

Audited Financial Statements of

# **School District No. 60 (Peace River North)**

June 30, 2016

# School District No. 60 (Peace River North)

June 30, 2016

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# School District No. 60 (Peace River North)

## MANAGEMENT REPORT

Version: 4689-3943-1961

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

The accompanying financial statements of School District No. 60 (Peace River North) 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.

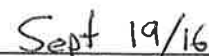
The Board of Education of School District No. 60 (Peace River North) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG 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. 60 (Peace River North) 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.

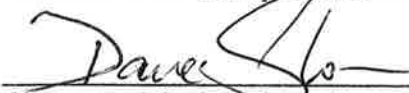
On behalf of School District No. 60 (Peace River North)



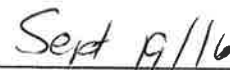
Signature of the Chairperson of the Board of Education



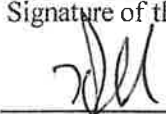
Date Signed



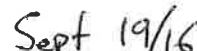
Signature of the Superintendent



Date Signed



Signature of the Secretary Treasurer



Date Signed



KPMG LLP  
177 Victoria Street, Suite 400  
Prince George BC V2L 5R8  
Canada  
Telephone (250) 563-7151  
Fax (250) 563-5693

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education of School District No. 60 (Peace River North) and  
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 60 (Peace River North) which comprise the statement of financial position as at June 30, 2016, the statement 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. 60 (Peace River North) 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(a) to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants

September 19, 2016

Prince George, Canada

# School District No. 60 (Peace River North)

Statement 1


## Statement of Financial Position

As at June 30, 2016

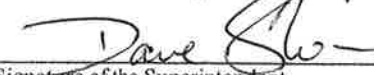
|  | 2016<br>Actual      | 2015<br>Actual<br>(Recast - Note 19) |
|--|---------------------|--------------------------------------|
|  | \$                  | \$                                   |
| <b>Financial Assets</b>                        |                     |                                      |
| Cash and Cash Equivalents                      | 15,993,365          | 9,913,301                            |
| Accounts Receivable                            |                     |                                      |
| Due from Province - Ministry of Education      | 116,533             | 72,497                               |
| Due from Province - Other                      |                     | 19,950                               |
| Other (Note 3)                                 | 374,267             | 696,165                              |
| Inventories for Resale                         | 851,661             | 549,867                              |
| <b>Total Financial Assets</b>                  | <b>17,335,826</b>   | <b>11,251,780</b>                    |
| <b>Liabilities</b>                             |                     |                                      |
| Accounts Payable and Accrued Liabilities       |                     |                                      |
| Other (Note 4)                                 | 6,437,769           | 3,650,325                            |
| Unearned Revenue (Note 5)                      | 166,802             | 286,388                              |
| Deferred Revenue (Note 6)                      | 2,259,824           | 2,468,994                            |
| Deferred Capital Revenue (Note 7)              | 50,414,548          | 43,718,023                           |
| Employee Future Benefits (Note 8)              | 352,842             | 327,605                              |
| <b>Total Liabilities</b>                       | <b>59,631,785</b>   | <b>50,451,335</b>                    |
| <b>Net Financial Assets (Debt)</b>             | <b>(42,295,959)</b> | <b>(39,199,555)</b>                  |
| <b>Non-Financial Assets</b>                    |                     |                                      |
| Tangible Capital Assets (Note 9)               | 70,786,620          | 65,743,627                           |
| Prepaid Expenses                               | 144,036             | 197,216                              |
| <b>Total Non-Financial Assets</b>              | <b>70,930,656</b>   | <b>65,940,843</b>                    |
| <b>Accumulated Surplus (Deficit) (Note 16)</b> | <b>28,634,697</b>   | <b>26,741,288</b>                    |

Contractual Obligations and Contingencies (Note 14)

Approved by the Board

  
Signature of the Chairperson of the Board of Education

Sept 19/16  
Date Signed

  
Signature of the Superintendent

Sept 19/16  
Date Signed

  
Signature of the Secretary Treasurer

Sept 19/16  
Date Signed

**School District No. 60 (Peace River North)**

Statement 2

Statement of Operations

Year Ended June 30, 2016

|   | 2016<br>Budget     | 2016<br>Actual    | 2015<br>Actual<br>(Recast - Note 19) |
|---|--------------------|-------------------|--------------------------------------|
|   | \$                 | \$                | \$                                   |
| <b>Revenues</b>   |                    |                   |                                      |
| Provincial Grants   |                    |                   |                                      |
| Ministry of Education   | 58,736,672         | 62,458,447        | 63,324,723                           |
| Other   | 98,000             | 68,300            | 126,991                              |
| Municipal Grants Spent on Sites   |                    | 230,459           | 366,304                              |
| Federal Grants  | 185,202            | 167,139           | 173,271                              |
| Tuition   | 821,500            | 823,417           | 787,754                              |
| Other Revenue   | 2,302,129          | 2,321,503         | 2,830,718                            |
| Rentals and Leases  | 8,800              | 7,119             | 10,086                               |
| Investment Income   | 80,315             | 101,570           | 104,443                              |
| Amortization of Deferred Capital Revenue                                | 2,294,308          | 2,298,778         | 2,162,487                            |
| <b>Total Revenue</b>  | <b>64,526,926</b>  | <b>68,476,732</b> | <b>69,886,777</b>                    |
| <b>Expenses</b>   |                    |                   |                                      |
| Instruction   | 52,136,949         | 52,453,086        | 48,854,405                           |
| District Administration   | 1,796,936          | 1,712,009         | 1,876,254                            |
| Operations and Maintenance  | 8,565,119          | 8,514,674         | 8,149,119                            |
| Transportation and Housing  | 3,896,730          | 3,903,554         | 3,613,343                            |
| <b>Total Expense</b>  | <b>66,395,734</b>  | <b>66,583,323</b> | <b>62,493,121</b>                    |
| <b>Surplus (Deficit) for the year</b>                                   | <b>(1,868,808)</b> | <b>1,893,409</b>  | <b>7,393,656</b>                     |
| <b>Accumulated Surplus (Deficit) from Operations, beginning of year</b> |                    | <b>26,741,288</b> | <b>19,347,632</b>                    |
| <b>Accumulated Surplus (Deficit) from Operations, end of year</b>       |                    | <b>28,634,697</b> | <b>26,741,288</b>                    |

**School District No. 60 (Peace River North)**

Statement 4

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

Year Ended June 30, 2016

|  | 2016<br>Budget     | 2016<br>Actual      | 2015<br>Actual<br>(Recast - Note 19) |
|--|--------------------|---------------------|--------------------------------------|
|  | \$                 | \$                  | \$                                   |
| <b>Surplus (Deficit) for the year</b>  | <b>(1,868,808)</b> | <b>1,893,409</b>    | <b>7,393,656</b>                     |
| <b>Effect of change in Tangible Capital Assets</b>   |                    |                     |                                      |
| Acquisition of Tangible Capital Assets   | (1,515,129)        | (8,176,915)         | (10,413,537)                         |
| Amortization of Tangible Capital Assets  | 3,158,416          | 3,133,922           | 3,050,676                            |
| <b>Total Effect of change in Tangible Capital Assets</b>   | <b>1,643,287</b>   | <b>(5,042,993)</b>  | <b>(7,362,861)</b>                   |
| Acquisition of Prepaid Expenses  |                    | (144,036)           | (212,525)                            |
| Use of Prepaid Expenses  |                    | 197,216             | 174,429                              |
| <b>Total Effect of change in Other Non-Financial Assets</b>  | <b>-</b>           | <b>53,180</b>       | <b>(38,096)</b>                      |
| <b>(Increase) Decrease in Net Financial Assets (Debt),<br/>before Net Remeasurement Gains (Losses)</b> | <b>(225,521)</b>   | <b>(3,096,404)</b>  | <b>(7,301)</b>                       |
| <b>Net Remeasurement Gains (Losses)</b>  |                    |                     | <b>-</b>                             |
| <b>(Increase) Decrease in Net Financial Assets (Debt)</b>  |                    | <b>(3,096,404)</b>  | <b>(7,301)</b>                       |
| <b>Net Financial Assets (Debt), beginning of year</b>  |                    | <b>(39,199,555)</b> | <b>(39,192,254)</b>                  |
| <b>Net Financial Assets (Debt), end of year</b>  |                    | <b>(42,295,959)</b> | <b>(39,199,555)</b>                  |

