

Audited Financial Statements of

# **School District No. 79 (Cowichan Valley)**

June 30, 2016

# School District No. 79 (Cowichan Valley)

June 30, 2016

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# School District No. 79 (Cowichan Valley)

## MANAGEMENT REPORT

Version: 4397-3652-1669

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

The accompanying financial statements of School District No. 79 (Cowichan Valley) 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.



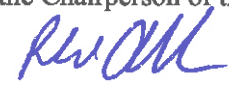
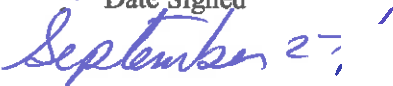
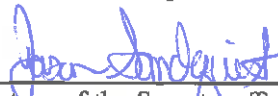
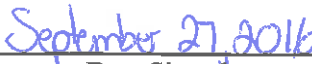
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 79 (Cowichan Valley) (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, Collins Barrow, 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. 79 (Cowichan Valley) 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. 79 (Cowichan Valley)

 Signature of the Chairperson of the Board of Education	 Date Signed
 Signature of the Superintendent	 Date Signed
 Signature of the Secretary Treasurer	 Date Signed



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## INDEPENDENT AUDITORS' REPORT

### **To the Board of Education of School District No. 79 (Cowichan Valley)**

We have audited the accompanying financial statements of the School District No. 79 (Cowichan Valley), which comprise the statements of financial position as at June 30, 2016, the statements of operations, changes in net financial assets (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 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. 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 audits 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the 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 School District No. 79 (Cowichan Valley) for the year ended June 30, 2016 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

School District No. 79 (Cowichan Valley)  
Independent Auditors' Report

*Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 2a to the financial statements, which discloses that the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 2a to the financial statements discloses the impact of these differences.

*Other Matters*

The attached supplementary information included in schedule 1 through 4 is presented for the purposes of additional analysis and has not been audited.

*Collins Barrow Victoria Ltd.*

Chartered Professional Accountants

September 27, 2016  
Victoria, Canada

**School District No. 79 (Cowichan Valley)**

Statement 1


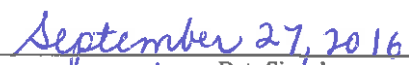



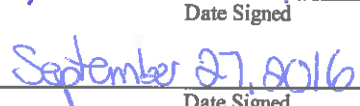
## Statement of Financial Position

As at June 30, 2016

	2016 Actual \$	2015 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents	15,994,057	18,102,809
Accounts Receivable		
Due from Province - Ministry of Education	403,718	47,589
Due from Province - Other		450
Due from LEA/Direct Funding	2,412,041	1,248,333
Other (Note 3)	397,159	472,265
Inventories for Resale	3,977	11,253
<b>Total Financial Assets</b>	<b>19,210,952</b>	<b>19,882,699</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	17,499	49,161
Other (Note 4)	5,631,399	6,100,556
Unearned Revenue (Note 5)	1,266,306	1,166,505
Deferred Revenue (Note 6)	3,087,123	3,252,705
Deferred Capital Revenue (Note 7)	81,020,548	80,827,387
Employee Future Benefits (Note 8)	3,351,040	3,513,025
Other Liabilities	852,064	829,117
<b>Total Liabilities</b>	<b>95,225,979</b>	<b>95,738,456</b>
<b>Net Financial Assets (Debt)</b>	<b>(76,015,027)</b>	<b>(75,855,757)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	122,843,545	122,991,597
Restricted Assets (Endowments) (Note 12)	92,893	92,893
Prepaid Expenses	216,139	225,015
<b>Total Non-Financial Assets</b>	<b>123,152,577</b>	<b>123,309,505</b>
<b>Accumulated Surplus (Deficit)</b>	<b>47,137,550</b>	<b>47,453,748</b>

Contractual Obligations and Contingencies (Note 15 &amp; 16)

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. 79 (Cowichan Valley)**

## Statement of Operations

Year Ended June 30, 2016

Statement 2

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	67,354,500	68,271,461	66,566,181
Other	77,800	153,974	86,400
Tuition	2,551,000	2,304,269	2,316,183
Other Revenue	6,748,224	7,143,233	6,690,161
Rentals and Leases	114,480	121,250	138,211
Investment Income	159,600	170,971	198,905
Amortization of Deferred Capital Revenue	3,578,890	3,634,426	3,619,002
Climbing Wall Reimbursement		5,000	
<b>Total Revenue</b>	<b>80,584,494</b>	<b>81,804,584</b>	<b>79,615,043</b>
<b>Expenses (Note 19)</b>			
Instruction	64,353,513	64,928,400	61,942,973
District Administration	2,012,579	1,958,398	2,099,109
Operations and Maintenance	12,712,504	12,694,329	12,153,175
Transportation and Housing	2,529,437	2,539,655	2,430,997
<b>Total Expense</b>	<b>81,608,033</b>	<b>82,120,782</b>	<b>78,626,254</b>
<b>Surplus (Deficit) for the year</b>	<b>(1,023,539)</b>	<b>(316,198)</b>	<b>988,789</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>47,453,748</b>	<b>46,464,959</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>47,137,550</b>	<b>47,453,748</b>

