

Audited Financial Statements of

School District No. 44 (North Vancouver)

June 30, 2016

School District No. 44 (North Vancouver)

June 30, 2016

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School District No. 44 (North Vancouver)

MANAGEMENT REPORT

Version 8047-7301-5319

Management's Responsibility for the Financial Statements

The accompanying financial statements of School District No. 44 (North Vancouver) have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 251/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all 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. 44 (North Vancouver) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information on a periodic basis and external 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 free and full access to financial management of School District No. 44 (North Vancouver) and meet when required. The accompanying Independent Auditor's 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. 44 (North Vancouver)

| | |
|--|---------------|
| Original signed by C. Sacre | Sept 21, 2016 |
| Signature on behalf of the Chairperson | Date Signed |

| | |
|---|---------------|
| Original signed by M. Pearmain | Sept 21, 2016 |
| Signature on behalf of the Superintendent | Date Signed |

| | |
|--|---------------|
| Original signed by G. Allison | Sept 21, 2016 |
| Signature on behalf of the Secretary Treasurer | Date Signed |



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone (250) 480-3500
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of School District No. 44 (North Vancouver), 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. 44 (North Vancouver) as at and for the year ended June 30, 2016 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

September 20, 2016
Victoria, Canada

School District No. 44 (North Vancouver)

Statement of Financial Position

As at June 30, 2016

| | 2016 Actual | 2015 Actual |
|--|----------------------|----------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash and Cash Equivalents | 44,987,932 | 43,487,442 |
| Accounts Receivable | | |
| Due from Province - Ministry of Education | 211,589 | 127,412 |
| Other (Note 3) | 1,792,686 | 1,932,018 |
| Inventories for Resale (Note 4) | 391,887 | 425,552 |
| Total Financial Assets | 47,384,094 | 45,972,424 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | | |
| Due to Province - Ministry of Education | 58,431 | 50,953 |
| Due to Province - Other (Note 5) | - | 6,196,197 |
| Other (Note 6) | 8,745,514 | 8,891,892 |
| Unearned Revenue (Note 7) | 7,915,530 | 6,925,049 |
| Deferred Revenue (Note 8) | 3,461,337 | 3,617,661 |
| Deferred Capital Revenue (Note 9) | 183,288,010 | 178,877,622 |
| Employee Future Benefits (Note 10) | 6,801,307 | 6,652,405 |
| Total Liabilities | 210,270,129 | 211,211,779 |
| Net Financial Assets (Debt) | (162,886,035) | (165,239,355) |
| Non-Financial Assets | | |
| Tangible Capital Assets (Note 11) | 273,512,151 | 274,361,754 |
| Prepaid Expenses | 946,033 | 1,043,220 |
| Total Non-Financial Assets | 274,458,184 | 275,404,974 |
| Accumulated Surplus (Deficit) (Note 14) | 111,572,149 | 110,165,619 |

Contractual Obligations and Contingencies (Note 16 and 18)

Approved by the Board

Original signed by C. Sacre

Sept 21, 2016

Signature of the Chairperson of the Board of Education

Date Signed

Original signed by M. Pearmain

Sept 21, 2016

Signature of the Superintendent

Date Signed

Original signed by G. Allison

Sept 21, 2016

Signature of the Secretary Treasurer

Date Signed

School District No. 44 (North Vancouver)

Statement of Operations
Year Ended June 30, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|--------------------|---------------------------|--------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 135,669,614 | 136,108,735 | 130,043,899 |
| Other | 10,000 | 12,646 | 9,133 |
| Federal Grants | 5,000 | 5,000 | 5,000 |
| Tuition | 9,019,500 | 9,467,798 | 8,498,244 |
| Other Revenue | 11,298,075 | 11,637,540 | 11,341,277 |
| Rentals and Leases | 1,951,754 | 2,182,607 | 1,697,660 |
| Investment Income | 430,000 | 564,977 | 552,329 |
| Gain (Loss) on Disposal of Tangible Capital Assets (Note 12) | 5,041,482 | 2,503,521 | 8,059,731 |
| Amortization of Deferred Capital Revenue | 5,523,702 | 5,808,599 | 5,752,543 |
| Total Revenue | <u>168,949,127</u> | <u>168,291,423</u> | <u>165,959,816</u> |
| Expenses | | | |
| Instruction | 136,172,755 | 136,277,569 | 128,076,254 |
| District Administration | 5,070,724 | 5,350,554 | 5,470,164 |
| Operations and Maintenance | 25,007,580 | 24,926,105 | 24,483,450 |
| Transportation and Housing | 378,196 | 321,615 | 307,536 |
| Debt Services | 30,000 | 9,050 | 52,323 |
| Total Expense | <u>166,659,255</u> | <u>166,884,893</u> | <u>158,389,727</u> |
| Surplus (Deficit) for the year | <u>2,289,872</u> | <u>1,406,530</u> | <u>7,570,089</u> |
| Accumulated Surplus (Deficit) from Operations, beginning of year | | 110,165,619 | 102,595,530 |
| Accumulated Surplus (Deficit) from Operations, end of year | | <u>111,572,149</u> | <u>110,165,619</u> |

School District No. 44 (North Vancouver)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|------------------|----------------------|----------------|
| | \$ | \$ | \$ |
| Surplus (Deficit) for the year | 2,289,872 | 1,406,530 | 7,570,089 |
| Effect of change in Tangible Capital Assets | | | |
| Acquisition of Tangible Capital Assets | (2,881,073) | (9,101,240) | (3,938,727) |
| Amortization of Tangible Capital Assets | 9,916,404 | 9,916,404 | 9,905,384 |
| Net carrying value of Tangible Capital Assets disposed of | 1,766,019 | 34,439 | 52,001 |
| Write-down carrying value of Tangible Capital Assets | (1,766,019) | | |
| Total Effect of change in Tangible Capital Assets | 7,035,331 | 849,603 | 6,018,658 |
| Acquisition of Prepaid Expenses | | (1,151,971) | (1,035,516) |
| Use of Prepaid Expenses | | 1,249,158 | 992,374 |
| Total Effect of change in Other Non-Financial Assets | - | 97,187 | (43,142) |
| (Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses) | <u>9,325,203</u> | 2,353,320 | 13,545,605 |
| Net Remeasurement Gains (Losses) | | | |
| (Increase) Decrease in Net Financial Assets (Debt) | | 2,353,320 | 13,545,605 |
| Net Financial Assets (Debt), beginning of year | | (165,239,355) | (178,784,960) |
| Net Financial Assets (Debt), end of year | | (162,886,035) | (165,239,355) |

School District No. 44 (North Vancouver)

Statement of Cash Flows
Year Ended June 30, 2016

| | 2016 Actual | 2015 Actual |
|---|--------------------|-------------------|
| | \$ | \$ |
| Operating Transactions | | |
| Surplus (Deficit) for the year | 1,406,530 | 7,570,089 |
| Changes in Non-Cash Working Capital | | |
| Decrease (Increase) | | |
| Accounts Receivable | 55,155 | 760,753 |
| Inventories for Resale | 33,665 | 31,684 |
| Prepaid Expenses | 97,187 | (43,141) |
| Increase (Decrease) | | |
| Accounts Payable and Accrued Liabilities | (138,900) | (2,077,925) |
| Unearned Revenue | 990,481 | 470,538 |
| Deferred Revenue | (156,324) | 343,040 |
| Employee Future Benefits | 148,902 | 297,249 |
| Loss (Gain) on Disposal of Tangible Capital Assets | (2,503,521) | (8,059,731) |
| Amortization of Tangible Capital Assets | 9,916,404 | 9,905,384 |
| Amortization of Deferred Capital Revenue | (5,808,599) | (5,752,543) |
| Total Operating Transactions | 4,040,980 | 3,445,397 |
| Capital Transactions | | |
| Tangible Capital Assets Purchased | (5,488,464) | (3,544,065) |
| Tangible Capital Assets -WIP Purchased | (3,612,776) | (394,662) |
| District Portion of Proceeds on Disposal | 2,537,960 | 8,111,731 |
| Total Capital Transactions | (6,563,280) | 4,173,004 |
| Financing Transactions | | |
| Capital Revenue Received | 10,218,987 | 5,149,232 |
| Repayment of Due to Province | (6,196,197) | (17,099) |
| Total Financing Transactions | 4,022,790 | 5,132,133 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,500,490 | 12,750,534 |
| Cash and Cash Equivalents, beginning of year | 43,487,442 | 30,736,908 |
| Cash and Cash Equivalents, end of year | 44,987,932 | 43,487,442 |
| Cash and Cash Equivalents, end of year, is made up of: | | |
| Cash | 44,987,932 | 43,487,442 |
| | 44,987,932 | 43,487,442 |

