

**Chilliwack
School District**

Financial Statements

Year Ended June 30, 2016

Audited Financial Statements of

School District No. 33 (Chilliwack)

June 30, 2016

School District No. 33 (Chilliwack)

June 30, 2016

Table of Contents

Management Report	1
Independent Auditors' Report	2-3
Statement of Financial Position - Statement 1	4
Statement of Operations - Statement 2	5
Statement of Changes in Net Financial Assets (Debt) - Statement 4	6
Statement of Cash Flows - Statement 5	7
Notes to the Financial Statements	8-26
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1	27
Schedule of Operating Operations - Schedule 2	28
Schedule 2A - Schedule of Operating Revenue by Source	29
Schedule 2B - Schedule of Operating Expense by Object	30
Schedule 2C - Operating Expense by Function, Program and Object	31
Schedule of Special Purpose Operations - Schedule 3	33
Schedule 3A - Changes in Special Purpose Funds and Expense by Object	34
Schedule of Capital Operations - Schedule 4	36
Schedule 4A - Tangible Capital Assets	37
Schedule 4C - Deferred Capital Revenue	38
Schedule 4D - Changes in Unspent Deferred Capital Revenue	39

School District No. 33 (Chilliwack)

MANAGEMENT REPORT

Version: 7727-6981-4999

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 33 (Chilliwack) 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.

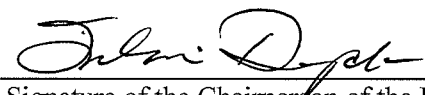
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 33 (Chilliwack) (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. 33 (Chilliwack) 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.

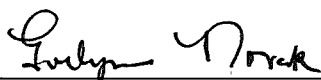
On behalf of School District No. 33 (Chilliwack)



Signature of the Chairperson of the Board of Education

20-Sep-2016

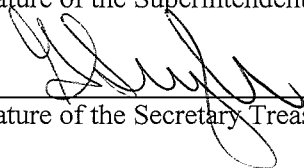
Date Signed



Signature of the Superintendent

20-Sep-2016

Date Signed



Signature of the Secretary Treasurer

20-Sep-2016

Date Signed



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Telephone (604) 854-2200
Fax (604) 853-2756

INDEPENDENT AUDITORS' REPORT

To the Board of Education of the School District No. 33 (Chilliwack)
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 33 (Chilliwack), which comprise the statement of financial position as at June 30, 2016 and the statements of operations, changes in net debt and cash flows for the year ended June 30, 2016, 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.



Page 2

Opinion

In our opinion, the financial statements of School District No. 33 (Chilliwack) 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 describe 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

September 20, 2016

Abbotsford, Canada

School District No. 33 (Chilliwack)

Statement 1

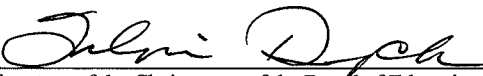
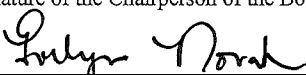
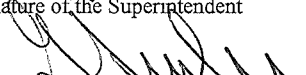
Statement of Financial Position

As at June 30, 2016

	2016 Actual	2015 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	31,596,133	28,318,512
Accounts Receivable		
Due from Province - Ministry of Education	230,000	678,441
Due from LEA/Direct Funding (Note 3)	314,893	213,665
Other	314,409	313,450
Total Financial Assets	32,455,435	29,524,068
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	13,516,834	13,698,085
Unearned Revenue (Note 5)	1,241,296	1,004,332
Deferred Revenue (Note 6)	2,342,131	2,439,049
Deferred Capital Revenue (Note 7)	166,023,856	170,362,558
Employee Future Benefits (Note 8)	3,363,814	3,146,497
Other Liabilities	690,382	646,321
Total Liabilities	187,178,313	191,296,842
Net Financial Assets (Debt)	(154,722,878)	(161,772,774)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	215,944,638	221,769,077
Restricted Assets (Endowments) (Note 11)	73,261	73,261
Prepaid Expenses	327,152	334,033
Total Non-Financial Assets	216,345,051	222,176,371
Accumulated Surplus (Deficit) (Note 18)	61,622,173	60,403,597

Contractual Obligations and Contingencies (Note 15)

Approved by the Board


Signature of the Chairperson of the Board of Education20-Sep-2016
Date Signed
Signature of the Superintendent20-Sep-2016
Date Signed
Signature of the Secretary/Treasurer20-Sep-2016
Date Signed

School District No. 33 (Chilliwack)