**School District No. 79 (Cowichan Valley)****Statement of Changes in Net Financial Assets (Debt)**

Year Ended June 30, 2016

Statement 4

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(1,023,539)</u>	<u>(316,198)</u>	988,789
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(3,546,463)	(4,144,816)	(2,018,022)
Amortization of Tangible Capital Assets	4,221,829	4,292,868	4,274,914
<b>Total Effect of change in Tangible Capital Assets</b>	<u>675,366</u>	<u>148,052</u>	2,256,892
Acquisition of Prepaid Expenses	(168,000)	(216,139)	(225,015)
Use of Prepaid Expenses	168,000	225,015	168,930
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>8,876</u>	(56,085)
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(348,173)</u>	<u>(159,270)</u>	3,189,596
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>(159,270)</u>	3,189,596
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(75,855,757)</u>	(79,045,353)
<b>Net Financial Assets (Debt), end of year</b>		<u><u>(76,015,027)</u></u>	<u>(75,855,757)</u>



**School District No. 79 (Cowichan Valley)**

## Statement of Cash Flows

Year Ended June 30, 2016

Statement 5

	2016 Actual \$	2015 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(316,198)	988,789
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,444,281)	(682,749)
Inventories for Resale	7,276	(11,012)
Prepaid Expenses	8,876	(56,085)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(500,820)	(999,367)
Unearned Revenue	99,801	398,268
Deferred Revenue	(165,582)	236,573
Employee Future Benefits	(161,984)	101,344
Other Liabilities	22,947	260,551
Amortization of Tangible Capital Assets	4,292,868	4,274,914
Amortization of Deferred Capital Revenue	(3,634,426)	(3,619,002)
Recognition of Deferred Capital Revenue Spent on Sites	(93,190)	(123,943)
<b>Total Operating Transactions</b>	<b>(1,884,713)</b>	<b>768,281</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(4,145,046)	(2,018,022)
Miscellaneous Capital Adjustment	230	
<b>Total Capital Transactions</b>	<b>(4,144,816)</b>	<b>(2,018,022)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	3,920,777	956,816
<b>Total Financing Transactions</b>	<b>3,920,777</b>	<b>956,816</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,108,752)</b>	<b>(292,925)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>18,102,809</b>	<b>18,395,734</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>15,994,057</b>	<b>18,102,809</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	15,994,057	18,102,809
	<b>15,994,057</b>	<b>18,102,809</b>



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

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### 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. 79 (Cowichan Valley)", and operates as "School District No. 79 (Cowichan Valley)". 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. 79 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(m).

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

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

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

Year-ended June 30, 2015 – decrease in annual surplus by \$2,779,427.

June 30, 2015 – increase in accumulated surplus and decrease in deferred contributions by \$716,545.

Year-ended June 30, 2016 - increase in annual surplus by \$407,906.

June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$3,900,093.



Cowichan Valley School District

## **Notes to Financial Statements**

For the year ended June 30, 2016

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

#### **b) Cash and Cash Equivalents**

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased 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 measured at amortized cost and shown net of allowance for doubtful accounts.

#### **d) Inventories for Resale**

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

#### **e) Unearned Revenue**

Unearned revenue includes tuition fees received for courses to be delivered in future periods and fees for busing to be delivered in future periods. Revenue will be recognized in that future period when the services are provided.

#### **f) 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 (m).



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

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### 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 the 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 and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

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



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

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

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 market 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.



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

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### 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, 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 as 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 utilities, prepaid insurance, and prepaid services 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) Supplies Inventory

Supplies inventory held for consumption or use include materials and supplies and are recorded at the lower of historical cost and replacement cost.

#### l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 – Interfund Transfers and Note 20 – Internally Restricted Surplus).

#### m) Revenue Recognition

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



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

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

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

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

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

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

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

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

#### n) Expenditures

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



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

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

#### Categories of Salaries

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

#### Allocation of Costs

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

#### o) 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.





Cowichan Valley School District

## **Notes to Financial Statements**

For the year ended June 30, 2016

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

#### **p) 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.

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



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

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

#### q) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 (a) requires management 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

	June 30, 2016	June 30, 2015
Due from Federal Government	\$ 73,751	\$ 87,855
Due from Other School Districts	2,145	100
Busing Fees	6,399	29,535
International Students	68,600	73,560
Industry Training Authority	11,543	1,000
BC Hydro PowerSmart	16,867	50,117
Rentals	3,289	1,753
Vancouver Island University	17,093	-
Other	212,472	243,345
Allowance for Doubtful Accounts	(15,000)	(15,000)
	<u>\$ 397,159</u>	<u>\$ 472,265</u>



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

### NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2016	June 30, 2015
Trades payable	\$ 656,372	\$ 887,649
Salaries and benefits payable	324,386	631,202
Accrued vacation pay	1,492,473	1,501,627
Other	3,158,168	3,080,078
	<u>\$ 5,631,399</u>	<u>\$ 6,100,556</u>

### NOTE 5 UNEARNED REVENUE

	June 30, 2016	June 30, 2015
Balance, beginning of year	\$ 1,166,505	\$ 768,237
Changes for the year:		
Increase:		
Tuition Fees	2,345,841	2,669,731
Busing Fees	406,035	370,874
	<u>\$ 2,751,876</u>	<u>3,040,605</u>
Decrease:		
Tuition fees	\$ 2,287,560	2,316,183
Busing Fees	364,515	326,154
	<u>2,652,075</u>	<u>2,642,337</u>
Net changes for the year	99,801	398,268
Balance, end of year	<u>\$ 1,266,306</u>	<u>\$ 1,166,505</u>

### NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

### NOTE 7 DEFERRED CAPITAL REVENUE

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



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

### NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 10.

	June 30, 2016	June 30, 2015
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 4,024,279	\$ 3,954,882
Service Cost	296,477	266,948
Interest Cost	91,004	128,572
Benefit Payments	(483,822)	(397,743)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	360,512	71,620
Accrued Benefit Obligation – March 31	<u>\$ 4,288,450</u>	<u>\$ 4,024,279</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 4,288,450	\$ 4,024,279
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(4,288,450)	(4,024,279)
Employer Contributions after Measurement Date	185,680	23,302
Benefit Expense after Measurement Date	(93,332)	(96,870)
Unamortized Net Actuarial (Gain) Loss	845,062	584,822
Accrued Benefit Asset (Liability) – June 30	<u>\$(3,351,040)</u>	<u>\$(3,513,025)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) – July 1	\$ 3,513,025	\$ 3,411,681
Net expense for Fiscal Year	484,215	484,600
Employer Contributions	(646,200)	(383,256)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 3,351,040</u>	<u>\$ 3,513,025</u>



Cowichan Valley School District

**Notes to Financial Statements**

For the year ended June 30, 2016

**NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)**

	June 30, 2016	June 30, 2015
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 289,485	\$ 274,330
Interest Cost	94,458	119,180
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	100,272	91,090
Net Benefit Expense (Income)	<u>\$ 484,215</u>	<u>\$ 484,600</u>

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

	June 30, 2016	June 30, 2015
<b>Assumptions</b>		
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	2.5% + seniority	2.50% + seniority
EARSL – March 31	7.8	7.8

**NOTE 9 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS**

It is planned that the initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards will be eliminated in 5 years.

Unfunded liability, as at July 1, 2015 as previously reported	\$ 267,014
Reductions during the year	<u>(50,000)</u>
Unfunded liability, as at June 30, 2016	<u>\$ 217,014</u>



Cowichan Valley School District

**Notes to Financial Statements**  
For the year ended June 30, 2016

**NOTE 10 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value June 30, 2016	Net Book Value June 30, 2015
Sites	\$ 26,138,792	\$ 26,043,353
Buildings	93,424,209	93,780,316
Furniture & Equipment	1,043,459	1,210,022
Vehicles	2,170,181	1,827,974
Computer Software	35,352	38,988
Computer Hardware	31,552	90,944
<b>Total</b>	<b>\$ 122,843,545</b>	<b>\$ 122,991,597</b>

**June 30, 2016**

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2016
Sites	\$ 26,043,353	\$ 95,439	\$ -	\$ -	\$ 26,138,792
Buildings	163,175,287	3,312,399	-	-	166,487,686
Furniture & Equipment	2,286,515	62,088	155,868	-	2,192,735
Vehicles	3,246,459	666,853	242,820	-	3,670,492
Computer Software	58,366	8,037	12,841	-	53,562
Computer Hardware	296,959	-	209,032	-	87,927
<b>Total</b>	<b>\$195,106,939</b>	<b>\$4,144,816</b>	<b>\$620,561</b>	<b>\$ -</b>	<b>\$198,631,194</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	69,394,971	3,668,506	-	73,063,477
Furniture & Equipment	1,076,493	228,651	155,868	1,149,276
Vehicles	1,418,485	324,646	242,820	1,500,311
Computer Software	19,378	11,673	12,841	18,210
Computer Hardware	206,015	59,392	209,032	56,375
<b>Total</b>	<b>\$ 72,115,342</b>	<b>\$4,292,868</b>	<b>\$620,561</b>	<b>\$75,787,649</b>



Cowichan Valley School District

**Notes to Financial Statements**  
For the year ended June 30, 2016

**NOTE 10 TANGIBLE CAPITAL ASSETS, continued**

**June 30, 2015**

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2015
Sites	\$ 25,907,984	\$ 135,369	\$ -	\$ -	\$ 26,043,353
Buildings	162,004,607	1,170,680	-	-	163,175,287
Furniture & Equipment	2,690,897	149,501	553,883	-	2,286,515
Vehicles	2,728,338	562,472	44,351	-	3,246,459
Computer Software	73,163	-	14,797	-	58,366
Computer Hardware	315,699	-	18,740	-	296,959
<b>Total</b>	<b>\$193,720,688</b>	<b>\$2,018,022</b>	<b>\$631,771</b>	<b>\$ -</b>	<b>\$195,106,939</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	65,739,754	3,655,217	-	69,394,971
Furniture & Equipment	1,361,286	269,090	553,883	1,076,493
Vehicles	1,190,002	272,834	44,351	1,418,485
Computer Software	19,542	14,633	14,797	19,378
Computer Hardware	161,615	63,140	18,740	206,015
<b>Total</b>	<b>\$ 68,472,199</b>	<b>\$4,274,914</b>	<b>\$ 631,771</b>	<b>\$ 72,115,342</b>

