

Audited Financial Statements of

School District No. 69 (Qualicum)

June 30, 2014

**McGORMAN
MacLEAN**

School District No. 69 (Qualicum)

June 30, 2014

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School District No. 69 (Qualicum)

MANAGEMENT REPORT

Version: 4454-3708-1726

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 69 (Qualicum) 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. 69 (Qualicum) (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, McGorman MacLean, 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. 69 (Qualicum) 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. 69 (Qualicum)

Ron Willym

Signature of the Chairperson of the Board of Education

Sept 26, 2014
Date Signed

W.W.B.

Signature of the Superintendent

Sept 26/14
Date Signed

B. Bailey

Signature of the Secretary/Treasurer

Sept 24/14
Date Signed

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 69 (Qualicum)

Report on Financial Statements

We have audited the accompanying statement of financial position of School District No. 69 (Qualicum) as at June 30, 2014 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting requirements of 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, 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 the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2014 and the results of its operations, changes in net financial assets (debt) and cash flows for the year then ended in accordance with the accounting requirements of 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


CHARTERED ACCOUNTANTS

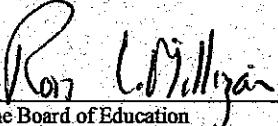
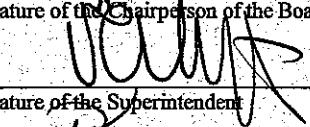
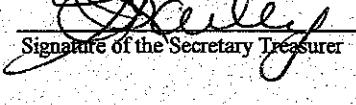
Parksville, Canada
September 23, 2014

School District No. 69 (Qualicum)

Statement 1

Statement of Financial Position

As at June 30, 2014

	2014 Actual	2013 Actual (Recast)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	10,810,842	10,604,747
Accounts Receivable		
Due from Province - Ministry of Education	58,888	62,639
Due from Province - Other	324,525	150,075
Other (Note 3)	229,251	259,034
Total Financial Assets	11,423,506	11,076,495
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	833,644	2,708,854
Other (Note 4)	2,852,263	566,764
Unearned Revenue (Note 5)	507,200	1,002,318
Deferred Revenue (Note 6)	1,002,318	50,038,925
Deferred Capital Revenue (Note 7)	51,793,623	5,201,136
Employee Future Benefits (Note 8)	4,970,183	115,121
Capital Lease Obligations (Note 9)	60,550,607	61,242,098
Total Liabilities	(49,127,101)	(50,165,603)
Net Financial Assets (Debt)	17,822,699	17,505,043
Non-Financial Assets		
Tangible Capital Assets (Note 10)	66,867,369	67,573,259
Prepaid Expenses	82,431	97,387
Total Non-Financial Assets	66,949,800	67,670,646
Accumulated Surplus (Deficit)	17,822,699	17,505,043
Contractual Obligations and Contingencies (Note 11)		
Approved by the Board		
		
Signature of the Chairperson of the Board of Education		
		
Signature of the Superintendent		
		
Signature of the Secretary Treasurer		
	Sept 26, 2014	Date Signed
	Sept 28/14	Date Signed
	Sept 24/14	Date Signed

School District No. 69 (Qualicum)

Statement 2

Statement of Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	42,257,519	41,219,169	43,053,979
Other	113,450	130,525	105,775
Tuition	2,377,000	2,024,987	2,146,774
Other Revenue	1,444,750	1,612,808	1,360,022
Rentals and Leases	123,500	254,920	221,404
Investment Income	70,000	106,190	93,158
Amortization of Deferred Capital Revenue	2,025,491	2,091,758	2,020,680
Total Revenue	48,411,710	47,440,357	49,001,792
Expenses (Note 12)			
Instruction	38,013,797	35,385,543	36,907,409
District Administration	1,759,523	1,948,233	1,756,400
Operations and Maintenance	7,093,336	7,811,016	7,661,867
Transportation and Housing	1,802,085	1,974,807	2,010,003
Debt Services		3,102	
Total Expense	48,668,741	47,122,701	48,335,679
Surplus (Deficit) for the year	(257,031)	317,656	666,113
Accumulated Surplus (Deficit) from Operations, beginning of year		17,505,043	16,838,930
Accumulated Surplus (Deficit) from Operations, end of year		17,822,699	17,505,043

School District No. 69 (Qualicum)
 Statement of Changes in Net Financial Assets (Debt)
 Year Ended June 30, 2014