**School District No. 60 (Peace River North)**

## Statement of Cash Flows

Year Ended June 30, 2016

Statement 5

|   | 2016<br>Actual     | 2015<br>Actual<br>(Recast - Note 19) |
|---|--------------------|--------------------------------------|
|   | \$                 | \$                                   |
| <b>Operating Transactions</b>                                 |                    |                                      |
| Surplus (Deficit) for the year                                | 1,893,409          | 7,393,656                            |
| Changes in Non-Cash Working Capital                           |                    |                                      |
| Decrease (Increase)   |                    |                                      |
| Accounts Receivable   | 297,812            | (377,943)                            |
| Inventories for Resale  | (301,794)          | (275,517)                            |
| Prepaid Expenses  | 53,180             | (38,096)                             |
| Increase (Decrease)   |                    |                                      |
| Accounts Payable and Accrued Liabilities                      | 2,787,444          | (1,400,646)                          |
| Unearned Revenue  | (119,586)          | 55,015                               |
| Deferred Revenue  | (209,170)          | 328,133                              |
| Employee Future Benefits                                      | 25,237             | 16,160                               |
| Amortization of Tangible Capital Assets                       | 3,133,922          | 3,050,676                            |
| Amortization of Deferred Capital Revenue                      | (2,298,778)        | (2,162,487)                          |
| Recognition of Deferred Capital Revenue Spent on Sites        | (1,530,459)        | (7,366,304)                          |
| <b>Total Operating Transactions</b>                           | <b>3,731,217</b>   | <b>(777,353)</b>                     |
| <b>Capital Transactions</b>                                   |                    |                                      |
| Tangible Capital Assets Purchased                             | (7,263,875)        | (10,401,368)                         |
| Tangible Capital Assets -WIP Purchased                        | (913,040)          | (12,169)                             |
| <b>Total Capital Transactions</b>                             | <b>(8,176,915)</b> | <b>(10,413,537)</b>                  |
| <b>Financing Transactions</b>                                 |                    |                                      |
| Capital Revenue Received                                      | 10,525,762         | 8,879,570                            |
| <b>Total Financing Transactions</b>                           | <b>10,525,762</b>  | <b>8,879,570</b>                     |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <b>6,080,064</b>   | <b>(2,311,320)</b>                   |
| <b>Cash and Cash Equivalents, beginning of year</b>           | <b>9,913,301</b>   | <b>12,224,621</b>                    |
| <b>Cash and Cash Equivalents, end of year</b>                 | <b>15,993,365</b>  | <b>9,913,301</b>                     |
| <b>Cash and Cash Equivalents, end of year, is made up of:</b> |                    |                                      |
| Cash  | 15,993,365         | 9,913,301                            |
|   | <b>15,993,365</b>  | <b>9,913,301</b>                     |

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on April 12<sup>th</sup>, 1946 operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 60 (Peace River North)", and operates as "School District No. 60 (Peace River North)." 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. 60 (Peace River North) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

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

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

As noted in notes 2(f), 2(g) and 2(m), 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, 2016 – increase in annual surplus by \$2,354,156 (2015 - \$344,544)  
June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$50,414,548 (2015 - \$43,718,023)

b) Cash and Cash Equivalents

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

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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

c) Accounts Receivable

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

d) Inventories for Resale

Inventories for resale include properties and are measured at lower of cost and net realizable value. Cost includes all costs incurred to get the properties ready for sale. Net realizable value is the expected selling price in the ordinary course of business.

e) Unearned Revenue

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

f) Deferred Revenue

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).

g) Deferred Capital Revenue

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.

h) 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

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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

h) Employee Future Benefits (note continued)

and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to June 30, 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.

i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when 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. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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

j) Tangible Capital Assets

The following criteria apply:

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

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

k) Prepaid Expenses

Prepaid insurance, annual software licenses, subscriptions, membership fees and travel expenses are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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

**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 (see Notes 11 – Interfund Transfers and Note 16 – Accumulated Surplus).

**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. 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.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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

m) Revenue Recognition (note continued)

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.

n) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

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 other liabilities.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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

o) Financial Instruments (note continued)

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of 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.

p) 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.

q) Asset Retirement Obligations

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

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

|                                 | June 30,<br>2016  | June 30,<br>2015  |
|---------------------------------|-------------------|-------------------|
| Due from Federal Government     | \$ 279,588        | \$ 592,238        |
| Other                           | 135,323           | 130,013           |
| Allowance for Doubtful Accounts | (40,644)          | (26,086)          |
|                                 | <u>\$ 374,267</u> | <u>\$ 696,165</u> |

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

|                               | June 30,<br>2016    | June 30,<br>2015    |
|-------------------------------|---------------------|---------------------|
| Trade payables                | \$2,569,355         | \$ 753,564          |
| Salaries and benefits payable | 3,394,022           | 2,467,539           |
| Accrued vacation pay          | 360,542             | 339,872             |
| Other                         | 113,850             | 89,350              |
|                               | <u>\$ 6,437,769</u> | <u>\$ 3,650,325</u> |

**NOTE 5      UNEARNED REVENUE**

|                            | June 30,<br>2016  | June 30,<br>2015  |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 286,388        | \$ 231,373        |
| Changes for the year:      |                   |                   |
| Increase:                  |                   |                   |
| Tuition fees               | 166,802           | 286,388           |
| Decrease:                  |                   |                   |
| Tuition fees               | 286,388           | 231,373           |
| Net changes for the year   | (119,586)         | 55,015            |
| Balance, end of year       | <u>\$ 166,802</u> | <u>\$ 286,388</u> |

**NOTE 6      DEFERRED REVENUE**

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

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

**NOTE 6      DEFERRED REVENUE (Continued)**

|   | June 30,<br>2016   | June 30,<br>2015   |
|---|--------------------|--------------------|
| Balance, beginning of year                | \$2,468,994        | \$2,140,861        |
| Add: Restricted Grants                    |                    |                    |
| Provincial Grants – Ministry of Education | 2,345,306          | 2,426,376          |
| Provincial Grants – Other                 | 68,300             | 127,110            |
| Federal Grants                            | 169,418            | 173,271            |
| Other                                     | 2,134,672          | 2,448,709          |
| Less:                                     |                    |                    |
| Strike Savings Recovery                   | -                  | 14,058             |
|   | <u>4,717,696</u>   | <u>5,161,408</u>   |
| Less:                                     |                    |                    |
| Amount allocated to revenue               | 4,926,866          | 4,833,275          |
| Net changes for the year                  | <u>(209,170)</u>   | <u>328,133</u>     |
| Balance, end of year                      | <u>\$2,259,824</u> | <u>\$2,468,994</u> |

**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 below.

|   | June 30,<br>2016    | June 30,<br>2015    |
|---|---------------------|---------------------|
| Deferred Capital Revenue                              |                     |                     |
| Deferred Capital Revenue, beginning of year           | \$43,354,938        | \$43,010,394        |
| Changes for the Year:                                 |                     |                     |
| Increase:   |                     |                     |
| Transferred from Deferred Revenue – Capital Additions | 4,640,765           | 2,507,031           |
| Transferred from Work in Progress                     | 12,169              | -                   |
|   | <u>4,652,934</u>    | <u>2,507,031</u>    |
| Decrease:   |                     |                     |
| Amortization of Deferred Capital Contributions        | 2,298,778           | 2,162,487           |
| Net changes for the year                              | <u>2,354,156</u>    | <u>344,544</u>      |
| Deferred Capital Revenue, end of year                 | <u>\$45,709,094</u> | <u>\$43,354,938</u> |
| Work in Progress, Beginning of Year                   | \$ 12,169           | \$ -                |

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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

Changes for the Year:

Increase:

|  |         |        |
|--|---------|--------|
| Transferred from Deferred Revenue – Work in Progress | 649,040 | 12,169 |
|--|---------|--------|

Decrease:

|   |        |   |
|---|--------|---|
| Transferred to Deferred Capital Revenue | 12,169 | - |
|---|--------|---|

|  |              |              |
|--|--------------|--------------|
| Net changes for the year   | 636,871      | 12,169       |
| Work in Progress, end of year  | \$ 649,040   | \$ 12,169    |
| Total Deferred Capital Revenue before Unspent Deferred Capital Revenue | \$46,358,134 | \$43,367,107 |

|   |                  |   |
|---|------------------|---|
| Changes in Unspent Deferred Capital Revenue | June 30,<br>2016 | June 30,<br>2015<br>(Recast –<br>Note 19) |
| Balance, beginning of year                  | \$ 350,916       | \$ 1,356,850                              |
| Prior Period Adjustment                     |                  |   |
| SSAC Land Purchase Adjustment               |                  | ( 366,304)                                |
| Balance, beginning of year                  | \$ 350,916       | \$ 990,546                                |

Changes for the Year:

Increase:

|   |            |           |
|---|------------|-----------|
| Provincial Grants – Ministry of Education | 6,730,319  | 8,565,453 |
| Investment Income                         | -          | -         |
| Other                                     | 3,795,443  | 314,117   |
|   | 10,525,762 | 8,879,570 |

Decrease:

|   |           |           |
|---|-----------|-----------|
| Transferred to DCR – Capital Additions  | 4,640,765 | 2,507,031 |
| Transferred to DCR – Work in Progress   | 649,040   | 12,169    |
| Transferred to Revenue – Site Purchases | 1,530,459 | 7,000,000 |
|   | 6,820,264 | 9,519,200 |

|   |              |              |
|---|--------------|--------------|
| Net changes for the year                    | 3,705,498    | (639,630)    |
| Balance, end of year                        | \$ 4,056,414 | \$ 350,916   |
| Total Deferred Capital Revenue, end of year | \$50,414,548 | \$43,718,023 |

