

Audited Financial Statements of

School District No. 70 (Alberni)

June 30, 2015

School District No. 70 (Alberni)

June 30, 2015

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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, 2015, the statements of operations, changes in net financial assets (debt) and cash flows for the year then 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 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, 2015 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 3 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

September 15, 2015
Victoria, Canada

School District No. 70 (Alberni)

MANAGEMENT REPORT

Version: 7110-2853-9870

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.

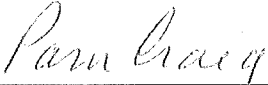
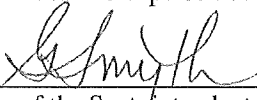
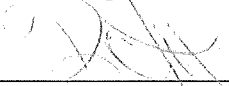
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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 Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 70 (Alberni)

	2015-09-16
Signature of the Chairperson of the Board of Education	Date Signed
	2015-09-16
Signature of the Superintendent	Date Signed
	16 Sep 2015
Signature of the Secretary Treasurer	Date Signed

School District No. 70 (Alberni)

Statement 1

Statement of Financial Position

As at June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	7,518,947	6,825,068
Accounts Receivable		
Due from Province - Ministry of Education		2,412,414
Other (Note 4)	1,170,929	167,524
Total Financial Assets	<u>8,689,876</u>	<u>9,405,006</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education		917,326
Other (Note 5)	3,677,466	3,261,618
Deferred Revenue (Note 6)	1,504,301	1,574,377
Deferred Capital Revenue (Note 7)	66,674,106	68,456,904
Employee Future Benefits (Note 8)	793,231	750,120
Debt (Note 9)	1,984,975	421,002
Capital Lease Obligations (Note 10)	52,629	87,419
Total Liabilities	<u>74,686,708</u>	<u>75,468,766</u>
Net Financial Assets (Debt)	<u>(65,996,832)</u>	<u>(66,063,760)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	83,875,559	84,471,708
Restricted Assets (Endowments) (Note 12)	29,750	29,750
Prepaid Expenses	3,531	47,655
Total Non-Financial Assets	<u>83,908,840</u>	<u>84,549,113</u>
Accumulated Surplus (Deficit) (Note 14)	<u>17,912,008</u>	<u>18,485,353</u>

Contractual Obligations and Contingencies (Note 16)

Approved by the Board

Signature of the Chairperson of the Board of Education Date Signed

Signature of the Superintendent Date Signed

Signature of the Secretary Treasurer Date Signed

School District No. 70 (Alberni)

Statement of Operations
Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	36,992,338	36,777,927	37,125,693
Tuition	596,000	636,013	245,459
Other Revenue	3,735,456	3,655,663	3,846,868
Rentals and Leases	50,000	55,168	64,426
Investment Income	30,000	34,906	41,527
Amortization of Deferred Capital Revenue	2,212,798	2,212,798	2,188,131
Total Revenue	43,616,592	43,372,475	43,512,104
Expenses			
Instruction	33,137,976	33,007,738	31,238,250
District Administration	1,715,049	1,652,763	1,611,259
Operations and Maintenance	7,543,560	7,534,707	7,026,725
Transportation and Housing	1,723,646	1,727,693	1,741,956
Debt Services	25,952	22,919	26,753
Write-off/down of Buildings and Sites			7,398
Total Expense	44,146,183	43,945,820	41,652,341
Surplus (Deficit) for the year	(529,591)	(573,345)	1,859,763
Accumulated Surplus (Deficit) from Operations, beginning of year		18,485,353	16,625,590
Accumulated Surplus (Deficit) from Operations, end of year		17,912,008	18,485,353

