

Audited Financial Statements of

School District No. 70 (Alberni)

June 30, 2014

School District No. 70 (Alberni)

June 30, 2014

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School District No. 70 (Alberni)

MANAGEMENT REPORT

Version: 2924-2178-9196

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 70 (Alberni) 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.

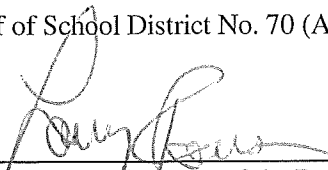
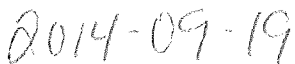
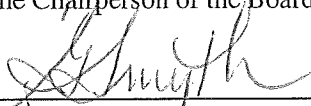



The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 70 (Alberni) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG, 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. 70 (Alberni) and meet when required. The accompanying Independent Auditor's 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. 70 (Alberni)

	
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 and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 70 (Alberni), which comprise the statement of financial position as at June 30, 2014, the statements of operations, changes in net debt and cash flows for the year the ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements of School District No. 70 (Alberni) as at and for the year ended June 30, 2014 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

September 9, 2014

Victoria, Canada

School District No. 70 (Alberni)

Statement of Financial Position

As at June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 2p)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	6,825,068	7,447,104
Accounts Receivable		
Due from Province - Ministry of Education	2,412,414	753,027
Other (Note 3)	167,524	536,412
Total Financial Assets	<u>9,405,006</u>	<u>8,736,543</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	917,326	-
Other (Note 4)	3,261,618	4,428,712
Deferred Revenue (Note 5)	1,574,377	1,670,676
Deferred Capital Revenue (Note 6)	68,456,904	68,385,791
Employee Future Benefits (Note 7)	750,120	781,435
Debt (Note 8)	421,002	451,000
Capital Lease Obligations (Note 9)	87,419	122,209
Total Liabilities	<u>75,468,766</u>	<u>75,839,823</u>
Net Financial Assets (Debt)	<u>(66,063,760)</u>	<u>(67,103,280)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 10)	84,471,708	83,676,192
Restricted Assets (Endowments) (Note 11)	29,750	29,750
Prepaid Expenses	47,655	22,928
Total Non-Financial Assets	<u>84,549,113</u>	<u>83,728,870</u>
Accumulated Surplus (Deficit) (Note 14)	<u>18,485,353</u>	<u>16,625,590</u>

Contractual Obligations and Contingencies

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

2014-09-19
2014-09-19
2014-09-22

School District No. 70 (Alberni)

Statement of Operations
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 2p)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	36,820,764	37,125,693	37,956,114
Other	13,500		
Tuition	194,000	245,459	99,750
Other Revenue	4,026,161	3,846,868	4,547,715
Rentals and Leases	60,325	64,426	89,968
Investment Income	30,000	41,527	49,455
Amortization of Deferred Capital Revenue	2,188,131	2,188,131	849,922
Total Revenue	<u>43,332,881</u>	<u>43,512,104</u>	<u>43,592,924</u>
Expenses			
Instruction	33,179,837	31,238,250	33,329,673
District Administration	1,650,190	1,611,259	1,737,314
Operations and Maintenance	7,993,218	7,026,725	5,699,232
Transportation and Housing	1,206,275	1,741,956	1,805,068
Debt Services	18,406	26,753	19,063
Write-off/down of Buildings and Sites (Note 12)		7,398	
Total Expense	<u>44,047,926</u>	<u>41,652,341</u>	<u>42,590,350</u>
Surplus (Deficit) for the year	<u>(715,045)</u>	<u>1,859,763</u>	<u>1,002,574</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		16,625,590	15,623,016
Accumulated Surplus (Deficit) from Operations, end of year		<u>18,485,353</u>	<u>16,625,590</u>

School District No. 70 (Alberni)
Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 2p)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(715,045)</u>	<u>1,859,763</u>	<u>1,002,574</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,519,167)	(3,609,893)	(11,735,827)
Amortization of Tangible Capital Assets	2,803,338	2,803,338	1,458,846
Write-down carrying value of Tangible Capital Assets	-	11,039	
Total Effect of change in Tangible Capital Assets	<u>1,284,171</u>	<u>(795,516)</u>	<u>(10,276,981)</u>
Use of Prepaid Expenses	-	(24,727)	(22,927)
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(24,727)</u>	<u>(22,927)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>569,126</u>	<u>1,039,520</u>	<u>(9,297,334)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>1,039,520</u>	<u>(9,297,334)</u>
Net Financial Assets (Debt), beginning of year		<u>(67,103,280)</u>	<u>(57,805,946)</u>
Net Financial Assets (Debt), end of year		<u>(66,063,760)</u>	<u>(67,103,280)</u>