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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**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.

|  | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|--|----------------------|----------------------|
| <b>Reconciliation of Accrued Benefit Obligation</b>              |                      |                      |
| Accrued Benefit Obligation – April 1                             | 464,914              | 418,026              |
| Service Cost   | 37,024               | 31,139               |
| Interest Cost  | 10,862               | 13,935               |
| Benefit Payments   | (38,385)             | (40,742)             |
| Actuarial (Gain) Loss  | 34,815               | 42,556               |
| Accrued Benefit Obligation – March 31                            | <u>509,230</u>       | <u>464,914</u>       |
| <br><b>Reconciliation of Funded Status at End of Fiscal Year</b> |                      |                      |
| Accrued Benefit Obligation - March 31                            | 509,230              | 464,914              |
| Market Value of Plan Assets - March 31                           | -                    | -                    |
| Funded Status - Surplus (Deficit)                                | (509,230)            | (464,914)            |
| Employer Contributions After Measurement Date                    | -                    | -                    |
| Benefits Expense After Measurement Date                          | (12,947)             | (11,971)             |
| Unamortized Net Actuarial (Gain) Loss                            | 169,335              | 149,280              |
| Accrued Benefit Asset (Liability) - June 30                      | <u>(352,842)</u>     | <u>(327,605)</u>     |
| <br><b>Reconciliation of Change in Accrued Benefit Liability</b> |                      |                      |
| Accrued Benefit Liability (Asset) - July 1                       | 327,605              | 311,445              |
| Recognize Benefit Expense April 1 - June 30, 2012                | -                    | -                    |
| Accrued Benefit Liability (Asset) - July 1 (restated)            | 327,605              | 311,445              |
| Net Expense for Fiscal Year                                      | 63,622               | 56,901               |
| Employer Contributions   | (38,385)             | (40,741)             |
| Accrued Benefit Liability (Asset) - June 30                      | <u>352,842</u>       | <u>327,605</u>       |
| <br><b>Components of Net Benefit Expense</b>                     |                      |                      |
| Service Cost   | 37,470               | 32,610               |
| Interest Cost  | 11,391               | 13,167               |
| Amortization of Net Actuarial (Gain)/Loss                        | 14,761               | 11,124               |
| Net Benefit Expense (Income)                                     | <u>63,622</u>        | <u>56,901</u>        |

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

**NOTE 8      DEFERRED CAPITAL REVENUE (Continued)**

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

|                                    | June 30, 2016     | June 30, 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                   | 11.7              | 11.7              |

**NOTE 9      TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

|                              | Net Book Value<br>2016 | Net Book Value<br>2015 |
|------------------------------|------------------------|------------------------|
| Sites                        | \$13,019,087           | \$11,488,628           |
| Buildings                    | 50,827,358             | 47,754,698             |
| Buildings – work in progress | 913,040                | 12,169                 |
| Furniture & Equipment        | 1,314,361              | 1,412,811              |
| Vehicles                     | 3,939,564              | 4,450,396              |
| Computer Software            | 148,355                | 85,517                 |
| Computer Hardware            | 624,855                | 539,408                |
| <b>Total</b>                 | <b>\$70,786,620</b>    | <b>\$65,743,627</b>    |

**June 30, 2016**

| Cost:                        | Balance at<br>June 30,<br>2015 | Additions          | Disposals            | Transfers<br>(WIP) | Balance at<br>June 30,<br>2016 |
|------------------------------|--------------------------------|--------------------|----------------------|--------------------|--------------------------------|
| Sites                        | \$11,488,628                   | \$1,530,459        | \$ -                 | \$ -               | \$13,019,087                   |
| Buildings                    | 95,351,717                     | 4,999,342          | -                    | -                  | 100,351,059                    |
| Buildings – work in progress | 12,169                         | 913,040            | -                    | (12,169)           | 913,040                        |
| Furniture & Equipment        | 2,298,853                      | 128,735            | (159,817)            | -                  | 2,267,771                      |
| Vehicles                     | 7,992,289                      | 288,397            | (1,510,558)          | -                  | 6,770,128                      |
| Computer Software            | 113,967                        | 85,631             | -                    | -                  | 199,598                        |
| Computer Hardware            | 790,167                        | 243,480            | -                    | -                  | 1,033,647                      |
| <b>Total</b>                 | <b>\$118,047,790</b>           | <b>\$8,189,084</b> | <b>\$(1,670,375)</b> | <b>\$ (12,169)</b> | <b>\$124,554,330</b>           |

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

**NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)**

| Accumulated Amortization: | Balance at<br>June 30, 2015 | Additions           | Disposals             | Balance at<br>June 30, 2016 |
|---------------------------|-----------------------------|---------------------|-----------------------|-----------------------------|
| Sites                     | \$ -                        | \$ -                | \$ -                  | \$ -                        |
| Buildings                 | 47,597,019                  | 1,926,682           | -                     | 49,523,701                  |
| Furniture & Equipment     | 886,042                     | 227,185             | (159,817)             | 953,410                     |
| Vehicles                  | 3,541,893                   | 799,229             | (1,510,558)           | 2,830,564                   |
| Computer Software         | 28,450                      | 22,793              | -                     | 51,243                      |
| Computer Hardware         | 250,759                     | 158,033             | -                     | 408,792                     |
| <b>Total</b>              | <b>\$52,304,163</b>         | <b>\$ 3,133,922</b> | <b>\$ (1,670,375)</b> | <b>\$53,767,710</b>         |

**June 30, 2015**

| Cost:                        | Balance at<br>July 1, 2014 | Additions           | Disposals           | Transfers<br>(WIP) | Balance at<br>June 30,<br>2015 |
|------------------------------|----------------------------|---------------------|---------------------|--------------------|--------------------------------|
| Sites                        | \$ 4,122,324               | \$7,366,304         | \$ -                | \$ -               | \$11,488,628                   |
| Buildings                    | 94,141,937                 | 1,209,780           | -                   | -                  | 95,351,717                     |
| Buildings – work in progress | -                          | -                   | -                   | 12,169             | 12,169                         |
| Furniture & Equipment        | 2,098,811                  | 260,459             | (60,417)            | -                  | 2,298,853                      |
| Vehicles                     | 6,680,012                  | 1,358,206           | (45,929)            | -                  | 7,992,289                      |
| Computer Software            | 95,938                     | 30,625              | (12,596)            | -                  | 113,967                        |
| Computer Hardware            | 645,853                    | 175,994             | (31,680)            | -                  | 790,167                        |
| <b>Total</b>                 | <b>\$107,784,875</b>       | <b>\$10,401,368</b> | <b>\$ (150,622)</b> | <b>\$ 12,169</b>   | <b>\$118,047,790</b>           |

| Accumulated Amortization: | Balance at<br>July 1, 2014 | Additions           | Disposals           | Balance at<br>June 30, 2015 |
|---------------------------|----------------------------|---------------------|---------------------|-----------------------------|
| Sites                     | \$ -                       | \$ -                | \$ -                | \$ -                        |
| Buildings                 | 45,575,284                 | 2,021,735           | -                   | 47,597,019                  |
| Furniture & Equipment     | 733,878                    | 212,581             | (60,417)            | 886,042                     |
| Vehicles                  | 2,919,821                  | 668,001             | (45,929)            | 3,541,893                   |
| Computer Software         | 21,858                     | 19,188              | (12,596)            | 28,450                      |
| Computer Hardware         | 153,268                    | 129,171             | (31,680)            | 250,759                     |
| <b>Total</b>              | <b>\$49,404,109</b>        | <b>\$ 3,050,676</b> | <b>\$ (150,622)</b> | <b>\$52,304,163</b>         |

- Included in the June 30, 2016 building amount is leasehold improvements to the Energetic Learning Campus with a cost of \$4,933,528 and accumulated amortization of \$611,791. At June 30, 2015 the leasehold improvement cost was \$4,933,528 with an accumulated amortization of \$368,268.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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**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 managing the pension plan including investing assets and administering of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2014, the Teachers' Pension Plan has about 45,000 active members, and approximately 33,000 retired members from school districts. As at December 31, 2014, the Municipal Pension Plan has about 185,000 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 actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate is then adjusted to the extent there is any amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million funding surplus for basic pension benefits on a going concern basis. The next valuation 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 will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate 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 Plan.

School District 60 (Peace River North) paid \$5,517,249 (2015 - \$5,155,002) for employer contributions to these plans in the year ended June 30, 2016.

**NOTE 11      INTERFUND TRANSFERS**

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

- \$1,082,652 transferred from the operating fund to the capital fund for capital asset purchases
- \$236,741 transferred from the operating fund to the capital fund for capital assets - WIP
- \$9,999 transferred from the special purpose fund to the capital fund for capital asset purchases

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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**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.