School District No. 70 (Alberni)
Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(529,591)</u>	<u>(573,345)</u>	<u>1,859,763</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(2,223,703)	(3,609,893)
Amortization of Tangible Capital Assets	2,819,852	2,819,852	2,803,338
Write-down carrying value of Tangible Capital Assets			11,039
Total Effect of change in Tangible Capital Assets	<u>2,819,852</u>	<u>596,149</u>	<u>(795,516)</u>
Acquisition of Prepaid Expenses		44,124	
Use of Prepaid Expenses			(24,727)
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>44,124</u>	<u>(24,727)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>2,290,261</u>	<u>66,928</u>	<u>1,039,520</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>66,928</u>	<u>1,039,520</u>
Net Financial Assets (Debt), beginning of year		<u>(66,063,760)</u>	<u>(67,103,280)</u>
Net Financial Assets (Debt), end of year		<u>(65,996,832)</u>	<u>(66,063,760)</u>

School District No. 70 (Alberni)

Statement of Cash Flows Year Ended June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(573,345)	1,859,763
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,409,009	(1,290,499)
Prepaid Expenses	44,124	(24,727)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(502,073)	(249,768)
Deferred Revenue	(70,076)	(96,299)
Employee Future Benefits	43,111	(31,315)
Amortization of Tangible Capital Assets	2,819,852	2,803,338
Amortization of Deferred Capital Revenue	(2,212,798)	(2,188,131)
Recognition of Deferred Capital Revenue Spent on Sites		(1,064,415)
Write-Off/down of Buildings and Sites		7,398
Total Operating Transactions	<u>957,804</u>	<u>(274,655)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(630,121)	(3,609,893)
Demand Loan Capital Asset Purchases	<u>(1,593,582)</u>	
Total Capital Transactions	<u>(2,223,703)</u>	<u>(3,609,893)</u>
Financing Transactions		
Loan Proceeds	1,593,582	
Loan Payments	(29,014)	(29,998)
Capital Revenue Received	430,000	3,327,300
Capital Lease Obligation Repayments	<u>(34,790)</u>	<u>(34,790)</u>
Total Financing Transactions	<u>1,959,778</u>	<u>3,262,512</u>
Net Increase (Decrease) in Cash and Cash Equivalents	693,879	(622,036)
Cash and Cash Equivalents, beginning of year	6,825,068	7,447,104
Cash and Cash Equivalents, end of year	<u>7,518,947</u>	<u>6,825,068</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>7,518,947</u>	<u>6,825,068</u>
	<u>7,518,947</u>	<u>6,825,068</u>

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

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 ADOPTION OF NEW ACCOUNTING POLICY

On July 1, 2014, the District adopted PS 3260 *Liability for Contaminated Sites*. The standard was applied on a retroactive basis to July 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the District.

NOTE 3 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.

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:

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

NOTE 3 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

a) Basis of Accounting (continued)

- 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.

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.

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

NOTE 3 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (*Continued*)

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 (m).

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.

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 (EARS_L) 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.

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.

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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) Liability for Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The District is directly responsible or accepts responsibility
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

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

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- 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, 2015

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

i) 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

j) 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.

k) 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.

l) Funds and Reserves

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

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

m) Revenue Recognition

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

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, 2015**

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

n) 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.

o) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, 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, 2015**

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

p) **Measurement Uncertainty**

Preparation of financial statements in accordance with the basis of accounting described in note 3 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.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2015	2014
Due from Federal Government	\$54,859	\$92,585
Other	1,116,070	74,939
	\$1,170,929	\$167,524

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Trade payables	\$995,321	\$1,026,997
Salaries and benefits payable	2,137,036	1,689,512
Accrued vacation pay	545,109	545,109
	\$3,677,466	\$3,261,618

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015**

NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the *Restricted Contributions Regulation 198/2011* issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	2015	2014
Balance, beginning of year	\$1,574,377	\$1,670,676
Changes for the year:		
Increase:		
Provincial grants	2,251,687	1,877,732
Other revenue	1,171,158	1,179,576
	3,422,845	3,057,308
Decrease:		
Allocated to revenue	(3,492,921)	(3,153,607)
Net changes for the year	(70,076)	(96,299)
Balance, end of year	\$1,504,301	\$1,574,377

