



Audited Financial Statements of
School District No. 36 (Surrey)
June 30, 2016

School District No. 36 (Surrey)

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	37
Schedule 4A - Tangible Capital Assets	38
Schedule 4B - Tangible Capital Assets - Work in Progress	39
Schedule 4C - Deferred Capital Revenue	40
Schedule 4D - Changes in Unspent Deferred Capital Revenue	41

School District No. 36 (Surrey)

MANAGEMENT REPORT

Version: 1677-9932-7949

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 36 (Surrey) 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.

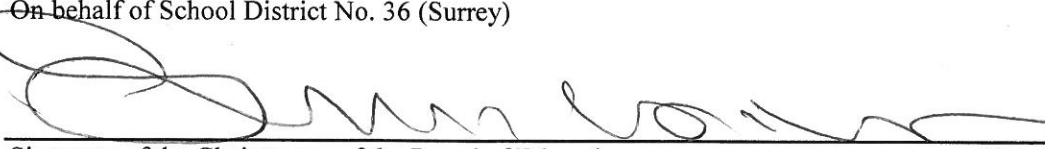
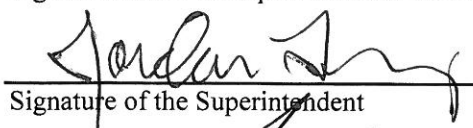

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 36 (Surrey) (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, Grant Thornton 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. 36 (Surrey) 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. 36 (Surrey)

	<i>Sept 22/16</i>
Signature of the Chairperson of the Board of Education	Date Signed
	<i>Sept 22/16</i>
Signature of the Superintendent	Date Signed
	<i>Sept 22/16</i>
Signature of the Secretary Treasurer	Date Signed

Independent Auditor's Report

Grant Thornton LLP
Suite 1600, Grant Thornton Place
333 Seymour Street
Vancouver, BC
V6B 0A4
T +1 604 687 2711
F +1 604 685 6569
www.GrantThornton.ca

To the Board of Education of [School District No. 36 \(Surrey\)](#) and
the Minister of Education of the Province of British Columbia:

We have audited the accompanying financial statements of School District No. 36 (Surrey) (the “School District”), which comprise the statement of financial position as at June 30, 2016 and the statement of operations, statement of changes in net financial assets (debt), and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

[Management's responsibility for the financial statements](#)

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements 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.

[Auditor's responsibility](#)

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District'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 School District'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.

Opinion

In our opinion, the financial statements of the School District No. 36 (Surrey) for the year ended June 30, 2016 are prepared, in all material respects, in accordance with 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.

Other matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Vancouver, Canada
September 22, 2016



Chartered Professional Accountants

School District No. 36 (Surrey)

Statement of Financial Position
As at June 30, 2016

	2016 Actual	2015 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	136,075,201	136,399,781
Accounts Receivable		
Due from Province - Ministry of Education	4,646,888	2,246,148
Other (Note 4)	3,700,538	3,109,411
Portfolio Investments (Note 5)	45,022,820	43,963,421
Total Financial Assets	<u>189,445,447</u>	<u>185,718,761</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other	13,052,900	9,162,081
Unearned Revenue (Note 6)	13,383,402	12,450,742
Deferred Revenue (Note 7)	8,963,153	9,691,516
Deferred Capital Revenue (Note 8)	545,520,452	550,484,156
Employee Future Benefits (Note 9)	16,239,767	16,733,167
Other Liabilities (Note 10)	51,402,196	46,098,877
Total Liabilities	<u>648,561,870</u>	<u>644,620,539</u>
Net Financial Assets (Debt)	<u>(459,116,423)</u>	<u>(458,901,778)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 12)	940,549,260	921,747,242
Prepaid Expenses	1,205,218	1,561,513
Total Non-Financial Assets	<u>941,754,478</u>	<u>923,308,755</u>
Accumulated Surplus (Deficit)	<u>482,638,055</u>	<u>464,406,977</u>

Contractual Obligations and Contingencies (Note 15,17)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 36 (Surrey)

Statement of Operations
Year Ended June 30, 2016

	2016 Budget (Note 20) \$	2016 Actual \$	2015 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	638,069,371	631,815,350	592,771,829
Other	360,750	460,950	516,678
Municipal Grants Spent on Sites		6,039,435	
Federal Grants	2,279,571	2,833,194	2,249,488
Tuition	14,092,174	14,322,670	11,954,074
Other Revenue	17,723,839	18,712,125	17,687,816
Rentals and Leases	2,391,849	2,827,838	2,686,624
Investment Income	2,209,000	2,284,800	2,411,596
Gain (Loss) on Disposal of Tangible Capital Assets			(21,930)
Amortization of Deferred Capital Revenue	22,134,000	22,170,647	21,017,730
Total Revenue	699,260,554	701,467,009	651,273,905
Expenses (Note 19)			
Instruction	593,620,100	567,709,873	532,177,049
District Administration	12,696,339	12,434,871	12,227,053
Operations and Maintenance	100,872,966	97,787,190	93,420,287
Transportation and Housing	5,293,612	5,303,997	4,868,989
Total Expense	712,483,017	683,235,931	642,693,378
Surplus (Deficit) for the year	(13,222,463)	18,231,078	8,580,527
Accumulated Surplus (Deficit) from Operations, beginning of year		464,406,977	455,826,450
Accumulated Surplus (Deficit) from Operations, end of year		482,638,055	464,406,977

School District No. 36 (Surrey)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

	2016 Budget (Note 20) \$	2016 Actual \$	2015 Actual \$
Surplus (Deficit) for the year	<u>(13,222,463)</u>	<u>18,231,078</u>	<u>8,580,527</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(29,374,759)	(50,549,244)	(28,419,440)
Amortization of Tangible Capital Assets	31,800,000	31,739,726	31,008,327
Net carrying value of Tangible Capital Assets disposed of		7,500	445,648
Total Effect of change in Tangible Capital Assets	<u>2,425,241</u>	<u>(18,802,018)</u>	<u>3,034,535</u>
Acquisition of Prepaid Expenses		(1,205,218)	(1,530,722)
Use of Prepaid Expenses		1,561,513	1,312,907
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>356,295</u>	<u>(217,815)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(10,797,222)</u>	<u>(214,645)</u>	<u>11,397,247</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(214,645)</u>	<u>11,397,247</u>
Net Financial Assets (Debt), beginning of year		<u>(458,901,778)</u>	<u>(470,299,025)</u>
Net Financial Assets (Debt), end of year		<u>(459,116,423)</u>	<u>(458,901,778)</u>