**NOTE 13 BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of an annual budget on June 15, 2015.

**NOTE 14 ASSET RETIREMENT OBLIGATION**

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

**NOTE 15 EXPENSE BY OBJECT**

|                       | 2016                 | 2015                 |
|-----------------------|----------------------|----------------------|
| Salaries and benefits | \$ 53,779,514        | \$ 50,203,245        |
| Services and supplies | 9,669,887            | 9,239,200            |
| Amortization          | 3,133,922            | 3,050,676            |
|                       | <u>\$ 66,583,323</u> | <u>\$ 62,493,121</u> |

**NOTE 16 ACCUMULATED SURPLUS**

Operating Fund:

Internally Restricted (appropriated) by Board for:

|   |            |                  |
|---|------------|------------------|
| Budget reserve for carry forward to 2016/17 | \$ 178,501 |                  |
| Education Initiatives                       | 1,275,000  |                  |
| New School Construction Project             | 1,054,930  |                  |
| Planned Projects & Staffing Contingencies   | 1,697,779  |                  |
| Subtotal Internally Restricted              |            | <u>4,206,210</u> |

Unrestricted Operating Surplus (Deficit)

|                               |                     |
|-------------------------------|---------------------|
| Total Operating Fund Surplus: | <u>\$ 4,206,210</u> |
|-------------------------------|---------------------|

Capital Fund:

|                                     |               |                      |
|-------------------------------------|---------------|----------------------|
| Invested in Tangible Capital Assets | \$ 24,428,487 |                      |
| Local Capital Reserve               | 0             |                      |
| Total Capital Fund Surplus:         |               | <u>\$ 24,428,487</u> |
| Accumulated Surplus                 |               | <u>\$ 28,634,697</u> |

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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**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.

**NOTE 18     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, amounts receivable and investments.

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

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

b) Market risk :

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

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

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

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

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2016**

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**NOTE 18     RISK MANAGEMENT (*Continued*)**

always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

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

**NOTE 19     PRIOR PERIOD ADJUSTMENT**

In the prior fiscal period, School District 60 received capital funds from the Ministry of Education for the purpose of purchasing properties on which to build new schools. The District applied to the Ministry of Education requesting utilization of collected school site acquisition fees (SSAC) for a portion of the funds the District was required to contribute to the purchase of the properties.

Permission from the Ministry of Education to utilize the accumulated SSAC fees for the land purchases was received subsequent to the finalization of the June 30, 2015 audited financial statements. This resulted in a recast of the June 30, 2015 financial statements to recognize the \$366,304 SSAC fees originally reported as Deferred Capital Revenue at Municipal Grants Spent on Sites revenue in the prior fiscal year.

A decrease in the Deferred Capital Revenue liability (Note 7) and an increase in the Municipal Grants Spent on Sites revenue of \$366,304 for the year ended June 30, 2015 is required and has been reflected in these financial statements. An adjustment has also been made to increase the Accumulated Surplus (Investment in Tangible Capital Assets) by \$366,304 at July 1, 2015.

# School District No. 60 (Peace River North)

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

Schedule 1 (Unaudited)

|   | Operating<br>Fund | Special Purpose<br>Fund | Capital<br>Fund   | 2016<br>Actual    | 2015<br>Actual<br>(Recast - Note 19) |
|---|-------------------|-------------------------|-------------------|-------------------|--------------------------------------|
|   | \$                | \$                      | \$                | \$                | \$                                   |
| <b>Accumulated Surplus (Deficit), beginning of year</b>         | 4,337,692         |                         | 22,403,596        | 26,741,288        | 19,347,632                           |
| <b>Changes for the year</b>                                     |                   |                         |                   |                   |                                      |
| Surplus (Deficit) for the year                                  | 1,187,911         | 9,999                   | 695,499           | 1,893,409         | 7,393,656                            |
| Interfund Transfers   |                   |                         |                   |                   |                                      |
| Tangible Capital Assets Purchased                               | (1,082,652)       | (9,999)                 | 1,092,651         | -                 | -                                    |
| Tangible Capital Assets - Work in Progress                      | (236,741)         |                         | 236,741           | -                 | -                                    |
| <b>Net Changes for the year</b>                                 | <b>(131,482)</b>  | <b>-</b>                | <b>2,024,891</b>  | <b>1,893,409</b>  | <b>7,393,656</b>                     |
| <b>Accumulated Surplus (Deficit), end of year - Statement 2</b> | <b>4,206,210</b>  | <b>-</b>                | <b>24,428,487</b> | <b>28,634,697</b> | <b>26,741,288</b>                    |

**School District No. 60 (Peace River North)**

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2016

|   | 2016<br>Budget     | 2016<br>Actual     | 2015<br>Actual<br>(Recast - Note 19) |
|---|--------------------|--------------------|--------------------------------------|
|   | \$                 | \$                 | \$                                   |
| <b>Revenues</b>   |                    |                    |                                      |
| Provincial Grants   |                    |                    |                                      |
| Ministry of Education   | 56,320,246         | 58,554,466         | 54,118,047                           |
| Tuition   | 821,500            | 823,417            | 787,754                              |
| Other Revenue   | 155,900            | 234,057            | 504,381                              |
| Rentals and Leases  | 8,800              | 7,119              | 10,086                               |
| Investment Income   | 80,000             | 101,386            | 104,124                              |
| <b>Total Revenue</b>  | <b>57,386,446</b>  | <b>59,720,445</b>  | <b>55,524,392</b>                    |
| <b>Expenses</b>   |                    |                    |                                      |
| Instruction   | 47,615,505         | 47,935,119         | 44,368,314                           |
| District Administration   | 1,796,936          | 1,712,009          | 1,876,254                            |
| Operations and Maintenance                                      | 5,880,698          | 5,781,081          | 5,564,910                            |
| Transportation and Housing                                      | 3,098,322          | 3,104,325          | 2,945,342                            |
| <b>Total Expense</b>  | <b>58,391,461</b>  | <b>58,532,534</b>  | <b>54,754,820</b>                    |
| <b>Operating Surplus (Deficit) for the year</b>                 | <b>(1,005,015)</b> | <b>1,187,911</b>   | <b>769,572</b>                       |
| <b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b> | <b>1,300,015</b>   |                    |                                      |
| <b>Net Transfers (to) from other funds</b>                      |                    |                    |                                      |
| Tangible Capital Assets Purchased                               | (295,000)          | (1,082,652)        | (382,383)                            |
| Tangible Capital Assets - Work in Progress                      |                    | (236,741)          |                                      |
| <b>Total Net Transfers</b>                                      | <b>(295,000)</b>   | <b>(1,319,393)</b> | <b>(382,383)</b>                     |
| <b>Total Operating Surplus (Deficit), for the year</b>          | <b>-</b>           | <b>(131,482)</b>   | <b>387,189</b>                       |
| <b>Operating Surplus (Deficit), beginning of year</b>           |                    | <b>4,337,692</b>   | <b>3,950,503</b>                     |
| <b>Operating Surplus (Deficit), end of year</b>                 |                    | <b>4,206,210</b>   | <b>4,337,692</b>                     |
| <b>Operating Surplus (Deficit), end of year</b>                 |                    |                    |                                      |
| Internally Restricted   |                    | 4,206,210          | 2,915,397                            |
| Unrestricted  |                    |                    | 1,422,295                            |
| <b>Total Operating Surplus (Deficit), end of year</b>           |                    | <b>4,206,210</b>   | <b>4,337,692</b>                     |

# School District No. 60 (Peace River North)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

|  | 2016<br>Budget    | 2016<br>Actual    | 2015<br>Actual<br>(Recast - Note 19) |
|--|-------------------|-------------------|--------------------------------------|
|  | \$                | \$                | \$                                   |
| <b>Provincial Grants - Ministry of Education</b>       |                   |                   |                                      |
| Operating Grant, Ministry of Education                 | 55,946,700        | 58,129,461        | 54,303,769                           |
| Strike Savings Recovery                                |                   |                   | (1,607,574)                          |
| Other Ministry of Education Grants                     |                   |                   |                                      |
| Labour Settlement Funding                              |                   |                   | 1,028,506                            |
| Pay Equity   | 241,350           | 241,350           | 241,350                              |
| Funding for Graduated Adults                           | -                 | 26,679            | 19,659                               |
| Economic Stability Dividend                            | -                 | 45,229            |                                      |
| FSA Funding  | 8,696             | 8,696             | 8,696                                |
| Carbon Tax Reimbursement                               | 123,500           | 116,533           | 123,641                              |
| Cirriculum Implementation Support                      | -                 | 11,800            | -                                    |
| Enrollment Audit Adjustment                            |                   | (25,282)          |                                      |
| <b>Total Provincial Grants - Ministry of Education</b> | <b>56,320,246</b> | <b>58,554,466</b> | <b>54,118,047</b>                    |
| <b>Tuition</b>   |                   |                   |                                      |
| Offshore Tuition Fees                                  | 469,000           | 496,510           | 474,185                              |
| Alberta Education & DL 3rd Party Billings              | 352,500           | 326,907           | 313,569                              |
| <b>Total Tuition</b>                                   | <b>821,500</b>    | <b>823,417</b>    | <b>787,754</b>                       |
| <b>Other Revenues</b>                                  |                   |                   |                                      |
| Miscellaneous  |                   |                   |                                      |
| Net Misc Revenues                                      | 55,900            | 126,126           | 107,332                              |
| Student Transportation Registration Fees               | 100,000           | 107,376           | 390,945                              |
| Apple Warranty Credits                                 |                   | 555               | 6,104                                |
| <b>Total Other Revenue</b>                             | <b>155,900</b>    | <b>234,057</b>    | <b>504,381</b>                       |
| <b>Rentals and Leases</b>                              | <b>8,800</b>      | <b>7,119</b>      | <b>10,086</b>                        |
| <b>Investment Income</b>                               | <b>80,000</b>     | <b>101,386</b>    | <b>104,124</b>                       |
| <b>Total Operating Revenue</b>                         | <b>57,386,446</b> | <b>59,720,445</b> | <b>55,524,392</b>                    |