School District No. 70 (Alberni)

Statement of Cash Flows
Year Ended June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 2p)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,859,763	1,002,574
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,290,499)	(482,527)
Prepaid Expenses	(24,727)	(22,927)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(249,768)	(988,356)
Deferred Revenue	(96,299)	(46,055)
Employee Future Benefits	(31,315)	(26,629)
Other Liabilities	-	-
Loss (Gain) on Disposal of Tangible Capital Assets	-	(108,839)
Amortization of Tangible Capital Assets	2,803,338	1,458,846
Amortization of Deferred Capital Revenue	(2,188,131)	(849,922)
Recognition of Deferred Capital Revenue Spent on Sites	(1,064,415)	-
Write-Off/down of Buildings and Sites	7,398	-
Total Operating Transactions	<u>(274,655)</u>	<u>(63,835)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(3,609,893)	(11,583,710)
District Portion of Proceeds on Disposal	-	430,940
Restricted Portion of Proceeds on Disposal	-	(322,098)
Total Capital Transactions	<u>(3,609,893)</u>	<u>(11,474,868)</u>
Financing Transactions		
Loan Payments	(29,998)	(15,930)
Capital Revenue Received	3,327,300	11,835,311
Capital Lease Obligation Repayments	(34,790)	(29,908)
Total Financing Transactions	<u>3,262,512</u>	<u>11,789,473</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(622,036)</u>	<u>250,770</u>
Cash and Cash Equivalents, beginning of year	<u>7,447,104</u>	<u>7,196,334</u>
Cash and Cash Equivalents, end of year	<u><u>6,825,068</u></u>	<u><u>7,447,104</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>6,825,068</u>	<u>7,447,104</u>
	<u><u>6,825,068</u></u>	<u><u>7,447,104</u></u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 1887, 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. 70 (Alberni)", and operates as "School District No. 70 (Alberni)." A board of education ("Board") elected for a three-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. 70 (Alberni) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

a) Basis of Accounting

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 supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The *Budget Transparency and Accountability Act* requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

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

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District does not administer any trust activities on behalf of external parties.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash and cash equivalents that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. 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.

d) Accounts Receivable

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

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the *Restricted Contributions Regulation 198/2011* issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (l).

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

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

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

f) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2016. The next valuation will be performed at March 31, 2016 for use at June 30, 2016. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

g) Asset Retirement Obligations

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

h) 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.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

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

h) Tangible Capital Assets (continued)

- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

i) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

j) Prepaid Expenses

Payments for insurance, subscriptions, membership and maintenance contracts for use within the District in a future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

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

1) Revenue Recognition

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

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

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

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

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

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.

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

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

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

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

m) Expenditures

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

Allocation of Costs

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

n) 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 debt. 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 and amortized using the effective interest rate method. 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 measured at fair value 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. There are no measurement gains or losses during the periods presented, therefore no statement of remeasurement gains or losses is included in these financial statements.

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.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Measurement Uncertainty

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

p) Comparative Information

Certain 2013 comparative information has been recast to record additional post employment benefit obligations. Accrued Employee Benefit Obligations were increased by \$19,096 and \$16,985 at July 1, 2012 and June 30, 2013, respectively, annual surplus for the year ended June 30, 2013 increased by \$2,111, resulting in a change to Accumulated Surplus from \$16,642,575 to \$16,625,590 at June 30, 2013 and from \$15,642,112 to \$15,623,016 at July 1, 2012.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2014</u>	<u>2013</u>
Due from Federal Government	\$ 92,585	\$ 380,949
Other	74,939	155,463
	<u>\$167,524</u>	<u>\$ 536,412</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Trade payables	\$1,026,997	\$1,984,960
Salaries and benefits payable	1,689,512	1,898,643
Accrued vacation pay	545,109	545,109
	<u>\$3,261,618</u>	<u>\$4,428,712</u>

Included in salaries and benefits payable is an Employee Support Grant payable to support staff union members for lost wages during job action contingent upon ratification of the collective agreement at the local level by November 30, 2014. The collective agreement was ratified on July 5, 2014.

Accounts payable and accrued liabilities, Due to Province – Ministry of Education represents 80 percent of the savings in salaries due to job action in June 2014. This amount has been deducted from the July 2014 operating grant.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 5 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.