School District No. 36 (Surrey)

Statement of Cash Flows
Year Ended June 30, 2016

	2016 Actual	2015 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	18,231,078	8,580,527
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(2,991,867)	2,534,837
Prepaid Expenses	356,295	(217,815)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	3,890,819	(15,710,352)
Unearned Revenue	932,660	2,265,696
Deferred Revenue	(728,363)	3,315,636
Employee Future Benefits	(493,400)	(258,516)
Other Liabilities	5,303,319	11,578,457
Loss (Gain) on Disposal of Tangible Capital Assets		21,930
Amortization of Tangible Capital Assets	31,739,726	31,008,327
Amortization of Deferred Capital Revenue	(22,170,647)	(21,017,730)
Recognition of Deferred Capital Revenue Spent on Sites	(10,694,322)	(1,167,059)
District Portion of Proceeds on Disposal	7,500	423,718
Total Operating Transactions	23,382,798	21,357,656
Capital Transactions		
Tangible Capital Assets Purchased	(35,402,742)	(19,807,015)
Tangible Capital Assets -WIP Purchased	(15,146,502)	(8,612,425)
Total Capital Transactions	(50,549,244)	(28,419,440)
Financing Transactions		
Capital Revenue Received	27,901,265	16,396,212
Total Financing Transactions	27,901,265	16,396,212
Investing Transactions		
Investments in Portfolio Investments	(1,059,399)	(10,506,972)
Total Investing Transactions	(1,059,399)	(10,506,972)
Net Increase (Decrease) in Cash and Cash Equivalents	(324,580)	(1,172,544)
Cash and Cash Equivalents, beginning of year	136,399,781	137,572,325
Cash and Cash Equivalents, end of year	136,075,201	136,399,781
Cash and Cash Equivalents, end of year, is made up of:		
Cash	136,075,201	136,399,781
	136,075,201	136,399,781

School District No. 36 (Surrey)

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. 36 (Surrey)", and operates as "School District No. 36 (Surrey)". A board of education ("the Board") is elected for a four-year term and governs the School District. The School District provides educational programs to students enrolled in its schools in the cities of Surrey and White Rock, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 36 (Surrey) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

As noted in notes 2 (f) and 2 (l), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction the contribution is subject to is met and require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability. The impact of these differences on the financial statements of the School District are as follows:

Year-ended June 30, 2015 - decrease in annual surplus by \$2,472,941

June 30, 2015 - increase in accumulated surplus by \$527,019,640, a decrease in deferred revenue by \$5,632,976 and a decrease in deferred capital revenue by \$521,386,664.

Year-ended June 30, 2016 - decrease in annual surplus by \$5,692,067

June 30, 2016 - increase in accumulated surplus by \$528,688,741, a decrease in deferred revenue by \$4,744,392 and a decrease in deferred capital revenue by \$523,944,349.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand balances on deposit in financial institutions 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.

c) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts. (See Note 4)

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Portfolio Investments

The School District has investments in GIC's, term deposits and bonds, that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits, bonds and other investments not quoted in an active market are reported at cost or amortized cost.

The School District did not include a statement of re-measurement gains and losses as there were no re-measurement transactions to report.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. The loss is not reversed if there is a subsequent increase in value.

Detailed information regarding portfolio investments is disclosed in Note 5.

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes both government transfers and other 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).

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.

g) 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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

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

g) Employee Future Benefits (cont'd)

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

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

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

h) Prepaid Expenses

Materials and supplies held in central stores for use within the district are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit.

i) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 21 – Internally Restricted – Operating Fund).

j) Liability for Contaminated Sites

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

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Tangible Capital Assets (Continued)

- 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.
- 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) Revenue Recognition

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

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

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

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

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

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

l) Revenue Recognition *(Continued)*

The accounting treatment for restricted contributions that are government transfers 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) Expenditures

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

- 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.

n) Measurement Uncertainty

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

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

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, portfolio investments, accounts payable and accrued liabilities, and other liabilities. The School District does not have any derivatives.

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. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

p) Asset Retirement Obligations

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

NOTE 3 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 4 ACCOUNTS RECEIVABLE – OTHER

	June 30, 2016	June 30, 2015
Due from Federal Government	\$ 1,364,334	\$ 973,745
Trade accounts receivable	612,218	283,458
Interest receivable	238,945	258,673
Payroll accounts receivable	117,958	129,916
Other accounts receivable	16,769	104,859
School site acquisition charges	1,350,314	1,358,760
	<u>\$ 3,700,538</u>	<u>\$ 3,109,411</u>

NOTE 5 PORTFOLIO INVESTMENTS

Investments consist of bank GIC, bank corporate, provincial, federal and municipal bonds.

	June 30, 2016			June 30, 2015		
	Effective Fair Value			Effective Fair Value		
	Yield	Cost	Fair Value	Yield	Cost	Fair Value
Bank term investments	2.13%	\$ 5,513,000	\$ 5,513,000	1.94%	\$ 5,260,000	\$ 5,260,000
Fixed income securities						
Bank corporate	2.66%	\$ 25,664,062	\$ 25,936,324	2.72%	\$ 26,151,142	\$ 26,361,485
Federal bonds	3.13%	3,589,874	3,540,752	3.17%	5,149,468	5,128,802
Provincial bonds	3.07%	8,406,348	8,664,354	3.30%	7,402,811	7,698,527
Municipal bonds	2.87%	1,849,536	1,962,163			
Total Portfolio Investments		<u>\$ 45,022,820</u>	<u>\$ 45,616,593</u>		<u>\$ 43,963,421</u>	<u>\$ 44,448,814</u>

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2016

NOTE 6 UNEARNED REVENUE

Unearned revenue as at June 30th, 2016

	Balance, June 30, 2015	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2016
	\$	\$	\$	\$
Tuition Fees	12,416,310	15,151,439	(14,322,670)	13,245,079
Rental/Lease of Facilities	34,432	2,931,729	(2,827,838)	138,323
Total	12,450,742	18,083,168	(17,150,508)	13,383,402

Unearned revenue as at June 30th, 2015

	Balance, June 30, 2014	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2015
	\$	\$	\$	\$
Tuition Fees	10,152,655	14,217,729	(11,954,074)	12,416,310
Rental/Lease of Facilities	32,391	2,688,665	(2,686,624)	34,432
Total	10,185,046	16,906,394	(14,640,698)	12,450,742

NOTE 7 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.