**School District No. 60 (Peace River North)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

|                                     | 2016<br>Budget    | 2016<br>Actual    | 2015<br>Actual<br>(Recast - Note 19) |
|-------------------------------------|-------------------|-------------------|--------------------------------------|
|                                     | \$                | \$                | \$                                   |
| <b>Salaries</b>                     |                   |                   |                                      |
| Teachers                            | 24,121,489        | 24,427,074        | 22,279,837                           |
| Principals and Vice Principals      | 3,775,917         | 3,766,809         | 3,782,085                            |
| Educational Assistants              | 3,514,462         | 3,653,065         | 3,240,390                            |
| Support Staff                       | 6,110,429         | 6,101,931         | 6,011,232                            |
| Other Professionals                 | 1,486,781         | 1,479,972         | 1,603,131                            |
| Substitutes                         | 1,587,604         | 1,790,451         | 1,474,706                            |
| <b>Total Salaries</b>               | <b>40,596,682</b> | <b>41,219,302</b> | <b>38,391,381</b>                    |
| <b>Employee Benefits</b>            | <b>10,256,093</b> | <b>10,431,184</b> | <b>9,754,781</b>                     |
| <b>Total Salaries and Benefits</b>  | <b>50,852,775</b> | <b>51,650,486</b> | <b>48,146,162</b>                    |
| <b>Services and Supplies</b>        |                   |                   |                                      |
| Services                            | 607,947           | 626,366           | 409,230                              |
| Student Transportation              | 253,289           | 254,386           | 251,662                              |
| Professional Development and Travel | 874,720           | 767,954           | 688,636                              |
| Rentals and Leases                  | 34,020            | 50,882            | 25,058                               |
| Dues and Fees                       | 41,750            | 44,527            | 39,842                               |
| Insurance                           | 231,222           | 234,545           | 220,758                              |
| Supplies                            | 4,083,310         | 3,759,395         | 3,835,182                            |
| Utilities                           | 1,412,428         | 1,143,993         | 1,138,290                            |
| <b>Total Services and Supplies</b>  | <b>7,538,686</b>  | <b>6,882,048</b>  | <b>6,608,658</b>                     |
| <b>Total Operating Expense</b>      | <b>58,391,461</b> | <b>58,532,534</b> | <b>54,754,820</b>                    |

# School District No. 60 (Peace River North)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

Schedule 2C (Unaudited)

|  | Teachers<br>Salaries | Principals and<br>Vice Principals<br>Salaries | Educational<br>Assistants<br>Salaries | Support<br>Staff<br>Salaries | Other<br>Professionals<br>Salaries | Substitutes<br>Salaries | Total<br>Salaries |
|--|----------------------|---|---------------------------------------|------------------------------|------------------------------------|-------------------------|-------------------|
|  | \$                   | \$  | \$                                    | \$                           | \$                                 | \$                      | \$                |
| <b>1 Instruction</b>                           |                      |   |                                       |                              |                                    |                         |                   |
| 1.02 Regular Instruction                       | 19,770,423           | 1,352,473                                     | 27,607                                | 1,466,823                    | 193,685                            | 1,299,541               | 24,110,552        |
| 1.03 Career Programs                           | 209,003              | 73,767  |                                       | 39,681                       |                                    |                         | 322,451           |
| 1.07 Library Services                          | 588,037              | 42,529  |                                       | 53,621                       |                                    |                         | 684,187           |
| 1.08 Counselling                               | 771,989              |   |                                       |                              |                                    |                         | 771,989           |
| 1.10 Special Education                         | 2,643,396            | 196,878                                       | 3,074,185                             | 77,425                       |                                    | 296,528                 | 6,288,412         |
| 1.30 English Language Learning                 | 218,647              | 1,669   | 96,950                                |                              |                                    | 2,960                   | 320,226           |
| 1.31 Aboriginal Education                      | 225,579              | 101,120                                       | 454,323                               | 48,647                       |                                    | 31,243                  | 860,912           |
| 1.41 School Administration                     |                      | 1,998,373                                     |                                       | 407,085                      |                                    |                         | 2,405,458         |
| <b>Total Function 1</b>                        | <b>24,427,074</b>    | <b>3,766,809</b>                              | <b>3,653,065</b>                      | <b>2,093,282</b>             | <b>193,685</b>                     | <b>1,630,272</b>        | <b>35,764,187</b> |
| <b>4 District Administration</b>               |                      |   |                                       |                              |                                    |                         |                   |
| 4.11 Educational Administration                |                      |   |                                       | 3,844                        | 396,710                            |                         | 400,554           |
| 4.40 School District Governance                |                      |   |                                       |                              | 93,201                             |                         | 93,201            |
| 4.41 Business Administration                   |                      |   |                                       | 64,467                       | 551,057                            |                         | 615,524           |
| <b>Total Function 4</b>                        | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>68,311</b>                | <b>1,040,968</b>                   | <b>-</b>                | <b>1,109,279</b>  |
| <b>5 Operations and Maintenance</b>            |                      |   |                                       |                              |                                    |                         |                   |
| 5.41 Operations and Maintenance Administration |                      |   |                                       | 29,033                       | 149,112                            |                         | 178,145           |
| 5.50 Maintenance Operations                    |                      |   |                                       | 2,259,054                    |                                    | 55,756                  | 2,314,810         |
| 5.52 Maintenance of Grounds                    |                      |   |                                       | 283,795                      |                                    |                         | 283,795           |
| 5.56 Utilities                                 |                      |   |                                       |                              |                                    |                         | -                 |
| <b>Total Function 5</b>                        | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>2,571,882</b>             | <b>149,112</b>                     | <b>55,756</b>           | <b>2,776,750</b>  |
| <b>7 Transportation and Housing</b>            |                      |   |                                       |                              |                                    |                         |                   |
| 7.41 Transportation and Housing Administration |                      |   |                                       | 3,844                        | 96,207                             |                         | 100,051           |
| 7.70 Student Transportation                    |                      |   |                                       | 1,364,612                    |                                    | 104,423                 | 1,469,035         |
| 7.73 Housing                                   |                      |   |                                       |                              |                                    |                         | -                 |
| <b>Total Function 7</b>                        | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>1,368,456</b>             | <b>96,207</b>                      | <b>104,423</b>          | <b>1,569,086</b>  |
| <b>9 Debt Services</b>                         |                      |   |                                       |                              |                                    |                         |                   |
| <b>Total Function 9</b>                        | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>-</b>                     | <b>-</b>                           | <b>-</b>                | <b>-</b>          |
| <b>Total Functions 1 - 9</b>                   | <b>24,427,074</b>    | <b>3,766,809</b>                              | <b>3,653,065</b>                      | <b>6,101,931</b>             | <b>1,479,972</b>                   | <b>1,790,451</b>        | <b>41,219,302</b> |