	2014	2013
Balance, beginning of year	\$1,670,676	\$1,716,731
Changes for the year:		
Increase:		
Provincial grants	1,877,732	2,233,118
Other revenue	1,179,576	1,175,910
	3,057,308	3,409,028
Decrease:		
Allocated to Revenue	(3,153,607)	(3,455,083)
Net changes for the year	(96,299)	(46,055)
Balance, end of year	\$1,574,377	\$1,670,676

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 6 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.

	2014	2013
Deferred capital revenue subject to amortization	\$ 67,922,243	\$ 32,999,497
Balance, beginning of year		
Increases:		
Capital additions	2,511,199	11,554,959
Transfer from deferred capital revenue not subject to amortization	-	24,217,709
Decreases:		
Amortization	(2,188,131)	(849,922)
Write-off/down of Buildings	(3,641)	-
Net change for the year	319,427	34,922,746
Balance, end of year	68,241,670	67,922,243
Deferred capital revenue not subject to amortization	463,548	24,400,905
Balance, beginning of year		
Increases:		
Provincial Grants – Ministry of Education	3,327,300	11,489,163
MOE Restricted portion of process on disposal	-	322,098
Other	-	24,050
	3,327,300	11,835,311
Decreases:		
Transfer to deferred capital revenue subject to amortization	-	(24,217,709)
Capital additions	(2,511,199)	(11,554,959)
Site purchase	(1,064,415)	-
	(3,575,614)	(35,772,668)
Net change for the year	(248,314)	(23,937,357)
Balance, end of year	215,234	463,548
Total deferred capital revenue balance, end of year	\$ 68,456,904	\$ 68,385,791

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 7 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.

	2014	2013 (recast)
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$864,448	\$820,985
Service Cost	42,297	41,420
Interest Cost	25,642	34,964
Benefit Payments	(119,484)	(68,421)
Actuarial Loss	3,883	35,500
Accrued Benefit Obligation – March 31	\$816,786	\$864,448
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$816,786	\$864,448
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(816,786)	(864,448)
Employer Contributions After Measurement Date	42,449	57,626
Benefits Expense After Measurement Date	(17,207)	(16,984)
Unamortized Net Actuarial Loss	41,425	42,372
Accrued Benefit Liability - June 30	\$(750,119)	\$(781,434)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$781,434	\$788,968
Recognize Benefit Expense April 1 - June 30, 2012	-	19,096
Accrued Benefit Liability - July 1 (recast)	781,434	808,064
Net Expense for Fiscal Year	72,992	75,201
Employer Contributions	(104,307)	(101,831)
Accrued Benefit Liability - June 30	\$750,119	\$781,434

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 7 EMPLOYEE FUTURE BENEFITS *(continued)*

	2014	2013 (recast)
Components of Net Benefit Expense		
Service Cost	\$ 42,313	\$ 41,639
Interest Cost	25,849	32,633
Amortization of Net Actuarial Loss	4,830	929
Net Benefit Expense	\$ 72,992	\$ 75,201

Assumptions

Discount Rate - April 1	3.00%	4.25%
Discount Rate - March 31	3.25%	3.00%
Long Term Salary Growth - April 1	2.50% + seniority	
Long Term Salary Growth - March 31	2.50% + seniority	
EARSLS - March 31	9.1	9.1

NOTE 8 DEBT

The following loans approved under Section 144 of the *School Act* are outstanding:

	Approval Date	Year Borrowed	Interest Rate	Term	Amount Borrowed	Amount Paid	2014 Balance	2013 Balance
Demand loan	1998	1998	Variable	Demand	\$475,000	312,546	162,454	\$182,006
Term Loan	2010	2010	4.91%	5 years	149,000	19,726	129,274	134,497
Term Loan	2010	2010	4.91%	5 years	149,000	19,726	129,274	134,497
					\$773,000	351,998	421,002	\$451,000

Future principal payments on term loans as currently scheduled are as follows:

2015	<u>258,548</u>
	<u><u>\$ 258,548</u></u>

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 9 CAPITAL LEASE OBLIGATIONS

The District leases certain equipment through the Municipal Finance Authority of British Columbia with repayments due as follows:

2015	\$36,363
2016	32,524
2017	13,628
2018	7,949
Total minimum lease payments	<u>\$90,464</u>
Less amounts representing interest at 2%	<u>(3,045)</u>
Present value of net minimum capital lease payments	<u><u>\$ 87,419</u></u>

Total interest expense on leases for the year was \$8,617 (2013: \$2,293).