Deferred Revenue as at June 30th, 2016

	Balance, June 30, 2015	Contributions received	Revenue recognized in the period	Balance, June 30, 2016
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	4,025,665	20,799,470	(21,960,274)	2,864,861
Provincial Grants - Other	36,750	0	(4,250)	32,500
Federal Grants	0	631,983	(612,264)	19,719
Other	5,629,101	16,191,079	(15,774,107)	6,046,073
Investment Income	0	8,495	(8,495)	0
Total	9,691,516	37,631,027	(38,359,390)	8,963,153

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2016

NOTE 7 DEFERRED REVENUE (Continued)

Deferred Revenue as at June 30th, 2015

	Balance, June 30, 2014	Contributions received	Revenue recognized in the period	Balance, June 30, 2015
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	2,455,790	21,843,625	(20,273,750)	4,025,665
Provincial Grants - Other	39,375	0	(2,625)	36,750
Other	3,880,715	16,962,322	(15,213,936)	5,629,101
Investment Income	0	9,906	(9,906)	0
Total	6,375,880	38,815,853	(35,500,217)	9,691,516

NOTE 8 DEFERRED CAPITAL REVENUE

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

	2016 \$	2015 \$
Deferred Capital Revenue, (includes Work in progress), beginning of year, July 1st.	<u>550,484,156</u>	<u>556,272,733</u>
Increases:		
Provincial Grants - MOE	25,358,394	12,589,669
Local Government Site Fees	2,238,632	2,169,977
Investment Income	304,239	365,410
Sale of Capital Asset	0	1,271,156
	<u>27,901,265</u>	<u>16,396,212</u>
Decreases:		
Transfers to revenue - site purchases	10,694,322	1,167,059
Amortization of Deferred Capital Revenue	22,170,647	21,017,730
	<u>32,864,969</u>	<u>22,184,789</u>
Net Change for the year	<u>(4,963,704)</u>	<u>(5,788,577)</u>
Deferred Capital Revenue (includes Work in progress), end of year, June 30th.	<u>545,520,452</u>	<u>550,484,156</u>

Work in progress amount as of June 30, 2016 was \$15,605,004 (June 30, 2015: \$1,692,470).

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2016

NOTE 9 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance 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	17,768,013	17,818,895
Service Cost	1,063,924	957,657
Interest Cost	397,039	570,294
Benefit Payments	(2,100,530)	(1,669,948)
Actuarial (Gain) Loss	(89,103)	91,115
Accrued Benefit Obligation – March 31	<u>17,039,343</u>	<u>17,768,013</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	17,039,343	17,768,013
Market Value of Plan Assets - March 31	<u>0</u>	<u>0</u>
Funded Status - Surplus (Deficit)	(17,039,343)	(17,768,013)
Employer Contributions After Measurement Date	232,730	302,305
Benefits Expense After Measurement Date	(306,500)	(365,241)
Unamortized Net Actuarial (Gain) Loss	873,346	1,097,782
Accrued Benefit Asset (Liability) - June 30	<u>(16,239,767)</u>	<u>(16,733,167)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	16,733,167	16,991,683
Net Expense for Fiscal Year	1,537,556	1,637,517
Employer Contributions	(2,030,956)	(1,896,033)
Accrued Benefit Liability (Asset) - June 30	<u>16,239,767</u>	<u>16,733,167</u>
Components of Net Benefit Expense		
Service Cost	1,002,314	984,224
Interest Cost	399,908	526,981
Amortization of Net Actuarial (Gain)/Loss	<u>135,334</u>	<u>126,312</u>
Net Benefit Expense (Income)	<u>1,537,556</u>	<u>1,637,517</u>

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2016

NOTE 9 EMPLOYEE FUTURE BENEFITS *(Continued)*

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

	<u>2016</u>	<u>2015</u>
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	10.5 years	10.1 years

NOTE 10 OTHER LIABILITIES

Vacation pay and banked overtime are recognized as an expense at the time the entitlement is earned through service.

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
	\$	\$
Salaries and Benefits Payable	44,257,001	39,085,836
Accrued Vacation Pay	7,145,195	7,013,041
	<u>51,402,196</u>	<u>46,098,877</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

NOTE 11 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. Defined contribution plan accounting is applied to the plans 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. The School District's employer contributions to these plans in the fiscal year ended June 30, 2016 were \$62,328,023, (2015: \$57,905,125).

Teachers' Pension Plan

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 on a going concern basis. Based on this valuation, the actuary determined that an increase in contribution rates was necessary for the plan to maintain its proper funding. The next valuation will be as at December 31, 2017 with results available in 2018.

As of December 31, 2015, The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 36,000 retired members from school districts.

Teacher Pension Plan is determined on a formula based on contribution rates as a percentage of salary. The following rates were used for 2016 and 2015 fiscal years.

	Employer
On salary equal to or less than Year's Maximum Pensionable Earnings (YMPE)	14.63%
On salary equal to or greater than Year's Maximum Pensionable Earnings (YMPE)	16.13%

YMPE for 2016 set at \$54,900.
 YMPE for 2015 set at \$53,600.

Municipal Pension Plan

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 for basic pension benefits on a going concern basis. Based on this valuation, the actuary determined that an increase in contribution rates was necessary for the plan to maintain its proper funding. The next valuation will be as at December 31, 2015 with results available in 2016.

As of December 31, 2015, The Municipal Pension Plan has about 189,000 active members, of which approximately 24,000 are from school districts.

Municipal Pension Plan is determined on a formula based on contribution rate of 10.00% of salary for 2016 (2015: 10.00%).

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2016

NOTE 12 TANGIBLE CAPITAL ASSETS

June 30, 2016	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2016 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Beginning of year	262,191,476	1,039,712,803	34,829,744	6,374,536	2,737,418	8,791,933	1,354,637,910
Additions	11,965,663	29,105,463	4,354,264	1,186,524	842,021	3,095,309	50,549,244
Disposals		(7,500)					(7,500)
Deemed Disposals			(3,305,053)	(933,486)	(684,327)	(1,823,899)	(6,746,765)
Closing Balance	274,157,139	1,068,810,766	35,878,955	6,627,574	2,895,112	10,063,343	1,398,432,889
Accumulated Amortization							
Beginning Balance		405,244,877	17,441,353	3,507,220	1,382,255	5,314,963	432,890,668
Amortization		24,642,654	3,700,688	696,781	631,686	2,067,917	31,739,726
Disposals							-
Deemed Disposals			(3,305,053)	(933,486)	(684,327)	(1,823,899)	(6,746,765)
Closing Balance		429,887,531	17,836,988	3,270,515	1,329,614	5,558,981	457,883,629
Net Book Value	274,157,139	638,923,235	18,041,967	3,357,059	1,565,498	4,504,362	940,549,260

Cost at June 30th, 2016, includes work in progress on Buildings for \$15,605,004.

