881
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,223,679	3,314,606	2,190,171	5,081,956	1,399,822	1,473,695	27,683,929

School District No. 59 (Peace River South)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	14,492,673	3,658,695	18,151,368	1,947,045	20,098,413	20,138,288	19,050,779
1.03 Career Programs	155,039	40,230	195,269	266,716	461,985	431,457	474,118
1.07 Library Services	395,085	98,784	493,869	22,631	516,500	587,527	517,975
1.08 Counselling	598,921	142,094	741,015	23,769	764,784	748,927	640,354
1.10 Special Education	3,348,462	911,916	4,260,378	171,111	4,431,489	4,946,336	4,275,672
1.30 English Language Learning	56,062	11,604	67,666	16,184	83,850	114,442	67,156
1.31 Aboriginal Education	976,959	253,785	1,230,744	103,850	1,334,594	1,326,679	1,375,775
1.41 School Administration	2,163,572	527,535	2,691,107	183,962	2,875,069	2,955,846	2,772,284
1.62 Offshore Students	-	-	-	217,557	217,557	217,556	275,965
Total Function 1	22,186,773	5,644,643	27,831,416	2,952,825	30,784,241	31,467,058	29,450,078
4 District Administration							
4.11 Educational Administration	464,938	107,813	572,751	60,842	633,593	644,956	670,070
4.40 School District Governance	107,220	1,641	108,861	76,620	185,481	200,788	217,695
4.41 Business Administration	596,477	138,250	734,727	269,447	1,004,174	1,042,051	992,283
Total Function 4	1,168,635	247,704	1,416,339	406,909	1,823,248	1,887,795	1,880,048
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	314,677	72,800	387,477	272,847	660,324	611,346	514,128
5.50 Maintenance Operations	2,229,995	522,146	2,752,141	1,062,546	3,814,687	3,975,635	4,418,194
5.52 Maintenance of Grounds	518,968	117,980	636,948	145,945	782,893	836,701	813,484
5.56 Utilities	-	-	-	1,169,429	1,169,429	1,206,000	1,228,061
Total Function 5	3,063,640	712,926	3,776,566	2,650,767	6,427,333	6,629,682	6,973,867
7 Transportation and Housing							
7.41 Transportation and Housing Administration	129,719	30,448	160,167	4,514	164,681	202,585	157,091
7.70 Student Transportation	1,135,162	297,244	1,432,406	1,581,993	3,014,399	3,185,050	2,945,866
Total Function 7	1,264,881	327,692	1,592,573	1,586,507	3,179,080	3,387,635	3,102,957
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	27,683,929	6,932,965	34,616,894	7,597,008	42,213,902	43,372,170	41,406,950

School District No. 59 (Peace River South)

Schedule of Special Purpose Operations

Year Ended June 30, 2016

Schedule 3 (Unaudited)

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	2,299,120	2,031,110	1,750,730
Other Revenue	840,000	1,083,140	1,026,191
Investment Income		1,919	1,967
Total Revenue	3,139,120	3,116,169	2,778,888
Expenses			
Instruction	2,617,103	2,747,452	2,668,221
Operations and Maintenance	522,017	368,717	110,667
Total Expense	3,139,120	3,116,169	2,778,888
Special Purpose Surplus (Deficit) for the year	-	-	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 59 (Peace River South)

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

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	211,959	7,062	9,577	14,470	480	440,134	25,815	4,549	7,525
Add: Restricted Grants									
Provincial Grants - Ministry of Education	310,058	851,713		898	110,791		192,000	39,200	107,793
Other						1,066,838			
Investment Income			81	127			644	104	
	310,058	851,713	81	1,025	110,791	1,066,838	192,644	39,304	107,793
Less: Allocated to Revenue	368,717	850,721	-	4,221	111,271	1,034,851	197,864	43,853	115,318
Deferred Revenue, end of year	153,300	8,054	9,658	11,274	-	472,121	20,595	-	-
Revenues									
Provincial Grants - Ministry of Education	368,717	850,721		4,095	111,271		197,220	43,749	115,318
Other Revenue						1,034,851			
Investment Income				126			644	104	
	368,717	850,721	-	4,221	111,271	1,034,851	197,864	43,853	115,318
Expenses									
Salaries									
Teachers		533,815			81,432				55,432
Educational Assistants		134,566							
Support Staff	85,583						133,080		
Other Professionals							2,916		
Substitutes								23,893	
	85,583	668,381	-	-	81,432	-	135,996	23,893	55,432
Employee Benefits	19,715	182,340			21,818		30,361	5,076	16,681
Services and Supplies	263,419			4,221	8,021	1,034,851	31,507	14,884	43,205
	368,717	850,721	-	4,221	111,271	1,034,851	197,864	43,853	115,318
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 59 (Peace River South)