Statement of Operations
Year Ended June 30, 2016

Statement 2

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	119,417,969	121,115,743	114,375,818
Other	166,912	118,464	97,740
Tuition	1,212,471	1,302,462	1,261,008
Other Revenue	5,627,961	6,283,716	5,112,843
Rentals and Leases	380,000	469,724	363,955
Investment Income	310,000	318,998	343,244
Amortization of Deferred Capital Revenue	6,922,518	6,921,509	6,922,028
Total Revenue	<u>134,037,831</u>	<u>136,530,616</u>	<u>128,476,636</u>
Expenses			
Instruction	110,783,837	106,999,810	99,704,346
District Administration	3,624,901	3,792,409	3,800,964
Operations and Maintenance	19,309,721	21,432,468	21,312,838
Transportation and Housing	3,554,762	3,087,353	3,180,897
Total Expense	<u>137,273,221</u>	<u>135,312,040</u>	<u>127,999,045</u>
Surplus (Deficit) for the year	<u>(3,235,390)</u>	<u>1,218,576</u>	<u>477,591</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		60,403,597	59,926,006
Accumulated Surplus (Deficit) from Operations, end of year		<u>61,622,173</u>	<u>60,403,597</u>

School District No. 33 (Chilliwack)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Surplus (Deficit) for the year	<u>(3,235,390)</u>	<u>1,218,576</u>	<u>477,591</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(175,500)	(2,153,117)	(980,996)
Amortization of Tangible Capital Assets	7,994,717	7,977,556	7,977,546
Total Effect of change in Tangible Capital Assets	<u>7,819,217</u>	<u>5,824,439</u>	<u>6,996,550</u>
Acquisition of Prepaid Expenses		(327,150)	(334,031)
Use of Prepaid Expenses		334,031	180,401
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>6,881</u>	<u>(153,630)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>4,583,827</u>	<u>7,049,896</u>	<u>7,320,511</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>7,049,896</u>	<u>7,320,511</u>
Net Financial Assets (Debt), beginning of year		(161,772,774)	(169,093,285)
Net Financial Assets (Debt), end of year		<u>(154,722,878)</u>	<u>(161,772,774)</u>

School District No. 33 (Chilliwack)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2016

	2016 Actual \$	2015 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	1,218,576	477,591
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	346,254	147,249
Prepaid Expenses	6,881	(153,630)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(181,251)	870,735
Unearned Revenue	236,964	44,585
Deferred Revenue	(96,918)	409,578
Employee Future Benefits	217,317	146,434
Other Liabilities	44,061	(739,361)
Amortization of Tangible Capital Assets	7,977,556	7,977,546
Amortization of Deferred Capital Revenue	(6,921,509)	(6,922,028)
Bylaw Capital Spent on Non-Capital Items	(1,490,538)	(2,055,741)
Total Operating Transactions	1,357,393	202,958
Capital Transactions		
Tangible Capital Assets Purchased	(2,153,117)	(980,996)
Total Capital Transactions	(2,153,117)	(980,996)
Financing Transactions		
Capital Revenue Received	4,073,345	2,831,104
Total Financing Transactions	4,073,345	2,831,104
Net Increase (Decrease) in Cash and Cash Equivalents	3,277,621	2,053,066
Cash and Cash Equivalents, beginning of year	28,318,512	26,265,446
Cash and Cash Equivalents, end of year	31,596,133	28,318,512
Cash and Cash Equivalents, end of year, is made up of:		
Cash	31,596,133	28,318,512
	31,596,133	28,318,512

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 33(Chilliwack)", and operates as "School District No. 33 (Chilliwack)." 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. 33 (Chilliwack) 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.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- 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 contributions would be recorded differently under Canadian Public Sector Accounting Standards.

b) Cash and Cash Equivalents

Cash and cash equivalents include Certificates of Deposit with the Provincial Treasury that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value. These cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Unearned Revenue

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

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by 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 (l).

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

f) 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.

g) Employee Future Benefits

i) Post-Employment Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

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

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

ii) Pension Plans

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.

h) 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.

i) Tangible Capital Assets

The following criteria apply:

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

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

j) Prepaid Expenses

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

Materials and supplies held for use within the School District are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) 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 12 – Interfund Transfers and Note 18 – Accumulated Surplus).

l) 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. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. See Note 2 (a) for the impact of this policy on these financial statements.

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

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

m) Expenses

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.

n) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

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.

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.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Trade receivables	\$ 70,767	\$ 53,554
GST Receivable	108,876	108,510
Rent Receivable	60,233	-
Council of Ministers of Ed. (French Monitor)	-	15,410
BCPSEA CUPE Pro-D	-	36,517
Chilliwack Teachers Assoc.	45,863	64,774
Simon Fraser University	21,950	31,483
Other	6,720	3,202
	<u>\$ 314,409</u>	<u>\$ 313,450</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Trade payables	\$ 938,940	\$ 1,302,969
Salaries and benefits payable	10,009,745	9,107,522
Accrued vacation pay	511,373	541,288
Construction holdbacks	1,456,248	1,967,828
Other	600,528	778,478
	<u>\$13,516,834</u>	<u>\$13,698,085</u>

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 5 UNEARNED REVENUE

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Balance, beginning of year	\$ 1,004,332	\$ 959,747
Increase:		
Tuition fees	1,405,667	1,360,803
Bus fees	44,295	-
Rental/lease of facilities	<u>527</u>	<u>527</u>
	<u>1,449,962</u>	<u>1,361,330</u>
Decrease:		
Tuition fees	1,212,471	1,261,008
Service Contracts		55,737
Rental/lease of facilities	<u>527</u>	<u>-</u>
	<u>1,212,998</u>	<u>1,316,745</u>
Balance, end of year	<u>\$ 1,241,296</u>	<u>\$ 1,004,332</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.

