

English Montreal School Board
Financial Statements
June 30, 2016

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Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Council of Commissioners of
English Montreal School Board

We have audited the accompanying financial statements of English Montreal School Board, which comprise the statement of financial position as at June 30, 2016 and the statement of operations, the statement of accumulated operating surplus, the statement of changes in net debt and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of English Montreal School Board as at June 30, 2016 and the results of its activities, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Raymond Chabot Grant Thornton LLP¹

Montréal
October 12, 2016

¹ CPA auditor, CA public accountancy permit no. A117472

English Montreal School Board

Statement of Financial Position

June 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
FINANCIAL ASSETS		
Cash	4,511,437	4,688,698
Temporary investments	138,450	29,807
Operating grants receivable (Note 5)	42,765,202	35,277,413
Capital project grants receivable		31,893
Financing grants receivable	74,151,859	80,340,174
Accounts receivable (Note 6)	18,877,588	12,756,059
Inventory held for sale	184,900	133,835
Investments in corporate bonds, 1.85 % to 2.49 % (1.85% to 4.25% in 2015), maturing between 2017 and 2019	321,798	414,569
	<u>140,951,234</u>	<u>133,672,448</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	49,585,116	44,194,349
Deferred contributions related to the acquisition of property and equipment (Note 8)	1,972,708	1,731,962
Deferred revenues	17,386,308	7,733,530
Accrued employee future benefits (Note 9)	17,798,504	17,810,742
Environmental liability	4,310,950	4,967,865
Other liabilities (Note 10)	178,864,233	165,263,481
	<u>269,917,819</u>	<u>241,701,929</u>
NET DEBT	<u>(128,966,585)</u>	<u>(108,029,481)</u>
NON-FINANCIAL ASSETS		
Property and equipment (Note 11)	192,685,812	157,653,471
Inventory – supplies	581,527	511,550
Prepaid expenditures	624,113	267,964
	<u>193,891,452</u>	<u>158,432,985</u>
ACCUMULATED OPERATING SURPLUS	<u>64,924,867</u>	<u>50,403,504</u>

The accompanying notes are an integral part of the financial statements.

English Montreal School Board

Statement of Operations

Year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
Revenues		
Ministère de l'Éducation et de l'Enseignement supérieur (MEES)		
operating grants	198,472,459	198,855,396
Other grants and contributions	1,317,806	1,243,096
School taxes	61,838,873	58,751,697
Tuition and course-related fees	11,633,135	8,223,345
Sale of goods and services	18,070,562	17,371,297
Other revenues	20,028,945	14,778,725
	<u>311,361,780</u>	<u>299,223,556</u>
Expenses		
Teaching activities	149,527,731	146,872,654
Educational support activities	66,644,578	63,903,824
Extracurricular activities	21,830,096	21,622,053
Administrative activities	15,701,137	14,809,313
Property and equipment activities	34,241,242	33,526,450
Other	16,095,350	13,874,411
Expenses related to the variance of the provision for fringe benefits	(12,237)	(681,283)
	<u>304,027,897</u>	<u>293,927,422</u>
Excess of revenues over expenses before unusual item	7,333,883	5,296,134
Unusual item		
Gain on disposal of property and equipment	7,187,480	
Excess of revenues over expenses	<u>14,521,363</u>	<u>5,296,134</u>

The accompanying notes are an integral part of the financial statements.

English Montreal School Board Statement of Accumulated Operating Surplus

Year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
Accumulated operating surplus, beginning of year	50,403,504	45,107,370
Excess of revenues over expenses	14,521,363	5,296,134
Accumulated operating surplus, end of year	<u>64,924,867</u>	<u>50,403,504</u>

The accompanying notes are an integral part of the financial statements.

English Montreal School Board Statement of Changes in Net Debt

Year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
Net debt, beginning of year	<u>(108,029,481)</u>	<u>(97,601,685)</u>
Excess of revenues over expenses	<u>14,521,363</u>	<u>5,296,134</u>
Variations due to property and equipment		
Property and equipment purchases	<u>(45,581,026)</u>	<u>(25,105,264)</u>
Amortization of property and equipment	<u>9,967,940</u>	<u>9,184,925</u>
Gain on disposal of property and equipment	<u>7,187,480</u>	
Proceeds of disposal of property and equipment	<u>7,768,225</u>	
	<u>(20,657,381)</u>	<u>(15,920,339)</u>
Variation due to prepaid expenses and inventory	<u>(426,126)</u>	<u>196,409</u>
Increase of net debt	<u>(6,562,144)</u>	<u>(10,427,796)</u>
Net debt, end of year	<u><u>(114,591,625)</u></u>	<u><u>(108,029,481)</u></u>

The accompanying notes are an integral part of the financial statements.