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2016

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2015	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2015 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Beginning of year	260,026,320	1,020,314,525	35,367,397	6,521,321	3,100,015	7,939,843	1,333,269,421
Additions	2,610,804	20,638,086	2,401,512	599,588	945,940	1,223,510	28,419,440
Disposals	(445,648)	(1,239,808)					(1,685,456)
Deemed Disposals			(2,939,165)	(746,373)	(1,308,537)	(371,420)	(5,365,495)
Closing Balance	262,191,476	1,039,712,803	34,829,744	6,374,536	2,737,418	8,791,933	1,354,637,910
Accumulated Amortization							
Beginning Balance		382,240,262	16,723,642	3,571,482	1,976,194	3,976,064	408,487,644
Amortization		24,244,423	3,656,876	682,111	714,598	1,710,319	31,008,327
Disposals		(1,239,808)					(1,239,808)
Deemed Disposals			(2,939,165)	(746,373)	(1,308,537)	(371,420)	(5,365,495)
Closing Balance		405,244,877	17,441,353	3,507,220	1,382,255	5,314,963	432,890,668
Net Book Value	262,191,476	634,467,926	17,388,391	2,867,316	1,355,163	3,476,970	921,747,242

Cost at June 30th, 2015, includes work in progress on Buildings for \$11,632,062.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

NOTE 13 INTERFUND TRANSFERS

The School District manages their accounts using three different funds – operating, special purpose and capital. Transfers between funds during the current year are as follows:

- Transfers of \$687,043 (2015: \$911,149) from the operating fund and \$538,737 (2015: \$319,013) from the special purpose fund, totalling \$1,225,780 (2015: \$1,230,162) to the capital fund, were made to purchase various capital assets;
- Transfers of \$12,496,373 (2015: \$19,955,762) from the operating fund to the capital fund's local capital were made for the district's commitment to approved government capital projects, furniture and equipment, vehicles and other infrastructure upgrades.

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has a total of \$37,314,038 (2015: \$10,720,737) of contractual obligations at year end related to the construction or renovation of buildings, which are funded from deferred capital revenues of Ministry of Education Bylaw capital, Restricted Capital, Land Capital and Local Capital Reserve funds. Disclosure relates to the unperformed portion of the contracts.

Contractual Commitments:

Salish Secondary	CCDC Contract	\$	31,919,261
Painting Projects - Various Schools	CCDC Contracts		948,607
Roofing Projects - Various Schools	CCDC Contract		860,423
Frank Hurt	CCDC Contract		508,523
Semiahmoo	CCDC Contract		446,999
Elgin Park	CCDC Contract		429,799
Earl Mariott	CCDC Contract		412,995
DECC/REC	CCDC/PO		292,508
Sunnyside Elementary	CCDC Contract		264,765
Lord Tweedsmuir	CCDC Contract		257,148
Martha Currie	CCDC Contract		206,157
Adams Road	CCDC Contract		170,506
Tamanawis	CCDC Contract		164,047
Bear Creek	CCDC Contract		101,092
Princess Margaret	CCDC Contract		94,254
Henry Bose	CCDC Contract		93,232
Johnston Heights	PO		80,162
Simon Cunningham	CCDC Contract		63,560
Total Construction Commitments			<u>\$ 37,314,038</u>

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2016

NOTE 16 OPERATING LEASE OBLIGATIONS

The School District has operating lease agreements for facilities that require payments over the next four fiscal years ending June 30 as follows:

2017	\$655,920
2018	\$447,715
2019	\$208,079
2020	\$200,204

NOTE 17 CONTINGENCIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.

NOTE 18 ASSET RETIREMENT OBLIGATION

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

NOTE 19 EXPENSE BY OBJECT

	<u>2016</u>	<u>2015</u>
Salaries and Benefits	\$ 576,368,642	\$ 538,607,940
Services and Supplies	75,127,563	73,077,111
Amortization	31,739,726	31,008,327
Total	<u><u>\$ 683,235,931</u></u>	<u><u>\$ 642,693,378</u></u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

NOTE 20 BUDGET FIGURES

Budget figures included in the financial statements are the School District's amended annual budget adopted by the Board of Education on February 18th, 2016 and reflect more current estimates on student FTE, revenues and expenditures.

	Original Budget \$	Amended Budget \$	Change \$
Statement 2			
Revenue			
Provincial Grants			
Ministry of Education	620,614,302	638,069,371	17,455,069
Other	320,000	360,750	40,750
Municipal Grants Spent on Sites	-	-	-
Federal Grants	2,279,571	2,279,571	-
Tuition	11,561,500	14,092,174	2,530,674
Other Revenues	17,014,546	17,723,839	709,293
Rental and Leases	2,300,150	2,391,849	91,699
Investment Income	2,309,500	2,209,000	(100,500)
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	-
Amortization of Deferred Capital Revenue	21,000,000	22,134,000	1,134,000
Total Revenue	<u>677,399,569</u>	<u>699,260,554</u>	<u>21,860,985</u>
Expenses			
Instruction	571,245,301	593,620,100	22,374,799
District Administration	12,525,706	12,696,339	170,633
Operations and Maintenance	100,087,350	100,872,966	785,616
Transportation and Housing	5,325,383	5,293,612	(31,771)
Total Expense	<u>689,183,740</u>	<u>712,483,017</u>	<u>23,299,277</u>
Net Revenue	<u>(11,784,171)</u>	<u>(13,222,463)</u>	<u>(1,438,292)</u>
Budgeted Allocation of Surplus (Deficit)	8,689,623	18,804,248	10,114,625
Budgeted Surplus (Deficit) for the Year	<u>(3,094,548)</u>	<u>5,581,785</u>	<u>8,676,333</u>
Statement 4			
Surplus (Deficit) for the year	<u>(11,784,171)</u>	<u>(13,222,463)</u>	<u>(1,438,292)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(10,467,737)	(29,374,759)	(18,907,022)
Amortization of Tangible Capital Assets	31,800,000	31,800,000	-
Net carrying value of Tangible Capital Assets disposed of	-	-	-
Total Effects of change in Tangible Assets	<u>21,332,263</u>	<u>2,425,241</u>	<u>(18,907,022)</u>
(Increase) Decrease in Net Financial Assets (Debt) before Net Remeasurment Gains (Losses)	<u>9,548,092</u>	<u>(10,797,222)</u>	<u>(20,345,314)</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