# School District No. 60 (Peace River North)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

Schedule 2C (Unaudited)

|  | Total<br>Salaries<br>\$ | Employee<br>Benefits<br>\$ | Total Salaries<br>and Benefits<br>\$ | Services and<br>Supplies<br>\$ | 2016<br>Actual<br>\$ | 2016<br>Budget<br>\$ | 2015<br>Actual<br>(Revised - Note 19)<br>\$ |
|--|-------------------------|----------------------------|--------------------------------------|--------------------------------|----------------------|----------------------|---|
| <b>1 Instruction</b>                           |                         |                            |                                      |                                |                      |                      |   |
| 1.02 Regular Instruction                       | 24,110,552              | 6,205,291                  | 30,315,843                           | 2,358,730                      | 32,674,573           | 32,738,584           | 30,223,764                                  |
| 1.03 Career Programs                           | 322,451                 | 78,738                     | 401,189                              | 25,788                         | 426,977              | 432,338              | 409,789                                     |
| 1.07 Library Services                          | 684,187                 | 172,703                    | 856,890                              | 124,170                        | 981,060              | 882,839              | 854,902                                     |
| 1.08 Counselling                               | 771,989                 | 186,908                    | 958,897                              | 5,108                          | 964,005              | 1,134,237            | 1,057,851                                   |
| 1.10 Special Education                         | 6,288,412               | 1,590,153                  | 7,878,565                            | 305,769                        | 8,184,334            | 8,000,387            | 7,412,044                                   |
| 1.30 English Language Learning                 | 320,226                 | 76,972                     | 397,198                              | 4,517                          | 401,715              | 359,813              | 321,208                                     |
| 1.31 Aboriginal Education                      | 860,912                 | 212,788                    | 1,073,700                            | 220,678                        | 1,294,378            | 1,216,510            | 1,229,562                                   |
| 1.41 School Administration                     | 2,405,458               | 602,619                    | 3,008,077                            |                                | 3,008,077            | 2,850,797            | 2,859,194                                   |
| <b>Total Function 1</b>                        | <b>35,764,187</b>       | <b>9,126,172</b>           | <b>44,890,359</b>                    | <b>3,044,760</b>               | <b>47,935,119</b>    | <b>47,615,505</b>    | <b>44,368,314</b>                           |
| <b>4 District Administration</b>               |                         |                            |                                      |                                |                      |                      |   |
| 4.11 Educational Administration                | 400,554                 | 95,896                     | 496,450                              | 83,273                         | 579,723              | 628,136              | 742,610                                     |
| 4.40 School District Governance                | 93,201                  | 1,897                      | 95,098                               | 73,432                         | 168,530              | 189,616              | 181,723                                     |
| 4.41 Business Administration                   | 615,524                 | 133,924                    | 749,448                              | 214,308                        | 963,756              | 979,184              | 951,921                                     |
| <b>Total Function 4</b>                        | <b>1,109,279</b>        | <b>231,717</b>             | <b>1,340,996</b>                     | <b>371,013</b>                 | <b>1,712,009</b>     | <b>1,796,936</b>     | <b>1,876,254</b>                            |
| <b>5 Operations and Maintenance</b>            |                         |                            |                                      |                                |                      |                      |   |
| 5.41 Operations and Maintenance Administration | 178,145                 | 41,640                     | 219,785                              | 189,540                        | 409,325              | 391,077              | 428,975                                     |
| 5.50 Maintenance Operations                    | 2,314,810               | 552,161                    | 2,866,971                            | 862,518                        | 3,729,489            | 3,644,237            | 3,540,679                                   |
| 5.52 Maintenance of Grounds                    | 283,795                 | 63,624                     | 347,419                              | 150,855                        | 498,274              | 432,956              | 456,966                                     |
| 5.56 Utilities                                 | -                       | -                          | -                                    | 1,143,993                      | 1,143,993            | 1,412,428            | 1,138,290                                   |
| <b>Total Function 5</b>                        | <b>2,776,750</b>        | <b>657,425</b>             | <b>3,434,175</b>                     | <b>2,346,906</b>               | <b>5,781,081</b>     | <b>5,880,698</b>     | <b>5,564,910</b>                            |
| <b>7 Transportation and Housing</b>            |                         |                            |                                      |                                |                      |                      |   |
| 7.41 Transportation and Housing Administration | 100,051                 | 18,489                     | 118,540                              | 6,734                          | 125,274              | 115,631              | 108,110                                     |
| 7.70 Student Transportation                    | 1,469,035               | 397,381                    | 1,866,416                            | 1,112,635                      | 2,979,051            | 2,979,191            | 2,833,732                                   |
| 7.73 Housing                                   | -                       | -                          | -                                    | -                              | -                    | 3,500                | 3,500                                       |
| <b>Total Function 7</b>                        | <b>1,569,086</b>        | <b>415,870</b>             | <b>1,984,956</b>                     | <b>1,119,369</b>               | <b>3,104,325</b>     | <b>3,098,322</b>     | <b>2,945,342</b>                            |
| <b>9 Debt Services</b>                         |                         |                            |                                      |                                |                      |                      |   |
| <b>Total Function 9</b>                        | <b>-</b>                | <b>-</b>                   | <b>-</b>                             | <b>-</b>                       | <b>-</b>             | <b>-</b>             | <b>-</b>                                    |
| <b>Total Functions 1 - 9</b>                   | <b>41,219,302</b>       | <b>10,431,184</b>          | <b>51,650,486</b>                    | <b>6,882,048</b>               | <b>58,532,534</b>    | <b>58,391,461</b>    | <b>54,754,820</b>                           |

**School District No. 60 (Peace River North)**

Schedule 3 (Unaudited)

## Schedule of Special Purpose Operations

Year Ended June 30, 2016

|   | 2016<br>Budget   | 2016<br>Actual   | 2015<br>Actual<br>(Recast - Note 19) |
|---|------------------|------------------|--------------------------------------|
|   | \$               | \$               | \$                                   |
| <b>Revenues</b>   |                  |                  |                                      |
| Provincial Grants   |                  |                  |                                      |
| Ministry of Education                                       | 2,416,426        | 2,603,981        | 2,206,676                            |
| Other   | 98,000           | 68,300           | 126,991                              |
| Federal Grants  | 185,202          | 167,139          | 173,271                              |
| Other Revenue   | 2,146,229        | 2,087,446        | 2,326,337                            |
| <b>Total Revenue</b>  | <b>4,845,857</b> | <b>4,926,866</b> | <b>4,833,275</b>                     |
| <b>Expenses</b>   |                  |                  |                                      |
| Instruction   | 4,521,444        | 4,517,967        | 4,486,091                            |
| Operations and Maintenance                                  | 324,413          | 398,900          | 201,534                              |
| <b>Total Expense</b>  | <b>4,845,857</b> | <b>4,916,867</b> | <b>4,687,625</b>                     |
| <b>Special Purpose Surplus (Deficit) for the year</b>       | <b>-</b>         | <b>9,999</b>     | <b>145,650</b>                       |
| <b>Net Transfers (to) from other funds</b>                  |                  |                  |                                      |
| Tangible Capital Assets Purchased                           |                  | (9,999)          | (145,650)                            |
| <b>Total Net Transfers</b>                                  | <b>-</b>         | <b>(9,999)</b>   | <b>(145,650)</b>                     |
| <b>Total Special Purpose Surplus (Deficit) for the year</b> | <b>-</b>         | <b>-</b>         | <b>-</b>                             |
| <b>Special Purpose Surplus (Deficit), beginning of year</b> |                  |                  |                                      |
| <b>Special Purpose Surplus (Deficit), end of year</b>       |                  | <b>-</b>         | <b>-</b>                             |

# School District No. 60 (Peace River North)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

Schedule 3A (Unaudited)