English Montreal School Board

Statement of Cash Flows

Year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	14,521,363	5,296,134
Non-cash items		
Provisions for future payroll benefits	(12,237)	(681,283)
Prepaid expenditures and inventory – supplies	(426,126)	196,409
Amortization of deferred revenues on property and equipment	240,745	81,937
Amortization of property and equipment	9,967,940	9,184,925
Gain on disposal of property and equipment	7,187,480	
Variations due to operating assets and liabilities	20,582,919	5,925,168
Cash flows from operating activities	<u>52,062,084</u>	<u>20,003,290</u>
INVESTING ACTIVITIES		
Cash outflow from the acquisition of property and equipment	(45,523,967)	(19,346,274)
Proceeds of disposal of property and equipment	7,768,225	
Cash flows from investing activities	<u>(37,755,742)</u>	<u>(19,346,274)</u>
Net increase in cash and cash equivalents	14,306,342	657,016
Cash and cash equivalents, beginning of year	4,718,505	4,061,489
Cash and cash equivalents, end of year	<u>19,024,847</u>	<u>4,718,505</u>

The accompanying notes are an integral part of the financial statements.

English Montreal School Board

Notes to Financial Statements

June 30, 2016

1 - GOVERNING STATUTES

The School Board was incorporated under decree 1014-97 on August 13, 1997 of the Education Act. The financial statements have been prepared to satisfy the requirements of Section 284 of the Education Act (RLRQ, c. I-13.3).

2 - SIGNIFICANT ACCOUNTING POLICIES

The School Board's financial statements are prepared in accordance with Canadian public sector accounting standards in the *CPA Canada Public Sector Accounting Handbook*, and use of any other source of generally accepted accounting principles must be consistent with these standards. The information provided in the financial statements is based on management's best judgments and estimates.

Accounting estimates

The preparation of the School Board's financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the recognition of assets and liabilities, presentation of assets and contingent liabilities at the financial statements date and the recognition of revenues and expenditures for the period presented in the financial statements. Estimates and assumptions were used to evaluate the main items, such as useful life of property and equipment, accrued liabilities, allowance for future benefits and environmental liability. Actual results may differ from management's best estimates.

Cash and cash equivalents

The School Board's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

Financial assets

Temporary investments are valued at the lower of cost and market value.

Accounts receivable, with the exception of commodity taxes receivable, are initially recorded at cost and revalued at the net recoverable value with the use of an allowance for doubtful accounts. The annual variation of this provision is included in expenditures.

Inventories for resale are valued at the lower of cost and net realizable value. Cost is determined using the average cost method.

Long-term investments are valued at cost. They are written down when there is a loss in value that is other than a temporary decline. The annual variation of the write-down is included in expenses. A write-down of an investment is not reversed should there be a subsequent increase in value.

English Montreal School Board

Notes to Financial Statements

June 30, 2016

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The issuance costs related to debt are deferred and amortized according to the straight-line method on the initial term of the debt and are presented as a reduction of the School Board's share of the long-term debt issued by the Comité de gestion de la taxe scolaire de l'île de Montréal (CGTSIM).

Liabilities

Deferred investment subsidy and contributions for property and equipment

The investment subsidy and contributions received for acquisitions of property and equipment are deferred and amortized in operations on the same basis and over the same period as the related property and equipment, in accordance with the stipulations of the government transfers.

Deferred revenues

Amounts received for revenues that will be earned in a subsequent period are deferred and presented as deferred revenues in liabilities in the statement of financial position.

Revenues can be recognized as deferred revenues if they meet the following three stipulations:

- Under purpose stipulations, the School Board has little or no discretionary power on how the transferred resources are used;
- Under time stipulations, the School Board has little or no discretionary power on the period or periods during which the received amounts must be used or consumed;
- Under accountability stipulations, execution is constantly monitored and failure to comply with the transfer conditions results in sanctions, such as repayment of the transferred resources.