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 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. 44 (North Vancouver)", and operates as "School District No. 44 (North Vancouver)." 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. 44 (North Vancouver) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

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

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

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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

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

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

b) Basis of Consolidation

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

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

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

c) Cash and Cash Equivalents

Cash and cash equivalents include cash and term deposits 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.

d) Accounts Receivable

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

e) Inventories for Resale

Publications for resale are recorded using the first-in-first-out method. Artists for Kids print inventory is recorded using the specific identification method.

f) 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.

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

g) Deferred Revenue and Deferred Capital Revenue

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

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.

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

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

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

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

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

i) 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.

j) Liability for Contaminated Sites

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

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the School District is directly responsible or accepts responsibility
- iv) it is expected that future economic benefits will be given up; and
- v) 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.

k) 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.

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

k) Tangible Capital Assets *(continued)*

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

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

l) Capital Leases

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

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

m) Prepaid Expenses

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

n) 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.

o) 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.

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

o) Revenue Recognition *(continued)*

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

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

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

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

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

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

p) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes interest for the capital loan payable to the BC Provincial Treasury.

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.

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

q) Financial Instruments

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

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

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

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

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

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

r) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

| | 2016 | 2015 |
|------------------------------|--------------------|--------------------|
| GST/PST/HST Receivable | \$219,779 | \$ 105,436 |
| Recoverable Insurance Claims | 151,049 | 141,940 |
| Recoverable Payroll | 81,655 | 112,250 |
| Sundry Billings | 805,556 | 852,604 |
| Miscellaneous Receivables | 509,185 | 698,619 |
| Special Purpose | 25,462 | 21,169 |
| | \$1,792,686 | \$1,932,018 |

NOTE 4 INVENTORIES FOR RESALE

Inventories for resale include:

| | 2016 | 2015 |
|---------------------------|------------------|------------------|
| Publications | \$84,979 | \$105,518 |
| Artists for Kids – Prints | 306,908 | 320,034 |
| | \$391,887 | \$425,552 |

NOTE 5 CAPITAL LOAN PAYABLE

Under *Section 144* of the *School Act*, the School District was approved to borrow up to \$10,500,000 related to specific Capital Projects. The capital loan outstanding of \$6,200,000 was payable to the BC Provincial Treasury, Debt Management. The loan is advanced for one to three months at a time and interest is paid to the Province of British Columbia at the time of the maturity. The loan was repaid in November 2015.

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

| | 2016 | 2015 |
|-------------------------------|--------------------|--------------------|
| Trade payables | \$7,179,708 | 7,250,978 |
| Salaries and benefits payable | 570,824 | 646,378 |
| Accrued vacation pay | 994,982 | 994,536 |
| | \$8,745,514 | \$8,891,892 |

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 7 UNEARNED REVENUE

| | 2016 | 2015 |
|-----------------------------|--------------------|--------------------|
| Balance, beginning of year | \$6,925,049 | \$6,454,511 |
| Changes for the year: | | |
| Increase: | | |
| Tuition fees collected | 10,320,501 | 8,891,483 |
| Other | 3,082,213 | 1,692,100 |
| | 13,402,714 | 10,583,583 |
| Decrease: | | |
| Tuition fees recognized | (9,467,798) | (8,498,244) |
| Other | (2,944,435) | (1,614,801) |
| | (12,412,233) | (10,113,045) |
| Net changes for the year | 990,481 | 470,538 |
| Balance, end of year | \$7,915,530 | \$6,925,049 |

NOTE 8 DEFERRED REVENUE

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

| | 2016 | 2015 |
|-----------------------------|--------------------|--------------------|
| Balance, beginning of year | \$3,617,661 | \$3,274,621 |
| Changes for the year: | | |
| Increase: | | |
| Provincial grants | 4,969,510 | 4,886,018 |
| Other revenue | 6,497,726 | 6,954,388 |
| Investment income | 4,531 | 4,702 |
| | 11,471,767 | 11,845,108 |
| Decrease: | | |
| Allocated to Revenue | (11,628,091) | (11,502,068) |
| Net changes for the year | (156,324) | 343,040 |
| Balance, end of year | \$3,461,337 | \$3,617,661 |

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 9 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.

| | <u>2016</u> | <u>2015</u> |
|--|-----------------------------|-----------------------------|
| Deferred capital revenue subject to amortization | | |
| Balance, beginning of year | \$175,489,689 | \$178,526,039 |
| Increases: | | |
| Capital additions | 3,764,415 | 1,981,156 |
| Queen Mary/Ridgeway funding | - | 683,565 |
| Transfer from deferred capital revenue – work in progress | 31,699 | 51,472 |
| Decreases: | | |
| Amortization | (5,808,599) | (5,752,543) |
| Net change for the year | <u>(2,012,485)</u> | <u>(3,036,350)</u> |
| Balance, end of year | <u>173,477,204</u> | <u>175,489,689</u> |
| Deferred capital revenue – work in progress | | |
| Balance, beginning of year | 176,992 | 51,472 |
| Increases: | | |
| Transfer from deferred capital revenue - unspent | 3,619,521 | 176,992 |
| Decreases: | | |
| Transfer to deferred capital revenue subject to amortization | (31,699) | (51,472) |
| Net change for the year | <u>3,587,822</u> | <u>125,520</u> |
| Balance, end of year | <u>3,764,814</u> | <u>176,992</u> |
| Deferred capital revenue - unspent | | |
| Balance, beginning of year | 3,210,941 | 903,422 |
| Increases: | | |
| Provincial Grants – Ministry of Education | 7,627,462 | 1,898,485 |
| MOE Restricted portion of proceeds on disposal | 2,537,960 | 3,168,583 |
| Other | 53,565 | 82,164 |
| | <u>10,218,987</u> | <u>5,149,232</u> |
| Decreases: | | |
| Transfer to deferred capital revenue subject to amortization | (3,764,415) | (1,981,156) |
| Transfer to deferred capital revenue – work in progress | (3,619,521) | (176,992) |
| Queen Mary/Ridgeway contingency funding | - | (683,565) |
| | <u>(7,383,936)</u> | <u>(2,841,713)</u> |
| Net change for the year | <u>2,835,051</u> | <u>2,307,519</u> |
| Balance, end of year | <u>6,045,992</u> | <u>3,210,941</u> |
| Total deferred capital revenue balance, end of year | <u>\$183,288,010</u> | <u>\$178,877,622</u> |

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 10 EMPLOYEE FUTURE BENEFITS

