

WSANEC SCHOOL BOARD

FINANCIAL STATEMENTS

MARCH 31, 2015

WSANEC SCHOOL BOARD

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WSANEC SCHOOL BOARD

Management's Statement of Responsibility for Financial Reporting

The accompanying financial statements of the WSANEC School Board for the year ended March 31, 20145 are the responsibility of management and have been approved by the Board of Directors.


These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate. In the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

WSANEC School Board maintains a system of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Board's assets are appropriately protected.

The WSANEC School Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance Committee.

The Finance Committee, composed of Board Members, reviews the WSANEC school Board's financial statements and recommends their approval to the Board. The Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the members. The Committee also considers, for review by the Board and approval by the Members, the engagement of the external auditors.

The financial statements have been audited by Brynjolfson & Co. in accordance with Canadian generally accepted auditing standards on behalf of the members. Brynjolfson & Co. has full and free access to the Finance Committee.





Brynjolfson & Co. Ltd.
Certified General Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Members of WSANEC School Board:

I have audited the accompanying financial statements of WSANEC School Board, which comprise the statement of financial position as at March 31, 2015, and the statement of operations, statement of changes in net assets and cash flow statement 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 and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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 overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of WSANEC School Board as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

DATE: May 26, 2015

Victoria, B.C.

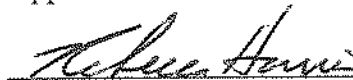
Brynjolfson & Company
Certified General Accountant

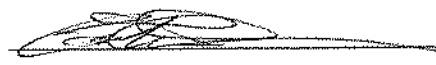
WSANEC SCHOOL BOARD

STATEMENT OF FINANCIAL POSITION
March 31, 2015

	2015 Actual \$	2014 Actual \$
Financial Assets		
Cash and cash equivalents - Note 2 (c)	1,413,303	2,629,109
Accounts receivable	<u>1,179,610</u>	<u>95,233</u>
	<u>2,592,913</u>	<u>2,724,342</u>
Liabilities		
Accounts payable and accrued liabilities	1,876,246	1,986,280
Loan payable, Note 8	76,634	57,976
Reserve funds, Note 5	591,505	497,513
Deferred revenue	<u>162,594</u>	<u>238,576</u>
	<u>2,706,979</u>	<u>2,780,345</u>
Net debt	<u>(114,066)</u>	<u>(56,003)</u>
Non-financial assets		
Tangible capital assets - Notes 2 (d) and 3	6,801,142	7,221,776
Prepaid expenses	<u>114,057</u>	<u>55,993</u>
	<u>6,915,199</u>	<u>7,277,769</u>
Accumulated surplus/(deficit) - Note 11	<u>6,801,133</u>	<u>7,221,766</u>

Approved on Behalf of the Board:





**WSANEC SCHOOL BOARD
STATEMENT OF OPERATIONS
Year Ended - March 31, 2015**

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
REVENUES			
AANDC	6,939,730	6,939,730	7,496,577
FNESC	390,893	390,893	402,883
Province of BC	228,569	228,569	273,765
Other	391,865	411,537	293,752
Inter-fund transfers	<u>420,266</u>	<u>420,266</u>	<u>466,747</u>
	<u>8,371,323</u>	<u>8,390,995</u>	<u>8,933,724</u>
EXPENSE			
Administration	530,811	526,110	554,295
Lauwelnew Tribal School	1,863,155	2,227,396	2,049,672
Public Schools	2,671,640	2,515,668	2,976,296
Post Secondary	845,615	745,334	797,452
Adult Education	863,654	982,610	977,770
Maintenance	508,523	539,818	520,597
Transportation	120,278	184,477	162,576
Daycare	344,122	359,856	325,426
Group Benefits	35,054	35,054	79,220
Lauwelnew Tribal High School	<u>588,471</u>	<u>600,477</u>	<u>517,747</u>
	<u>8,371,323</u>	<u>8,716,800</u>	<u>8,961,051</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>-----</u>	(325,805)	(27,327)
TRANSFER – Reserve Funds		(94,828)	(395,355)
ACCUMULATED SURPLUS – Beginning of Year		<u>7,221,766</u>	<u>7,644,448</u>
ACCUMULATED SURPLUS, End of Year		<u>6,801,133</u>	<u>7,221,766</u>