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Balance, beginning of year	\$ 2,439,049	\$ 2,029,471
Increase: Contributions received		
Provincial Grants – Ministry of Education	4,019,746	3,951,502
Provincial Grants - Other	-	2,000
Other	3,185,653	2,819,361
Investment income	<u>16,828</u>	<u>19,049</u>
	<u>7,222,227</u>	<u>6,791,912</u>
Decrease:		
Expenses	<u>7,319,145</u>	<u>6,382,334</u>
	<u>7,319,145</u>	<u>6,382,334</u>
Net changes for the year	<u>(96,918)</u>	<u>409,578</u>
Balance, end of year	<u>\$ 2,342,131</u>	<u>\$ 2,439,049</u>

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 7 DEFERRED CAPITAL REVENUE

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

	Deferred Capital 2016	Unspent Capital 2016	Total Deferred Capital Revenue 2016	Total Deferred Capital Revenue 2015
Balance, beginning of year	\$167,091,565	\$3,270,993	\$170,362,558	\$176,509,223
Increase:				
Transfer from Unspent – Capital Additions	1,989,875		1,989,875	530,863
Provincial Grants – Ministry of Education		3,412,051	3,412,051	2,213,984
Other Income		661,294	661,294	617,120
	1,989,875	4,073,345	6,063,220	3,361,967
Decrease:				
Amortization of Deferred Capital	6,921,509		6,921,509	6,922,028
Capital Additions–transfer to Deferred Capital		1,989,875	1,989,875	530,863
Facility Improvements Not Capitalized		1,490,538	1,490,538	2,055,741
	6,921,509	3,480,413	10,401,922	9,508,632
Net changes for the year	(4,931,634)	592,932	(4,338,702)	(6,146,665)
Balance, end of year	\$162,159,931	\$3,863,925	\$166,023,856	\$170,362,558

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.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 4,190,671	\$ 3,830,494
Service Cost	302,746	261,761
Interest Cost	96,982	126,736
Benefit Payments	(297,731)	(338,898)
Actuarial (Gain) Loss	(441,131)	310,578
Accrued Benefit Obligation – March 31	<u>\$3,851,537</u>	<u>\$4,190,671</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 3,851,537	\$ 4,190,671
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(3,851,537)	(4,190,671)
Employer Contributions After Measurement Date	130,917	148,136
Benefits Expense After Measurement Date	(105,085)	(99,932)
Unamortized Net Actuarial (Gain) Loss	461,891	995,970
Accrued Benefit Asset (Liability) - June 30	<u>\$ (3,363,814)</u>	<u>\$ (3,146,497)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 3,146,497	\$ 3,000,063
Net Expense for Fiscal Year	497,829	459,003
Employer Contributions	(280,512)	(312,569)
Accrued Benefit Liability - June 30	<u>\$ 3,363,814</u>	<u>\$ 3,146,497</u>
Components of Net Benefit Expense		
Service Cost	\$ 307,110	\$ 272,007
Interest Cost	97,771	119,298
Amortization of Net Actuarial (Gain)/Loss	92,948	67,698
Net Benefit Expense	<u>\$ 497,829</u>	<u>\$ 459,003</u>

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

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	12.5	12.3

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value

	Net Book Value June 30, 2016	Net Book Value June 30, 2015
Sites	\$ 36,107,540	\$ 36,107,540
Buildings	172,863,151	177,272,365
Furniture & Equipment	4,915,162	5,845,734
Vehicles	1,625,179	2,022,838
Computer Software	216,553	241,610
Computer Hardware	217,053	278,990
Total	\$215,944,638	\$221,769,077

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2016

Cost:	Balance at July 1, 2015	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2016
Sites	\$ 36,107,540	\$ -	\$ -	\$ -	\$ 36,107,540
Buildings	263,503,226	1,893,731		-	265,396,957
Furniture & Equipment	10,994,995	160,843	(322,531)	-	10,833,307
Vehicles	4,826,187	58,433	(588,977)	-	4,295,643
Computer Software	341,458	40,110	(71,358)	-	310,210
Computer Hardware	309,685			-	309,685
Total	\$ 316,083,091	\$ 2,153,117	\$ (982,866)	\$ -	\$ 317,253,342

Accumulated Amortization:	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	86,230,861	6,302,945		92,533,806
Furniture & Equipment	5,149,261	1,091,415	(322,531)	5,918,145
Vehicles	2,803,349	456,092	(588,977)	2,670,464
Computer Software	99,848	65,167	(71,358)	93,657
Computer Hardware	30,695	61,937		92,632
Total	\$ 94,314,014	\$ 7,977,556	\$ (982,866)	\$ 101,308,704