NOTE 20 BUDGET FIGURES *(Continued)*

Statement 2

The significant changes between the original budget and amended were:

Revenues:

- Ministry Grants – Amended to reflect actual approved Capital Revenue draws and Operating grant adjustments
- Tuition – International student tuition higher than originally projected

Expenses:

- Instruction – Recognition of Board approved use of internally restricted funds from 2015 and increased teacher and EA staffing required to address additional student growth
- Operations and Maintenance – Recognition of Board approved use of internally restricted funds from 2015

Budgeted Allocation of Surplus – Actual 2015 year end Surplus greater than anticipated

Statement 4

The significant changes between original budget and amended were:

- Subsequent approvals from Ministry of Education to draw on Deferred Capital revenues

NOTE 21 INTERNALLY RESTRICTED – OPERATING FUND

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts for 2016: \$19,807,888 (2015: \$15,476,788). The detail of the internal restricted items are as follows:

2016-2017 Operating Budget	\$ 6,282,717
Instructional and Safe Schools Initiatives	6,817,835
Education Administration	200,000
Net School Operating Surplus	1,087,689
Learning Resources	1,059,092
Aboriginal Education Targeted Funds	389,021
Technology	3,321,040
Business Development	261,507
Food Services	188,987
Human Resources	200,000
Total Internally Restricted Items	<u>\$ 19,807,888</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2016

NOTE 22 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

b) Market risk :

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. The investment objectives are on protecting investments rather than the potential for superior returns. The school district has very low tolerance for risk with investments and prefers a low degree of price volatility.

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. 36 (Surrey)

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	18,804,248		445,602,729	464,406,977	455,826,450
Changes for the year					
Surplus (Deficit) for the year	15,787,828	538,737	1,904,513	18,231,078	8,580,527
Interfund Transfers					
Tangible Capital Assets Purchased	(687,043)	(538,737)	1,225,780	-	
Local Capital	(12,496,373)		12,496,373	-	
Net Changes for the year	2,604,412	-	15,626,666	18,231,078	8,580,527
Accumulated Surplus (Deficit), end of year - Statement 2	21,408,660	-	461,229,395	482,638,055	464,406,977

School District No. 36 (Surrey)

Schedule of Operating Operations

Year Ended June 30, 2016

Schedule 2 (Unaudited)

	2016 Budget (Note 20)	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	603,303,702	605,200,189	571,331,020
Other	324,000	456,700	514,053
Federal Grants	1,594,561	2,220,930	2,249,488
Tuition	14,092,174	14,322,670	11,954,074
Other Revenue	2,457,317	2,877,964	2,312,048
Rentals and Leases	2,391,849	2,827,838	2,686,624
Investment Income	1,500,000	1,557,089	1,766,106
Total Revenue	625,663,603	629,463,380	592,813,413
Expenses			
Instruction	556,772,239	532,454,029	499,561,509
District Administration	12,696,339	12,434,871	12,227,053
Operations and Maintenance	66,507,876	63,482,655	59,846,296
Transportation and Housing	5,293,612	5,303,997	4,868,989
Total Expense	641,270,066	613,675,552	576,503,847
Operating Surplus (Deficit) for the year	(15,606,463)	15,787,828	16,309,566
Budgeted Appropriation (Retirement) of Surplus (Deficit)	18,804,248		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(624,759)	(687,043)	(911,149)
Local Capital	(2,573,026)	(12,496,373)	(19,955,762)
Total Net Transfers	(3,197,785)	(13,183,416)	(20,866,911)
Total Operating Surplus (Deficit), for the year	-	2,604,412	(4,557,345)
Operating Surplus (Deficit), beginning of year		18,804,248	23,361,593
Operating Surplus (Deficit), end of year		21,408,660	18,804,248
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 21)		19,807,888	15,476,788
Unrestricted		1,600,772	3,327,460
Total Operating Surplus (Deficit), end of year		21,408,660	18,804,248

School District No. 36 (Surrey)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

	2016 Budget (Note 20) \$	2016 Actual \$	2015 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	594,196,841	595,069,227	569,680,671
AANDC/LEA Recovery	(41,784)	(45,869)	(41,784)
Strike Savings Recovery			(20,695,205)
Other Ministry of Education Grants			
Labour Settlement Funding			10,781,894
Pay Equity	6,861,222	6,861,224	6,861,224
Economic Stability Dividend	833,253	517,095	
Education Guarantee	1,079,565	1,476,794	3,779,895
Other Miscellaneous	374,605	404,612	500,853
Carbon Tax Reimbursement		419,847	463,472
Refugee Count Special Grant		497,259	
Total Provincial Grants - Ministry of Education	603,303,702	605,200,189	571,331,020
Provincial Grants - Other	324,000	456,700	514,053
Federal Grants	1,594,561	2,220,930	2,249,488
Tuition			
Summer School Fees	199,174	199,174	
Continuing Education	533,000	622,989	1,029,885
Offshore Tuition Fees	13,360,000	13,500,507	10,924,189
Total Tuition	14,092,174	14,322,670	11,954,074
Other Revenues			
LEA/Direct Funding from First Nations	41,784	45,869	41,784
Miscellaneous			
Teaching Kitchen	954,500	777,031	716,921
Energy Management	150,000	141,024	97,544
Worksafe BC	340,000	419,765	362,721
Other Miscellaneous	971,033	1,494,275	1,093,078
Total Other Revenue	2,457,317	2,877,964	2,312,048
Rentals and Leases	2,391,849	2,827,838	2,686,624
Investment Income	1,500,000	1,557,089	1,766,106
Total Operating Revenue	625,663,603	629,463,380	592,813,413

School District No. 36 (Surrey)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