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

| | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|--|-----------------------|-----------------------|
| Reconciliation of Accrued Benefit Obligation | | |
| Accrued Benefit Obligation – April 1 | \$ 7,923,532 | \$ 7,615,263 |
| Service Cost | 625,576 | 558,789 |
| Interest Cost | 181,994 | 250,268 |
| Benefit Payments | (677,855) | (837,343) |
| Increase (Decrease) in obligation due to Plan Amendment | - | - |
| Actuarial (Gain) Loss | 59,131 | 336,555 |
| Accrued Benefit Obligation – March 31 | <u>\$ 8,112,378</u> | <u>\$ 7,923,532</u> |
| Reconciliation of Funded Status at End of Fiscal Year | | |
| Accrued Benefit Obligation - March 31 | \$ 8,112,378 | \$ 7,923,532 |
| Market Value of Plan Assets - March 31 | - | - |
| Funded Status - Surplus (Deficit) | (8,112,378) | (7,923,532) |
| Employer Contributions After Measurement Date | 380,376 | 256,157 |
| Benefits Expense After Measurement Date | (188,839) | (201,892) |
| Unamortized Net Actuarial (Gain) Loss | 1,119,534 | 1,216,862 |
| Accrued Benefit Asset (Liability) - June 30 | <u>\$ (6,801,307)</u> | <u>\$ (6,652,405)</u> |
| Reconciliation of Change in Accrued Benefit Liability | | |
| Accrued Benefit Liability (Asset) - July 1 | \$ 6,652,405 | \$ 6,355,156 |
| Net Expense for Fiscal Year | 950,977 | 930,449 |
| Employer Contributions | (802,075) | (633,200) |
| Accrued Benefit Liability (Asset) - June 30 | <u>\$ 6,801,307</u> | <u>\$ 6,652,405</u> |
| Components of Net Benefit Expense | | |
| Service Cost | 608,008 | \$ 575,486 |
| Interest Cost | 186,509 | 233,199 |
| Immediate Recognition of Plan Amendment | - | - |
| Amortization of Net Actuarial (Gain)/Loss | 156,460 | 121,764 |
| Net Benefit Expense (Income) | <u>\$ 950,977</u> | <u>\$ 930,449</u> |
| Assumptions | | |
| 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 | 8.3 | 9.7 |

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 11 TANGIBLE CAPITAL ASSETS

| Net Book Value: | Net Book Value 2016 | Net Book Value 2015 |
|--------------------------------------|--------------------------------|--------------------------------|
| Sites | \$12,472,243 | \$12,506,605 |
| Buildings | 251,935,513 | 255,489,593 |
| Buildings – work in progress | 3,823,955 | 378,397 |
| Furniture & Equipment | 1,404,622 | 1,623,702 |
| Vehicles | 797,996 | 606,290 |
| Computer Software | 754,841 | 849,322 |
| Computer Software – work in progress | 18,800 | 174,988 |
| Computer Hardware | 2,304,181 | 2,732,857 |
| Total | \$273,512,151 | \$274,361,754 |

June 30, 2016

| Cost: | Opening Cost | Additions | Disposals | Transfers (WIP) | Balance at June 30, 2016 |
|---|-------------------------|--------------------|----------------------|----------------------------|-------------------------------------|
| Sites | \$12,506,604 | \$ - | (\$34,361) | \$ - | \$12,472,243 |
| Buildings | 357,546,497 | 4,458,085 | (150,974) | 148,418 | 362,002,026 |
| Buildings – work in progress | 378,397 | 3,593,976 | - | (148,418) | 3,823,955 |
| Furniture & Equipment | 2,911,122 | 72,032 | (151,298) | - | 2,831,856 |
| Vehicles | 1,346,660 | 326,372 | (184,165) | - | 1,488,867 |
| Computer Software | 1,657,506 | 62,032 | (71,142) | 174,988 | 1,823,384 |
| Computer Software – work in progress | 174,988 | 18,800 | - | (174,988) | 18,800 |
| Computer Hardware | 4,993,099 | 569,943 | (1,359,414) | - | 4,203,628 |
| Total | \$381,514,873 | \$9,101,240 | (\$1,951,354) | \$- | \$388,664,759 |

| Accumulated Amortization: | Opening Accumulated Amortization | Additions | Disposals | Balance at June 30, 2016 |
|----------------------------------|---|--------------------|----------------------|-------------------------------------|
| Sites | \$ - | \$ - | \$ - | \$ - |
| Buildings | 102,056,904 | 8,160,505 | (150,896) | 110,066,513 |
| Furniture & Equipment | 1,287,420 | 291,112 | (151,298) | 1,427,234 |
| Vehicles | 740,370 | 134,666 | (184,165) | 690,871 |
| Computer Software | 808,184 | 331,501 | (71,142) | 1,068,543 |
| Computer Hardware | 2,260,241 | 998,620 | (1,359,414) | 1,899,447 |
| Total | \$107,153,119 | \$9,916,404 | (\$1,916,915) | \$115,152,608 |

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 11 TANGIBLE CAPITAL ASSETS
(Continued)

June 30, 2015

| Cost: | Opening Cost | Additions | Disposals | Transfers (WIP) | Balance at June 30, 2015 |
|--------------------------------------|----------------------|--------------------|----------------------|------------------------|---------------------------------|
| Sites | \$ 12,558,605 | \$ - | \$(52,001) | \$ - | \$12,506,604 |
| Buildings | 355,252,240 | 2,366,742 | (350,300) | 277,815 | 357,546,497 |
| Buildings – work in progress | 401,800 | 254,412 | - | (277,815) | 378,397 |
| Furniture & Equipment | 3,394,354 | 270,096 | (753,328) | - | 2,911,122 |
| Vehicles | 1,369,159 | 100,861 | (123,360) | - | 1,346,660 |
| Computer Software | 1,895,845 | 16,859 | (255,198) | - | 1,657,506 |
| Computer Software – work in progress | 34,738 | 140,250 | - | - | 174,988 |
| Computer Hardware | 4,599,188 | 789,507 | (395,596) | - | 4,993,099 |
| Total | \$379,505,929 | \$3,938,727 | \$(1,929,783) | - | \$381,514,873 |

| Accumulated Amortization: | Opening Accumulated Amortization | Additions | Disposals | Balance at June 30, 2015 |
|----------------------------------|---|--------------------|----------------------|---------------------------------|
| Sites | \$ - | - | - | - |
| Buildings | 94,277,179 | 8,130,025 | (350,300) | 102,056,904 |
| Furniture & Equipment | 1,701,312 | 339,436 | (753,328) | 1,287,420 |
| Vehicles | 726,814 | 136,916 | (123,360) | 740,370 |
| Computer Software | 684,213 | 379,169 | (255,198) | 808,184 |
| Computer Hardware | 1,735,999 | 919,838 | (395,596) | 2,260,241 |
| Total | \$ 99,125,517 | \$9,905,384 | \$(1,877,782) | \$107,153,119 |

- Buildings – work in progress having a value of \$3,823,955 (2015: \$378,397) and Software – work in progress having a value of \$18,800 (2015: \$174,988) have not been amortized. Amortization of these assets will commence when the asset is put into service.
- Works of art and historic assets
 The School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at the Educational Services Center and public display areas. These assets are not recorded as tangible capital assets and are not amortized. The value of the permanent art collection is \$1,653,442 (2015: \$1,617,275).

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

During the year, the School District disposed of the Ridgeway Annex Elementary site. The net proceeds on the sale was \$5,075,920 and a gain of \$5,041,482 was recorded on disposal, of which the School District recognized 50% of the proceeds and gain, less disposal costs.

**SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 13 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The Board of Trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2014, the Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 35,000 retired members from school districts. As of 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 most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million funding surplus for basic pension benefits. 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.

Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

School District No. 44 paid \$14,353,420 (2015: \$13,520,956) for employer contributions to these plans in the year ended June 30, 2016.