WSANEC SCHOOL BOARD

STATEMENT OF CHANGE IN NET DEBT
Year Ended March 31, 2015

	2015 Actual \$	2014 Actual \$
Annual surplus (deficit)	(325,805)	(27,327)
Transfer – reserve funds	(94,828)	(395,355)
Acquisition of tangible capital assets	(62,306)	(47,634)
Loss on disposal of capital assets	96	87
Amortization of tangible capital assets	<u>482,853</u>	<u>466,418</u>
	<u>10</u>	<u>(3,811)</u>
Acquisition use of prepaid expense	(114,057)	(55,993)
Use of prepaid expense	<u>55,993</u>	<u>59,287</u>
Change in Net Financial Assets	(58,054)	(517)
Net Financial Assets – Beginning of Year	<u>(56,003)</u>	<u>(55,486)</u>
Net Financial Assets – End of Year	<u>(114,057)</u>	<u>(56,003)</u>

WSANEC SCHOOL BOARD

STATEMENT OF CASH FLOW
Year Ended March 31, 2015

	2015 Actual \$	2014 Actual \$
Operating Transactions		
Annual surplus (deficit)	(325,805)	(27,327)
Net surplus (deficit) for the year transferred to reserve	(94,828)	-
Non-cash items including depreciation	482,853	466,418
(Increase) decrease in accounts receivable	(1,084,377)	1,834,034
Increase (decrease) in accounts payable and accruals	(110,034)	236,117
Increase (decrease) in loan payable	18,658	57,976
Increase (decrease) in reserve (net of surplus transfer)	93,992	3,801
Increase (decrease) in deferred revenue	(75,982)	(565,836)
Prepaid expenses	<u>(58,064)</u>	<u>3,294</u>
Cash Provided by (Used for) Operating Activities	<u>(1,153,587)</u>	<u>2,008,477</u>
Capital Transactions		
Loss on sale of capital assets	87	87
Cash used to acquire tangible capital assets	<u>(62,306)</u>	<u>(47,634)</u>
	<u>(62,219)</u>	<u>(47,547)</u>
Increase (Decrease) in Cash and Equivalents	(1,215,806)	1,960,930
Cash and Equivalents – Beginning of Year	<u>2,629,109</u>	<u>668,179</u>
Cash and Equivalents – End of Year	<u>1,413,303</u>	<u>2,629,109</u>

WSANEC SCHOOL BOARD

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

1. PURPOSE OF ORGANIZATION

The WSANEC School Board is the education arm of the four Saanich Peninsula First Nations. It oversees a tribal school and the Adult Education Centre which offers a large number of education programs.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

b) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver society services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balance with banks net of overdraft.

d) Tangible Capital Assets and Amortization

Tangible capital assets include acquired, built, developed and improved tangible capital assets whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services. One-half the annual amortization is charged in the year of acquisition. Works of art are not amortized. The Board provides for amortization of tangible capital assets using the straight-line method at the following rates:

Automotive	10 years
Buildings	30 years
Computer equipment	3 years
Furniture and equipment (& recreational equip)	10 years
Infrastructure	25 years
Machinery and equipment	5 years

WSANEC SCHOOL BOARD

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

e) Use of Estimates

The preparation of financial statements, in conformity with generally accepted accountings principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

f) Revenue

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

g) Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the WSANEC School Board be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and meet its liabilities as they become due.

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net Book Value <u>2015</u>	Net Book Value <u>2014</u>
Automotive equipment	\$ 277,225	106,046	171,179	\$ 206,081
Buildings	11,757,294	5,323,686	6,433,608	6,822,056
Computer hardware	315,996	301,533	14,463	30,030
Furniture and equipment	225,474	149,762	75,712	86,366
Infrastructure	146,716	57,815	88,901	55,057
Recreational equipment	128,233	113,729	14,504	18,327
Machinery and equipment	<u>41,432</u>	<u>38,657</u>	<u>2,775</u>	<u>3,859</u>
	<u>\$12,892,370</u>	<u>\$6,091,228</u>	<u>\$ 6,801,142</u>	<u>\$7,221,776</u>

WSANEC SCHOOL BOARD

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

4. ECONOMIC DEPENDENCE

The WSANEC School Board receives a majority portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada as a flow-through from Tsartlip First Nation.

5. RESERVE FUNDS

Operating surplus (deficit) consists of the following as determined by the Board.

	<u>Opening Balance</u>	<u>Additions</u>	<u>Expenditures</u>	<u>Net 2015</u>	<u>2014</u>
Replacement reserve	\$ 17,022	\$ 20,000	\$ 2,566	\$ 34,456	\$ 17,022
Maintenance reserve	5,855	25,000	29,898	957	5,855
Contingency reserve	<u>474,636</u>	<u>148,756</u>	<u>67,300</u>	<u>556,092</u>	<u>474,636</u>
	<u>\$ 497,513</u>	<u>\$ 193,756</u>	<u>\$ 99,764</u>	<u>\$ 591,505</u>	<u>\$ 497,513</u>

6. BUDGET INFORMATION

The budget figures presented for comparison are unaudited and those are approved by the directors. They have been reclassified to conform to the financial presentation.

7. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

WSANEC SCHOOL BOARD

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

8. LOAN PAYABLE

	<u>2015</u>	<u>2014</u>
Variable rate term loan for bus purchase, principal payments of \$1,184 per month, variable interest at prime plus 2.0% amortized over 60 months, secured by personal property	\$ 43,768	\$57,976
Variable rate term loan for wheelchair lift purchase, principal payments of \$567 per month, variable interest at prime plus 2.0% amortized over 60 months, secured by personal property	\$ <u>32,866</u>	_____ -
	76,634	57,976
Less: current portion	<u>(21,012)</u>	<u>(14,208)</u>
	<u>\$ 55,622</u>	<u>\$ 43,768</u>

Current Portion:

2016	\$21,012	2019	7,948
2017	21,012	2020	5,650
2018	21,012		

9. FINANCIAL INSTRUMENTS

a) Financial Instruments

Financial instruments consist of cash and cash equivalents, receivables, payables, deferred revenue, short-term investments and long-term debt. Unless otherwise noted, it is management's opinion that the WSANEC School Board is not exposed to significant interest, currency or credit risk arising from financial instruments. The fair market value of these financial instruments approximates their carrying value.

b) Financial Risk

The financial risk is the risk to the WSANEC School Board's earnings that arise from fluctuations in interest rates and the degree of volatility of these rates. The WSANEC school Board does not use derivative instruments to reduce its exposure to financial risk.

WSANEC SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2015

10. EXPENSES BY OBJECT

	<u>2015</u>	<u>2014</u>
Wages and benefits	\$3,390,388	\$3,294,907
Administration fees	357,416	396,497
Amortization	482,855	466,418
Books and supplies	116,371	113,224
Living allowance and incentives	499,266	530,437
Professional fees	178,854	235,652
Tuition	2,525,615	3,017,193
Other	<u>1,166,035</u>	<u>906,723</u>
	<u>\$8,716,800</u>	<u>\$8,961,051</u>

11. ACCUMULATED SURPLUS/(DEFICIT)

Accumulated surplus/(deficit) represents deferred capital asset contributions; these amounts were a result of government contributions provided to assist in the purchase or construction of tangible capital assets. They had previously been accounted for as Equity in Capital Assets under fund accounting.

The change in the accumulated surplus/(deficit) balance for the year is as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	7,221,766	7,640,646
Additions:	62,306	47,624
Equity in capital items expensed	(86)	(86)
Loss on disposal of capital assets	<u>(482,853)</u>	<u>(466,418)</u>
Amounts amortized to revenue	<u>6,801,133</u>	<u>7,221,766</u>
Balance, end of year		

WSANEC SCHOOL BOARD

SUPPLEMENTAL INFORMATION
SCHEDULE OF REMUNERATION AND EXPENSES
ELECTED OR APPOINTED OFFICIALS

Year ended March 31, 2015

<u>Individual</u>	<u>Position Title</u>	<u>Months</u> <u>(Note 1)</u>	<u>Remuneration</u> <u>(Note 2)</u>	<u>Expenses</u> <u>(Note 3)</u>
Claxton, A.	Board member	12		425
Claxton, L.	Board member	12		100
Cooper, M.	Board member	12		970
Charlie, Henrietta	Board member	12		2,585
Elliott, G	Board member/staff	12		68,486
Ellsworth, V.	Board member	12		370
Etzel, S	Board member	12		295
Harris, Rebecca	Board chair, new	4		3,900
Henry, Darlene	Board member	4		175
Henry, H.	Board member	12		700
Hermesen, Elizabeth	Board member	12		1,970
Jacks, Vern	Board member	5		375
James, Rosalie	Board member	12		2,370
Joe, Josephine	Board member	5		475
Joseph, T.	Board member	12		645
Morris, W.	Board member	12		420
Olsen, C	Board member/staff	12		104,333
Olsen, J.	Board member	12		250
Sam, P.	Board member	12		1,225
Smith, Bernice	Board member	12		175
Smith, S.	Board member	12		645
Tom, A.	Board member	12		950
Tom, Don	Board member	12		1,095
Tom, P.	Board member	12		300
Underwood, B.	Board member	8		150
Underwood, H	Board chair	12		9,370

1. The number of months during the fiscal year that the individual was a director.

2. As per the First Nation Financial Transparency Act: Remuneration means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary benefits, other than the reimbursement of expenses and non-monetary benefits.