NOTE 10 TANGIBLE CAPITAL ASSETS

Cost:	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Sites	\$2,571,918	\$1,064,415	\$ -	\$3,636,333
Buildings	106,414,213	2,364,512	(1,289,822)	107,488,903
Buildings – work in progress	-	-	-	-
Furniture & Equipment	2,635,195	28,502	(68,888)	2,594,809
Vehicles	1,144,394	152,464	(387,724)	909,134
Computer Software	37,404	-	(14,343)	23,061
Computer Hardware	76,003	-	-	76,003
Total	112,879,127	\$ 3,609,893	\$ (1,760,777)	\$ 114,728,243

Accumulated Amortization:	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	27,933,633	2,402,697	(1,278,783)	29,057,547
Furniture & Equipment	675,658	263,520	(68,888)	870,290
Vehicles	542,500	114,439	(387,724)	269,215
Computer Software	20,152	7,481	(14,343)	13,290
Computer Hardware	30,992	15,201	-	46,193
Total	\$29,202,935	\$2,803,338	\$ (1,749,738)	\$30,256,535

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

Net Book Value:

	2014	2013
Sites	\$ 3,636,333	\$ 2,571,918
Buildings	78,431,356	78,480,580
Furniture & Equipment	1,724,519	1,959,537
Vehicles	639,919	601,894
Computer Software	9,771	17,252
Computer Hardware	29,810	45,011
Total	84,471,708	\$ 83,676,192

- Works of art and historic assets - the School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures and public display areas. These assets are not recorded as tangible capital assets and are not amortized.
- Assets under capital lease – equipment includes assets under capital lease with a net book value of \$87,419 (2013: \$122,209).

NOTE 11 ENDOWMENT FUND

Name of Endowment	Balance Beginning of Year	Contributions During Year	Earnings for the Year	Transfer to Deferred Revenue	Balance End of Year
Garner	\$29,750	\$ -	\$450	\$(450)	\$29,750

NOTE 12 WRITE-OFF OF SITES AND BUILDINGS

During the year the School District wrote off the Old Alberni District School Building acquired in 1954 with a cost of \$1,289,822 and accumulated amortization of \$1,278,783. Deferred Capital Contributions of \$777,998 and accumulated amortization of \$774,357 are also included. The result is a write-off expense for the building for \$7,398 which is recorded in the Statement of Operations.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 13 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 32,000 retired members from school districts. The Municipal Pension Plan has about 179,000 active members, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available later in 2016. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

School District No. 70 paid \$3,526,141 (2013: \$3,934,034) for employer contributions to these plans in the year ended June 30, 2014.

NOTE 14 ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2014	2013 (recast)
Invested in tangible capital assets	\$ 15,753,211	\$ 15,212,332
Operating surplus	2,062,098	1,117,391
Special purpose surplus	30,000	30,000
Local capital surplus	640,045	265,867
	\$ 18,485,354	\$ 16,625,590

Inter-fund transfers between the operating, special purpose and capital funds for the year ended June 30, 2014, were as follows:

- Accumulated surplus transferred from operating fund to local capital fund: \$500,000

NOTE 15 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.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 16 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Certain schools in the School District may contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of the future removal costs cannot be reasonably estimated due to unknown timelines.

The nature of the School District's activities are such there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2014, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position or operations.

NOTE 17 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2014 amended annual budget adopted by the Board on February 25, 2014. The chart following reconciles the originally approved annual budget bylaw approved May 28, 2013 to the amended annual budget bylaw reported in these financial statements.

	2014 Amended Annual Budget	2014 Annual Budget
Revenues		
Provincial Grants		
Ministry of Education	\$ 36,820,764	\$ 37,035,496
Other	106,400	48,000
Federal Grants	-	1,300,000
Tuition	194,000	-
Other Revenue	3,933,261	2,288,696
Rentals and Leases	60,325	82,000
Investment Income	30,000	30,000
Amortization of Deferred Capital Revenue	2,188,131	2,137,700
Total Revenue	43,332,881	42,921,892
Expenses		
Instruction	33,179,837	32,731,306
District Administration	1,650,190	1,648,718
Operations and Maintenance	7,993,218	7,452,730
Transportation and Housing	1,206,275	1,486,234
Debt Services	18,406	-
Total Expense	44,047,926	43,318,988
Net Revenue (Expense)	(715,045)	(397,096)
Budgeted Allocation of Surplus	174,332	-
Budgeted Surplus for the year	\$ (540,713)	\$ (397,096)

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 18 EXPENSE BY OBJECT

	2014	2013 (recast)
Salaries and benefits	\$32,426,580	\$33,896,809
Services and supplies	6,395,670	7,215,632
Interest expense	26,753	19,063
Amortization	2,803,338	1,458,846
	\$ 41,652,341	\$ 42,590,350

NOTE 19 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 20 RISK MANAGEMENT

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

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

a) Credit risk:

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

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.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in placement of funds with institutions that have achieved the highest creditworthiness in the marketplace and earned a public reputation as a good credit risk.