June 30, 2015

Cost:	Balance at July 1, 2014	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2015
Sites	\$ 36,107,540				\$ 36,107,540
Buildings	263,383,951	119,275	-		263,503,226
Furniture & Equipment	10,985,888	354,158	(345,051)		10,994,995
Vehicles	5,025,670	146,293	(345,776)		4,826,187
Computer Software	240,433	106,779	(5,754)		341,458
Computer Hardware	113,126	254,491	(57,932)		309,685
Total	\$ 315,856,608	\$ 980,996	\$ (754,513)	\$ -	\$ 316,083,091

Accumulated Amortization:	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	79,945,422	6,285,439	-	86,230,861
Furniture & Equipment	4,395,268	1,099,044	(345,051)	5,149,261
Vehicles	2,656,532	492,593	(345,776)	2,803,349
Computer Software	47,413	58,189	(5,754)	99,848
Computer Hardware	46,346	42,281	(57,932)	30,695
Total	\$ 87,090,981	\$ 7,977,546	\$ (754,513)	\$ 94,314,014

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 10 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plans including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 35,000 retired members from school districts. 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 later in 2018. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plans record accrued liabilities and accrued assets for the Plans in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the Plans.

The School District paid \$11,403,952 for employer contributions to these plans in the year ended June 30, 2016 (2015: \$10,802,340).

NOTE 11 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the School District. One restriction is that the original contribution should not be spent.

Name of Endowment	Balance	Contributions	Balance
	July 1, 2015		July 1, 2016
Brunt	\$ 30,000	\$ -	\$ 30,000
Nelson	10,000	-	10,000
Newberry	13,000	-	13,000
Ford Mountain	20,261	-	20,261
Total	<u>\$ 73,261</u>	<u>\$ -</u>	<u>\$ 73,261</u>

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 12 INTERFUND TRANSFERS

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

- A transfer in the amount of \$163,242 (2015 - \$60,134) was made from the operating fund to the capital fund for capital equipment purchases.

NOTE 13 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 14 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on January 19, 2016. The Board adopted a preliminary annual budget on June 23, 2015. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 14 BUDGET FIGURES (Continued)

	2016 Amended	2016 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$119,417,969	\$115,244,464	\$ 4,173,505
Other	166,912	45,000	121,912
Tuition	1,212,471	1,000,000	212,471
Other Revenue	5,627,961	5,727,531	(99,570)
Rentals and Leases	380,000	380,000	-
Investment Income	310,000	307,500	2,500
Amortization of Deferred Capital Revenue	6,922,518	6,922,518	-
Total Revenue	134,037,831	129,627,013	4,410,818
Expenses			
Instruction	110,783,837	106,044,285	4,739,552
District Administration	3,624,901	3,306,893	318,008
Operations and Maintenance	19,309,721	18,976,090	333,631
Transportation and Housing	3,554,762	3,288,833	265,929
Total Expenses	137,273,221	131,616,101	5,657,120
Surplus (Deficit) for the year	(3,235,390)	(1,989,088)	(1,246,302)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets			
From Local Capital	(175,500)	(100,000)	(75,500)
From Deferred Capital Revenue	-	-	-
Total Acquisition of Tangible Capital Assets	(175,500)	(100,000)	(75,500)
Amortization of Tangible Capital Assets	7,994,717	7,994,717	-
Total Effect of change in Tangible Capital Assets	7,819,217	7,894,717	(75,500)
(Increase) Decrease in Net Financial Assets	\$ 4,583,827	\$ 5,905,629	\$ (1,321,802)

NOTE 15 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

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

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 16 ASSET RETIREMENT OBLIGATION

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

NOTE 17 EXPENSE BY OBJECT

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Salaries and benefits	\$ 109,766,249	\$ 104,406,636
Services and supplies	17,568,235	15,614,863
Amortization	<u>7,977,556</u>	<u>7,977,546</u>
	<u>\$ 135,312,040</u>	<u>\$ 127,999,045</u>

NOTE 18 ACCUMULATED SURPLUS

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Operating Fund Accumulated Surplus		
Internally Restricted (appropriated by Board for):		
School-based Carry Forwards	\$ 1,102,721	\$ 729,535
FVDES Carry Forward	525,223	708,069
Aboriginal Education Targeted Funds Unexpended	333,647	347,950
Early Intervention Support	1,692,000	
Student Numeracy Assessment & Practice (SNAP)	278,000	
International Support	<u>60,000</u>	<u>60,000</u>
Total Internally Operating Restricted	3,991,591	1,845,554
 Unrestricted Operating Surplus	 2,640,519	 2,684,122
 Total Operating Fund Accumulated Surplus	 <u>\$ 6,632,110</u>	 <u>\$ 4,529,676</u>
 Special Purpose Funds Surplus	 <u>\$ 73,261</u>	 <u>\$ 73,261</u>
 Capital Fund Accumulated Surplus		
Contingency Reserve-Local Capital	1,156,848	1,147,904
Investment in Tangible Capital Assets	<u>53,759,954</u>	<u>54,652,756</u>
Total Capital Fund Accumulated Surplus	<u>\$54,916,802</u>	<u>\$55,800,660</u>
 Total Accumulated Surplus	 <u>\$61,622,173</u>	 <u>\$60,403,597</u>