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

NOTE 7 DEFERRED CAPITAL REVENUE

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

	2015	2014
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$68,241,670	\$ 67,922,243
Increases:		
Capital additions	430,000	2,511,199
Decreases:		
Amortization	(2,212,798)	(2,188,131)
Write-off/down of Buildings	-	(3,641)
Net change for the year	(1,782,798)	319,427
Balance, end of year	66,458,872	68,241,670
 Unspent deferred capital revenue		
Balance, beginning of year	215,234	463,548
Increases:		
Provincial Grants – Ministry of Education	430,000	3,327,300
	430,000	3,327,300
Decreases:		
Transfer to deferred capital revenue subject to amortization		
Capital additions	(430,000)	(2,511,199)
Site purchase	-	(1,064,415)
	(430,000)	(3,575,614)
Net change for the year	-	(248,314)
Balance, end of year	215,234	215,234
Total deferred capital revenue balance, end of year	\$ 66,674,106	\$ 68,456,904

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	<u>2015</u>	<u>2014</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$816,786	\$864,448
Service Cost	42,359	42,297
Interest Cost	26,471	25,642
Benefit Payments	(63,696)	(119,484)
Actuarial Loss	20,222	3,883
Accrued Benefit Obligation – March 31	\$842,142	\$816,786
 Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$842,142	\$816,786
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(842,142)	(816,786)
Employer Contributions After Measurement Date	9,235	42,449
Benefits Expense After Measurement Date	(16,715)	(17,208)
Unamortized Net Actuarial Loss	56,391	41,425
Accrued Benefit Liability - June 30	(793,231)	\$(750,120)
 Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$750,119	\$781,434
Net Expense for Fiscal Year	73,594	72,992
Employer Contributions	(30,482)	(104,307)
Accrued Benefit Liability - June 30	\$793,231	\$750,119

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

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

	2015	2014
Components of Net Benefit Expense		
Service Cost	\$43,715	\$ 42,313
Interest Cost	24,622	25,849
Amortization of Net Actuarial Loss	5,257	4,830
Net Benefit Expense	\$73,594	\$ 72,992

Assumptions

Discount Rate - April 1	3.25%	3.00%
Discount Rate - March 31	2.25%	3.25%
Long Term Salary Growth - April 1	2.50%+seniority	2.50%+seniority
Long Term Salary Growth - March 31	2.50%	2.50%
EARSL - March 31	9.1	9.1

NOTE 9 **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	2015 Balance	2014 Balance
Demand	1998	1998	Prime rate	Demand	\$475,000	331,902	143,098	\$162,454
Term	2010	2010	3.44%	5 years	149,000	25,215	123,785	129,274
Term	2010	2010	3.44%	5 years	149,000	25,215	123,785	129,274
Demand	2015	2015	Prime rate	Demand	1,594,307	-	1,594,307	-
					\$2,367,307	382,332	1,984,975	\$421,002

Future principal payments on debt as currently scheduled are as follows:

2016	\$ 29,320
2017	30,239
2018	125,006
2019	121,358
2020	124,927
Thereafter	1,554,125
	\$ 1,984,975

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

NOTE 10 CAPITAL LEASE OBLIGATIONS

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

2016	\$30,117
2017	15,263
2018	8,904
Total minimum lease payments	\$54,284
Less amounts representing interest at 2%	(1,654)
Present value of net minimum capital lease payments	\$ 52,629

Total interest expense on leases for the year was \$1,573 (2014: \$8,617).

NOTE 11 TANGIBLE CAPITAL ASSETS

Cost:	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
Sites	\$ 3,636,333	\$ 882,382	\$ -	\$ 4,518,715
Buildings	107,488,903	1,141,200		108,630,103
Furniture & Equipment	2,594,809	49,057	(106,056)	2,537,810
Vehicles	909,134	53,072	-	962,206
Computer Software	23,061	-	(10,172)	12,889
Computer Hardware	76,003	97,992	(13,414)	160,581
Total	\$114,728,243	\$ 2,223,703	(\$129,642)	\$116,822,304