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 20 **RISK MANAGEMENT** (*Continued*)

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 cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid (e.g. term deposits) that have a maturity date of no more than 3 years. The School District is also exposed to interest rate risk on its demand loan which pays interest at a variable rate.

c) Liquidity risk:

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

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

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

School District No. 70 (Alberni)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2014

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,117,391	30,000	15,478,199	16,625,590	15,642,112
Prior Period Adjustments					(19,096)
Accumulated Surplus (Deficit), beginning of year, as restated	<u>1,117,391</u>	<u>30,000</u>	<u>15,478,199</u>	<u>16,625,590</u>	<u>15,623,016</u>
Changes for the year					
Surplus (Deficit) for the year	1,444,706		415,057	1,859,763	1,002,574
Interfund Transfers	(500,000)		500,000	-	
Local Capital	944,706	-	915,057	1,859,763	1,002,574
Net Changes for the year	<u>2,062,097</u>	<u>30,000</u>	<u>16,393,256</u>	<u>18,485,353</u>	<u>16,625,590</u>

Accumulated Surplus (Deficit), end of year - Statement 2

School District No. 70 (Alberni)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 2p)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	34,791,019	34,052,696	35,868,799
Other	13,500		
Tuition	194,000	245,459	99,750
Other Revenue	2,633,261	2,701,843	3,068,103
Rentals and Leases	60,325	64,426	89,968
Investment Income	30,000	41,527	49,455
Total Revenue	<u>37,722,105</u>	<u>37,105,951</u>	<u>39,176,075</u>
Expenses			
Instruction	29,850,092	28,300,423	29,915,972
District Administration	1,650,190	1,598,236	1,713,042
Operations and Maintenance	5,330,047	4,723,645	4,606,232
Transportation and Housing	1,066,108	1,038,941	1,439,222
Total Expense	<u>37,896,437</u>	<u>35,661,245</u>	<u>37,674,468</u>
Operating Surplus (Deficit) for the year	<u>(174,332)</u>	<u>1,444,706</u>	<u>1,501,607</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>174,332</u>		
Net Transfers (to) from other funds			
Local Capital	-	(500,000)	-
Other	-	-	5,046
Total Net Transfers	<u>-</u>	<u>(500,000)</u>	<u>5,046</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>944,706</u>	<u>1,506,653</u>
Operating Surplus (Deficit), beginning of year		1,117,391	(370,166)
Prior Period Adjustments			(19,096)
April - June 2012 EFB Expense Restatement			(19,096)
Operating Surplus (Deficit), beginning of year, as restated		<u>1,117,391</u>	<u>(389,262)</u>
Operating Surplus (Deficit), end of year		<u>2,062,097</u>	<u>1,117,391</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		439,252	
Unrestricted		1,622,845	1,117,391
Total Operating Surplus (Deficit), end of year		<u>2,062,097</u>	<u>1,117,391</u>

School District No. 70 (Alberni)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 2p)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	36,586,958	35,923,819	37,357,256
AANDC/LEA Recovery	(2,419,855)	(2,534,124)	(2,168,696)
Other Ministry of Education Grants			
Pay Equity	595,220	595,220	595,220
FSA Training	8,696	8,696	8,696
Education Guarantee	20,000	22,288	24,507
Carbon Tax Rebate		36,797	40,481
Innovation Inquiry Based School Planning	-	-	1,335
School Improvement Initiative	-	-	10,000
Total Provincial Grants - Ministry of Education	34,791,019	34,052,696	35,868,799
Provincial Grants - Other	13,500	-	-
Tuition			
Offshore Tuition Fees	194,000	245,459	99,750
Total Tuition	194,000	245,459	99,750
Other Revenues			
Other School District/Education Authorities	41,206	41,206	40,497
LEA/Direct Funding from First Nations	2,419,855	2,539,453	2,858,756
Miscellaneous			
Administration Fees	10,000	13,023	12,979
Instructional Cafeteria	32,200	42,664	46,116
Other	85,000	65,497	109,755
After School Sport & Arts Initiative	45,000	-	-
Total Other Revenue	2,633,261	2,701,843	3,068,103
Rentals and Leases	60,325	64,426	89,968
Investment Income	30,000	41,527	49,455
Total Operating Revenue	37,722,105	37,105,951	39,176,075