	2016 Budget (Note 20) \$	2016 Actual \$	2015 Actual \$
Salaries			
Teachers	298,510,314	298,416,960	273,537,942
Principals and Vice Principals	26,272,359	27,066,489	25,196,597
Educational Assistants	51,033,532	48,559,878	45,753,286
Support Staff	51,057,560	49,083,893	48,799,476
Other Professionals	7,938,512	8,995,552	8,163,733
Substitutes	21,042,789	16,693,223	16,824,207
Total Salaries	455,855,066	448,815,995	418,275,241
Employee Benefits	112,423,772	109,957,893	104,604,698
Total Salaries and Benefits	568,278,838	558,773,888	522,879,939
Services and Supplies			
Services	15,693,940	15,984,521	12,366,023
Student Transportation	4,583,607	4,454,702	4,198,894
Professional Development and Travel	2,073,198	1,807,498	1,591,158
Rentals and Leases	780,888	922,889	2,524,053
Dues and Fees	2,028,081	1,882,959	1,735,183
Insurance	1,650,540	1,652,869	1,589,614
Supplies	35,574,078	18,283,680	20,641,166
Utilities	10,606,896	9,912,546	8,977,817
Total Services and Supplies	72,991,228	54,901,664	53,623,908
Total Operating Expense	641,270,066	613,675,552	576,503,847

School District No. 36 (Surrey)

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	230,418,682	3,834,861	241	5,215,244	1,006,491	8,908,392	249,383,911
1.03 Career Programs	3,060,065	101,908		1,247,474		122,511	4,531,958
1.07 Library Services	6,461,242	66,851		627,996	66,345	242,394	7,464,828
1.08 Counselling	7,671,525	114,204				290,629	8,076,358
1.10 Special Education	32,026,905	2,331,427	45,407,761	429,798		3,921,772	84,117,663
1.30 English Language Learning	11,882,639		424,226			447,740	12,754,605
1.31 Aboriginal Education	623,998	121,577	1,693,574	87,491		191,916	2,718,556
1.41 School Administration	12,512	19,458,910		11,602,506		645,192	31,719,120
1.60 Summer School	1,592,562	191,814	27,787	155,068			1,967,231
1.61 Continuing Education	180,921	37,622		25,234			243,777
1.62 Offshore Students	3,999,467	333,226	61,642	906,594	268,206	179,435	5,748,570
1.64 Other	235,564		928,868	120,190	103,692		1,388,314
Total Function 1	298,166,082	26,592,400	48,544,099	20,417,595	1,444,734	14,949,981	410,114,891
4 District Administration							
4.11 Educational Administration	132,316			111,614	1,573,947		1,817,877
4.40 School District Governance	2,000			131,503	345,504		479,007
4.41 Business Administration	22,471	474,089		2,898,629	2,928,879	7,190	6,331,258
Total Function 4	156,787	474,089	-	3,141,746	4,848,330	7,190	8,628,142
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	93,291		15,779	1,083,276	1,283,688	9,772	2,485,806
5.50 Maintenance Operations	800			22,177,354	1,163,879	1,629,585	24,971,618
5.52 Maintenance of Grounds				1,781,620	95,576	71,902	1,949,098
5.56 Utilities							-
Total Function 5	94,091	-	15,779	25,042,250	2,543,143	1,711,259	29,406,522
7 Transportation and Housing							
7.41 Transportation and Housing Administration				98,291	159,345		257,636
7.70 Student Transportation				384,011		24,793	408,804
Total Function 7	-	-	-	482,302	159,345	24,793	666,440
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	298,416,960	27,066,489	48,559,878	49,083,893	8,995,552	16,693,223	448,815,995

School District No. 36 (Surrey)

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 (Note 20)	2015 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	249,383,911	60,922,572	310,306,483	10,417,400	320,723,883	337,500,151	299,037,357
1.03 Career Programs	4,531,958	1,145,967	5,677,925	1,101,475	6,779,400	7,210,969	6,363,425
1.07 Library Services	7,464,828	1,839,942	9,304,770	3,305,294	12,610,064	13,645,697	12,681,948
1.08 Counselling	8,076,358	2,015,306	10,091,664		10,091,664	10,139,033	9,150,679
1.10 Special Education	84,117,663	21,618,090	105,735,753	1,313,798	107,049,551	111,382,259	102,698,339
1.30 English Language Learning	12,754,605	3,191,849	15,946,454		15,946,454	16,076,864	14,948,550
1.31 Aboriginal Education	2,718,556	656,170	3,374,726	345,289	3,720,015	4,117,690	3,796,414
1.41 School Administration	31,719,120	7,605,743	39,324,863	1,416,980	40,741,843	41,489,161	39,074,756
1.60 Summer School	1,967,231	383,209	2,350,440	250,532	2,600,972	2,624,955	317,515
1.61 Continuing Education	243,777	25,323	269,100	113,378	382,478	524,148	995,465
1.62 Offshore Students	5,748,570	1,378,263	7,126,833	2,625,576	9,752,409	10,519,556	8,423,186
1.64 Other	1,388,314	320,232	1,708,546	346,750	2,055,296	1,541,756	2,073,875
Total Function 1	410,114,891	101,102,666	511,217,557	21,236,472	532,454,029	556,772,239	499,561,509
4 District Administration							
4.11 Educational Administration	1,817,877	389,184	2,207,061	379,166	2,586,227	2,567,875	2,390,782
4.40 School District Governance	479,007	61,300	540,307	216,706	757,013	929,036	743,515
4.41 Business Administration	6,331,258	1,296,380	7,627,638	1,463,993	9,091,631	9,199,428	9,092,756
Total Function 4	8,628,142	1,746,864	10,375,006	2,059,865	12,434,871	12,696,339	12,227,053
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	2,485,806	472,887	2,958,693	3,157,045	6,115,738	6,499,939	5,941,849
5.50 Maintenance Operations	24,971,618	6,026,179	30,997,797	11,312,011	42,309,808	43,896,902	41,422,058
5.52 Maintenance of Grounds	1,949,098	465,507	2,414,605	946,272	3,360,877	3,714,640	3,454,814
5.56 Utilities	-	-	-	11,696,232	11,696,232	12,396,395	9,027,575
Total Function 5	29,406,522	6,964,573	36,371,095	27,111,560	63,482,655	66,507,876	59,846,296
7 Transportation and Housing							
7.41 Transportation and Housing Administration	257,636	48,425	306,061	3,777	309,838	314,877	301,177
7.70 Student Transportation	408,804	95,365	504,169	4,489,990	4,994,159	4,978,735	4,567,812
Total Function 7	666,440	143,790	810,230	4,493,767	5,303,997	5,293,612	4,868,989
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	448,815,995	109,957,893	558,773,888	54,901,664	613,675,552	641,270,066	576,503,847

School District No. 36 (Surrey)

Schedule of Special Purpose Operations

Year Ended June 30, 2016

Schedule 3 (Unaudited)