- Contributed tangible capital assets

Additions to Sites include the following contributed tangible capital assets:

	June 30, 2016	June 30, 2015
Playground Site Improvements	\$ -	\$ 89,457
<b>Total</b>	<b>\$ -</b>	<b>\$ 89,457</b>

Additions to Furniture and Equipment include the following contributed tangible capital assets:

	June 30, 2016	June 30, 2015
Playground Equipment	\$ -	\$ 124,925
<b>Total</b>	<b>\$ -</b>	<b>\$ 124,925</b>



Cowichan Valley School District

## **Notes to Financial Statements**

For the year ended June 30, 2016

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### **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 boards of trustees for these plans represent plan members and employers and are responsible for managing the pension plans including investing assets and administering benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2014, the Teachers' Pension Plan has about 45,000 active members and approximately 35,000 retired members. As at December 31, 2014 the Municipal Pension Plan has about 185,000 active members, of which approximately 24,000 are from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits on a going concern basis.

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 school district paid \$7,182,119 for employer contributions to the plans for the year ended June 30, 2016 (2015: \$6,798,261).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2015, with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for each Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.





Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

### NOTE 12 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. Another potential restriction is that any investment income of the endowment funds that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	2015	Contributions	2016
W.F. Marshall Scholarship	\$ 2,592	\$ -	\$ 2,592
Xerox Canada Scholarship	12,500	-	12,500
George Alistair MacKay Scholarship	37,766	-	37,766
Wunderlich Safety Scholarship	2,216	-	2,216
V.L. Stanley-Jones Memorial Scholarship	20,000	-	20,000
Raoula Pedersen Memorial Fine Arts	9,426	-	9,426
Christina McLeod Memorial Scholarship	8,393	-	8,393
Total	\$ 92,893	\$ -	\$ 92,893

### NOTE 13 INTERFUND TRANSFERS

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

	Operating Fund	Special Purpose Fund	Capital Fund
Tangible Capital Assets purchased from Operating funds	\$ (26,606)	\$ -	\$ 26,606
Tangible Capital Assets purchased from Special Purpose funds		(211,263)	211,263
Total	\$ (26,606)	\$ (211,263)	\$ 237,869

### 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.



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

### NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual Obligations	2017	2018	2019	2020	2021	Thereafter
Facility Lease	\$ 48,048	\$ 30,000	\$ 2,500	\$ -	\$ -	\$ -
Equipment Lease	199,317	238,671	238,671	159,324	141,670	23,612
	<u>\$ 247,365</u>	<u>\$ 268,671</u>	<u>\$ 241,171</u>	<u>\$ 159,324</u>	<u>\$ 141,670</u>	<u>\$ 23,612</u>

### NOTE 16 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through adoption of an annual budget on May 5, 2015.

### 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

Future legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo renovations or demolition. The amount cannot be reasonably determined.

### NOTE 19 EXPENSE BY OBJECT

	2016	2015
Salaries and benefits	\$67,980,426	\$64,736,329
Services and supplies	9,847,488	9,615,011
Amortization	4,292,868	4,274,914
	<u>\$82,120,782</u>	<u>\$78,626,254</u>



Cowichan Valley School District

## Notes to Financial Statements

For the year ended June 30, 2016

### NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

2016/2017 Operating Budget	\$ 800,000	
Aboriginal Education Target	1,683	
BC Education Plan	151,853	
Career Equipment	1,289	
CUPE Professional Development Funds	3,552	
Distributed Learning	81,170	
Industry Training Authority	153,974	
Learning Resources	106,140	
Local Education Agreement	85,000	
School Rollovers 10%	48,600	
		\$ 1,433,261
Unrestricted Operating Surplus (Deficit)		815,385
Unfunded Accrued Employee Future Benefits		(217,014)
		<u>\$ 2,031,632</u>
Total Available for Future Operations		<u>\$ 2,031,632</u>

### NOTE 21 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 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.

**NOTE 22 RISK MANAGEMENT (Continued)**

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

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

**b) Market risk:**

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

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

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

**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 its 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.



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## School District No. 79 (Cowichan Valley)

### Additional Comments of Auditors

For the Year Ended June 30, 2016

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The accompanying schedules 1 to 4D are presented as supplementary information only. In this respect, they do not form part of the financial statements of School District No. 79 (Cowichan Valley). The information in these schedules has been subject to audit procedures only to the extent necessary to report on the financial statements, and hence they are excluded from our audit report dated September 27, 2016.

**School District No. 79 (Cowichan Valley)**  
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	2,036,346	92,893	45,324,509	47,453,748	46,464,959
Changes for the year					
Surplus (Deficit) for the year	21,892	211,263	(549,353)	(316,198)	988,789
Interfund Transfers					
Tangible Capital Assets Purchased	(26,606)	(211,263)	237,869	-	
Net Changes for the year	(4,714)	-	(311,484)	(316,198)	988,789
Accumulated Surplus (Deficit), end of year - Statement 2	2,031,632	92,893	45,013,025	47,137,550	47,453,748