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 19 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 20 RISK MANAGEMENT

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

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

a) Credit risk

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

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most accounts 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. It is management's opinion that the School District is not exposed to significant interest rate risk.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 20 RISK MANAGEMENT (Continued)

c) Liquidity risk

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

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

d) Fair value of financial instruments:

Public Sector Accounting Standards define the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The School District uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which the carrying amounts are included in the Statement of Financial Position under the following captions:

- (i) Cash and cash equivalents, accounts receivable, investments, accounts payables and accrued liabilities – the carrying amounts approximate fair value because of the short maturity of the instruments.

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- (iii) Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The School District's Instruments are all considered to be level 1 financial instruments for which the fair value is determined based on quoted prices in active markets. Changes in financial instruments valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year there were no significant transfers of securities between different levels.

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. 33 (Chilliwack)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,529,677	73,261	55,800,659	60,403,597	59,926,006
Changes for the year					
Surplus (Deficit) for the year	2,265,675		(1,047,099)	1,218,576	477,591
Interfund Transfers					
Local Capital	(163,242)		163,242	-	
Net Changes for the year	2,102,433	-	(883,857)	1,218,576	477,591
Accumulated Surplus (Deficit), end of year - Statement 2	6,632,110	73,261	54,916,802	61,622,173	60,403,597

School District No. 33 (Chilliwack)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	114,915,020	115,507,411	108,805,210
Other	90,000	117,544	90,770
Tuition	1,212,471	1,302,462	1,261,008
Other Revenue	2,683,911	3,100,111	2,266,379
Rentals and Leases	380,000	469,724	363,955
Investment Income	280,000	293,223	310,248
Total Revenue	119,561,402	120,790,475	113,097,570
Expenses			
Instruction	103,768,993	100,219,731	93,773,911
District Administration	3,624,901	3,792,409	3,800,964
Operations and Maintenance	11,264,828	11,881,399	11,143,706
Transportation and Housing	3,065,871	2,631,261	2,864,843
Total Expense	121,724,593	118,524,800	111,583,424
Operating Surplus (Deficit) for the year	(2,163,191)	2,265,675	1,514,146
Budgeted Appropriation (Retirement) of Surplus (Deficit)	2,338,691		
Net Transfers (to) from other funds			
Local Capital	(175,500)	(163,242)	(60,134)
Total Net Transfers	(175,500)	(163,242)	(60,134)
Total Operating Surplus (Deficit), for the year	-	2,102,433	1,454,012
Operating Surplus (Deficit), beginning of year		4,529,677	3,075,665
Operating Surplus (Deficit), end of year		6,632,110	4,529,677
Operating Surplus (Deficit), end of year			
Internally Restricted		3,991,591	1,845,554
Unrestricted		2,640,519	2,684,123
Total Operating Surplus (Deficit), end of year		6,632,110	4,529,677

School District No. 33 (Chilliwack)

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	115,594,387	116,268,629	110,543,248
AANDC/LEA Recovery	(1,956,191)	(1,914,365)	(1,861,470)
Strike Savings Recovery			(3,633,158)
Other Ministry of Education Grants			
Labour Settlement Funding			2,335,647
Pay Equity	864,624	864,624	864,624
Funding for Graduated Adults	300,000	76,477	320,759
Economic Stability Dividend		97,227	
Carbon Tax Reimbursement	80,000	80,000	110,127
FSA Marking	12,600	15,219	15,219
Curriculum Implementation	19,600	19,600	110,214
Total Provincial Grants - Ministry of Education	114,915,020	115,507,411	108,805,210
Provincial Grants - Other	90,000	117,544	90,770
Tuition			
Offshore Tuition Fees	1,212,471	1,302,462	1,261,008
Total Tuition	1,212,471	1,302,462	1,261,008
Other Revenues			
LEA/Direct Funding from First Nations	1,956,191	1,903,333	1,733,814
Miscellaneous			
Distance Learning Course Fees	100,000	155,805	59,780
Textbook Deposit Revenue		97,520	
Print Shop Recoveries	80,000	67,460	72,862
Transportation Fee Revenue	360,000	397,412	
Energy Program Revenue	100,000	165,543	
Other Miscellaneous	87,720	313,038	399,923
Total Other Revenue	2,683,911	3,100,111	2,266,379
Rentals and Leases	380,000	469,724	363,955
Investment Income	280,000	293,223	310,248
Total Operating Revenue	119,561,402	120,790,475	113,097,570