	2016 Budget (Note 20) \$	2016 Actual \$	2015 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	23,865,669	21,960,274	20,273,750
Other	36,750	4,250	2,625
Federal Grants	685,010	612,264	
Other Revenue	15,266,522	15,774,107	15,213,936
Investment Income	9,000	8,495	9,906
Total Revenue	<u>39,862,951</u>	<u>38,359,390</u>	<u>35,500,217</u>
Expenses			
Instruction	36,847,861	35,255,844	32,615,540
Operations and Maintenance	2,565,090	2,564,809	2,565,664
Total Expense	<u>39,412,951</u>	<u>37,820,653</u>	<u>35,181,204</u>
Special Purpose Surplus (Deficit) for the year	<u>450,000</u>	<u>538,737</u>	<u>319,013</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(450,000)	(538,737)	(319,013)
Total Net Transfers	<u>(450,000)</u>	<u>(538,737)</u>	<u>(319,013)</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>

School District No. 36 (Surrey)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		50,174	67,357	439,082	4,271,004	38,888	66,231	149,823	1,621,260
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,563,090	12,227,899	27,813			736,000	249,900	573,732	3,857,751
Federal Grants									
Other				316,058	13,717,380			920	1,143,904
Investment Income	1,719			6,776					
	2,564,809	12,227,899	27,813	322,834	13,717,380	736,000	249,900	574,652	5,001,655
Less: Allocated to Revenue	2,564,809	12,278,073	91,590	310,796	13,258,117	723,900	256,053	681,587	5,361,839
Deferred Revenue, end of year	-	-	3,580	451,120	4,730,267	50,988	60,078	42,888	1,261,076
Revenues									
Provincial Grants - Ministry of Education	2,563,090	12,278,073	91,590			723,900	256,053	680,667	4,217,931
Provincial Grants - Other									
Federal Grants									
Other Revenue				304,020	13,258,117			920	1,143,908
Investment Income	1,719			6,776					
	2,564,809	12,278,073	91,590	310,796	13,258,117	723,900	256,053	681,587	5,361,839
Expenses									
Salaries									
Teachers		7,555,876					98,060	161,246	29,425
Educational Assistants		1,807,029					7,669		20,807
Support Staff	136,691					481,417	1,802		1,892,438
Other Professionals						29,504			311,733
Substitutes		447,396				21,585			28,198
	136,691	9,810,301	-	-	-	532,506	107,531	161,246	2,282,601
Employee Benefits	20,090	2,467,772				152,119	2,924	17,596	533,397
Services and Supplies	2,408,028		91,590	310,796	13,258,117	39,275	145,598	502,745	2,545,841
	2,564,809	12,278,073	91,590	310,796	13,258,117	723,900	256,053	681,587	5,361,839
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

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

	Service Delivery Transformation	Adult Psychiatric Unit	Adolescent Day Treatment Program	Daughters & Sisters PLEA Program	Waypoint Substance House	Gang Prevention	Literacy Innovation	Donations	PAC Contributions
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	1,707,459	21,477	20,818	28,429	27,953		225,797	581,265	337,749
Add: Restricted Grants									
Provincial Grants - Ministry of Education		127,447	286,416	71,858	77,567				
Federal Grants						631,983			
Other								699,835	312,979
Investment Income									
	-	127,447	286,416	71,858	77,567	631,983	-	699,835	312,979
Less: Allocated to Revenue	524,314	145,751	298,124	100,287	80,494	612,264	-	590,959	476,183
Deferred Revenue, end of year	1,183,145	3,173	9,110	-	25,026	19,719	225,797	690,141	174,545
Revenues									
Provincial Grants - Ministry of Education	524,314	145,751	298,124	100,287	80,494				
Provincial Grants - Other									
Federal Grants						612,264			
Other Revenue								590,959	476,183
Investment Income									
	524,314	145,751	298,124	100,287	80,494	612,264	-	590,959	476,183
Expenses									
Salaries									
Teachers		73,623	175,649	74,700	54,950	86,354		11,837	
Educational Assistants		18,741	19,391						
Support Staff	22,503					345,530			
Other Professionals	242,356								
Substitutes									
	264,859	92,364	195,040	74,700	54,950	431,884	-	11,837	-
Employee Benefits	51,443	21,955	47,386	19,789	14,787	88,630		356	
Services and Supplies	208,012	31,432	55,698	5,798	10,757	91,750		418,083	98,129
	524,314	145,751	298,124	100,287	80,494	612,264	-	430,276	98,129
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	160,683	378,054
Interfund Transfers									
Tangible Capital Assets Purchased								(160,683)	(378,054)
	-	-	-	-	-	-	-	(160,683)	(378,054)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

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

Schedule 3A (Unaudited)

	Coyote Creek	
	BEP	TOTAL
	\$	\$
Deferred Revenue, beginning of year	36,750	9,691,516
Add: Restricted Grants		
Provincial Grants - Ministry of Education		20,799,473
Federal Grants		631,983
Other		16,191,076
Investment Income		8,495
	-	37,631,027
Less: Allocated to Revenue	4,250	38,359,390
Deferred Revenue, end of year	32,500	8,963,153
Revenues		
Provincial Grants - Ministry of Education		21,960,274
Provincial Grants - Other	4,250	4,250
Federal Grants		612,264
Other Revenue		15,774,107
Investment Income		8,495
	4,250	38,359,390
Expenses		
Salaries		
Teachers		8,321,720
Educational Assistants		1,873,637
Support Staff		2,880,381
Other Professionals		583,593
Substitutes		497,179
	-	14,156,510
Employee Benefits		3,438,244
Services and Supplies	4,250	20,225,899
	4,250	37,820,653
Net Revenue (Expense) before Interfund Transfers	-	538,737
Interfund Transfers		
Tangible Capital Assets Purchased		(538,737)
	-	(538,737)
Net Revenue (Expense)	-	-

School District No. 36 (Surrey)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2016