Statement 4

	2014 Budget	2014 Actual	2013 Actual (Recast)
	\$	\$	\$
Surplus (Deficit) for the year	(257,031)	317,656	666,113
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(275,738)	(1,678,011)	(1,524,233)
Amortization of Tangible Capital Assets	2,301,229	2,383,901	2,339,090
Total Effect of change in Tangible Capital Assets	2,025,491	705,890	814,857
Acquisition of Prepaid Expenses			
Use of Prepaid Expenses	(82,431)	(97,387)	(97,387)
Total Effect of change in Other Non-Financial Assets	-	97,387	55,911
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	1,768,460	1,038,502	1,439,494
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)	1,038,502	1,439,494	1,439,494
Net Financial Assets (Debt), beginning of year	(50,165,603)	(51,605,097)	(51,605,097)
Net Financial Assets (Debt), end of year	(49,127,101)	(50,165,603)	(50,165,603)

School District No. 69 (Qualicum)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2014

	2014 Actual	2013 Actual (Recast)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	317,656	666,113
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(140,916)	(63,972)
Prepaid Expenses	14,956	(41,476)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	977,053	(188,204)
Unearned Revenue	(59,564)	7,116
Deferred Revenue	(200,356)	44,855
Employee Future Benefits	230,953	(84,441)
Amortization of Tangible Capital Assets	2,383,901	2,339,090
Amortization of Deferred Capital Revenue	(2,091,758)	(2,020,680)
Recognition of Deferred Capital Revenue Spent on Sites		(83,366)
Services and Supplies purchased with bylaw capital	(398,117)	(634,832)
Total Operating Transactions	1,033,808	(59,797)
Capital Transactions		
Tangible Capital Assets Purchased	(1,539,093)	(397,539)
Tangible Capital Assets -WIP Purchased	(6,816)	(1,126,694)
Total Capital Transactions	(1,545,909)	(1,524,233)
Financing Transactions		
Capital Revenue Received	735,177	2,745,577
Capital Lease Payments	(16,981)	
Total Financing Transactions	718,196	2,745,577
Net Increase (Decrease) in Cash and Cash Equivalents	206,095	1,161,547
Cash and Cash Equivalents, beginning of year	10,604,747	9,443,200
Cash and Cash Equivalents, end of year	10,810,842	10,604,747
Cash and Cash Equivalents, end of year, is made up of:		
Cash Equivalents	10,810,842	10,604,747
	10,810,842	10,604,747

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

1. AUTHORITY AND PURPOSE

The School District, established on April 12, 1946, 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. 69 (Qualicum)", and operates as "School District No. 69 (Qualicum)". 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. 69 (Qualicum) is exempt from federal and provincial corporate income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(e) and 2(k).

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

As noted in Notes 2(e) and 2(k), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of tangible capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year ended June 30, 2013 - increase in annual surplus by \$6,699
June 30, 2013 - increase in accumulated surplus and decrease in deferred contributions by \$51,793,623

Year ended June 30, 2014 - increase in annual surplus by \$1,754,698
June 30, 2014 - increase in accumulated surplus and decrease in deferred contributions by \$50,038,925

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

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 the 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(k).

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. See Note 2(a) for the impact of this policy on these financial statements.

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

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (EARSL) 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 31st 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) 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.

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. Transfers of tangible capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 and equipment	10 years
Vehicles	10 years
Computer hardware	5 years

i) Prepaid Expenses

Payments for insurance, licenses and maintenance contracts for use within the district in a future period are included as a prepaid expense and stated at cost and are charged to expense over the periods expected to benefit from it. Textbooks and other teaching supplies are expensed as purchased.

j) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 16 - Interfund Transfers and Note 13 - Internally Restricted Surplus).

k) 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 asset acquisitions, other than sites, are recorded as deferred capital revenue and amortized over the useful life of the related assets.

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

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

Revenue related to fees or services received in advance of the fee being earned or the service 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.

I) Expenditures

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

Categories of Salaries

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

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

m) 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 capital lease obligations.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) **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, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

3. ACCOUNTS RECEIVABLE - OTHER

	2014	2013
Due from federal government	\$ 56,864	\$ 78,344
Mount Arrowsmith Teachers Association	52,531	67,304
Other	119,856	113,386
	\$229,251	\$259,034

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2014	2013
Trades payable	\$ 822,808	\$ 632,313
Salaries and benefits payable	1,798,206	1,830,956
Accrued vacation pay	192,282	199,928
Other	38,967	45,657
	\$2,852,263	\$2,708,854

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

5. UNEARNED REVENUE

	2014	2013
Balance at beginning of year	\$566,764	\$559,648
Changes for the year:		
Increase:		
Tuition fees	495,525	522,029
Transportation	11,675	41,280
Other		3,455
	507,200	566,764
Decrease:		
Tuition fees	522,029	519,052
Transportation	41,280	22,040
Other	3,455	18,556
	566,764	559,648
Net changes for the year	\$507,200	\$566,764
Balance at end of year	\$507,200	\$566,764