NOTE 14 ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surpluses as follows:

| | 2016 | 2015 |
|-------------------------------------|----------------------|----------------------|
| Invested in tangible capital assets | \$95,776,732 | \$92,005,475 |
| Operating surplus | 8,856,089 | 8,502,533 |
| Local capital surplus | 6,939,328 | 9,657,611 |
| | \$111,572,149 | \$110,165,619 |

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

- Tangible capital assets and work in progress purchased from operating fund: \$1,076,799
- Accumulated surplus transferred from operating to capital fund: \$1,150,000
- Tangible capital assets purchased from special purpose fund: \$302,845

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 14 ACCUMULATED SURPLUS
(Continued)

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

| | <u>2016</u> | <u>2015</u> |
|---|----------------------------|----------------------------|
| Restricted Surplus | | |
| Restricted Balances Schools | \$ 460,000 | \$ 500,000 |
| Outstanding Purchase Orders as at June 30th | 235,000 | 780,000 |
| 2014-15 Appropriated Surplus for 2015-16 & 2016-17 | 210,000 | - |
| Salary & Benefit Expenses to support 3 year staffing plan | 2,500,000 | 2,300,000 |
| Additional Salary & Benefit Expenses to support next year staffing plan | 990,479 | 1,908,637 |
| Cloverley Modular | 1,600,000 | - |
| Repayment of Ministry of Education Capital Loan | - | 1,100,000 |
| Support to School Capital Projects | 1,000,000 | - |
| Subtotal Internally Restricted | <u>\$ 6,995,479</u> | <u>\$ 6,588,637</u> |
| Unrestricted Surplus | 1,860,610 | 1,913,896 |
| Total Available for Future Operations | <u><u>\$ 8,856,089</u></u> | <u><u>\$ 8,502,533</u></u> |

NOTE 15 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 16 CONTRACTUAL OBLIGATIONS

The School District has entered into contracts related to the Annual Facilities Grant and capital projects totaling approximately \$5,700,000. Additionally, the School District has commitments for the operating lease of photocopiers with required payments as follows:

| | |
|-------|------------|
| 2017: | \$ 190,606 |
| 2018: | \$ 47,652 |

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements represent the amended annual budget approved by the Board on February 17, 2016. The Board approved the annual budget on May 27, 2015. The following table sets out the amended annual budget with a comparison to the annual budget.

| Annual Budget - Revenue and Expense | Statement 2 | | |
|---|---------------------------------------|-------------------------------|------------------------|
| | 2016 Amended Annual Budget | 2016 Annual Budget | 2016 Actual |
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 135,669,614 | 132,930,302 | 136,108,735 |
| Other | 10,000 | 10,000 | 12,646 |
| Federal Grants | 5,000 | 3,500 | 5,000 |
| Tuition | 9,019,500 | 8,088,000 | 9,467,798 |
| Other Revenue | 11,298,075 | 11,401,075 | 11,637,540 |
| Rentals and Leases | 1,951,754 | 1,811,754 | 2,182,607 |
| Investment Income | 430,000 | 432,000 | 564,977 |
| Gain (Loss) on Disposal of Tangible Capital Assets | 5,041,482 | - | 2,503,521 |
| Amortization of Deferred Capital Revenue | 5,523,702 | 5,505,024 | 5,808,599 |
| Total Revenue | 168,949,127 | 160,181,655 | 168,291,423 |
| Expenses | | | |
| Instruction | 136,172,755 | 135,007,999 | 136,277,569 |
| District Administration | 5,070,724 | 4,973,771 | 5,350,554 |
| Operations and Maintenance | 15,091,176 | 14,939,981 | 15,009,701 |
| Transportation and Housing | 378,196 | 374,844 | 321,615 |
| Interest | 30,000 | 30,000 | 9,050 |
| Amortization of Tangible Capital Assets | 9,916,404 | 9,799,160 | 9,916,404 |
| Total Expense | 166,659,255 | 165,125,755 | 166,884,893 |
| Net Revenue (Expense) | 2,289,872 | (4,944,100) | 1,406,530 |
| Allocation (Retirement) of Surplus (Deficit) | 1,239,981 | 1,908,637 | - |
| Surplus (Deficit), for the year | 3,529,853 | (3,035,463) | 1,406,530 |

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 18 CONTINGENCIES

The School District has granted an irrevocable standby letter of credit in the amount of \$100,000 in favour of the Corporation of the District of North Vancouver. This letter is in lieu of security deposits for capital projects. A second irrevocable standby letter of credit in the amount of \$44,817 in favour of the Corporation of the District of North Vancouver was issued in lieu of a security deposit for the Highlands School capital project.

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

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

NOTE 19 EXPENSE BY OBJECT

| | 2016 | 2015 |
|-----------------------|-----------------------|-----------------------|
| Salaries and benefits | \$ 134,504,375 | \$ 128,108,350 |
| Services and supplies | 22,455,064 | 20,323,670 |
| Interest | 9,050 | 52,323 |
| Amortization | 9,916,404 | 9,905,384 |
| | \$ 166,884,893 | \$ 158,389,727 |

NOTE 20 ECONOMIC DEPENDENCE

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

NOTE 21 RISK MANAGEMENT

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

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

a) Credit risk:

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

SCHOOL DISTRICT NO. 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 21 RISK MANAGEMENT
(Continued)

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in placement of funds with institutions that have achieved the highest creditworthiness in the marketplace and earned a public reputation as a good credit risk.

b) Market risk:

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its cash. It is management's opinion that the School District is not exposed to significant interest rate risk as it invests solely in investments that are considered liquid (e.g. term deposits) that have a maturity date of no more than 3 years.

c) Liquidity risk:

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

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

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

School District No. 44 (North Vancouver)

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

| | Operating Fund | Special Purpose Fund | Capital Fund | 2016 Actual | 2015 Actual |
|---|-------------------|-------------------------|--------------------|--------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Accumulated Surplus (Deficit), beginning of year | 8,502,533 | | 101,663,086 | 110,165,619 | 102,595,530 |
| Changes for the year | | | | | |
| Surplus (Deficit) for the year | 2,580,355 | 302,845 | (1,476,670) | 1,406,530 | 7,570,089 |
| Interfund Transfers | | | | | |
| Tangible Capital Assets Purchased | (1,057,999) | (302,845) | 1,360,844 | - | |
| Tangible Capital Assets - Work in Progress | (18,800) | | 18,800 | - | |
| Local Capital | (1,150,000) | | 1,150,000 | - | |
| Net Changes for the year | 353,556 | - | 1,052,974 | 1,406,530 | 7,570,089 |
| Accumulated Surplus (Deficit), end of year - Statement 2 | 8,856,089 | - | 102,716,060 | 111,572,149 | 110,165,619 |

School District No. 44 (North Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 130,675,660 | 131,128,734 | 125,216,790 |
| Other | 10,000 | 12,646 | 9,133 |
| Federal Grants | 5,000 | 5,000 | 5,000 |
| Tuition | 9,019,500 | 9,467,798 | 8,498,244 |
| Other Revenue | 4,798,075 | 4,993,981 | 4,670,511 |
| Rentals and Leases | 1,951,754 | 2,182,607 | 1,697,660 |
| Investment Income | 430,000 | 432,832 | 487,157 |
| Total Revenue | 146,889,989 | 148,223,598 | 140,584,495 |
| Expenses | | | |
| Instruction | 125,782,474 | 125,020,016 | 117,261,834 |
| District Administration | 4,985,724 | 5,282,861 | 5,420,616 |
| Operations and Maintenance | 15,091,176 | 15,009,701 | 14,578,066 |
| Transportation and Housing | 378,196 | 321,615 | 307,536 |
| Debt Services | 30,000 | 9,050 | 52,323 |
| Total Expense | 146,267,570 | 145,643,243 | 137,620,375 |
| Operating Surplus (Deficit) for the year | 622,419 | 2,580,355 | 2,964,120 |
| Budgeted Appropriation (Retirement) of Surplus (Deficit) | 1,239,981 | | |
| Budgeted Reduction of Unfunded Accrued Employee Future Benefits | - | | |
| Net Transfers (to) from other funds | | | |
| Tangible Capital Assets Purchased | (1,862,400) | (1,057,999) | (702,152) |
| Tangible Capital Assets - Work in Progress | | (18,800) | (116,718) |
| Local Capital | | (1,150,000) | (1,000,000) |
| Total Net Transfers | (1,862,400) | (2,226,799) | (1,818,870) |
| Total Operating Surplus (Deficit), for the year | - | 353,556 | 1,145,250 |
| Operating Surplus (Deficit), beginning of year | | 8,502,533 | 7,357,283 |
| Operating Surplus (Deficit), end of year | | 8,856,089 | 8,502,533 |
| Operating Surplus (Deficit), end of year | | | |
| Internally Restricted | | 6,995,479 | 6,588,637 |
| Unrestricted | | 1,860,610 | 1,913,896 |
| Total Operating Surplus (Deficit), end of year | | 8,856,089 | 8,502,533 |