School District No. 33 (Chilliwack)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Salaries			
Teachers	51,409,449	50,126,399	47,175,682
Principals and Vice Principals	6,490,585	6,490,954	6,103,861
Educational Assistants	8,790,948	7,826,725	8,007,537
Support Staff	11,036,332	11,306,936	11,404,935
Other Professionals	2,718,280	2,764,327	2,748,752
Substitutes	4,993,013	5,662,117	4,569,793
Total Salaries	85,438,607	84,177,458	80,010,560
Employee Benefits	21,474,759	20,757,812	19,501,240
Total Salaries and Benefits	106,913,366	104,935,270	99,511,800
Services and Supplies			
Services	4,609,967	4,503,782	2,959,870
Student Transportation	11,600	6,739	6,523
Professional Development and Travel	800,964	643,023	649,829
Rentals and Leases	41,500	28,367	222,330
Dues and Fees	194,579	171,642	159,351
Insurance	354,000	267,764	353,978
Supplies	7,096,617	5,960,140	6,046,374
Utilities	1,702,000	2,008,073	1,673,369
Total Services and Supplies	14,811,227	13,589,530	12,071,624
Total Operating Expense	121,724,593	118,524,800	111,583,424

School District No. 33 (Chilliwack)

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	40,867,709	1,014,381	8,427	630,628		3,571,760	46,092,905
1.03 Career Programs	89,624		321	435,639	70,192	14,939	610,715
1.07 Library Services	1,166,277	66,135		92,459		44,559	1,369,430
1.08 Counselling	1,970,555	100,070				41,298	2,111,923
1.10 Special Education	4,604,532	338,830	6,954,159	66,159		1,063,522	13,027,202
1.30 English Language Learning	753,871	25,840				28,050	807,761
1.31 Aboriginal Education	342,311		860,811	35,304	70,840	133,586	1,442,852
1.41 School Administration	558	4,723,585		2,337,869	471,889	146,411	7,680,312
1.60 Summer School	72,424		3,007			205	75,636
1.61 Continuing Education	106,920			10,906		746	118,572
1.62 Offshore Students	151,618	102,689		32,628		2,970	289,905
1.64 Other				104,380	88,863	16,617	209,860
Total Function 1	50,126,399	6,371,530	7,826,725	3,745,972	701,784	5,064,663	73,837,073
4 District Administration							
4.11 Educational Administration					694,861		694,861
4.40 School District Governance					125,288		125,288
4.41 Business Administration		119,424		589,407	790,074	11,530	1,510,435
Total Function 4	-	119,424	-	589,407	1,610,223	11,530	2,330,584
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				72,794	367,454	2,571	442,819
5.50 Maintenance Operations				5,030,638		309,444	5,340,082
5.52 Maintenance of Grounds				586,274		26,300	612,574
5.56 Utilities							-
Total Function 5	-	-	-	5,689,706	367,454	338,315	6,395,475
7 Transportation and Housing							
7.41 Transportation and Housing Administration				113,333	84,866	2,629	200,828
7.70 Student Transportation				1,168,518		244,980	1,413,498
Total Function 7	-	-	-	1,281,851	84,866	247,609	1,614,326
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	50,126,399	6,490,954	7,826,725	11,306,936	2,764,327	5,662,117	84,177,458

School District No. 33 (Chilliwack)

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	46,092,905	11,554,236	57,647,141	4,539,617	62,186,758	65,273,547	57,815,247
1.03 Career Programs	610,715	153,605	764,320	415,027	1,179,347	1,062,509	989,679
1.07 Library Services	1,369,430	350,613	1,720,043	140,898	1,860,941	1,776,660	1,625,176
1.08 Counselling	2,111,923	498,826	2,610,749		2,610,749	2,527,756	2,334,737
1.10 Special Education	13,027,202	3,338,522	16,365,724	1,485,857	17,851,581	18,050,539	16,221,319
1.30 English Language Learning	807,761	204,074	1,011,835	16,476	1,028,311	1,001,113	976,169
1.31 Aboriginal Education	1,442,852	347,457	1,790,309	627,190	2,417,499	2,751,095	2,097,271
1.41 School Administration	7,680,312	1,807,769	9,488,081	336,021	9,824,102	10,033,404	10,720,418
1.60 Summer School	75,636	15,162	90,798	4,418	95,216	124,333	136,968
1.61 Continuing Education	118,572	29,165	147,737	9,384	157,121	235,618	19,020
1.62 Offshore Students	289,905	71,599	361,504	305,289	666,793	580,017	560,438
1.64 Other	209,860	47,026	256,886	84,427	341,313	352,402	277,469
Total Function 1	73,837,073	18,418,054	92,255,127	7,964,604	100,219,731	103,768,993	93,773,911
4 District Administration							
4.11 Educational Administration	694,861	158,671	853,532	195,543	1,049,075	938,828	967,001
4.40 School District Governance	125,288	3,557	128,845	225,828	354,673	351,359	361,254
4.41 Business Administration	1,510,435	335,153	1,845,588	543,073	2,388,661	2,334,714	2,472,709
Total Function 4	2,330,584	497,381	2,827,965	964,444	3,792,409	3,624,901	3,800,964
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	442,819	91,224	534,043	230,253	764,296	839,156	694,034
5.50 Maintenance Operations	5,340,082	1,234,988	6,575,070	1,542,048	8,117,118	7,760,905	7,856,727
5.52 Maintenance of Grounds	612,574	143,670	756,244	235,668	991,912	962,767	919,576
5.56 Utilities	-	-	-	2,008,073	2,008,073	1,702,000	1,673,369
Total Function 5	6,395,475	1,469,882	7,865,357	4,016,042	11,881,399	11,264,828	11,143,706
7 Transportation and Housing							
7.41 Transportation and Housing Administration	200,828	46,486	247,314	51,313	298,627	283,584	276,322
7.70 Student Transportation	1,413,498	326,009	1,739,507	593,127	2,332,634	2,782,287	2,588,521
Total Function 7	1,614,326	372,495	1,986,821	644,440	2,631,261	3,065,871	2,864,843
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	84,177,458	20,757,812	104,935,270	13,589,530	118,524,800	121,724,593	111,583,424