School District No. 70 (Alberni)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 2p)
	\$	\$	\$
Salaries			
Teachers	15,391,997	14,383,516	15,511,986
Principals and Vice Principals	2,381,170	2,385,288	2,379,897
Educational Assistants	2,717,744	2,456,605	2,530,814
Support Staff	3,972,126	3,829,896	3,839,811
Other Professionals	928,476	923,658	970,032
Substitutes	1,100,000	968,818	1,132,180
Total Salaries	26,491,513	24,947,781	26,364,720
Employee Benefits	6,476,849	6,238,111	6,191,420
Total Salaries and Benefits	32,968,362	31,185,892	32,556,140
Services and Supplies			
Services	1,070,253	1,135,661	1,101,562
Student Transportation	364,400	377,037	584,350
Professional Development and Travel	292,892	246,463	230,480
Rentals and Leases	134,674	108,758	109,569
Dues and Fees	126,836	112,676	148,958
Insurance	181,891	100,036	116,588
Supplies	1,643,167	1,496,821	1,906,247
Utilities	1,113,962	897,901	920,574
Total Services and Supplies	4,928,075	4,475,353	5,118,328
Total Operating Expense	37,896,437	35,661,245	37,674,468

School District No. 70 (Alberni)

Operating Expense by Function, Program and Object
Year Ended June 30, 2014

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	12,261,814	927,123	77,676	364,156	39,151	586,082	14,256,002
1.03 Career Programs	86,778			49,739			136,517
1.07 Library Services	148,217	85,429		42,148			275,794
1.08 Counselling	230,189			82,453			312,642
1.10 Special Education	986,953	155,324	2,359,393	9,633	106,078	151,130	3,768,511
1.30 English Language Learning	246,020		19,536	77,140	52,202		246,020
1.31 Aboriginal Education	390,900	246,949		390,357	68,233	15,318	1,340,369
1.41 School Administration	23,742	866,461					23,742
1.60 Summer School	8,903						8,903
1.61 Continuing Education							-
1.62 Off Shore Students							-
1.64 Other							-
Total Function 1	14,383,516	2,281,286	2,456,605	1,015,626	265,664	752,530	21,155,227
4 District Administration							
4.11 Educational Administration		104,002		9,634	145,505		259,141
4.40 School District Governance				252,768	347,848		73,716
4.41 Business Administration		104,002		262,402	567,069		600,616
Total Function 4	-	104,002	-	262,402	567,069	-	933,473
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					90,925		90,925
5.50 Maintenance Operations				2,053,057		193,138	2,246,195
5.52 Maintenance of Grounds				136,091			136,091
5.56 Utilities							-
Total Function 5	-	-	-	2,189,148	90,925	193,138	2,473,211
7 Transportation and Housing							
7.70 Student Transportation				362,720		23,150	385,870
7.73 Housing							-
Total Function 7	-	-	-	362,720	-	23,150	385,870
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,383,516	2,385,288	2,456,605	3,829,896	923,658	968,818	24,947,781

School District No. 70 (Alberni)

Operating Expense by Function, Program and Object
Year Ended June 30, 2014

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2014 Actual	2014 Budget	2013 Actual
	\$	\$	\$	\$	\$	\$	(Recast - Note 2p)
1 Instruction							
1.02 Regular Instruction	14,256,002	3,651,133	17,907,135	942,080	18,849,215	20,054,827	19,943,226
1.03 Career Programs	136,517	31,969	168,486	79,574	248,060	268,059	301,537
1.07 Library Services	275,794	73,911	349,705	9,633	359,338	397,797	440,893
1.08 Counselling	312,642	79,360	392,002	1,148	393,150	415,305	413,690
1.10 Special Education	3,768,511	966,359	4,734,870	149,595	4,884,465	5,136,340	5,047,866
1.30 English Language Learning	246,020	61,050	307,070	26,540	333,610	367,051	319,174
1.31 Aboriginal Education	786,727	184,682	971,409	308,737	1,280,146	1,231,397	1,478,486
1.41 School Administration	1,340,369	319,560	1,659,929	3,808	1,663,737	1,675,080	1,727,785
1.60 Summer School	23,742	4,663	28,405	-	28,405	55,306	25,692
1.61 Continuing Education	8,903	2,219	11,122	111,175	11,122	11,544	11,647
1.62 Off Shore Students	-	-	-	138,000	111,175	99,386	67,976
1.64 Other	-	-	-	-	138,000	138,000	138,000
Total Function 1	21,155,227	5,374,906	26,530,133	1,770,290	28,300,423	29,850,092	29,915,972
4 District Administration							
4.11 Educational Administration	259,141	60,973	320,114	70,060	390,174	402,447	387,570
4.40 School District Governance	73,716	1,242	74,958	64,408	139,366	154,057	154,632
4.41 Business Administration	600,616	134,510	735,126	333,570	1,068,696	1,093,686	1,170,840
Total Function 4	933,473	196,725	1,130,198	468,038	1,598,236	1,650,190	1,713,042
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	90,925	17,046	107,971	4,904	112,875	115,113	83,983
5.50 Maintenance Operations	2,246,195	525,773	2,771,968	681,447	3,453,415	4,048,447	3,360,563
5.52 Maintenance of Grounds	136,091	31,574	167,665	91,788	259,453	242,494	241,112
5.56 Utilities	-	-	-	897,902	897,902	923,993	920,574
Total Function 5	2,473,211	574,393	3,047,604	1,676,041	4,723,645	5,330,047	4,606,232
7 Transportation and Housing							
7.70 Student Transportation	385,870	92,087	477,957	554,278	1,032,235	1,059,589	1,435,722
7.73 Housing	-	-	-	6,706	6,706	6,519	3,500
Total Function 7	385,870	92,087	477,957	560,984	1,038,941	1,066,108	1,439,222
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	24,947,781	6,238,111	31,185,892	4,475,353	35,661,245	37,896,437	37,674,468