Pension plan

Members of the School Board's staff participate in the Régime de retraite des employés du gouvernement et des organismes publics (RREGOP), Régime de retraite des enseignants (RRE) or Régime de retraite du personnel d'encadrement (RRPE). These multiemployer plans are defined benefit plans with guaranteed retirement and death benefits. The School Board's contributions to these government retirement plans are assumed by the Government of Quebec and are not included in the financial statements.

Other employee future benefits

Long-term obligations under other employee benefit plans, such as sick leave, vacation, accumulated overtime, wages insurance coverage and other benefits (maternity and paternity leave) are recognized at cost in liabilities. The annual change in the provisions is recognized in expenses.

English Montreal School Board

Notes to Financial Statements

June 30, 2016

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Environmental liabilities

Obligations resulting from the decontamination of contaminated sites under the responsibility of the School Board, or that may likely fall under its responsibility, are recognized as environmental liabilities as soon as contamination occurs or as soon as the School Board is informed of it, that it is expected that future economic benefits will be given up and that a reasonable estimate of the amount can be made. The environmental liabilities include the estimated costs of contaminated land management and decontamination, as well as estimated costs related to maintenance and monitoring following remediation, where required. These costs are evaluated based on the best information available and reviewed annually.

Furthermore, the Government of Quebec stated that it would assume the costs of decontamination of contaminated lands existing as at March 31, 2008 and inventoried as at March 31, 2011, as well as the variances of these liabilities as at June 30, 2016. Consequently, the School Board is able to recognize an account receivable from the Government of Quebec to offset the costs associated with these environmental liabilities. All liabilities recognized after March 31, 2011 for non-inventoried land at that date are assumed by the School Board and recorded in its results for the related fiscal year.

Non-financial assets

Property and equipment

Property and equipment are non-financial assets acquired, built, developed or improved, whose useful life extends beyond the period, and are intended to be used sustainably for the production of goods or delivery of service.

Property and equipment are recognized at cost. With the exception of land, the cost of property and equipment is amortized according to the straight-line method over the following periods:

	<u>Periods</u>
Land development	10 or 20 years
Buildings and major building improvements	20 to 50 years
Material and equipment	3, 5 or 15 years
Specialized pedagogical teaching equipment	10 or 20 years
Computer development	5 to 10 years

Property and equipment under construction, development or improvement are not amortized until they are put into service.

Works of art and historical treasures consist primarily of paintings, sculptures, drawings and installations, and their cost is expensed in the year of acquisition.

Items of property and equipment that are contributed or acquired for a nominal value are recognized at their fair value at the time of acquisition.

English Montreal School Board

Notes to Financial Statements

June 30, 2016

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The amounts received from organizations are recognized in liabilities as deferred revenues and are gradually transferred to the operating results and amortized on the same basis and over the same period as the related property and equipment. However, the contributions received for the acquisition of land are recognized in revenues in the year of acquisition.

If circumstances indicate that an item of property and equipment no longer contributes to the School Board's ability to provide goods and services or that the value of the item's future economic benefits is less than its net carrying amount, the cost of the item of property and equipment is reduced to reflect the decline in value.

Inventories

Inventories, which consist of supplies to be consumed in the normal course of operations during the coming fiscal year(s), are presented as non-financial assets. Inventories held for sale are presented as financial assets. These inventories are valued at the lower of cost and net realizable value. Cost is determined using the average cost method.

Prepaid expenditures

Prepaid expenditures represent payments made before the financial year-end for services which the School Board will benefit from during or beyond the upcoming fiscal year. These costs will be added to the expenditures when the School Board benefits from the services paid for.

Revenue recognition

Subsidy revenue from the MEES and other ministries and organizations is recognized in the period during which the transfers are authorized and the School Board has satisfied the eligibility criteria for that period's budgetary rules. In management's opinion, the payment authorization is an integral part of the government transfer authorization process and, accordingly, subsidy revenue is not recognized until the payer has sufficient budget credits approved by the National Assembly. Subsidy revenue recognition may be deferred to a subsequent period when the School Board has satisfied certain conditions, which are described in the Liabilities – Deferred revenues section.

The revenues from the school taxes and the subsidies in lieu of taxes are managed by the CGTSIM and recognized based on the proportion thereof allocated to the School Board and confirmed by the CGTSIM.