Accumulated Amortization:	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	29,057,547	2,449,645	-	31,507,192
Furniture & Equipment	870,290	259,481	(106,056)	1,023,715
Vehicles	269,215	90,613	-	360,128
Computer Software	13,290	4,612	(10,712)	7,730
Computer Hardware	46,193	15,201	(13,414)	47,980
Total	\$30,256,535	\$2,819,854	\$129,642	\$32,946,745

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015**

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

Net Book Value:

	2015	2014
Sites	\$ 4,518,715	\$ 3,636,333
Buildings	77,122,911	78,431,356
Furniture & Equipment	1,514,095	1,724,519
Vehicles	602,078	639,919
Computer Software	5,159	9,771
Computer Hardware	112,601	29,810
Total	\$83,875,559	\$84,471,708

- 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 \$52,629 (2014: \$87,419).

NOTE 12

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 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 33,000 retired members from school districts. The Municipal Pension Plan has about 182,000 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 later 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 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 \$3,710,978 (2014: \$3,526,141) for employer contributions to these plans in the year ended June 30, 2015.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015**

NOTE 14 ACCUMULATED SURPLUS

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

	2015	2014
Invested in tangible capital assets	\$15,410,082	\$ 15,753,211
Operating surplus	2,104,761	2,062,098
Special purpose surplus	30,000	30,000
Local capital surplus	367,165	640,045
	\$17,912,008	\$ 18,485,354

Inter-fund transfers between the operating, special purpose and capital funds for the year ended June 30, 2015, were as follows:

- Accumulated surplus transferred from special purpose fund to capital fund: \$14,113, for the acquisition of tangible capital assets.

The operating surplus has been internally restricted (appropriated) by the Board for:

Internally restricted for future budget deficiencies	\$ 582,399	
Unrestricted Operating Surplus	1,522,362	
Total available for future operations	\$2,104,761	

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.

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 that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2015, 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.

SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015

NOTE 17 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2015 amended annual budget adopted by the Board on February 24, 2015. The chart following reconciles the originally approved annual budget bylaw approved May 28, 2014 to the amended annual budget bylaw reported in these financial statements.

	2015 Amended Annual Budget	2015 Annual Budget
Revenues		
Provincial Grants		
Ministry of Education	\$ 36,992,338	\$ 36,252,607
Other		
Federal Grants		
Tuition	596,000	405,000
Other Revenue	3,735,456	3,977,123
Rentals and Leases	50,000	82,000
Investment Income	30,000	30,000
Amortization of Deferred Capital Revenue	2,212,798	2,155,076
Total Revenue	43,616,592	42,901,806
Expenses		
Instruction	33,137,976	33,706,652
District Administration	1,715,049	1,577,152
Operations and Maintenance	7,543,560	7,845,150
Transportation and Housing	1,723,645	1,189,791
Debt Services	25,952	
Total Expense	44,146,183	44,318,745
Net Revenue (Expense)	(529,591)	(1,416,939)
Budgeted Allocation of Surplus	752,659	833,145
Budgeted Surplus for the year	223,068	(583,794)

NOTE 18 EXPENSE BY OBJECT

	2015	2014
Salaries and benefits	\$ 34,287,214	\$ 32,426,580
Services and supplies	6,733,814	6,395,670
Interest expense	22,919	26,753
Amortization	2,819,852	2,803,338
	\$ 43,863,799	\$ 41,652,341

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015**

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.

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.

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 debt, the majority of which pays interest at a variable rate.

**SCHOOL DISTRICT NO. 70 (ALBERNI)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015**

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

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, 2015

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,062,097	30,000	16,393,256	18,485,353	16,625,590
Changes for the year					
Surplus (Deficit) for the year	42,664	14,113	(630,122)	(573,345)	1,859,763
Interfund Transfers					
Tangible Capital Assets Purchased		(14,113)	14,113	-	
Net Changes for the year	42,664	-	(616,009)	(573,345)	1,859,763
Accumulated Surplus (Deficit), end of year - Statement 2	2,104,761	30,000	15,777,247	17,912,008	18,485,353

School District No. 70 (Alberni)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2015