# School District No. 79 (Cowichan Valley)

## Schedule of Operating Operations

Year Ended June 30, 2016

Schedule 2

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	64,279,020	65,140,386	63,761,417
Other	77,800	153,974	86,400
Tuition	2,551,000	2,304,269	2,316,183
Other Revenue	4,894,074	5,550,639	5,001,612
Rentals and Leases	114,480	121,250	138,211
Investment Income	130,000	157,568	177,454
<b>Total Revenue</b>	<b>72,046,374</b>	<b>73,428,086</b>	<b>71,481,277</b>
<b>Expenses</b>			
Instruction	59,713,683	60,506,680	57,837,812
District Administration	2,012,579	1,958,398	2,099,109
Operations and Maintenance	8,736,612	8,686,591	8,124,198
Transportation and Housing	2,283,500	2,254,525	2,185,060
<b>Total Expense</b>	<b>72,746,374</b>	<b>73,406,194</b>	<b>70,246,179</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(700,000)</b>	<b>21,892</b>	<b>1,235,098</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>750,000</b>		
<b>Budgeted Reduction of Unfunded Accrued Employee Future Benefits</b>	<b>(50,000)</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(26,606)	(68,406)
<b>Total Net Transfers</b>	<b>-</b>	<b>(26,606)</b>	<b>(68,406)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(4,714)</b>	<b>1,166,692</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>2,036,346</b>	<b>869,654</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>2,031,632</b>	<b>2,036,346</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 20)		1,433,261	1,312,234
Unrestricted		815,385	991,126
Unfunded Accrued Employee Future Benefits (Note 9)		(217,014)	(267,014)
<b>Total Operating Surplus (Deficit), end of year</b>		<b>2,031,632</b>	<b>2,036,346</b>

# School District No. 79 (Cowichan Valley)

Schedule 2A

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	68,275,812	69,167,840	66,373,402
AANDC/LEA Recovery	(4,449,074)	(4,550,940)	(4,399,626)
Other Ministry of Education Grants			
Labour Settlement Funding			1,273,328
Pay Equity	363,682	363,682	363,682
Funding for Graduated Adults	88,600	20,831	40,978
Economic Stability Dividend		55,559	
Carbon Tax Reimbursement		48,870	60,386
FSA & Exam Allocation		13,769	13,769
Miscellaneous Grants		750	15,000
My Ed BC Rebate		5,075	20,498
Curriculum Improvement Support		14,950	
<b>Total Provincial Grants - Ministry of Education</b>	<b>64,279,020</b>	<b>65,140,386</b>	<b>63,761,417</b>
<b>Provincial Grants - Other</b>	<b>77,800</b>	<b>153,974</b>	<b>86,400</b>
<b>Tuition</b>			
Offshore Tuition Fees	2,551,000	2,287,560	2,316,183
Other Tuition		16,709	
<b>Total Tuition</b>	<b>2,551,000</b>	<b>2,304,269</b>	<b>2,316,183</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	4,449,074	4,550,940	4,399,626
Miscellaneous			
BC Hydro Energy Manager	50,000	73,929	75,000
ISP Fees	95,000	471,665	137,107
Transportation Fees	300,000	364,515	326,154
Homestay Placement Fees		69,100	26,025
Asset Sales		14,849	30,590
Miscellaneous		5,641	7,110
<b>Total Other Revenue</b>	<b>4,894,074</b>	<b>5,550,639</b>	<b>5,001,612</b>
<b>Rentals and Leases</b>	<b>114,480</b>	<b>121,250</b>	<b>138,211</b>
<b>Investment Income</b>	<b>130,000</b>	<b>157,568</b>	<b>177,454</b>
<b>Total Operating Revenue</b>	<b>72,046,374</b>	<b>73,428,086</b>	<b>71,481,277</b>



**School District No. 79 (Cowichan Valley)**

## Schedule of Operating Expense by Object

Year Ended June 30, 2016

Schedule 2B

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	30,767,291	31,249,343	29,102,276
Principals and Vice Principals	3,877,649	3,960,282	3,869,498
Educational Assistants	4,993,558	5,203,982	4,953,596
Support Staff	7,795,105	7,996,600	7,800,000
Other Professionals	1,720,492	1,692,172	1,624,629
Substitutes	3,198,737	2,736,598	2,921,771
<b>Total Salaries</b>	<b>52,352,832</b>	<b>52,838,977</b>	<b>50,271,770</b>
<b>Employee Benefits</b>	<b>13,113,282</b>	<b>13,061,262</b>	<b>12,592,288</b>
<b>Total Salaries and Benefits</b>	<b>65,466,114</b>	<b>65,900,239</b>	<b>62,864,058</b>
<b>Services and Supplies</b>			
Services	2,094,651	2,931,147	2,571,413
Student Transportation	88,600	256,138	281,370
Professional Development and Travel	469,000	560,481	545,964
Rentals and Leases	96,100	78,915	106,832
Dues and Fees	83,160	89,757	72,594
Insurance	244,134	219,617	224,048
Supplies	2,824,485	2,292,282	2,460,787
Utilities	1,380,130	1,077,618	1,119,113
<b>Total Services and Supplies</b>	<b>7,280,260</b>	<b>7,505,955</b>	<b>7,382,121</b>
<b>Total Operating Expense</b>	<b>72,746,374</b>	<b>73,406,194</b>	<b>70,246,179</b>