School District No. 44 (North Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|--------------------|--------------------|----------------|
| | \$ | \$ | \$ |
| Provincial Grants - Ministry of Education | | | |
| Operating Grant, Ministry of Education | 127,576,621 | 127,899,643 | 123,807,769 |
| Strike Savings Recovery | | | (4,497,113) |
| Other Ministry of Education Grants | | | |
| Labour Settlement Funding | | | 2,572,751 |
| Pay Equity | 2,966,047 | 2,966,047 | 2,966,047 |
| Funding for Graduated Adults | - | 16,410 | 46,101 |
| Economic Stability Dividend | - | 114,465 | |
| Scorer/Marker Training | 18,842 | 18,842 | 18,842 |
| Carbon Tax Refund | 90,000 | 84,177 | 81,021 |
| Teacher Extended Health Benefits | - | - | 221,372 |
| Curriculum Implementation | 24,150 | 24,150 | - |
| Skills Training Access | - | 5,000 | - |
| Total Provincial Grants - Ministry of Education | 130,675,660 | 131,128,734 | 125,216,790 |
| Provincial Grants - Other | 10,000 | 12,646 | 9,133 |
| Federal Grants | 5,000 | 5,000 | 5,000 |
| Tuition | | | |
| Summer School Fees | 90,000 | 77,535 | - |
| Offshore Tuition Fees | 8,929,500 | 9,390,263 | 8,498,244 |
| Total Tuition | 9,019,500 | 9,467,798 | 8,498,244 |
| Other Revenues | | | |
| Miscellaneous | | | |
| Cheakamus Centre | 2,129,975 | 2,123,429 | 1,801,185 |
| District Miscellaneous | 277,000 | 391,145 | 427,210 |
| Band & Strings | 520,000 | 529,390 | 523,629 |
| Recoveries and Donations | 167,000 | 235,604 | 305,062 |
| School Miscellaneous | 348,500 | 342,344 | 291,945 |
| Artists for Kids | 390,700 | 270,176 | 388,879 |
| Academy Fees | 964,900 | 1,101,893 | 932,601 |
| Total Other Revenue | 4,798,075 | 4,993,981 | 4,670,511 |
| Rentals and Leases | 1,951,754 | 2,182,607 | 1,697,660 |
| Investment Income | 430,000 | 432,832 | 487,157 |
| Total Operating Revenue | 146,889,989 | 148,223,598 | 140,584,495 |

School District No. 44 (North Vancouver)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|-------------------------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Salaries | | | |
| Teachers | 65,623,018 | 63,975,353 | 59,676,660 |
| Principals and Vice Principals | 8,780,901 | 8,856,076 | 8,667,005 |
| Educational Assistants | 12,049,086 | 11,901,330 | 11,856,282 |
| Support Staff | 11,185,648 | 11,214,518 | 11,295,029 |
| Other Professionals | 3,402,990 | 3,551,627 | 3,335,706 |
| Substitutes | 3,669,081 | 4,806,237 | 4,149,658 |
| Total Salaries | 104,710,724 | 104,305,141 | 98,980,340 |
| Employee Benefits | 27,549,608 | 26,428,054 | 25,667,028 |
| Total Salaries and Benefits | 132,260,332 | 130,733,195 | 124,647,368 |
| Services and Supplies | | | |
| Services | 7,132,038 | 7,645,979 | 6,964,350 |
| Student Transportation | 61,500 | 62,099 | 31,204 |
| Professional Development and Travel | 582,850 | 767,099 | 570,087 |
| Rentals and Leases | 46,500 | 39,039 | 39,918 |
| Dues and Fees | 59,100 | 54,866 | 56,384 |
| Insurance | 349,000 | 399,611 | 340,358 |
| Interest | 30,000 | 9,050 | 52,323 |
| Supplies | 3,535,750 | 3,628,383 | 2,993,623 |
| Utilities | 2,210,500 | 2,303,922 | 1,924,760 |
| Total Services and Supplies | 14,007,238 | 14,910,048 | 12,973,007 |
| Total Operating Expense | 146,267,570 | 145,643,243 | 137,620,375 |

School District No. 44 (North Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

| | Teachers Salaries | Principals and Vice Principals Salaries | Educational Assistants Salaries | Support Staff Salaries | Other Professionals Salaries | Substitutes Salaries | Total Salaries |
|--|----------------------|---|---------------------------------------|------------------------------|------------------------------------|-------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1 Instruction | | | | | | | |
| 1.02 Regular Instruction | 52,422,717 | 2,130,906 | 1,706,328 | 1,129,463 | | 3,705,638 | 61,095,052 |
| 1.03 Career Programs | 127,869 | | 23,669 | 236,630 | | 5,381 | 393,549 |
| 1.07 Library Services | 1,528,527 | 26,911 | 177,779 | 170,048 | | 19,357 | 1,922,622 |
| 1.08 Counselling | 2,901,320 | | | | | 701 | 2,902,021 |
| 1.10 Special Education | 5,121,277 | 98,224 | 9,420,709 | 642,249 | | 514,629 | 15,797,088 |
| 1.30 English Language Learning | 970,159 | | | | | 9,179 | 979,338 |
| 1.31 Aboriginal Education | 321,959 | 113,550 | 381,452 | | | 29,395 | 846,356 |
| 1.41 School Administration | | 6,361,026 | | 1,369,971 | | 79,448 | 7,810,445 |
| 1.60 Summer School | 194,575 | | | 19,818 | | | 214,393 |
| 1.62 Offshore Students | 306,257 | | | 75,193 | 154,606 | 1,110 | 537,166 |
| 1.64 Other | 63,660 | | | 677 | 174,702 | 46,912 | 285,951 |
| Total Function 1 | 63,958,320 | 8,730,617 | 11,709,937 | 3,644,049 | 329,308 | 4,411,750 | 92,783,981 |
| 4 District Administration | | | | | | | |
| 4.11 Educational Administration | | | | | 724,683 | | 724,683 |
| 4.40 School District Governance | | | | | 166,653 | | 166,653 |
| 4.41 Business Administration | | 125,459 | | 1,004,434 | 1,334,640 | 7,896 | 2,472,429 |
| Total Function 4 | - | 125,459 | - | 1,004,434 | 2,225,976 | 7,896 | 3,363,765 |
| 5 Operations and Maintenance | | | | | | | |
| 5.41 Operations and Maintenance Administration | 17,033 | | | 61,963 | 603,181 | | 682,177 |
| 5.50 Maintenance Operations | | | | 6,157,298 | 393,162 | 384,249 | 6,934,709 |
| 5.52 Maintenance of Grounds | | | | 327,224 | | | 327,224 |
| 5.56 Utilities | | | | | | | - |
| Total Function 5 | 17,033 | - | - | 6,546,485 | 996,343 | 384,249 | 7,944,110 |
| 7 Transportation and Housing | | | | | | | |
| 7.70 Student Transportation | | | 191,393 | 19,550 | | 2,342 | 213,285 |
| Total Function 7 | - | - | 191,393 | 19,550 | - | 2,342 | 213,285 |
| 9 Debt Services | | | | | | | |
| 9.92 Interest on Bank Loans | | | | | | | - |
| Total Function 9 | - | - | - | - | - | - | - |
| Total Functions 1 - 9 | 63,975,353 | 8,856,076 | 11,901,330 | 11,214,518 | 3,551,627 | 4,806,237 | 104,305,141 |