The School Board's main sources of revenues, other than contributions, are the student fees, external sales and the recovery of direct costs that are presented in Other revenues.

Revenues are recognized when the following criteria are met:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred;
- The price is fixed or determinable;
- Collection is reasonably assured.

English Montreal School Board

Notes to Financial Statements

June 30, 2016

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues are recognized as the services are rendered. Deferred revenues represent funds received for which revenues have not yet been earned.

3 - BUDGET FORECAST PRESENTATION

According to the Education Act (RLRQ, c. I-13.3), the School Board has prepared budget forecasts for the current year which were duly adopted by the Council of Commissioners.

These budget data are not prepared with the same level of detail as the actual data presented in the financial statements.

The summary of budget forecasts initially adopted by the Council of Commissioners is compared with the corresponding actual data:

	Budget	Actual
	\$	\$
Revenues		
MEES operating grants	198,184,378	198,472,459
Other grants and contributions	1,035,000	1,317,806
School taxes	61,873,136	61,838,873
Tuition and course-related fees	7,256,000	11,633,135
Sale of goods and services	18,851,596	18,070,562
Other revenues	11,175,784	20,028,945
Total revenues	<u>298,375,894</u>	<u>311,361,780</u>
Expenses		
Teaching activities	153,476,494	149,527,731
Educational support activities	62,326,264	66,644,578
Extracurricular activities	22,335,999	21,830,096
Administrative activities	14,997,064	15,701,137
Property and equipment activities	32,655,120	34,241,242
Other	12,732,786	16,095,350
Expenses related to the variance of the provision for fringe benefits	852,167	(12,237)
	<u>299,375,894</u>	<u>304,027,897</u>
Excess of revenues over expenses before unusual item	(1,000,000)	7,333,883
Unusual item		
Gain on disposal of property and equipment	1,000,000	7,187,480
Surplus for the year	<u>–</u>	<u>14,521,363</u>

4 - CASH FLOWS

	2016	2015
	\$	\$
Interest paid during the year	47,121	–
Interest received during the year	74,446	102,181

English Montreal School Board

Notes to Financial Statements

June 30, 2016

5 - OPERATING GRANTS RECEIVABLE

	<u>2016</u>	<u>2015</u>
	\$	\$
MEES		
Youth, adult education and vocational education	29,138,753	20,894,044
Debt service	(66,341)	35,842
Transportation	(150,681)	(229,055)
Contaminated land	47,173	763,064
Other grants	167,597	142,978
Financing of employee future benefits	13,628,701	13,670,540
	<u>42,765,202</u>	<u>35,277,413</u>

6 - ACCOUNTS RECEIVABLE

	<u>2016</u>	<u>2015</u>
	\$	\$
Accounts receivable – CGTSIM	10,484,841	4,912,253
Accounts receivable – other	9,029,836	6,543,865
Sabbatical leave receivable	126,865	138,293
Commodity taxes receivable	1,500,812	1,426,414
Sub-total	21,142,354	13,020,825
Allowance for doubtful accounts	(2,264,766)	(264,766)
	<u>18,877,588</u>	<u>12,756,059</u>

7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
	\$	\$
Accounts payable and accrued liabilities	16,102,212	18,240,530
Salaries and benefits payable	27,129,522	22,626,207
Sabbatical leave payable	1,351,215	1,015,707
Holdbacks on contracts	5,002,167	2,311,905
	<u>49,585,116</u>	<u>44,194,349</u>

8 - DEFERRED CONTRIBUTIONS RELATED TO THE ACQUISITION OF PROPERTY AND EQUIPMENT

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance, beginning of year	1,731,962	1,650,024
Amounts recognized as deferred contributions	384,750	207,530
Contributions recognized as revenues for the year	(144,004)	(125,592)
Balance, end of year	<u>1,972,708</u>	<u>1,731,962</u>

English Montreal School Board

Notes to Financial Statements

June 30, 2016

9 - ACCRUED EMPLOYEE FUTURE BENEFITS

Among the long-term obligations under employee future benefit plans, the School Board has a sick leave program, in accordance with the various collective agreements. This program allows certain employees to accumulate unused sick days. They are entitled to those unused sick days and can monetize them in the event of termination, retirement or death. Moreover, in the context of early retirement, employees can elect to use these accumulated sick days as fully paid days of absence.