School District No. 70 (Alberni)

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 2p)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,029,745	2,008,582	2,087,315
Other Revenue	1,300,000	1,145,025	1,367,768
Total Revenue	<u>3,329,745</u>	<u>3,153,607</u>	<u>3,455,083</u>
Expenses			
Instruction	3,329,745	2,937,827	3,413,701
District Administration	-	13,023	24,272
Operations and Maintenance	-	202,757	-
Total Expense	<u>3,329,745</u>	<u>3,153,607</u>	<u>3,437,973</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>17,110</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(12,064)
Other			(5,046)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(17,110)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		<u>30,000</u>	30,000
Special Purpose Surplus (Deficit), end of year		<u>30,000</u>	<u>30,000</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		<u>30,000</u>	30,000
Total Special Purpose Surplus (Deficit), end of year		<u>30,000</u>	<u>30,000</u>

School District No. 70 (Alberni)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2014

	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	140,607			635,106	676,458	20,862			
Add: Restricted Grants									
Provincial Grants - Ministry of Education	62,150	471,126	6,369	5,455	1,038,016	128,000	22,050	118,219	894,014
Other									63,227
Less: Allocated to Revenue	62,150	471,126	6,369	5,455	1,038,016	128,000	22,050	118,219	957,241
Deferred Revenue, end of year	202,757	471,126	1,800	44,100	1,014,405	136,750	12,084	114,247	923,702
	-	-	4,569	596,461	700,069	12,112	9,966	3,972	33,539
Revenues	202,757	471,126	1,800	44,100	1,014,405	136,750	12,084	114,247	894,014
Provincial Grants - Ministry of Education									29,688
Other Revenue	202,757	471,126	1,800	44,100	1,014,405	136,750	12,084	114,247	923,702
Expenses									
Salaries									
Teachers		410,629					1,925	13,709	9,140
Educational Assistants									
Support Staff	99,716	60,497			88,633	88,633	1,925	22,849	291,339
Employee Benefits	99,716	471,126							291,339
Services and Supplies	21,938				20,313				69,880
	81,103		1,800	44,100	1,014,405	27,804	10,159	91,398	562,483
	202,757	471,126	1,800	44,100	1,014,405	136,750	12,084	114,247	923,702
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 70 (Alberni)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2014

	PRP Kackaamin	NON Strong Starts	TOTAL
Deferred Revenue, beginning of year	\$	\$	\$
		197,643	1,670,676
Add: Restricted Grants	175,804		1,877,732
Provincial Grants - Ministry of Education		72,878	1,179,576
Other	175,804	72,878	3,057,308
Less: Allocated to Revenue	175,804	56,832	3,153,607
Deferred Revenue, end of year	-	213,689	1,574,377
Revenues	175,804		2,008,582
Provincial Grants - Ministry of Education		56,832	1,145,025
Other Revenue	175,804	56,832	3,153,607
Expenses			
Salaries			509,773
Teachers	83,510		54,616
Educational Assistants	45,476		540,185
Support Staff			1,104,574
Employee Benefits	128,986	-	136,114
Services and Supplies	23,983	56,832	1,912,919
	175,804	56,832	3,153,607
Net Revenue (Expense) before Interfund Transfers	-	-	-
Interfund Transfers	-	-	-
Net Revenue (Expense)	-	-	-

School District No. 70 (Alberni)