|  | Annual<br>Facility<br>Grant | Learning<br>Improvement<br>Fund | Special<br>Education<br>Equipment | School<br>Generated<br>Funds | Strong<br>Start | Ready,<br>Set,<br>Learn | OIEP    | Community-<br>LINK | Service<br>Delivery<br>Transformation |
|--|-----------------------------|---------------------------------|-----------------------------------|------------------------------|-----------------|-------------------------|---------|--------------------|---------------------------------------|
|  | \$                          | \$                              | \$                                | \$                           | \$              | \$                      | \$      | \$                 | \$                                    |
| Deferred Revenue, beginning of year              | 122,879                     | 3,351                           | 14,252                            | 1,334,224                    | 145,098         | 53,131                  | 43,573  | 142,241            | 36,566                                |
| Add: Restricted Grants                           |                             |                                 |                                   |                              |                 |                         |         |                    |                                       |
| Provincial Grants - Ministry of Education        | 324,413                     | 1,174,280                       |                                   |                              |                 |                         |         |                    |                                       |
| Provincial Grants - Other                        | 398,900                     | 1,177,631                       | 2,096                             | 1,820,783                    | 148,000         | 41,650                  | 112,139 | 555,494            | -                                     |
| Federal Grants                                   | 48,392                      | -                               | 3,053                             | 1,781,811                    | 147,862         | 57,048                  | 155,712 | 662,889            | -                                     |
| Other  |                             |                                 |                                   | 1,373,196                    | 145,236         | 37,733                  | -       | 34,846             | 36,566                                |
| Less: Allocated to Revenue                       |                             |                                 |                                   |                              |                 |                         |         |                    |                                       |
| Deferred Revenue, end of year                    | 398,900                     | 1,177,631                       | 13,295                            | 1,781,811                    | 147,862         | 57,048                  | 155,712 | 648,123            | -                                     |
| Revenues   |                             |                                 |                                   |                              |                 |                         |         |                    |                                       |
| Provincial Grants - Ministry of Education        | 398,900                     | 1,177,631                       | 13,295                            |                              | 147,862         | 57,048                  | 155,712 | 648,123            | -                                     |
| Provincial Grants - Other                        |                             |                                 |                                   |                              |                 |                         |         |                    |                                       |
| Federal Grants                                   |                             |                                 |                                   | 1,781,811                    | 147,862         | 57,048                  | 155,712 | 662,889            | -                                     |
| Other Revenue                                    |                             |                                 |                                   |                              |                 |                         |         |                    |                                       |
| Expenses   |                             |                                 |                                   |                              |                 |                         |         |                    |                                       |
| Salaries   |                             |                                 |                                   |                              |                 |                         |         |                    |                                       |
| Teachers   |                             | 741,830                         |                                   |                              |                 |                         |         |                    |                                       |
| Principals and Vice Principals                   |                             |                                 |                                   |                              | 16,336          | 16,336                  | 45,849  | 62,081             |                                       |
| Educational Assistants                           |                             | 188,618                         |                                   |                              | 75,947          |                         | 12,206  | 34,804             |                                       |
| Support Staff                                    |                             |                                 |                                   |                              |                 |                         |         | 237,462            |                                       |
| Substitutes                                      |                             | 6,124                           |                                   |                              | 5,817           | 10,071                  | 9,796   | 42,312             |                                       |
| Employee Benefits                                |                             | 936,572                         |                                   |                              | 98,100          | 26,407                  | 67,851  | 18,944             |                                       |
| Services and Supplies                            |                             | 241,059                         |                                   |                              | 22,988          | 3,962                   | 12,578  | 395,603            |                                       |
|  | 398,900                     |                                 | 3,296                             | 1,781,811                    | 26,774          | 26,679                  | 75,283  | 95,234             |                                       |
|  | 398,900                     | 1,177,631                       | 3,296                             | 1,781,811                    | 147,862         | 57,048                  | 155,712 | 172,052            |                                       |
| Net Revenue (Expense) before Interfund Transfers | -                           | -                               | 9,999                             | -                            | -               | -                       | -       | 662,889            | -                                     |
| Interfund Transfers                              |                             |                                 |                                   |                              |                 |                         |         |                    |                                       |
| Tangible Capital Assets Purchased                |                             |                                 | (9,999)                           |                              |                 |                         |         | -                  |                                       |
|  | -                           | -                               | (9,999)                           |                              | -               | -                       | -       | -                  | -                                     |
| Net Revenue (Expense)                            | -                           | -                               | -                                 | -                            | -               | -                       | -       | -                  | -                                     |

# School District No. 60 (Peace River North)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

## Deferred Revenue, beginning of year

### Add: Restricted Grants

Provincial Grants - Ministry of Education

Provincial Grants - Other

Federal Grants

Other

### Less: Allocated to Revenue

## Deferred Revenue, end of year

### Revenues

Provincial Grants - Ministry of Education

Provincial Grants - Other

Federal Grants

Other Revenue

### Expenses

#### Salaries

Teachers

Principals and Vice Principals

Educational Assistants

Support Staff

Substitutes

Employee Benefits

Services and Supplies

## Net Revenue (Expense) before Interfund Transfers

### Interfund Transfers

Tangible Capital Assets Purchased

## Net Revenue (Expense)

| SWIS    | EFAP   | Miscellaneous | Donations | Project Energy Skills Training | TOTAL     |
|---------|--------|---------------|-----------|--------------------------------|-----------|
| \$      | \$     | \$            | \$        | \$                             | \$        |
| 95,519  | 31,655 | 343,095       | 100,000   | 3,410                          | 2,468,994 |
| 169,418 |        | 68,300        |           | 2,000                          | 2,345,306 |
| 1,900   | 16,010 | 281,213       |           |                                | 68,300    |
| 171,318 | 16,010 | 349,513       | -         | 2,000                          | 169,418   |
| 169,039 | 11,369 | 345,900       | -         | 5,410                          | 2,134,672 |
| 97,798  | 36,296 | 346,708       | 100,000   | -                              | 4,717,696 |
|         |        |               |           |                                | 4,926,866 |
|         |        |               |           |                                | 2,259,824 |
| 167,139 |        | 68,300        |           | 5,410                          | 2,603,981 |
| 1,900   | 11,369 | 277,600       |           |                                | 68,300    |
| 169,039 | 11,369 | 345,900       | -         | 5,410                          | 167,139   |
|         |        |               |           |                                | 2,087,446 |
|         |        |               |           |                                | 4,926,866 |
| 37,524  |        | 600           |           |                                | 850,360   |
| 44,400  |        | 10,000        |           |                                | 115,000   |
| 19,544  |        | 70,175        |           |                                | 628,808   |
| 373     |        |               |           |                                | 61,856    |
| 101,841 | -      | 80,775        | -         | -                              | 51,125    |
| 23,368  |        | 22,690        |           |                                | 1,707,149 |
| 43,830  | 11,369 | 242,435       |           | 5,410                          | 421,879   |
| 169,039 | 11,369 | 345,900       | -         | 5,410                          | 2,787,839 |
|         |        |               |           |                                | 4,916,867 |
| -       | -      | -             | -         | -                              | 9,999     |
| -       | -      | -             | -         | -                              | (9,999)   |
| -       | -      | -             | -         | -                              | (9,999)   |
| -       | -      | -             | -         | -                              | -         |

# School District No. 60 (Peace River North)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2016

|  | 2016<br>Budget   | 2016 Actual                            |                  |                   | 2015<br>Actual<br>(Recast - Note 19) |
|--|------------------|--|------------------|-------------------|--------------------------------------|
|  |                  | Invested in Tangible<br>Capital Assets | Local<br>Capital | Fund<br>Balance   |                                      |
|  | \$               | \$                                     | \$               | \$                | \$                                   |
| <b>Revenues</b>  |                  |  |                  |                   |                                      |
| Provincial Grants  |                  |  |                  |                   |                                      |
| Ministry of Education                                    |                  | 1,300,000                              |                  | 1,300,000         | 7,000,000                            |
| Municipal Grants Spent on Sites                          |                  | 230,459                                |                  | 230,459           | 366,304                              |
| Investment Income  | 315              |  | 184              | 184               | 319                                  |
| Amortization of Deferred Capital Revenue                 | 2,294,308        | 2,298,778                              |                  | 2,298,778         | 2,162,487                            |
| <b>Total Revenue</b>                                     | <u>2,294,623</u> | <u>3,829,237</u>                       | <u>184</u>       | <u>3,829,421</u>  | <u>9,529,110</u>                     |
| <b>Expenses</b>  |                  |  |                  |                   |                                      |
| Amortization of Tangible Capital Assets                  |                  |  |                  |                   |                                      |
| Operations and Maintenance                               | 2,360,008        | 2,334,693                              |                  | 2,334,693         | 2,382,675                            |
| Transportation and Housing                               | 798,408          | 799,229                                |                  | 799,229           | 668,001                              |
| <b>Total Expense</b>                                     | <u>3,158,416</u> | <u>3,133,922</u>                       | <u>-</u>         | <u>3,133,922</u>  | <u>3,050,676</u>                     |
| <b>Capital Surplus (Deficit) for the year</b>            | <u>(863,793)</u> | <u>695,315</u>                         | <u>184</u>       | <u>695,499</u>    | <u>6,478,434</u>                     |
| <b>Net Transfers (to) from other funds</b>               |                  |  |                  |                   |                                      |
| Tangible Capital Assets Purchased                        | 295,000          | 1,092,651                              |                  | 1,092,651         | 528,033                              |
| Tangible Capital Assets - Work in Progress               |                  | 236,741                                |                  | 236,741           |                                      |
| <b>Total Net Transfers</b>                               | <u>295,000</u>   | <u>1,329,392</u>                       | <u>-</u>         | <u>1,329,392</u>  | <u>528,033</u>                       |
| <b>Other Adjustments to Fund Balances</b>                |                  |  |                  |                   |                                      |
| Tangible Capital Assets WIP Purchased from Local Capital |                  | 27,259                                 | (27,259)         | -                 |                                      |
| <b>Total Other Adjustments to Fund Balances</b>          |                  | <u>27,259</u>                          | <u>(27,259)</u>  | <u>-</u>          |                                      |
| <b>Total Capital Surplus (Deficit) for the year</b>      | <u>(568,793)</u> | <u>2,051,966</u>                       | <u>(27,075)</u>  | <u>2,024,891</u>  | <u>7,006,467</u>                     |
| <b>Capital Surplus (Deficit), beginning of year</b>      |                  | <u>22,376,521</u>                      | <u>27,075</u>    | <u>22,403,596</u> | <u>15,397,129</u>                    |
| <b>Capital Surplus (Deficit), end of year</b>            |                  | <u>24,428,487</u>                      | <u>-</u>         | <u>24,428,487</u> | <u>22,403,596</u>                    |