	<u>2016</u>	<u>2015</u>
	\$	\$
Sick leave	860,272	864,409
Moneyable sick leave – teachers	6,422,295	6,203,638
Vacation	6,347,968	6,145,423
Other social benefits	1,625,905	2,059,419
Employer contributions	2,542,064	2,537,853
	<u>17,798,504</u>	<u>17,810,742</u>

10 - OTHER LIABILITIES

	<u>2016</u>	<u>2015</u>
	\$	\$
CNESST's retrospective program provision	851,819	571,396
School Board's share of the debt that is subject to a subsidy commitment held by the CGTSIM	176,136,137	162,825,439
Other liabilities	1,876,277	1,866,646
	<u>178,864,233</u>	<u>165,263,481</u>

The long-term debt of school boards on the Island of Montreal is managed by the CGTSIM. The School Board's share of the long-term debt that is subject to a subsidy commitment is confirmed by the CGTSIM.

11 - PROPERTY AND EQUIPMENT

	<u>2016</u>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>
	\$	\$	\$
Land development			
Land	17,597,404		17,597,404
Land development	9,720,429	1,334,215	8,386,214
Buildings			
Buildings	237,594,157	195,609,213	41,984,944
Major building improvements	121,796,738	11,748,845	110,047,893
Material and equipment	24,968,715	15,030,066	9,938,649
Specialized pedagogical teaching equipment	7,319,113	3,257,176	4,061,937
Computer development	1,884,824	1,216,053	668,771
	<u>420,881,380</u>	<u>228,195,568</u>	<u>192,685,812</u>

English Montreal School Board

Notes to Financial Statements

June 30, 2016

11 - PROPERTY AND EQUIPMENT (Continued)

			2015
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Land development			
Land	17,834,735		17,834,735
Land development	6,969,907	915,475	6,054,432
Buildings			
Buildings	238,353,332	195,792,940	42,560,392
Major building improvements	86,081,255	9,420,061	76,661,194
Material and equipment	25,244,927	15,342,767	9,902,160
Specialized pedagogical teaching equipment	6,530,161	2,596,076	3,934,085
Computer development	2,252,009	1,545,536	706,473
	<u>383,266,326</u>	<u>225,612,855</u>	<u>157,653,471</u>

The total amount of property and equipment includes \$24,578,729 of property and equipment in progress or development (\$14,443,692 as at June 30, 2015), \$472,106 for land development (\$339,638 as at June 30, 2015), \$1,216,913 for buildings (\$0 as at June 30, 2015) and \$22,889,710 for major improvements and transformation (\$14,104,054 as at June 30, 2015). No amortization is taken on this property and equipment.

As at June 30, 2016, accounts payable and accrued liabilities include \$8,340,961 that relate to acquisition of tangible capital assets (\$8,283,902 as at June 30, 2015).

12 - RISK MANAGEMENT AND FINANCIAL RISKS

Risk management policy

The School Board is exposed to various risks related to its financial instruments. The following provides a measure of risks at the date of the financial position, that is as at June 30, 2016.

Credit risk

Credit risk is the risk of a counterparty defaulting on contractual obligations. The School Board's credit risk is mainly associated with accounts receivable, excluding commodity taxes. To reduce its credit risk, the School Board regularly analyzes the balance of its user accounts receivable and reserves an allowance for doubtful accounts, as necessary, based on the estimated realizable value.

The carrying value of the School Board's main assets represents its maximum exposure to credit risk.

Interest rate risk

The interest rate risk is the risk that the financial instruments will vary unfavourably according to interest rate fluctuations, whether the interest rates are fixed or variable. Fixed interest rate financial instruments expose the School Board to a fair value risk and those with variable interest rates, to a cash flow risk.

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Notes to Financial Statements

June 30, 2016

13 - COMMITMENTS

As part of its operations, the School Board has entered into various long-term agreements. The most significant agreements have led to the following contractual obligations:

- An amount of \$13,306,156 for construction, renovations and land improvement agreements to be completed during 2016-2017;
- An amount of \$3,770,906 for long-term lease agreements for the rental of photocopy machines and other contracts maturing at different dates between 2016 and 2021. Minimum lease payments for the next five years are \$2,847,068 in 2017, \$530,673 in 2018, \$315,365 in 2019, \$61,750 in 2020 and \$16,050 in 2021;
- An amount of \$6,918,718 for school transportation contracts, which are maturing in 2016-2017.