3. As per the First Nation Financial Transparency Act: Expenses includes the costs of transportation, accommodation, meals, hospitality and incidental expenses.

**WSANEC SCHOOL BOARD
RECONCILIATION OF AANDC REVENUE FROM
FINANCIAL STATEMENTS TO FUNDING CONFIRMATION
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
AANDC Revenue Reconciliation		
AANDC Revenue per Consolidated Statement of Operations (page 4)	6,939,730	7,496,577
Less: Deferred amounts (from prior year funding)	_____ -	<u>(416,746)</u>
Net Budget per AANDC Funding Confirmation (Tsartlip flow-through)	<u>6,939,730</u>	<u>7,079,831</u>

WSANEC School Board
 Summary Schedule of Revenue, Expenses and Accumulated Surplus/(Deficit) by Program
 For the Year Ended March 31, 2015
 (Unaudited)

Department	Dept No.	AANDC Funds	Revenue	Other Revenue	Total Revenue	Total Expenses	Amortization	Surplus/ (Deficit)	Opening Surplus (Deficit)	Transfer and/or Closing	Closing Department Surplus (Deficit)
ADMINISTRATION											
Administration/Honoraria	10 & 11	131,000	390,167	521,167	523,376	2,734	-4,943	-	-	4,943	-
LAUWELNEW TRIBAL SCHOOL											
Tribal School Operations	20	1,750,322	37,627	1,787,949	1,641,328	383,445	(236,824)	-	-	236,824	-
Special Education Operations	21	-	212,007	212,007	202,623	-	9,384	-	-	(9,384)	-
		1,750,322	249,634	1,999,956	1,843,951	383,445	-227,440	-	-	227,440	-
PUBLIC SCHOOLS											
Public School Operations	40	2,561,045	-	2,561,045	2,515,668	-	45,377	-	-	(45,377)	-
POST SECONDARY											
Post Secondary Financial Assistance	25	755,198	1,125	756,323	745,334	-	10,989	-	-	(10,989)	-
SAANICH ADULT EDUCATION CENTRE											
Adult Education	65	489,639	174,819	664,458	610,656	44,913	8,889	-	-	(8,889)	-
SAEC Special Education	66	-	71,056	71,056	85,098	-	(14,042)	-	-	14,042	-
		489,639	245,875	735,514	695,754	44,913	(5,153)	-	-	5,153	-
SAANICH ADULT EDUCATION CENTRE - OTHER											
BCU	62	-	14,672	14,672	14,795	-	(123)	-	-	123	-
Other	64	-	35,000	35,000	35,000	-	-	-	-	-	-
Sencoten Adult Education	67	-	127,349	127,349	180,734	-	(53,385)	-	-	53,385	-
Health & Wellness	70	-	1,683	1,683	1,683	-	-	-	-	-	-
SAEC - DSTC I	71	-	9,731	9,731	9,731	-	-	-	-	-	-
		-	188,435	188,435	241,943	-	(53,508)	-	-	53,508	-

Department	Dept No.	AANDC Funds	Other Revenue	Total Revenue	Total Expenses	Amortization	Current Surplus/ (Deficit)	Opening Surplus (Deficit)	Transfer and/or Closing	Departmental Surplus (Deficit)
MAINTENANCE AND LEASES										
Maintenance	30	499,000	12,499	511,499	528,917	10,901	-28,319	-	28,319	-
TRANSPORTATION										
Student Transportation	35	145,007		145,007	149,574	34,903	-39,470	-	39,470	-
DAYCARE										
Daycare	73	102,909	215,430	318,339	320,521	663	-2,845	-	2,845	-
CSETS Child Care	76	-	51,128	51,128	38,672	-	12,456	-	(12,456)	-
		102,909	266,558	369,467	359,193	663	9,611	-	(9,611)	-
GROUP BENEFITS										
Group Benefits	60	35,054	-	35,054	35,054	-	-	-	-	-
LAJWELNEW TRIBAL HIGH SCHOOL										
Tribal High School	26	470,556	96,972	567,528	595,183	5,294	-32,949	-	32,949	-
GRAND TOTAL		6,939,730	1,451,265	8,390,995	8,233,947	482,853	-325,805	-	325,805	-

APPROVED ON BEHALF OF WSANEC SCHOOL BOARD

 Chair

, Finance

June 16, 2015, Date