School District No. 44 (North Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

| | Total Salaries | Employee Benefits | Total Salaries and Benefits | Services and Supplies | 2016 Actual | 2016 Budget | 2015 Actual |
|--|--------------------|-------------------|-----------------------------|-----------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1 Instruction | | | | | | | |
| 1.02 Regular Instruction | 61,095,052 | 16,739,078 | 77,834,130 | 3,999,708 | 81,833,838 | 80,006,733 | 77,245,873 |
| 1.03 Career Programs | 393,549 | 87,794 | 481,343 | 208,797 | 690,140 | 713,991 | 700,135 |
| 1.07 Library Services | 1,922,622 | 469,835 | 2,392,457 | 22,350 | 2,414,807 | 2,769,880 | 2,309,244 |
| 1.08 Counselling | 2,902,021 | 734,790 | 3,636,811 | 14,792 | 3,651,603 | 2,818,749 | 3,275,528 |
| 1.10 Special Education | 15,797,088 | 3,463,353 | 19,260,441 | 374,333 | 19,634,774 | 22,197,347 | 19,174,258 |
| 1.30 English Language Learning | 979,338 | 273,497 | 1,252,835 | 2,602 | 1,255,437 | 1,281,931 | 1,120,780 |
| 1.31 Aboriginal Education | 846,356 | 180,597 | 1,026,953 | 38,371 | 1,065,324 | 1,249,347 | 1,047,218 |
| 1.41 School Administration | 7,810,445 | 1,757,101 | 9,567,546 | 231,069 | 9,798,615 | 7,671,469 | 8,578,008 |
| 1.60 Summer School | 214,393 | 40,281 | 254,674 | 15,024 | 269,698 | 351,033 | 12,334 |
| 1.62 Offshore Students | 537,166 | 122,740 | 659,906 | 952,995 | 1,612,901 | 4,178,825 | 1,571,050 |
| 1.64 Other | 285,951 | 53,782 | 339,733 | 2,453,146 | 2,792,879 | 2,543,169 | 2,227,406 |
| Total Function 1 | 92,783,981 | 23,922,848 | 116,706,829 | 8,313,187 | 125,020,016 | 125,782,474 | 117,261,834 |
| 4 District Administration | | | | | | | |
| 4.11 Educational Administration | 724,683 | 117,080 | 841,763 | 190,394 | 1,032,157 | 1,071,324 | 1,026,470 |
| 4.40 School District Governance | 166,653 | 19,352 | 186,005 | 105,806 | 291,811 | 292,201 | 302,518 |
| 4.41 Business Administration | 2,472,429 | 534,598 | 3,007,027 | 951,866 | 3,958,893 | 3,622,199 | 4,091,628 |
| Total Function 4 | 3,363,765 | 671,030 | 4,034,795 | 1,248,066 | 5,282,861 | 4,985,724 | 5,420,616 |
| 5 Operations and Maintenance | | | | | | | |
| 5.41 Operations and Maintenance Administration | 682,177 | 139,150 | 821,327 | 1,057,997 | 1,879,324 | 1,558,609 | 1,388,659 |
| 5.50 Maintenance Operations | 6,934,709 | 1,577,360 | 8,512,069 | 2,095,227 | 10,607,296 | 10,469,260 | 10,526,542 |
| 5.52 Maintenance of Grounds | 327,224 | 75,586 | 402,810 | 314,205 | 717,015 | 853,307 | 738,393 |
| 5.56 Utilities | - | - | - | 1,806,066 | 1,806,066 | 2,210,000 | 1,924,472 |
| Total Function 5 | 7,944,110 | 1,792,096 | 9,736,206 | 5,273,495 | 15,009,701 | 15,091,176 | 14,578,066 |
| 7 Transportation and Housing | | | | | | | |
| 7.70 Student Transportation | 213,285 | 42,080 | 255,365 | 66,250 | 321,615 | 378,196 | 307,536 |
| Total Function 7 | 213,285 | 42,080 | 255,365 | 66,250 | 321,615 | 378,196 | 307,536 |
| 9 Debt Services | | | | | | | |
| 9.92 Interest on Bank Loans | - | - | - | 9,050 | 9,050 | 30,000 | 52,323 |
| Total Function 9 | - | - | - | 9,050 | 9,050 | 30,000 | 52,323 |
| Total Functions 1 - 9 | 104,305,141 | 26,428,054 | 130,733,195 | 14,910,048 | 145,643,243 | 146,267,570 | 137,620,375 |

School District No. 44 (North Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|--------------------|--------------------------|-------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 4,993,954 | 4,980,001 | 4,827,109 |
| Other Revenue | 6,500,000 | 6,643,559 | 6,670,766 |
| Investment Income | - | 4,531 | 4,193 |
| Total Revenue | <u>11,493,954</u> | <u>11,628,091</u> | <u>11,502,068</u> |
| Expenses | | | |
| Instruction | 10,390,281 | 11,257,553 | 10,814,420 |
| District Administration | 85,000 | 67,693 | 49,548 |
| Total Expense | <u>10,475,281</u> | <u>11,325,246</u> | <u>10,863,968</u> |
| Special Purpose Surplus (Deficit) for the year | <u>1,018,673</u> | <u>302,845</u> | <u>638,100</u> |
| Net Transfers (to) from other funds | | | |
| Tangible Capital Assets Purchased | (1,018,673) | (302,845) | (638,100) |
| Total Net Transfers | <u>(1,018,673)</u> | <u>(302,845)</u> | <u>(638,100)</u> |
| Total Special Purpose Surplus (Deficit) for the year | <u>-</u> | <u>-</u> | <u>-</u> |
| Special Purpose Surplus (Deficit), beginning of year | | | |
| Special Purpose Surplus (Deficit), end of year | <u>-</u> | <u>-</u> | <u>-</u> |

School District No. 44 (North Vancouver)