School District No. 33 (Chilliwack)

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	4,502,949	4,117,794	3,514,867
Other	76,912	920	6,970
Other Revenue	2,944,050	3,183,605	2,841,448
Investment Income	30,000	16,827	19,049
Total Revenue	<u>7,553,911</u>	<u>7,319,146</u>	<u>6,382,334</u>
Expenses			
Instruction	7,014,844	6,780,079	5,930,435
Operations and Maintenance	539,067	539,067	451,899
Total Expense	<u>7,553,911</u>	<u>7,319,146</u>	<u>6,382,334</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		73,261	73,261
Special Purpose Surplus (Deficit), end of year		<u>73,261</u>	<u>73,261</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		73,261	73,261
Total Special Purpose Surplus (Deficit), end of year		<u>73,261</u>	<u>73,261</u>

School District No. 33 (Chilliwack)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	43,675	233,442	63,646	224,307	1,613,146	-	32,544	23,397	65,011
Add: Restricted Grants									
Provincial Grants - Ministry of Education	495,392	2,347,289	6,598			224,000	49,000	131,292	697,441
Other				69,608	3,059,799				
Investment Income				1,896	14,932				
	495,392	2,347,289	6,598	71,504	3,074,731	224,000	49,000	131,292	697,441
Less: Allocated to Revenue	539,067	2,410,229	20,562	76,219	3,062,785	224,000	40,076	126,136	684,746
Deferred Revenue, end of year	-	170,502	49,682	219,592	1,625,092	-	41,468	28,553	77,706
Revenues									
Provincial Grants - Ministry of Education	539,067	2,410,229	20,562			224,000	40,076	126,136	684,746
Provincial Grants - Other									
Other Revenue				74,323	3,047,854				
Investment Income				1,896	14,931				
	539,067	2,410,229	20,562	76,219	3,062,785	224,000	40,076	126,136	684,746
Expenses									
Salaries									
Teachers		1,348,350			13,473			30,951	457,254
Educational Assistants		333,443							745
Support Staff	85,507				848				11,001
Substitutes	75,952	232,344			20,577		9,233	3,785	469,000
	161,459	1,914,137	-	-	34,898	-	9,233	34,736	120,104
Employee Benefits	24,435	496,092			1,610			8,174	95,642
Services and Supplies	353,173		20,562	76,219	3,026,277	224,000	30,843	83,226	684,746
	539,067	2,410,229	20,562	76,219	3,062,785	224,000	40,076	126,136	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 33 (Chilliwack)

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

Schedule 3A (Unaudited)

	Service Delivery Transformation	PRP-AMUT Residential	SWIS	After School Sports Initiative	Miscellaneous Grants	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	80,180	22,985	1,746	18,920	16,050	2,439,049
Add: Restricted Grants						
Provincial Grants - Ministry of Education		68,734				4,019,746
Other				56,247		3,185,654
Investment Income						16,828
	-	68,734	-	56,247	-	7,222,228
Less: Allocated to Revenue	-	72,978	920	56,837	4,591	7,319,146
Deferred Revenue, end of year	80,180	18,741	826	18,330	11,459	2,342,131
Revenues						
Provincial Grants - Ministry of Education		72,978				4,117,794
Provincial Grants - Other			920			920
Other Revenue				56,837	4,591	3,183,605
Investment Income						16,827
	-	72,978	920	56,837	4,591	7,319,146
Expenses						
Salaries						
Teachers		47,734				1,440,508
Educational Assistants						790,697
Support Staff		3,840				90,940
Substitutes		577				353,469
	-	52,151	-	-	-	2,675,614
Employee Benefits		14,412				664,827
Services and Supplies		6,415	920	56,837	4,591	3,978,705
	-	72,978	920	56,837	4,591	7,319,146
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 33 (Chilliwack)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2016