# School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

Schedule 2C

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	25,330,696	548,183	63,290	266,348	60,769	1,749,972	28,019,258
1.03 Career Programs	42,582	92,732	22,387	141,641		26,095	325,437
1.07 Library Services	675,171	128,380		144,007		52,411	999,969
1.08 Counselling	745,341			333,726		21,337	1,100,404
1.10 Special Education	3,080,319	224,843	4,379,013	117,493	122,678	461,327	8,385,673
1.30 English Language Learning	319,396						319,396
1.31 Aboriginal Education	357,777	101,952	709,199	44,957		45,126	1,259,011
1.41 School Administration		2,589,833		1,146,904		65,676	3,802,413
1.61 Continuing Education	323,710	50,976	30,093	50,592		20,577	475,948
1.62 Offshore Students	374,351	223,383		101,461	55,414	29,346	783,955
1.64 Other							
<b>Total Function 1</b>	<b>31,249,343</b>	<b>3,960,282</b>	<b>5,203,982</b>	<b>2,347,129</b>	<b>238,861</b>	<b>2,471,867</b>	<b>45,471,464</b>
<b>4 District Administration</b>							
4.11 Educational Administration				73,703	448,354	2,747	524,804
4.40 School District Governance					72,208		72,208
4.41 Business Administration				392,468	362,395	27,108	781,971
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>466,171</b>	<b>882,957</b>	<b>29,855</b>	<b>1,378,983</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				59,193	496,948	33,166	589,307
5.50 Maintenance Operations				3,541,323		114,265	3,655,588
5.52 Maintenance of Grounds				323,631			323,631
5.56 Utilities							
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,924,147</b>	<b>496,948</b>	<b>147,431</b>	<b>4,568,526</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				121,321	73,406	7,063	201,790
7.70 Student Transportation				1,137,832		80,382	1,218,214
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,259,153</b>	<b>73,406</b>	<b>87,445</b>	<b>1,420,004</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>31,249,343</b>	<b>3,960,282</b>	<b>5,203,982</b>	<b>7,996,600</b>	<b>1,692,172</b>	<b>2,736,598</b>	<b>52,838,977</b>

# School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

Schedule 2C

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>1 Instruction</b>							
1.02 Regular Instruction	28,019,258	7,263,635	35,282,893	1,286,878	36,569,771	36,634,775	34,724,003
1.03 Career Programs	325,437	71,910	397,347	967,848	1,365,195	873,054	1,218,022
1.07 Library Services	999,969	246,483	1,246,452	45,320	1,291,772	1,076,678	1,220,990
1.08 Counselling	1,100,404	256,061	1,356,465	1,938	1,358,403	1,490,793	1,295,195
1.10 Special Education	8,385,673	1,998,499	10,384,172	174,934	10,559,106	10,651,541	10,211,721
1.30 English Language Learning	319,396	85,472	404,868	2,161	407,029	404,242	346,273
1.31 Aboriginal Education	1,259,011	267,952	1,526,963	193,385	1,720,348	1,661,050	1,593,349
1.41 School Administration	3,802,413	885,723	4,688,136	91,311	4,779,447	4,560,914	4,741,129
1.61 Continuing Education	475,948	111,241	587,189	38,135	625,324	639,499	579,282
1.62 Offshore Students	783,955	191,093	975,048	846,360	1,821,408	1,706,937	1,896,180
1.64 Other	-	-	-	8,877	8,877	14,200	11,668
<b>Total Function 1</b>	<b>45,471,464</b>	<b>11,378,069</b>	<b>56,849,533</b>	<b>3,657,147</b>	<b>60,506,680</b>	<b>59,713,683</b>	<b>57,837,812</b>
<b>4 District Administration</b>							
4.11 Educational Administration	524,804	114,934	639,738	24,138	663,876	532,540	590,588
4.40 School District Governance	72,208	784	72,992	79,858	152,850	153,101	254,550
4.41 Business Administration	781,971	162,735	944,706	196,966	1,141,672	1,326,938	1,253,971
<b>Total Function 4</b>	<b>1,378,983</b>	<b>278,453</b>	<b>1,657,436</b>	<b>300,962</b>	<b>1,958,398</b>	<b>2,012,579</b>	<b>2,099,109</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	589,307	114,726	704,033	200,978	905,011	894,484	867,559
5.50 Maintenance Operations	3,655,588	875,560	4,531,148	1,454,587	5,985,735	5,920,700	5,579,139
5.52 Maintenance of Grounds	323,631	81,508	405,139	73,325	478,464	472,798	519,341
5.56 Utilities	-	-	-	1,317,381	1,317,381	1,448,630	1,158,159
<b>Total Function 5</b>	<b>4,568,526</b>	<b>1,071,794</b>	<b>5,640,320</b>	<b>3,046,271</b>	<b>8,686,591</b>	<b>8,736,612</b>	<b>8,124,198</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	201,790	44,101	245,891	39,172	285,063	272,262	308,077
7.70 Student Transportation	1,218,214	288,845	1,507,059	462,403	1,969,462	2,011,238	1,876,983
<b>Total Function 7</b>	<b>1,420,004</b>	<b>332,946</b>	<b>1,752,950</b>	<b>501,575</b>	<b>2,254,525</b>	<b>2,283,500</b>	<b>2,185,060</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>52,838,977</b>	<b>13,061,262</b>	<b>65,900,239</b>	<b>7,505,955</b>	<b>73,406,194</b>	<b>72,746,374</b>	<b>70,246,179</b>