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

| | Annual Facility Grant | Learning Improvement Fund | Special Education Equipment | School Generated Funds | Strong Start | Ready, Set, Learn | OLEP | Community- LINK | Service Delivery Transformation |
|---|-----------------------------|---------------------------------|-----------------------------------|------------------------------|-----------------|-------------------------|---------|--------------------|---------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred Revenue, beginning of year | - | - | 17,470 | 3,167,683 | | | | - | 97,534 |
| Add: Restricted Grants | | | | | | | | | |
| Provincial Grants - Ministry of Education | 679,583 | 2,620,747 | 5,223 | | 224,000 | 63,700 | 293,437 | 1,070,820 | |
| Other | | | | 6,395,161 | | | | | |
| Investment Income | | | 187 | | | | | | 919 |
| | 679,583 | 2,620,747 | 5,410 | 6,395,161 | 224,000 | 63,700 | 293,437 | 1,070,820 | 919 |
| Less: Allocated to Revenue | 679,583 | 2,620,747 | 5,433 | 6,524,562 | 224,000 | 63,700 | 293,437 | 1,070,820 | 12,910 |
| Deferred Revenue, end of year | - | - | 17,447 | 3,038,282 | - | - | - | - | 85,543 |
| Revenues | | | | | | | | | |
| Provincial Grants - Ministry of Education | 679,583 | 2,620,747 | 5,246 | | 224,000 | 63,700 | 293,437 | 1,070,820 | 11,991 |
| Other Revenue | | | | 6,524,562 | | | | | |
| Investment Income | | | 187 | | | | | | 919 |
| | 679,583 | 2,620,747 | 5,433 | 6,524,562 | 224,000 | 63,700 | 293,437 | 1,070,820 | 12,910 |
| Expenses | | | | | | | | | |
| Salaries | | | | | | | | | |
| Teachers | | 1,648,462 | | | | 8,578 | 19,944 | 150,188 | |
| Educational Assistants | | 421,937 | | | | | | 515,550 | |
| Support Staff | | | | | 162,657 | 3,755 | | 49,462 | |
| Substitutes | | | | | 840 | | 28,364 | | |
| | - | 2,070,399 | - | - | 163,497 | 12,333 | 48,308 | 715,200 | - |
| Employee Benefits | | 550,348 | | | 31,187 | 1,706 | 12,057 | 155,673 | |
| Services and Supplies | 382,171 | | | 6,524,562 | 29,316 | 49,661 | 233,072 | 199,947 | 12,910 |
| | 382,171 | 2,620,747 | - | 6,524,562 | 224,000 | 63,700 | 293,437 | 1,070,820 | 12,910 |
| Net Revenue (Expense) before Interfund Transfers | 297,412 | - | 5,433 | - | - | - | - | - | - |
| Interfund Transfers | | | | | | | | | |
| Tangible Capital Assets Purchased | (297,412) | | (5,433) | | | | | | |
| | (297,412) | - | (5,433) | - | - | - | - | - | - |
| Net Revenue (Expense) | - | - | - | - | - | - | - | - | - |

School District No. 44 (North Vancouver)

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

| | Metro Regional Implementation | Violence Prevention | Cheakamus Special Projects | Inside Out | Enhanced Learning | TOTAL |
|---|-------------------------------------|------------------------|----------------------------------|---------------------|----------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred Revenue, beginning of year | 294,730 | 4,777 | 18,919 | 16,548 | - | 3,617,661 |
| Add: Restricted Grants | | | | | | |
| Provincial Grants - Ministry of Education | | | | | 12,000 | 4,969,510 |
| Other | 76,065 | 20,000 | 1,500 | 5,000 | | 6,497,726 |
| Investment Income | 3,292 | | 60 | 57 | 16 | 4,531 |
| | <u>79,357</u> | <u>20,000</u> | <u>1,560</u> | <u>5,057</u> | <u>12,016</u> | <u>11,471,767</u> |
| Less: Allocated to Revenue | 67,693 | 23,556 | 14,892 | 16,265 | 10,493 | 11,628,091 |
| Deferred Revenue, end of year | <u>306,394</u> | <u>1,221</u> | <u>5,587</u> | <u>5,340</u> | <u>1,523</u> | <u>3,461,337</u> |
| Revenues | | | | | | |
| Provincial Grants - Ministry of Education | | | | | 10,477 | 4,980,001 |
| Other Revenue | 64,401 | 23,556 | 14,832 | 16,208 | | 6,643,559 |
| Investment Income | 3,292 | | 60 | 57 | 16 | 4,531 |
| | <u>67,693</u> | <u>23,556</u> | <u>14,892</u> | <u>16,265</u> | <u>10,493</u> | <u>11,628,091</u> |
| Expenses | | | | | | |
| Salaries | | | | | | |
| Teachers | | | | 4,500 | 4,912 | 1,836,584 |
| Educational Assistants | | | | | | 937,487 |
| Support Staff | | | | | | 215,874 |
| Substitutes | | | | | | 29,204 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,500</u> | <u>4,912</u> | <u>3,019,149</u> |
| Employee Benefits | | | | 23 | 1,037 | 752,031 |
| Services and Supplies | 67,693 | 23,556 | 14,892 | 11,742 | 4,544 | 7,554,066 |
| | <u>67,693</u> | <u>23,556</u> | <u>14,892</u> | <u>16,265</u> | <u>10,493</u> | <u>11,325,246</u> |
| Net Revenue (Expense) before Interfund Transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>302,845</u> |
| Interfund Transfers | | | | | | |
| Tangible Capital Assets Purchased | | | | | | (302,845) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(302,845)</u> |
| Net Revenue (Expense) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

School District No. 44 (North Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2016

| | 2016 Budget | 2016 Actual | | | 2015 Actual |
|--|-------------------|--|--------------------|--------------------|--------------------|
| | | Invested in Tangible Capital Assets | Local Capital | Fund Balance | |
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | |
| Provincial Grants | | | | | |
| Investment Income | | | 127,614 | 127,614 | 60,979 |
| Gain (Loss) on Disposal of Tangible Capital Assets | 5,041,482 | 2,503,521 | | 2,503,521 | 8,059,731 |
| Amortization of Deferred Capital Revenue | 5,523,702 | 5,808,599 | | 5,808,599 | 5,752,543 |
| Total Revenue | <u>10,565,184</u> | <u>8,312,120</u> | <u>127,614</u> | <u>8,439,734</u> | <u>13,873,253</u> |
| Expenses | | | | | |
| Amortization of Tangible Capital Assets | | | | | |
| Operations and Maintenance | 9,916,404 | 9,916,404 | | 9,916,404 | 9,905,384 |
| Total Expense | <u>9,916,404</u> | <u>9,916,404</u> | <u>-</u> | <u>9,916,404</u> | <u>9,905,384</u> |
| Capital Surplus (Deficit) for the year | <u>648,780</u> | <u>(1,604,284)</u> | <u>127,614</u> | <u>(1,476,670)</u> | <u>3,967,869</u> |
| Net Transfers (to) from other funds | | | | | |
| Tangible Capital Assets Purchased | 2,881,073 | 1,360,844 | | 1,360,844 | 1,340,252 |
| Tangible Capital Assets - Work in Progress | | 18,800 | | 18,800 | 116,718 |
| Local Capital | | | 1,150,000 | 1,150,000 | 1,000,000 |
| Total Net Transfers | <u>2,881,073</u> | <u>1,379,644</u> | <u>1,150,000</u> | <u>2,529,644</u> | <u>2,456,970</u> |
| Other Adjustments to Fund Balances | | | | | |
| District Portion of Proceeds on Disposal | | (2,537,960) | 2,537,960 | - | |
| Tangible Capital Assets Purchased from Local Capital | | 363,205 | (363,205) | - | |
| Tangible Capital Assets WIP Purchased from Local Capital | | 50,405 | (50,405) | - | |
| Principal Payment | | | | | |
| Capital Loan | | 6,196,197 | (6,196,197) | - | |
| Argyle/Handsworth Bylaw funds | | (75,950) | 75,950 | - | |
| Total Other Adjustments to Fund Balances | | <u>3,995,897</u> | <u>(3,995,897)</u> | <u>-</u> | |
| Total Capital Surplus (Deficit) for the year | <u>3,529,853</u> | <u>3,771,257</u> | <u>(2,718,283)</u> | <u>1,052,974</u> | <u>6,424,839</u> |
| Capital Surplus (Deficit), beginning of year | | <u>92,005,475</u> | <u>9,657,611</u> | <u>101,663,086</u> | <u>95,238,247</u> |
| Capital Surplus (Deficit), end of year | | <u>95,776,732</u> | <u>6,939,328</u> | <u>102,716,060</u> | <u>101,663,086</u> |