	2015 Budget (Note 17) \$	2015 Actual \$	2014 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	33,804,688	34,459,893	34,052,696
Tuition	596,000	636,013	245,459
Other Revenue	2,636,006	2,395,848	2,701,843
Rentals and Leases	50,000	55,168	64,426
Investment Income	30,000	34,906	41,527
Total Revenue	37,116,694	37,581,828	37,105,951
Expenses			
Instruction	29,949,771	29,780,324	28,300,423
District Administration	1,702,026	1,639,846	1,598,236
Operations and Maintenance	5,204,812	5,098,457	4,723,645
Transportation and Housing	1,012,744	1,020,537	1,038,941
Total Expense	37,869,353	37,539,164	35,661,245
Operating Surplus (Deficit) for the year	(752,659)	42,664	1,444,706
Budgeted Appropriation (Retirement) of Surplus (Deficit)	752,659		
Net Transfers (to) from other funds			
Local Capital			(500,000)
Total Net Transfers	-	-	(500,000)
Total Operating Surplus (Deficit), for the year	-	42,664	944,706
Operating Surplus (Deficit), beginning of year		2,062,097	1,117,391
Operating Surplus (Deficit), end of year		2,104,761	2,062,097
Operating Surplus (Deficit), end of year			
Internally Restricted		582,399	439,252
Unrestricted		1,522,362	1,622,845
Total Operating Surplus (Deficit), end of year		2,104,761	2,062,097

School District No. 70 (Alberni)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget (Note 17) \$	2015 Actual \$	2014 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	35,992,971	36,359,191	36,927,457
AANDC/LEA Recovery	(2,534,123)	(2,320,147)	(2,534,124)
Strike Savings Recovery	(930,645)	(930,645)	(1,003,638)
Other Ministry of Education Grants			
Labour Settlement Funding	664,705	664,705	
Pay Equity	595,220	595,220	595,220
FSA Training	8,696	8,696	8,696
Education Guarantee	7,864	26,719	22,288
Carbon Tax Rebate		26,324	36,797
Safe Schools		313	
Teacher Health Benefits Grant		29,517	
Total Provincial Grants - Ministry of Education	33,804,688	34,459,893	34,052,696
Tuition			
Offshore Tuition Fees	596,000	636,013	245,459
Total Tuition	596,000	636,013	245,459
Other Revenues			
Other School District/Education Authorities	41,883	41,883	41,206
LEA/Direct Funding from First Nations	2,534,123	2,324,040	2,539,453
Miscellaneous			
Administration Fees	10,000	13,223	13,023
Instructional Cafeteria			42,664
Other	50,000	16,702	65,497
Total Other Revenue	2,636,006	2,395,848	2,701,843
Rentals and Leases	50,000	55,168	64,426
Investment Income	30,000	34,906	41,527
Total Operating Revenue	37,116,694	37,581,828	37,105,951

School District No. 70 (Alberni)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2015

	2015 Budget (Note 17) \$	2015 Actual \$	2014 Actual \$
Salaries			
Teachers	14,989,753	14,970,731	14,383,516
Principals and Vice Principals	2,382,553	2,353,080	2,385,288
Educational Assistants	2,603,957	2,510,776	2,456,605
Support Staff	3,861,857	4,115,898	3,829,896
Other Professionals	946,800	941,574	923,658
Substitutes	1,200,000	1,144,206	968,818
Total Salaries	25,984,920	26,036,265	24,947,781
Employee Benefits	6,689,809	6,782,259	6,238,111
Total Salaries and Benefits	32,674,729	32,818,524	31,185,892
Services and Supplies			
Services	1,601,739	1,409,767	1,135,661
Student Transportation	346,646	373,728	377,037
Professional Development and Travel	315,779	236,544	246,463
Rentals and Leases	120,469	95,074	108,758
Dues and Fees	86,092	84,012	112,676
Insurance	196,076	100,236	100,036
Supplies	1,523,198	1,687,780	1,496,821
Utilities	1,004,625	733,499	897,901
Total Services and Supplies	5,194,624	4,720,640	4,475,353
Total Operating Expense	37,869,353	37,539,164	35,661,245