	2016	2016 Actual			2015
	Budget	Invested in Tangible	Local	Fund	Actual
	\$	Capital Assets	Capital	Balance	\$
Revenues					
Provincial Grants					
Ministry of Education		1,490,538		1,490,538	2,055,741
Other Revenue				-	5,016
Investment Income			8,948	8,948	13,947
Amortization of Deferred Capital Revenue	6,922,518	6,921,509		6,921,509	6,922,028
Total Revenue	<u>6,922,518</u>	<u>8,412,047</u>	<u>8,948</u>	<u>8,420,995</u>	<u>8,996,732</u>
Expenses					
Operations and Maintenance		1,490,538		1,490,538	2,055,741
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,505,826	7,521,464		7,521,464	7,661,492
Transportation and Housing	488,891	456,092		456,092	316,054
Total Expense	<u>7,994,717</u>	<u>9,468,094</u>	<u>-</u>	<u>9,468,094</u>	<u>10,033,287</u>
Capital Surplus (Deficit) for the year	<u>(1,072,199)</u>	<u>(1,056,047)</u>	<u>8,948</u>	<u>(1,047,099)</u>	<u>(1,036,555)</u>
Net Transfers (to) from other funds					
Local Capital	175,500		163,242	163,242	60,134
Total Net Transfers	<u>175,500</u>	<u>-</u>	<u>163,242</u>	<u>163,242</u>	<u>60,134</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		163,242	(163,242)	-	
Total Other Adjustments to Fund Balances		<u>163,242</u>	<u>(163,242)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(896,699)</u>	<u>(892,805)</u>	<u>8,948</u>	<u>(883,857)</u>	<u>(976,421)</u>
Capital Surplus (Deficit), beginning of year		54,652,759	1,147,900	55,800,659	56,777,080
Capital Surplus (Deficit), end of year		<u>53,759,954</u>	<u>1,156,848</u>	<u>54,916,802</u>	<u>55,800,659</u>

School District No. 33 (Chilliwack)

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	36,107,540	263,503,226	10,994,995	4,826,187	341,458	309,685	316,083,091
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,861,776					1,861,776
Deferred Capital Revenue - Other		31,955	96,144				128,099
Local Capital			64,699	58,433	40,110		163,242
	-	1,893,731	160,843	58,433	40,110	-	2,153,117
Decrease:							
Deemed Disposals			322,531	588,977	71,358		982,866
	-	-	322,531	588,977	71,358	-	982,866
Cost, end of year	36,107,540	265,396,957	10,833,307	4,295,643	310,210	309,685	317,253,342
Work in Progress, end of year							-
Cost and Work in Progress, end of year	36,107,540	265,396,957	10,833,307	4,295,643	310,210	309,685	317,253,342
Accumulated Amortization, beginning of year		86,230,861	5,149,261	2,803,349	99,848	30,695	94,314,014
Changes for the Year							
Increase: Amortization for the Year		6,302,945	1,091,415	456,092	65,167	61,937	7,977,556
Decrease:							
Deemed Disposals			322,531	588,977	71,358		982,866
		-	322,531	588,977	71,358	-	982,866
Accumulated Amortization, end of year		92,533,806	5,918,145	2,670,464	93,657	92,632	101,308,704
Tangible Capital Assets - Net	36,107,540	172,863,151	4,915,162	1,625,179	216,553	217,053	215,944,638

School District No. 33 (Chilliwack)

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	166,423,615	78,586	589,364	167,091,565
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,861,776		128,099	1,989,875
	1,861,776	-	128,099	1,989,875
Decrease:				
Amortization of Deferred Capital Revenue	6,874,426	1,990	45,093	6,921,509
	6,874,426	1,990	45,093	6,921,509
Net Changes for the Year	(5,012,650)	(1,990)	83,006	(4,931,634)
Deferred Capital Revenue, end of year	161,410,965	76,596	672,370	162,159,931
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	161,410,965	76,596	672,370	162,159,931

School District No. 33 (Chilliwack)

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	5,613	455,011		2,722,548	87,821	3,270,993
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,412,051					3,412,051
Other					39,955	39,955
Investment Income		4,382		24,417		28,799
Municipal Contributions				410,438	30,000	440,438
Donations					152,102	152,102
	3,412,051	4,382	-	434,855	222,057	4,073,345
Decrease:						
Transferred to DCR - Capital Additions	1,861,776				128,099	1,989,875
Facility Improvements Not Capitalized	1,490,538					1,490,538
	3,352,314	-	-	-	128,099	3,480,413
Net Changes for the Year	59,737	4,382	-	434,855	93,958	592,932
Balance, end of year	65,350	459,393	-	3,157,403	181,779	3,863,925