Schedule of Capital Operations
Year Ended June 30, 2014

	2014 Budget	2014 Actual		Fund Balance	2013 Actual (Recast - Note 2p)
		Invested in Tangible Capital Assets	Local Capital		
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education		1,064,415		1,064,415	
Other Revenue	92,900			-	111,844
Amortization of Deferred Capital Revenue	2,188,131	2,188,131		2,188,131	849,922
Total Revenue	<u>2,281,031</u>	<u>3,252,546</u>	<u>-</u>	<u>3,252,546</u>	<u>961,766</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,663,171	2,100,323		2,100,323	1,093,000
Transportation and Housing	140,167	703,015		703,015	365,846
Write-off/down of Buildings and Sites		7,398		7,398	
Debt services					
Capital Lease Interest			8,617	8,617	
Capital Loan Interest	18,406		18,136	18,136	19,063
Total Expense	<u>2,821,744</u>	<u>2,810,736</u>	<u>26,753</u>	<u>2,837,489</u>	<u>1,477,909</u>
Capital Surplus (Deficit) for the year	<u>(540,713)</u>	<u>441,810</u>	<u>(26,753)</u>	<u>415,057</u>	<u>(516,143)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased				-	12,064
Local Capital			500,000	500,000	
Total Net Transfers	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>12,064</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		34,279	(34,279)	-	
Principal Payment					
Capital Lease		34,790	(34,790)	-	
Capital Loan		30,000	(30,000)	-	
Total Other Adjustments to Fund Balances		<u>99,069</u>	<u>(99,069)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(540,713)</u>	<u>540,879</u>	<u>374,178</u>	<u>915,057</u>	<u>(504,079)</u>
Capital Surplus (Deficit), beginning of year		15,212,332	265,867	15,478,199	15,982,278
Capital Surplus (Deficit), end of year		<u>15,753,211</u>	<u>640,045</u>	<u>16,393,256</u>	<u>15,478,199</u>

School District No. 70 (Alberni)

Tangible Capital Assets
Year Ended June 30, 2014

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,571,918	106,414,213	2,635,195	1,144,394	37,404	76,003	112,879,127
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	1,064,415	2,116,198	7,696	138,991			3,327,300
Deferred Capital Revenue - Other		248,314					248,314
Local Capital	1,064,415	2,364,512	28,502	13,473			34,279
			28,502	152,464			3,609,893
Decrease:							
Deemed Disposals			68,888	387,724	14,343		470,955
Written-off/down During Year		1,289,822					1,289,822
		1,289,822	68,888	387,724	14,343		1,760,777
Cost, end of year	3,636,333	107,488,903	2,594,809	909,134	23,061	76,003	114,728,243
Work in Progress, end of year							-
Cost and Work in Progress, end of year	3,636,333	107,488,903	2,594,809	909,134	23,061	76,003	114,728,243
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		27,933,633	675,658	542,500	20,152	30,992	29,202,935
Decrease:							
Deemed Disposals		2,402,697	263,520	114,439	7,481	15,201	2,803,338
Written-off During Year			68,888	387,724	14,343		470,955
		1,278,783					1,278,783
		1,278,783	68,888	387,724	14,343		1,749,738
Accumulated Amortization, end of year		29,057,547	870,290	269,215	13,290	46,193	30,256,535
Tangible Capital Assets - Net	3,636,333	78,431,356	1,724,519	639,919	9,771	29,810	84,471,708

School District No. 70 (Alberni)

Deferred Capital Revenue
Year Ended June 30, 2014

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 66,662,011	\$ 1,061,182	\$ 199,050	\$ 67,922,243
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,262,885	248,314		2,511,199
	<u>2,262,885</u>	<u>248,314</u>	<u>-</u>	<u>2,511,199</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,139,746	41,605	6,780	2,188,131
Revenue Recognized on Write-off/down of Buildings	3,641			3,641
	<u>2,143,387</u>	<u>41,605</u>	<u>6,780</u>	<u>2,191,772</u>
Net Changes for the Year	<u>119,498</u>	<u>206,709</u>	<u>(6,780)</u>	<u>319,427</u>
Deferred Capital Revenue, end of year	<u>66,781,509</u>	<u>1,267,891</u>	<u>192,270</u>	<u>68,241,670</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>66,781,509</u>	<u>1,267,891</u>	<u>192,270</u>	<u>68,241,670</u>

School District No. 70 (Alberni)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2014

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		463,548				463,548
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,327,300					3,327,300
	3,327,300					3,327,300
Decrease:						
Transferred to DCR - Capital Additions	2,262,885	248,314				2,511,199
Transferred to Revenue - Site Purchases	1,064,415					1,064,415
	3,327,300	248,314				3,575,614
Net Changes for the Year		(248,314)				(248,314)
Balance, end of year		215,234				215,234