School District No. 70 (Alberni)

Operating Expense by Function, Program and Object
Year Ended June 30, 2015

	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	12,842,187	973,759	118,543	262,675	10,313	645,014	14,852,491
1.03 Career Programs	70,907			42,201			113,108
1.07 Library Services	217,346	87,897		44,381			349,624
1.08 Counselling	135,694			81,976			217,670
1.10 Special Education	986,975	157,778	2,370,827	9,704	106,078	260,972	3,892,334
1.30 English Language Learning	277,943						277,943
1.31 Aboriginal Education	429,933	248,567	21,406	77,533	13,750		791,189
1.41 School Administration		876,412		411,931	58,678	27,583	1,374,604
1.60 Summer School	9,746						9,746
1.61 Continuing Education							
1.62 Off Shore Students							
1.64 Other							
Total Function 1	14,970,731	2,344,413	2,510,776	930,401	188,819	933,569	21,878,709
4 District Administration							
4.11 Educational Administration		8,667		9,719	236,293		254,679
4.40 School District Governance				253,069	75,446		328,515
4.41 Business Administration					350,091		350,091
Total Function 4	-	8,667	-	262,788	661,830	-	933,285
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					90,925		90,925
5.50 Maintenance Operations				2,373,688		209,396	2,583,084
5.52 Maintenance of Grounds				147,470			147,470
5.56 Utilities							
Total Function 5	-	-	-	2,521,158	90,925	209,396	2,821,479
7 Transportation and Housing							
7.70 Student Transportation				401,551		1,241	402,792
7.73 Housing							
Total Function 7	-	-	-	401,551	-	1,241	402,792
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,970,731	2,353,080	2,510,776	4,115,898	941,574	1,144,206	26,036,265

School District No. 70 (Alberni)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2015 Actual	2015 Budget (Note 17)	2014 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	14,852,491	4,086,982	18,939,473	1,114,718	20,054,191	20,150,675	18,849,215
1.03 Career Programs	113,108	25,947	139,055	56,736	195,811	211,386	248,060
1.07 Library Services	349,624	90,464	440,088	9,984	450,072	420,031	359,338
1.08 Counselling	217,670	54,520	272,190	415	272,605	285,789	393,150
1.10 Special Education	3,892,334	996,661	4,888,995	158,201	5,047,196	5,160,246	4,884,465
1.30 English Language Learning	277,943	68,508	346,451	8,021	354,472	325,888	333,610
1.31 Aboriginal Education	791,189	198,515	989,704	368,264	1,357,968	1,303,536	1,280,146
1.41 School Administration	1,374,604	326,473	1,701,077	6,692	1,707,769	1,706,442	1,663,737
1.60 Summer School	-	19	19	-	19	9,557	28,405
1.61 Continuing Education	9,746	2,463	12,209	-	12,209	11,414	11,122
1.62 Off Shore Students	-	-	-	190,012	190,012	226,807	111,175
1.64 Other	-	-	-	138,000	138,000	138,000	138,000
Total Function 1	21,878,709	5,850,552	27,729,261	2,051,063	29,780,324	29,949,771	28,300,423
4 District Administration							
4.11 Educational Administration	254,679	58,230	312,909	51,801	364,710	390,818	390,174
4.40 School District Governance	75,446	1,160	76,606	82,420	159,026	207,160	139,366
4.41 Business Administration	603,160	138,662	741,822	374,288	1,116,110	1,104,048	1,068,696
Total Function 4	933,285	198,052	1,131,337	508,509	1,639,846	1,702,026	1,598,236
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	90,925	18,575	109,500	7,577	117,077	114,004	112,875
5.50 Maintenance Operations	2,583,084	585,986	3,169,070	809,042	3,978,112	4,038,766	3,453,415
5.52 Maintenance of Grounds	147,470	36,194	183,664	86,105	269,769	218,379	259,453
5.56 Utilities	-	-	-	733,499	733,499	833,663	897,902
Total Function 5	2,821,479	640,755	3,462,234	1,636,223	5,098,457	5,204,812	4,723,645
7 Transportation and Housing							
7.70 Student Transportation	402,792	92,900	495,692	518,895	1,014,587	1,007,822	1,032,235
7.73 Housing	-	-	-	5,950	5,950	4,922	6,706
Total Function 7	402,792	92,900	495,692	524,845	1,020,537	1,012,744	1,038,941
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	26,036,265	6,782,259	32,818,524	4,720,640	37,539,164	37,869,353	35,661,245