School District No. 44 (North Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2016

| | Sites | Buildings | Furniture and Equipment | Vehicles | Computer Software | Computer Hardware | Total |
|--|-------------------|--------------------|----------------------------|----------------|----------------------|----------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost, beginning of year | 12,506,604 | 357,546,497 | 2,911,122 | 1,346,660 | 1,657,506 | 4,993,099 | 380,961,488 |
| Changes for the Year | | | | | | | |
| Increase: | | | | | | | |
| Purchases from: | | | | | | | |
| Deferred Capital Revenue - Bylaw | | 3,609,044 | | 120,991 | | | 3,730,035 |
| Deferred Capital Revenue - Other | | 34,380 | | | | | 34,380 |
| Operating Fund | | 517,014 | 61,125 | | | 479,860 | 1,057,999 |
| Special Purpose Funds | | 297,412 | 5,433 | | | | 302,845 |
| Local Capital | | 235 | 5,474 | 205,381 | 62,032 | 90,083 | 363,205 |
| Transferred from Work in Progress | | 148,418 | | | 174,988 | | 323,406 |
| | - | 4,606,503 | 72,032 | 326,372 | 237,020 | 569,943 | 5,811,870 |
| Decrease: | | | | | | | |
| Disposed of | 34,361 | 150,974 | | | | | 185,335 |
| Deemed Disposals | | | 151,298 | 184,165 | 71,142 | 1,359,414 | 1,766,019 |
| | 34,361 | 150,974 | 151,298 | 184,165 | 71,142 | 1,359,414 | 1,951,354 |
| Cost, end of year | 12,472,243 | 362,002,026 | 2,831,856 | 1,488,867 | 1,823,384 | 4,203,628 | 384,822,004 |
| Work in Progress, end of year | | 3,823,955 | | | 18,800 | | 3,842,755 |
| Cost and Work in Progress, end of year | 12,472,243 | 365,825,981 | 2,831,856 | 1,488,867 | 1,842,184 | 4,203,628 | 388,664,759 |
| Accumulated Amortization, beginning of year | | 102,056,904 | 1,287,420 | 740,370 | 808,184 | 2,260,241 | 107,153,119 |
| Changes for the Year | | | | | | | |
| Increase: Amortization for the Year | | 8,160,505 | 291,112 | 134,666 | 331,501 | 998,620 | 9,916,404 |
| Decrease: | | | | | | | |
| Disposed of | | 150,896 | | | | | 150,896 |
| Deemed Disposals | | | 151,298 | 184,165 | 71,142 | 1,359,414 | 1,766,019 |
| | | 150,896 | 151,298 | 184,165 | 71,142 | 1,359,414 | 1,916,915 |
| Accumulated Amortization, end of year | | 110,066,513 | 1,427,234 | 690,871 | 1,068,543 | 1,899,447 | 115,152,608 |
| Tangible Capital Assets - Net | 12,472,243 | 255,759,468 | 1,404,622 | 797,996 | 773,641 | 2,304,181 | 273,512,151 |

School District No. 44 (North Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2016

| | Buildings | Furniture and Equipment | Computer Software | Computer Hardware | Total |
|--|-------------------------|----------------------------|----------------------|----------------------|-------------------------|
| Work in Progress, beginning of year | \$ 378,397 | \$ - | \$ 174,988 | \$ - | \$ 553,385 |
| Changes for the Year | | | | | |
| Increase: | | | | | |
| Deferred Capital Revenue - Bylaw | 3,619,521 | | | | 3,619,521 |
| Operating Fund | | | 18,800 | | 18,800 |
| Local Capital | 50,405 | | | | 50,405 |
| Argyle/Handsworth Bylaw | (75,950) | | | | (75,950) |
| | <u>3,593,976</u> | <u>-</u> | <u>18,800</u> | <u>-</u> | <u>3,612,776</u> |
| Decrease: | | | | | |
| Transferred to Tangible Capital Assets | 148,418 | | 174,988 | | 323,406 |
| | <u>148,418</u> | <u>-</u> | <u>174,988</u> | <u>-</u> | <u>323,406</u> |
| Net Changes for the Year | <u>3,445,558</u> | <u>-</u> | <u>(156,188)</u> | <u>-</u> | <u>3,289,370</u> |
| Work in Progress, end of year | <u><u>3,823,955</u></u> | <u><u>-</u></u> | <u><u>18,800</u></u> | <u><u>-</u></u> | <u><u>3,842,755</u></u> |

School District No. 44 (North Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2016

| | Bylaw Capital | Other Provincial | Other Capital | Total Capital |
|---|---------------------------|-------------------------|-------------------------|---------------------------|
| | \$ | \$ | \$ | \$ |
| Deferred Capital Revenue, beginning of year | 167,524,733 | 3,031,793 | 4,933,163 | 175,489,689 |
| Changes for the Year | | | | |
| Increase: | | | | |
| Transferred from Deferred Revenue - Capital Additions | 3,730,035 | | 34,380 | 3,764,415 |
| Transferred from Work in Progress | 31,699 | | | 31,699 |
| Reclassification of prior year project to other capital | (9,153) | | 9,153 | - |
| | <u>3,752,581</u> | - | <u>43,533</u> | <u>3,796,114</u> |
| Decrease: | | | | |
| Amortization of Deferred Capital Revenue | 5,523,702 | 80,612 | 204,285 | 5,808,599 |
| | <u>5,523,702</u> | <u>80,612</u> | <u>204,285</u> | <u>5,808,599</u> |
| Net Changes for the Year | <u>(1,771,121)</u> | <u>(80,612)</u> | <u>(160,752)</u> | <u>(2,012,485)</u> |
| Deferred Capital Revenue, end of year | <u>165,753,612</u> | <u>2,951,181</u> | <u>4,772,411</u> | <u>173,477,204</u> |
| Work in Progress, beginning of year | 176,992 | - | - | 176,992 |
| Changes for the Year | | | | |
| Increase | | | | |
| Transferred from Deferred Revenue - Work in Progress | 3,619,521 | | | 3,619,521 |
| | <u>3,619,521</u> | - | - | <u>3,619,521</u> |
| Decrease | | | | |
| Transferred to Deferred Capital Revenue | 31,699 | | | 31,699 |
| | <u>31,699</u> | - | - | <u>31,699</u> |
| Net Changes for the Year | <u>3,587,822</u> | - | - | <u>3,587,822</u> |
| Work in Progress, end of year | <u>3,764,814</u> | - | - | <u>3,764,814</u> |
| Total Deferred Capital Revenue, end of year | <u>169,518,426</u> | <u>2,951,181</u> | <u>4,772,411</u> | <u>177,242,018</u> |

School District No. 44 (North Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2016

| | Bylaw Capital | MEd Restricted Capital | Other Provincial Capital | Land Capital | Other Capital | Total |
|--|------------------|------------------------------|--------------------------------|-----------------|------------------|------------------|
| Balance, beginning of year | \$ 31,129 | \$ 3,168,583 | \$ - | \$ - | \$ 11,229 | \$ 3,210,941 |
| Changes for the Year | | | | | | |
| Increase: | | | | | | |
| Provincial Grants - Ministry of Education | 7,627,462 | | | | | 7,627,462 |
| MEd Restricted Portion of Proceeds on Disposal | | 2,537,960 | | | | 2,537,960 |
| Transfer project surplus to MEd Restricted (from) Bylaw Playgrounds | (634) | 634 | | | 10,032 | - |
| Reclassification of prior years project to other capital | 9,153 | | | | 34,380 | 43,533 |
| | 7,635,981 | 2,538,594 | - | - | 44,412 | 10,218,987 |
| Decrease: | | | | | | |
| Transferred to DCR - Capital Additions | 3,730,035 | | | | 34,380 | 3,764,415 |
| Transferred to DCR - Work in Progress | 3,619,521 | | | | | 3,619,521 |
| | 7,349,556 | - | - | - | 34,380 | 7,383,936 |
| Net Changes for the Year | 286,425 | 2,538,594 | - | - | 10,032 | 2,835,051 |
| Balance, end of year | 317,554 | 5,707,177 | - | - | 21,261 | 6,045,992 |