	2016 Budget (Note 20) \$	2016 Actual			2015 Actual \$
		Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	
Revenues					
Provincial Grants					
Ministry of Education	10,900,000	4,654,887		4,654,887	1,167,059
Municipal Grants Spent on Sites		6,039,435		6,039,435	
Other Revenue			60,054	60,054	161,832
Investment Income	700,000		719,216	719,216	635,584
Gain (Loss) on Disposal of Tangible Capital Assets				-	(21,930)
Amortization of Deferred Capital Revenue	22,134,000	22,170,647		22,170,647	21,017,730
Total Revenue	33,734,000	32,864,969	779,270	33,644,239	22,960,275
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	31,800,000	31,739,726		31,739,726	31,008,327
Total Expense	31,800,000	31,739,726	-	31,739,726	31,008,327
Capital Surplus (Deficit) for the year	1,934,000	1,125,243	779,270	1,904,513	(8,048,052)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,074,759	1,225,780		1,225,780	1,230,162
Local Capital	2,573,026		12,496,373	12,496,373	19,955,762
Total Net Transfers	3,647,785	1,225,780	12,496,373	13,722,153	21,185,924
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(7,500)	7,500	-	
Tangible Capital Assets Purchased from Local Capital		13,900,810	(13,900,810)	-	
Total Other Adjustments to Fund Balances		13,893,310	(13,893,310)	-	
Total Capital Surplus (Deficit) for the year	5,581,785	16,244,333	(617,667)	15,626,666	13,137,872
Capital Surplus (Deficit), beginning of year		400,360,579	45,242,150	445,602,729	432,464,857
Capital Surplus (Deficit), end of year		416,604,912	44,624,483	461,229,395	445,602,729

School District No. 36 (Surrey)

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	262,191,476	1,028,080,741	34,829,744	6,374,536	2,737,418	8,791,933	1,343,005,848
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	4,646,755	7,664,304	80,443	2,533		26,909	12,420,944
Deferred Capital Revenue - Other	6,047,567	1,656,999	150,642				7,855,208
Operating Fund			43,466		585,207	58,370	687,043
Special Purpose Funds	538,737						538,737
Local Capital	732,604	4,637,658	4,079,713	1,183,991	256,814	3,010,030	13,900,810
Transferred from Work in Progress		11,173,560					11,173,560
	11,965,663	25,132,521	4,354,264	1,186,524	842,021	3,095,309	46,576,302
Decrease:							
Disposed of		7,500					7,500
Deemed Disposals			3,305,053	933,486	684,327	1,823,899	6,746,765
	-	7,500	3,305,053	933,486	684,327	1,823,899	6,754,265
Cost, end of year	274,157,139	1,053,205,762	35,878,955	6,627,574	2,895,112	10,063,343	1,382,827,885
Work in Progress, end of year		15,605,004					15,605,004
Cost and Work in Progress, end of year	274,157,139	1,068,810,766	35,878,955	6,627,574	2,895,112	10,063,343	1,398,432,889
Accumulated Amortization, beginning of year		405,244,877	17,441,353	3,507,220	1,382,255	5,314,963	432,890,668
Changes for the Year							
Increase: Amortization for the Year		24,642,654	3,700,688	696,781	631,686	2,067,917	31,739,726
Decrease:							
Deemed Disposals			3,305,053	933,486	684,327	1,823,899	6,746,765
			-	3,305,053	933,486	1,823,899	6,746,765
Accumulated Amortization, end of year		429,887,531	17,836,988	3,270,515	1,329,614	5,558,981	457,883,629
Tangible Capital Assets - Net	274,157,139	638,923,235	18,041,967	3,357,059	1,565,498	4,504,362	940,549,260

School District No. 36 (Surrey)

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	11,632,062				11,632,062
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	11,010,141				11,010,141
Deferred Capital Revenue - Other	4,136,361				4,136,361
	<u>15,146,502</u>	-	-	-	<u>15,146,502</u>
Decrease:					
Transferred to Tangible Capital Assets	11,173,560				11,173,560
	<u>11,173,560</u>	-	-	-	<u>11,173,560</u>
Net Changes for the Year	<u>3,972,942</u>	-	-	-	<u>3,972,942</u>
Work in Progress, end of year	<u>15,605,004</u>	-	-	-	<u>15,605,004</u>

School District No. 36 (Surrey)

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	507,432,169	12,262,025		519,694,194
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	7,774,189	1,807,641		9,581,830
Transferred from Work in Progress	853,463	380,505		1,233,968
	<u>8,627,652</u>	<u>2,188,146</u>	-	<u>10,815,798</u>
Decrease:				
Amortization of Deferred Capital Revenue	21,776,613	394,034		22,170,647
	<u>21,776,613</u>	<u>394,034</u>	-	<u>22,170,647</u>
Net Changes for the Year	<u>(13,148,961)</u>	<u>1,794,112</u>	-	<u>(11,354,849)</u>
Deferred Capital Revenue, end of year	<u>494,283,208</u>	<u>14,056,137</u>	-	<u>508,339,345</u>
Work in Progress, beginning of year	853,463	839,007		1,692,470
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	11,010,141	4,136,361		15,146,502
	<u>11,010,141</u>	<u>4,136,361</u>	-	<u>15,146,502</u>
Decrease				
Transferred to Deferred Capital Revenue	853,463	380,505		1,233,968
	<u>853,463</u>	<u>380,505</u>	-	<u>1,233,968</u>
Net Changes for the Year	<u>10,156,678</u>	<u>3,755,856</u>	-	<u>13,912,534</u>
Work in Progress, end of year	<u>11,010,141</u>	<u>4,594,863</u>	-	<u>15,605,004</u>
Total Deferred Capital Revenue, end of year	<u>505,293,349</u>	<u>18,651,000</u>	-	<u>523,944,349</u>

School District No. 36 (Surrey)

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

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	7,222,130	15,816,062		6,059,300		29,097,492
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	25,358,394					25,358,394
Investment Income		225,334		78,905		304,239
Local Government Site Fees				2,238,632		2,238,632
	<u>25,358,394</u>	<u>225,334</u>	<u>-</u>	<u>2,317,537</u>	<u>-</u>	<u>27,901,265</u>
Decrease:						
Transferred to DCR - Capital Additions	7,774,189	1,807,641				9,581,830
Transferred to DCR - Work in Progress	11,010,141	4,136,361				15,146,502
Transferred to Revenue - Site Purchases	4,646,755	8,132		6,039,435		10,694,322
	<u>23,431,085</u>	<u>5,952,134</u>	<u>-</u>	<u>6,039,435</u>	<u>-</u>	<u>35,422,654</u>
Net Changes for the Year	<u>1,927,309</u>	<u>(5,726,800)</u>	<u>-</u>	<u>(3,721,898)</u>	<u>-</u>	<u>(7,521,389)</u>
Balance, end of year	<u>9,149,439</u>	<u>10,089,262</u>	<u>-</u>	<u>2,337,402</u>	<u>-</u>	<u>21,576,103</u>