**School District No. 79 (Cowichan Valley)**

Schedule 3

## Schedule of Special Purpose Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	3,075,480	3,037,885	2,770,278
Other Revenue	1,854,150	1,592,594	1,599,093
Investment Income	16,200	2,504	6,661
<b>Total Revenue</b>	<b>4,945,830</b>	<b>4,632,983</b>	<b>4,376,032</b>
<b>Expenses</b>			
Instruction	4,639,830	4,421,720	4,105,161
<b>Total Expense</b>	<b>4,639,830</b>	<b>4,421,720</b>	<b>4,105,161</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>306,000</b>	<b>211,263</b>	<b>270,871</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(306,000)	(211,263)	(270,871)
<b>Total Net Transfers</b>	<b>(306,000)</b>	<b>(211,263)</b>	<b>(270,871)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>			
<b>Special Purpose Surplus (Deficit), beginning of year</b>		<b>92,893</b>	<b>92,893</b>
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>92,893</b>	<b>92,893</b>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		<b>92,893</b>	<b>92,893</b>
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<b>92,893</b>	<b>92,893</b>

# School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

Schedule 3A

	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	\$ 919,540		\$ 24,260	\$ 15,169	\$ 1,285,842	\$ 145,527	\$ 55,171	\$ 132,237	\$ 151,912
Add: Restricted Grants									
Provincial Grants - Ministry of Education	416,763	1,433,057	2,750			192,000	34,300	155,331	626,040
Other	8,909			200	1,549,903				15,000
Investment Income				1,822					
Less: Allocated to Revenue	425,672	1,433,057	2,750	2,022	1,549,903	192,000	34,300	155,331	641,040
Deferred Revenue, end of year	416,817	1,433,057	-	5,150	1,533,951	226,534	34,246	212,436	661,211
	<u>928,395</u>	<u>-</u>	<u>27,010</u>	<u>12,041</u>	<u>1,301,794</u>	<u>110,993</u>	<u>55,225</u>	<u>75,132</u>	<u>131,741</u>
Revenues									
Provincial Grants - Ministry of Education	416,763	1,433,057				226,534	34,246	212,436	646,211
Other Revenue	54			2,700	1,533,951				15,000
Investment Income				2,450					
	<u>416,817</u>	<u>1,433,057</u>	<u>-</u>	<u>5,150</u>	<u>1,533,951</u>	<u>226,534</u>	<u>34,246</u>	<u>212,436</u>	<u>661,211</u>
Expenses									
Salaries									
Teachers		841,294							
Principals and Vice Principals		10,388						50,558	14,683
Educational Assistants		229,489						18,871	343,348
Support Staff						3,321			30,294
Other Professionals									
Substitutes		46,558					13,512	6,944	19,303
		<u>1,127,729</u>				<u>3,321</u>	<u>13,512</u>	<u>76,373</u>	<u>407,628</u>
Employee Benefits	210,706	305,328				838	2,781	19,526	90,357
Services and Supplies	210,706	1,433,057		5,150	1,528,799	222,375	17,953	116,537	163,226
				5,150	1,528,799	226,534	34,246	212,436	661,211
	<u>206,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Revenue (Expense) before Interfund Transfers									
Interfund Transfers									
Tangible Capital Assets Purchased	(206,111)				(5,152)				
	<u>(206,111)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Revenue (Expense)									
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**School District No. 79 (Cowichan Valley)**  
Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2016

Schedule 3A

	Service Delivery	BC Hydro	Early Learning	Student Inspiration	Lake Cowichan School Building Envelope	Wendy's House	Cultural Trust	Compassionate Leaders	Learning Supports
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	46,817	127,268	13,324	24,441	217,579	29,562	56	42,000	22,000
Add: Restricted Grants									
Provincial Grants - Ministry of Education									
Other		20,516					10,810		
Investment Income									
Less: Allocated to Revenue		20,516							
Deferred Revenue, end of year	46,817	128,532	13,324	24,441	217,579	29,562	56	42,000	22,000
Revenues									
Provincial Grants - Ministry of Education									
Other Revenue		19,252	4,638	9,114		1,783	10,794	42,000	22,000
Investment Income									
Expenses									
Salaries		19,252	4,638	9,114		1,783	10,794	42,000	22,000
Teachers									
Principals and Vice Principals									
Educational Assistants									
Support Staff									
Other Professionals									
Substitutes									
Employee Benefits									
Services and Supplies		19,252	4,638	9,114		1,783	10,794	42,000	22,000
Net Revenue (Expense) before Interfund Transfers									
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)									

# School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

Schedule 3A

	TOTAL
	\$
Deferred Revenue, beginning of year	3,252,705
Add: Restricted Grants	
Provincial Grants - Ministry of Education	2,860,241
Other	1,596,429
Investment Income	10,731
	4,467,401
Less: Allocated to Revenue	4,632,983
Deferred Revenue, end of year	3,087,123
Revenues	
Provincial Grants - Ministry of Education	3,037,885
Other Revenue	1,592,594
Investment Income	2,504
	4,632,983
Expenses	
Salaries	
Teachers	906,535
Principals and Vice Principals	29,259
Educational Assistants	572,837
Support Staff	33,615
Other Professionals	22,000
Substitutes	86,317
	1,650,563
Employee Benefits	429,624
Services and Supplies	2,341,533
	4,421,720
Net Revenue (Expense) before Interfund Transfers	211,263
Interfund Transfers	
Tangible Capital Assets Purchased	(211,263)
	(211,263)
Net Revenue (Expense)	-