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 the Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

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 the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

8. EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 14.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

8. EMPLOYEE FUTURE BENEFITS (continued)

	2014	2013
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation - April 1	\$ 5,705,822	\$ 5,416,738
Service cost	381,652	367,267
Interest cost	173,173	232,844
Benefit payments	(603,131)	(525,562)
Actuarial (gain) loss	(138,059)	214,535
Accrued benefit obligation - March 31	<u>\$ 5,519,457</u>	<u>\$ 5,705,822</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued benefit obligation - March 31	\$ 5,519,457	\$ 5,705,822
Market value of Plan assets - March 31	-	-
Funded status - deficit	(5,519,457)	(5,705,822)
Employer contributions after measurement date	103,655	320,861
Benefit expense after measurement date - April 1 to June 30	(140,930)	(138,706)
Unamortized net actuarial loss	355,596	553,484
Accrued benefit liability - June 30	<u>\$ (5,201,136)</u>	<u>\$ (4,970,183)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued benefit liability - July 1	\$ 4,970,183	\$ 5,054,623
Recognized non-vested benefits - July 1, 2011	-	-
Accrued benefit liability - July 1 (restated)	4,970,183	5,054,623
Net expense for fiscal year	616,878	626,037
Employer contributions	(385,925)	(710,477)
Accrued benefit liability - June 30	<u>\$ 5,201,136</u>	<u>\$ 4,970,183</u>
	2014	2013
Components of Net Benefit Expense		
Service cost	\$ 381,564	\$ 370,864
Interest cost	175,484	217,926
Amortization of net actuarial loss	59,830	37,247
Net benefit expense	<u>\$ 616,878</u>	<u>\$ 626,037</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

8. EMPLOYEE FUTURE BENEFITS (continued)

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

	2014	2013
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	2.50% + seniority
Long term salary growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.5	9.5

9. CAPITAL LEASE OBLIGATIONS

The School District has entered into a capital lease for the purchase of equipment. The lease is financed through the Municipal Finance Authority, which charges interest at 2%. The lease expires on October 28, 2018. The principal repayments due are as follows:

2015	\$ 27,739
2016	27,739
2017	27,739
2018	27,739
2019	9,329
Total minimum lease payments	<u>120,285</u>
Less amounts representing interest	<u>5,164</u>
Present value of net minimum capital lease payments	<u><u>\$ 115,121</u></u>

Total interest on leases for the year was \$3,102.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

10. TANGIBLE CAPITAL ASSETS

	Net Book Value 2014	Net Book Value 2013
Sites	\$ 11,929,778	\$ 11,929,778
Buildings	53,084,701	54,456,945
Buildings - work in progress	6,816	26,957
Furniture and equipment	515,139	433,771
Vehicles	1,261,913	683,363
Computer hardware	69,022	42,445
Total	\$ 66,867,369	\$ 67,573,259

June 30, 2014

	Opening cost	Additions	Disposals	Transfers (WIP)	Total 2014
Sites	\$ 11,929,778	\$	\$	\$	\$ 11,929,778
Buildings	97,658,378	731,639		26,957	98,416,974
Buildings - work in progress	26,957	6,816		(26,957)	6,816
Furniture and equipment	816,800	163,048	200,692		779,156
Vehicles	1,589,068	737,457	617,287		1,709,238
Computer hardware	62,372	39,051	12,719		88,704
Total	\$112,083,353	\$1,678,011	\$ 830,698	\$ -	\$112,930,666

	Opening Accumulated Amortization	Additions	Disposals	Total 2014
Buildings	\$ 43,201,433	\$ 2,130,840	\$	\$ 45,332,273
Furniture and equipment	383,029	81,680	200,692	264,017
Vehicles	905,705	158,907	617,287	447,325
Computer hardware	19,927	12,474	12,719	19,682
Total	\$ 44,510,094	\$ 2,383,901	\$ 830,698	\$ 46,063,297

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

10. TANGIBLE CAPITAL ASSETS (continued)

June 30, 2013

	Opening cost	Additions	Disposals	Transfers (WIP)	Total 2013
Sites	\$ 11,846,413	\$ 83,365	\$	\$	\$ 11,929,778
Buildings	90,531,148			7,127,230	97,658,378
Buildings - work in progress	6,027,493	1,126,694		(7,127,230)	26,957
Furniture and equipment	1,741,890	132,398			816,800
Vehicles	1,912,124	167,022	1,057,488		1,589,068
Computer hardware	47,618	14,754	490,078		62,372
Total	\$112,106,686	\$1,524,233	\$1,547,566	\$ -	\$112,083,353