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

	Community- LINK	Service Delivery Transformation	LNG Grant	Early Learning Funds	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		25,034	55,398	63,445	865,448
Add: Restricted Grants					
Provincial Grants - Ministry of Education	357,019		5,000		1,974,472
Other				29,462	1,096,300
Investment Income	241	241	325	479	2,242
	357,260	241	5,325	29,941	3,073,014
Less: Allocated to Revenue	295,300	-	45,285	48,768	3,116,169
Deferred Revenue, end of year	61,960	25,275	15,438	44,618	822,293
Revenues					
Provincial Grants - Ministry of Education	295,059		44,960		2,031,110
Other Revenue				48,289	1,083,140
Investment Income	241		325	479	1,919
	295,300	-	45,285	48,768	3,116,169
Expenses					
Salaries					
Teachers	436				671,115
Educational Assistants	182,374				316,940
Support Staff					218,663
Other Professionals			37,976		40,892
Substitutes					23,893
	182,810	-	37,976	-	1,271,503
Employee Benefits	56,534		7,309		339,834
Services and Supplies	55,956			48,768	1,504,832
	295,300	-	45,285	48,768	3,116,169
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-

School District No. 59 (Peace River South)

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					
Ministry of Education	1,166,140	1,282,140		1,282,140	876,547
Investment Income			1,062	1,062	1,310
Amortization of Deferred Capital Revenue	1,447,114	1,447,114		1,447,114	1,454,216
Total Revenue	2,613,254	2,729,254	1,062	2,730,316	2,332,073
Expenses					
Operations and Maintenance	1,166,140	1,282,140		1,282,140	876,547
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,477,469	1,477,469		1,477,469	1,503,020
Transportation and Housing	411,844	411,844		411,844	392,185
Total Expense	3,055,453	3,171,453	-	3,171,453	2,771,752
Capital Surplus (Deficit) for the year	(442,199)	(442,199)	1,062	(441,137)	(439,679)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	374,050	329,946		329,946	250,431
Total Net Transfers	374,050	329,946	-	329,946	250,431
Total Capital Surplus (Deficit) for the year	(68,149)	(112,253)	1,062	(111,191)	(189,248)
Capital Surplus (Deficit), beginning of year		10,595,291	110,258	10,705,549	10,894,797
Capital Surplus (Deficit), end of year		10,483,038	111,320	10,594,358	10,705,549

School District No. 59 (Peace River South)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2016

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,244,781	66,479,539	1,925,705	4,118,443	1,281	220,998	77,990,747
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		827,881					827,881
Operating Fund			103,433	186,427		40,086	329,946
	-	827,881	103,433	186,427	-	40,086	1,157,827
Decrease:							
Deemed Disposals			169,028	493,168		151,322	813,518
	-	-	169,028	493,168	-	151,322	813,518
Cost, end of year	5,244,781	67,307,420	1,860,110	3,811,702	1,281	109,762	78,335,056
Work in Progress, end of year							-
Cost and Work in Progress, end of year	5,244,781	67,307,420	1,860,110	3,811,702	1,281	109,762	78,335,056
Accumulated Amortization, beginning of year		40,461,422	787,444	1,768,104	768	153,760	43,171,498
Changes for the Year							
Increase: Amortization for the Year		1,240,443	192,570	411,844	256	44,200	1,889,313
Decrease:							
Deemed Disposals			169,028	493,168		151,322	813,518
			169,028	493,168	-	151,322	813,518
Accumulated Amortization, end of year		41,701,865	810,986	1,686,780	1,024	46,638	44,247,293
Tangible Capital Assets - Net	5,244,781	25,605,555	1,049,124	2,124,922	257	63,124	34,087,763

School District No. 59 (Peace River South)

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	21,714,280	558,160	1,951,518	24,223,958
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	827,881			827,881
	827,881	-	-	827,881
Decrease:				
Amortization of Deferred Capital Revenue	1,363,545	16,662	66,907	1,447,114
	1,363,545	16,662	66,907	1,447,114
Net Changes for the Year	(535,664)	(16,662)	(66,907)	(619,233)
Deferred Capital Revenue, end of year	21,178,616	541,498	1,884,611	23,604,725
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	21,178,616	541,498	1,884,611	23,604,725

School District No. 59 (Peace River South)

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	406,977	153,263				560,240
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,984,640					1,984,640
Investment Income		1,476				1,476
	<u>1,984,640</u>	<u>1,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,986,116</u>
Decrease:						
Transferred to DCR - Capital Additions	827,881					827,881
Facility Improvements Not Capitalized	1,282,140					1,282,140
	<u>2,110,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,110,021</u>
Net Changes for the Year	<u>(125,381)</u>	<u>1,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123,905)</u>
Balance, end of year	<u>281,596</u>	<u>154,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,335</u>