# School District No. 79 (Cowichan Valley)

Schedule 4

## Schedule of Capital Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual			2015 Actual
	\$	Invested in Tangible Capital Assets	Local Capital	Fund Balance	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education		93,190		93,190	34,486
Other Revenue				-	89,456
Investment Income	13,400		10,899	10,899	14,790
Amortization of Deferred Capital Revenue	3,578,890	3,634,426		3,634,426	3,619,002
Climbing Wall Reimbursement			5,000	5,000	
<b>Total Revenue</b>	<u>3,592,290</u>	<u>3,727,616</u>	<u>15,899</u>	<u>3,743,515</u>	<u>3,757,734</u>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,975,892	4,007,738		4,007,738	4,028,977
Transportation and Housing	245,937	285,130		285,130	245,937
<b>Total Expense</b>	<u>4,221,829</u>	<u>4,292,868</u>	<u>-</u>	<u>4,292,868</u>	<u>4,274,914</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(629,539)</u>	<u>(565,252)</u>	<u>15,899</u>	<u>(549,353)</u>	<u>(517,180)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	306,000	237,869		237,869	339,277
<b>Total Net Transfers</b>	<u>306,000</u>	<u>237,869</u>	<u>-</u>	<u>237,869</u>	<u>339,277</u>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		110,442	(110,442)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>110,442</u>	<u>(110,442)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(323,539)</u>	<u>(216,941)</u>	<u>(94,543)</u>	<u>(311,484)</u>	<u>(177,903)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		<u>44,130,427</u>	<u>1,194,082</u>	<u>45,324,509</u>	<u>45,502,412</u>
<b>Capital Surplus (Deficit), end of year</b>		<u>43,913,486</u>	<u>1,099,539</u>	<u>45,013,025</u>	<u>45,324,509</u>



# School District No. 79 (Cowichan Valley)

Tangible Capital Assets  
Year Ended June 30, 2016

Schedule 4A

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	26,043,353	163,175,287	2,286,515	3,246,459	58,366	296,959	195,106,939
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	93,190	3,086,423		617,122			3,796,735
Operating Fund				26,606			26,606
Special Purpose Funds	2,249	203,862	5,152				211,263
Local Capital		22,114	57,166	23,125	8,037		110,442
Miscellaneous Adjustment			(230)				(230)
	95,439	3,312,399	62,088	666,853	8,037	-	4,144,816
Decrease:							
Deemed Disposals			155,868	242,820	12,841	209,032	620,561
	-	-	155,868	242,820	12,841	209,032	620,561
Cost, end of year	26,138,792	166,487,686	2,192,735	3,670,492	53,562	87,927	198,631,194
Work in Progress, end of year							-
Cost and Work in Progress, end of year	26,138,792	166,487,686	2,192,735	3,670,492	53,562	87,927	198,631,194
<b>Accumulated Amortization, beginning of year</b>							
Changes for the Year							
Increase: Amortization for the Year		69,394,971	1,076,493	1,418,485	19,378	206,015	72,115,342
Decrease:							
Deemed Disposals		3,668,506	228,651	324,646	11,673	59,392	4,292,868
			155,868	242,820	12,841	209,032	620,561
Accumulated Amortization, end of year		-	155,868	242,820	12,841	209,032	620,561
		73,063,477	1,149,276	1,500,311	18,210	56,375	75,787,649
<b>Tangible Capital Assets - Net</b>	<b>26,138,792</b>	<b>93,424,209</b>	<b>1,043,459</b>	<b>2,170,181</b>	<b>35,352</b>	<b>31,552</b>	<b>122,843,545</b>

**School District No. 79 (Cowichan Valley)**

Schedule 4C

Deferred Capital Revenue  
Year Ended June 30, 2016

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	75,915,888	2,438,338	506,717	78,860,943
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,703,545			3,703,545
	3,703,545	-	-	3,703,545
Decrease:				
Amortization of Deferred Capital Revenue	3,492,187	95,199	47,040	3,634,426
	3,492,187	95,199	47,040	3,634,426
Net Changes for the Year	211,358	(95,199)	(47,040)	69,119
Deferred Capital Revenue, end of year	76,127,246	2,343,139	459,677	78,930,062
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	76,127,246	2,343,139	459,677	78,930,062

# School District No. 79 (Cowichan Valley)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2016

Schedule 4D

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	(104,104)	2,070,548				1,966,444
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,900,093					3,900,093
Investment Income		19,938				19,938
Balance Adjustment	746					746
	3,900,839	19,938	-	-	-	3,920,777
Decrease:						
Transferred to DCR - Capital Additions	3,703,545					3,703,545
Transferred to Revenue - Site Purchases	93,190					93,190
	3,796,735	-	-	-	-	3,796,735
Net Changes for the Year	104,104	19,938	-	-	-	124,042
Balance, end of year	-	2,090,486	-	-	-	2,090,486