School District No. 70 (Alberni)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,357,528	2,318,034	2,008,582
Other Revenue	1,073,498	1,256,908	1,145,025
Total Revenue	<u>3,431,026</u>	<u>3,574,942</u>	<u>3,153,607</u>
Expenses			
Instruction	3,188,205	3,227,414	2,937,827
District Administration	13,023	12,917	13,023
Operations and Maintenance	229,798	320,498	202,757
Total Expense	<u>3,431,026</u>	<u>3,560,829</u>	<u>3,153,607</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>14,113</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(14,113)	
Total Net Transfers	<u>-</u>	<u>(14,113)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		30,000	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		30,000	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, 2015

	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	\$ -	\$ -	\$ 4,569	\$ 596,461	\$ 700,069	\$ 12,112	\$ 9,966	\$ 3,972	\$ -
Add: Restricted Grants									
Provincial Grants - Ministry of Education	229,798	727,324	10,366	1,260	971,022	129,000	22,050	114,868	894,014
Other	229,798	727,324	10,366	1,260	971,022	146,334	22,050	114,868	894,014
Less: Allocated to Revenue	229,798	714,740	14,113	40,900	1,080,967	155,857	32,016	118,840	891,930
Deferred Revenue, end of year	-	12,584	822	556,821	590,124	2,589	-	-	2,084
Revenues									
Provincial Grants - Ministry of Education	229,798	714,740	14,113	40,900	1,080,967	141,112	32,016	118,840	891,930
Other Revenue	229,798	714,740	14,113	40,900	1,080,967	14,745	32,016	118,840	891,930
Expenses									
Salaries									
Teachers		569,275							294,442
Educational Assistants		145,465							14,968
Support Staff	47,289					97,436			309,410
Employee Benefits	47,289	714,740	-	-	-	97,436	-	21,500	82,520
Services and Supplies	11,822					26,814			500,000
	170,687			40,900	1,080,967	31,607	32,016	97,340	891,930
	229,798	714,740	-	40,900	1,080,967	155,857	32,016	118,840	891,930
Net Revenue (Expense) before Interfund Transfers	-	-	14,113	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	(14,113)	-	-	-	-	-	-
	-	-	(14,113)	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 70 (Alberni)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2015

	Service Delivery Transformation	PRP Kackamin	NON Strong Start	School Meals Program	TOTAL
Deferred Revenue, beginning of year	\$	\$	\$	\$	\$
Add: Restricted Grants					
Provincial Grants - Ministry of Education	25,000	181,288	125,620	55,922	2,333,708
Other					1,171,158
Less: Allocated to Revenue					
Deferred Revenue, end of year	25,000	181,288	125,620	55,922	3,504,866
	-	175,485	120,296	-	3,574,942
	25,000	5,803	219,013	89,461	1,504,301
Revenues					
Provincial Grants - Ministry of Education		175,485			2,318,034
Other Revenue			120,296		1,256,908
Expenses					
Salaries					
Teachers		85,538			676,313
Educational Assistants		47,013			486,920
Support Staff					159,693
Employee Benefits		132,551			1,322,926
Services and Supplies		24,608			145,764
		18,326	120,296		2,092,139
		175,485	120,296		3,560,829
Net Revenue (Expense) before Interfund Transfers					14,113
Interfund Transfers					(14,113)
Tangible Capital Assets Purchased					(14,113)
Net Revenue (Expense)					-