14 - CONTINGENCIES

As at June 30, 2016, outstanding claims against the School Board amount to \$898,823 and consist of various claims on construction contracts and other. In respect to these claims, management has recorded a provision of \$473,080.

15 - RELATED PARTY TRANSACTIONS

In addition to the related party transactions which are already reported in the financial statements and recognized at the exchange amount, the School Board is related to all the departments, special funds, organizations and enterprises controlled directly or indirectly by the Government of Quebec or under the common control or subject to the significant influence of the Government of Quebec. The School Board had not entered into any commercial transactions with any of these related parties other than in the normal course of its operations and under normal commercial terms. These transactions are not reported separately in the financial statements.

English Montreal School Board

Supplementary Information

Year ended June 30, 2016

(Unaudited)

The following supplementary information has been compiled from financial information contained in the financial report. We have not performed an audit or examination with respect to this supplementary information, and accordingly, we express no assurance thereon.

	<u>2016</u>	<u>2015</u>
	\$	\$
EXPENDITURES BY NATURE		
Teaching activities		
Salaries and fringe benefits	138,410,824	135,539,153
Other expenditures	11,116,907	11,333,501
	<u>149,527,731</u>	<u>146,872,654</u>
Educational support activities		
Salaries and fringe benefits	53,761,737	52,664,583
Other expenditures	12,882,841	11,239,241
	<u>66,644,578</u>	<u>63,903,824</u>
Extracurricular activities		
Salaries and fringe benefits	9,459,361	9,239,351
Other expenditures	12,370,735	12,382,702
	<u>21,830,096</u>	<u>21,622,053</u>
Administrative activities		
Salaries and fringe benefits	12,176,768	11,510,087
Other expenditures	3,524,369	3,299,226
	<u>15,701,137</u>	<u>14,809,313</u>
Property and equipment activities		
Salaries and fringe benefits	9,847,343	10,000,558
Amortization of property and equipment	9,967,940	9,184,925
Gain on disposal of property and equipment	(7,187,480)	
Other expenditures	14,425,959	14,340,967
	<u>27,053,762</u>	<u>33,526,450</u>
Other activities		
Salaries and fringe benefits	1,476,053	629,650
Debt services	295,629	146,818
Environmental liabilities	(128,733)	484,663
Allowance for doubtful accounts	2,059,534	327,833
Other expenditures	12,392,867	12,285,447
	<u>16,095,350</u>	<u>13,874,411</u>
Provisions for future payroll benefits	<u>(12,237)</u>	<u>(681,283)</u>
	<u>296,840,417</u>	<u>293,927,422</u>

English Montreal School Board Supplementary Information

Year ended June 30, 2016

(Unaudited)

	<u>2016</u>	<u>2015</u>
	\$	\$
<i>ACCUMULATED OPERATING SURPLUS</i>		
Accumulated operating surplus, beginning of year	<u>50,403,504</u>	<u>45,107,370</u>
Total revenues	311,361,780	299,223,556
Total expenses	296,840,417	293,927,422
Excess of revenues over expenses	<u>14,521,363</u>	<u>5,296,134</u>
Accumulated operating surplus, end of year	<u>64,924,867</u>	<u>50,403,504</u>
Accumulated operating surplus		
Land	17,597,404	17,834,735
School Board	35,889,378	28,378,446
Gain on disposal of property and equipment	7,187,480	
Schools and centres	<u>4,250,605</u>	<u>4,190,323</u>
Accumulated operating surplus, end of year	<u>64,924,867</u>	<u>50,403,504</u>
Excess (deficiency) of revenues over expenses for the year		
Land	(237,331)	
School Board	7,510,932	6,082,411
Gain on disposal of property and equipment	* 7,187,480	
Schools and centres	<u>60,282</u>	<u>(786,277)</u>
Excess of revenues over expenses for the year	<u>14,521,363</u>	<u>5,296,134</u>

*** GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT**

The School Board has submitted a request to the Ministry of Education to obtain the authorization to use the entirety of the gain on disposal of property and equipment to finance major renovation projects in four (4) facilities totalling \$7.2 million.