# School District No. 60 (Peace River North)

Tangible Capital Assets

Year Ended June 30, 2016

Schedule 4A (Unaudited)

|   | Sites      | Buildings   | Furniture and<br>Equipment | Vehicles  | Computer<br>Software | Computer<br>Hardware | Total       |
|---|------------|-------------|----------------------------|-----------|----------------------|----------------------|-------------|
|   | \$         | \$          | \$                         | \$        | \$                   | \$                   | \$          |
| Cost, beginning of year                     | 11,488,628 | 95,351,717  | 2,298,853                  | 7,992,289 | 113,967              | 790,167              | 118,035,621 |
| Changes for the Year                        |            |             |                            |           |                      |                      |             |
| Increase:                                   |            |             |                            |           |                      |                      |             |
| Purchases from:                             |            |             |                            |           |                      |                      |             |
| Deferred Capital Revenue - Bylaw            | 1,300,000  | 4,285,146   |                            |           |                      |                      | 5,585,146   |
| Deferred Capital Revenue - Other            | 230,459    | 355,619     |                            |           |                      |                      | 586,078     |
| Operating Fund                              |            | 346,408     | 118,736                    | 288,397   | 85,631               | 243,480              | 1,082,652   |
| Special Purpose Funds                       |            |             | 9,999                      |           |                      |                      | 9,999       |
| Transferred from Work in Progress           |            | 12,169      |                            |           |                      |                      | 12,169      |
| Decrease:                                   |            |             |                            |           |                      |                      |             |
| Deemed Disposals                            | 1,530,459  | 4,999,342   | 128,735                    | 288,397   | 85,631               | 243,480              | 7,276,044   |
| Cost, end of year                           |            |             |                            |           |                      |                      |             |
| Work in Progress, end of year               | -          | -           | 159,817                    | 1,510,558 |                      |                      | 1,670,375   |
| Cost and Work in Progress, end of year      | 13,019,087 | 100,351,059 | 2,267,771                  | 6,770,128 | 199,598              | 1,033,647            | 123,641,290 |
|   |            | 913,040     |                            |           |                      |                      | 913,040     |
|   | 13,019,087 | 101,264,099 | 2,267,771                  | 6,770,128 | 199,598              | 1,033,647            | 124,554,330 |
| Accumulated Amortization, beginning of year |            |             |                            |           |                      |                      |             |
| Changes for the Year                        |            |             |                            |           |                      |                      |             |
| Increase: Amortization for the Year         |            | 47,597,019  | 886,042                    | 3,541,893 | 28,450               | 250,759              | 52,304,163  |
| Decrease:                                   |            |             |                            |           |                      |                      |             |
| Deemed Disposals                            |            | 1,926,682   | 227,185                    | 799,229   | 22,793               | 158,033              | 3,133,922   |
| Accumulated Amortization, end of year       |            |             |                            |           |                      |                      |             |
|   |            |             | 159,817                    | 1,510,558 |                      |                      | 1,670,375   |
|   |            | -           | 159,817                    | 1,510,558 |                      |                      | 1,670,375   |
|   | 49,523,701 | 953,410     | 2,830,564                  | 51,243    | 408,792              |                      | 53,767,710  |
| Tangible Capital Assets - Net               | 13,019,087 | 51,740,398  | 1,314,361                  | 3,939,564 | 148,355              | 624,855              | 70,786,620  |

**School District No. 60 (Peace River North)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2016

|  | <b>Buildings</b> | <b>Furniture and<br/>Equipment</b> | <b>Computer<br/>Software</b> | <b>Computer<br/>Hardware</b> | <b>Total</b> |
|--|------------------|------------------------------------|------------------------------|------------------------------|--------------|
|  | \$               | \$                                 | \$                           | \$                           | \$           |
| <b>Work in Progress, beginning of year</b> | 12,169           |                                    |                              |                              | 12,169       |
| <b>Changes for the Year</b>                |                  |                                    |                              |                              |              |
| Increase:                                  |                  |                                    |                              |                              |              |
| Deferred Capital Revenue - Bylaw           | 417,066          |                                    |                              |                              | 417,066      |
| Deferred Capital Revenue - Other           | 231,974          |                                    |                              |                              | 231,974      |
| Operating Fund                             | 236,741          |                                    |                              |                              | 236,741      |
| Local Capital                              | 27,259           |                                    |                              |                              | 27,259       |
|  | 913,040          | -                                  | -                            | -                            | 913,040      |
| Decrease:                                  |                  |                                    |                              |                              |              |
| Transferred to Tangible Capital Assets     | 12,169           |                                    |                              |                              | 12,169       |
|  | 12,169           | -                                  | -                            | -                            | 12,169       |
| <b>Net Changes for the Year</b>            | 900,871          | -                                  | -                            | -                            | 900,871      |
| <b>Work in Progress, end of year</b>       | 913,040          | -                                  | -                            | -                            | 913,040      |

**School District No. 60 (Peace River North)**

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2016

|   | Bylaw<br>Capital | Other<br>Provincial | Other<br>Capital | Total<br>Capital |
|---|------------------|---------------------|------------------|------------------|
|   | \$               | \$                  | \$               | \$               |
| <b>Deferred Capital Revenue, beginning of year</b>    | 41,074,638       |                     | 2,280,300        | 43,354,938       |
| <b>Changes for the Year</b>                           |                  |                     |                  |                  |
| Increase:   |                  |                     |                  |                  |
| Transferred from Deferred Revenue - Capital Additions | 4,285,146        | 341,831             | 13,788           | 4,640,765        |
| Transferred from Work in Progress                     |                  | 12,169              |                  | 12,169           |
|   | 4,285,146        | 354,000             | 13,788           | 4,652,934        |
| Decrease:   |                  |                     |                  |                  |
| Amortization of Deferred Capital Revenue              | 2,238,285        |                     | 60,493           | 2,298,778        |
|   | 2,238,285        | -                   | 60,493           | 2,298,778        |
| <b>Net Changes for the Year</b>                       | 2,046,861        | 354,000             | (46,705)         | 2,354,156        |
| <b>Deferred Capital Revenue, end of year</b>          | 43,121,499       | 354,000             | 2,233,595        | 45,709,094       |
| <b>Work in Progress, beginning of year</b>            |                  | 12,169              |                  | 12,169           |
| <b>Changes for the Year</b>                           |                  |                     |                  |                  |
| Increase  |                  |                     |                  |                  |
| Transferred from Deferred Revenue - Work in Progress  | 417,066          |                     | 231,974          | 649,040          |
|   | 417,066          | -                   | 231,974          | 649,040          |
| Decrease  |                  |                     |                  |                  |
| Transferred to Deferred Capital Revenue               |                  | 12,169              |                  | 12,169           |
|   | -                | 12,169              | -                | 12,169           |
| <b>Net Changes for the Year</b>                       | 417,066          | (12,169)            | 231,974          | 636,871          |
| <b>Work in Progress, end of year</b>                  | 417,066          | -                   | 231,974          | 649,040          |
| <b>Total Deferred Capital Revenue, end of year</b>    | 43,538,565       | 354,000             | 2,465,569        | 46,358,134       |

# School District No. 60 (Peace River North)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2016

Schedule 4D (Unaudited)

|   | Bylaw<br>Capital | MEd<br>Restricted<br>Capital | Other<br>Provincial<br>Capital | Land<br>Capital | Other<br>Capital | Total      |
|---|------------------|------------------------------|--------------------------------|-----------------|------------------|------------|
| <b>Balance, beginning of year</b>                       | \$               | \$                           | \$                             | \$              | \$               | \$         |
| Prior Period Adjustments                                |                  | 341,831                      |                                | 314,117         | 61,272           | 717,220    |
| SSAC Land Purchase Adjustment                           |                  |                              |                                | (366,304)       |                  | (366,304)  |
| <b>Balance, beginning of year, as restated</b>          | -                | 341,831                      | -                              | (52,187)        | 61,272           | 350,916    |
| <b>Changes for the Year</b>                             |                  |                              |                                |                 |                  |            |
| Increase:   |                  |                              |                                |                 |                  |            |
| Provincial Grants - Ministry of Education               | 6,730,319        |                              |                                |                 |                  | 6,730,319  |
| Other   | (28,626)         | 28,626                       |                                | 395,443         | 3,400,000        | 3,795,443  |
| Transfer project surplus to MEd Restricted (from) Bylaw | 6,701,693        | 28,626                       | -                              | 395,443         | 3,400,000        | 10,525,762 |
| Decrease:   |                  |                              |                                |                 |                  |            |
| Transferred to DCR - Capital Additions                  | 4,285,146        | 341,831                      |                                |                 | 13,788           | 4,640,765  |
| Transferred to DCR - Work in Progress                   | 417,066          |                              |                                |                 | 231,974          | 649,040    |
| Transferred to Revenue - Site Purchases                 | 1,300,000        |                              |                                | 230,459         |                  | 1,530,459  |
|   | 6,002,212        | 341,831                      | -                              | 230,459         | 245,762          | 6,820,264  |
| <b>Net Changes for the Year</b>                         | 699,481          | (313,205)                    | -                              | 164,984         | 3,154,238        | 3,705,498  |
| <b>Balance, end of year</b>                             | 699,481          | 28,626                       | -                              | 112,797         | 3,215,510        | 4,056,414  |