School District No. 70 (Alberni)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual			2014 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	830,122			-	1,064,415
Other Revenue	25,952		2,907	2,907	
Amortization of Deferred Capital Revenue	2,212,798	2,212,798		2,212,798	2,188,131
Total Revenue	3,068,872	2,212,798	2,907	2,215,705	3,252,546
Expenses					
Operations and Maintenance			3,056	3,056	
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,108,950	2,112,696		2,112,696	2,100,323
Transportation and Housing	710,902	707,156		707,156	703,015
Write-off/down of Buildings and Sites				-	7,398
Debt services					
Capital Lease Interest	8,617		5,936	5,936	8,617
Capital Loan Interest	17,335		16,983	16,983	18,136
Total Expense	2,845,804	2,819,852	25,975	2,845,827	2,837,489
Capital Surplus (Deficit) for the year	223,068	(607,054)	(23,068)	(630,122)	415,057
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		14,113		14,113	
Local Capital				-	500,000
Total Net Transfers	-	14,113	-	14,113	500,000
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		186,008	(186,008)	-	
Principal Payment					
Capital Lease		34,790	(34,790)	-	
Capital Loan		29,014	(29,014)	-	
Total Other Adjustments to Fund Balances		249,812	(249,812)	-	
Total Capital Surplus (Deficit) for the year	223,068	(343,129)	(272,880)	(616,009)	915,057
Capital Surplus (Deficit), beginning of year		15,753,211	640,045	16,393,256	15,478,199
Capital Surplus (Deficit), end of year		15,410,082	367,165	15,777,247	16,393,256

School District No. 70 (Alberni)

Tangible Capital Assets
Year Ended June 30, 2015

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	3,636,333	107,488,903	2,594,809	909,134	23,061	76,003	114,728,243
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		430,000					430,000
Special Purpose Funds			14,113				14,113
Local Capital			34,944	53,072		97,992	186,008
Demand Loan	882,382	711,200					1,593,582
	882,382	1,141,200	49,057	53,072	-	97,992	2,223,703
Decrease:							
Deemed Disposals	-	-	106,056	-	10,172	13,414	129,642
	-	-	106,056	-	10,172	13,414	129,642
Cost, end of year	4,518,715	108,630,103	2,537,810	962,206	12,889	160,581	116,822,304
Work in Progress, end of year	4,518,715	108,630,103	2,537,810	962,206	12,889	160,581	116,822,304
Cost and Work in Progress, end of year							
Accumulated Amortization, beginning of year		29,057,547	870,290	269,215	13,290	46,193	30,256,535
Changes for the Year							
Increase: Amortization for the Year		2,449,645	259,481	90,913	4,612	15,201	2,819,852
Decrease:							
Deemed Disposals		-	106,056	-	10,172	13,414	129,642
		-	106,056	-	10,172	13,414	129,642
Accumulated Amortization, end of year		31,507,192	1,023,715	360,128	7,730	47,980	32,946,745
Tangible Capital Assets - Net	4,518,715	77,122,911	1,514,095	602,078	5,159	112,601	83,875,559

School District No. 70 (Alberni)

Deferred Capital Revenue
Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	66,781,509	1,267,891	192,270	68,241,670
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	430,000			430,000
	430,000	-	-	430,000
Decrease:				
Amortization of Deferred Capital Revenue	2,158,205	47,813	6,780	2,212,798
	2,158,205	47,813	6,780	2,212,798
Net Changes for the Year	(1,728,205)	(47,813)	(6,780)	(1,782,798)
Deferred Capital Revenue, end of year	65,053,304	1,220,078	185,490	66,458,872
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	65,053,304	1,220,078	185,490	66,458,872

School District No. 70 (Alberni)
 Changes in Unspent Deferred Capital Revenue
 Year Ended June 30, 2015

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		215,234				215,234
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	430,000					430,000
Decrease:						
Transferred to DCR - Capital Additions	430,000					430,000
Net Changes for the Year						
Balance, end of year		215,234				215,234