	Opening Accumulated Amortization	Additions	Disposals	Total 2014
Buildings	\$ 41,237,269	\$ 1,964,164	\$	\$ 43,201,433
Furniture and equipment	1,266,328	174,189	1,057,488	383,029
Vehicles	1,204,570	191,213	490,078	905,705
Computer hardware	10,403	9,524		19,927
Total	\$ 43,718,570	\$ 2,339,090	\$ 1,547,566	\$ 44,510,094

- Contributed tangible capital assets

Additions to furniture and equipment include the following contributed tangible capital assets:

	2014	2013
Playground equipment - PES	\$ -	\$ 4,907
Playground equipment - WES	-	15,079
Total	\$ -	\$ 19,986

- Buildings - work in progress having a value of \$6,816 (2013: \$26,957) have not been amortized. Amortization of these assets will commence when the asset is put into service.
- Included in tangible capital assets is equipment under capital lease with a cost of \$132,102.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

11. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

- a) As at June 30, 2014, there existed outstanding claims and labour grievances against the School District. These issues have been referred to legal counsel and/or to the School Protection Program. It is not possible to determine the School District's potential liability, if any, with respect to these matters.
- b) The School District rents property under an operating lease which expires on July 31, 2014. The rent due under this agreement to the expiry of the lease is \$6,583.
- c) The School District rents computer equipment under an operating lease which expires on December 1, 2016. The rent due under this agreement to the expiry of the lease is \$20,740.

12. EXPENSE BY OBJECT

	2014	2013 (recast)
Salaries and benefits	\$ 37,339,794	\$ 38,388,256
Services and supplies	7,395,904	7,608,333
Amortization	2,383,901	2,339,090
Interest	3,102	
	<hr/> <u>\$ 47,122,701</u>	<hr/> <u>\$ 48,335,679</u>

13. INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2014	2013 (recast)
Internally restricted (appropriated) by Board for:		
School budgets	\$ 279,406	\$ 286,073
Capital maintenance	<hr/> 85,283	<hr/> 286,073
	364,689	1,290,879
Unrestricted operating surplus	<hr/> 1,430,431	<hr/> 1,290,879
Total available for future operations	<hr/> <u>\$ 1,795,120</u>	<hr/> <u>\$ 1,576,952</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

14. UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

It is planned that the initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards will be eliminated in 10 years.

	2014	2013
Unfunded liability, as at July 1, 2013	\$ 1,100,000	\$ 1,188,981
Reductions during the year	100,000	88,981
Unfunded liability, as at June 30, 2014	\$ 1,000,000	\$ 1,100,000

15. 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 in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the Plan.

The School District No. 69 (Qualicum) paid \$3,898,697 for employer contributions to these plans in the year ended June 30, 2014.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

16. INTERFUND TRANSFERS

For the year ended June 30, 2014, there were transfers from the operating fund to the capital fund totalling \$360,778. Included in this amount was \$85,040 for tangible capital assets purchased from the operating fund and \$275,738 transferred to local capital for the purchase of tangible capital assets and supplies. Additionally, there were transfers from the special purpose fund to the capital fund in the amount of \$162,144 for the purchase of tangible capital assets.

17. 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 generally considered to be in the normal course of operations and are recorded at the exchange amount.

18. BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the board through the adoption of an annual budget on April 23, 2013.

19. ASSET RETIREMENT OBLIGATION

Certain schools in the School District contain asbestos. Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of future removal costs cannot be reasonably estimated due to unknown timelines.

20. ECONOMIC DEPENDENCE

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.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

21. PRIOR PERIOD ADJUSTMENT

In prior years, school districts reported annual Employee Future Benefit (EFB) expense equal to the 12 months ended March 31st expenses as determined by the actuary rather than the 12 months ended June 30th. An adjustment was made to increase the Employee Future Benefit (EFB) liability to include benefits expense incurred after the early measurement date of March 31st (see Note 8). The June 30, 2013 EFB liability increased by \$138,706 representing the EFB expenses April 1 to June 30, 2013. The opening surplus as at July 1, 2012 was decreased by \$150,028 representing the April 1 – June 30, 2012 EFB expenses. The surplus (deficit) for the year ended June 30, 2013 was increased by \$11,322 representing the April 1 – June 30, 2013 EFB expense minus the April 1 – June 30, 2012 EFB expense.

22. RISK MANAGEMENT

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

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

a) Credit risk

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in the Central Deposit Program with the Ministry of Finance.

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.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

22. RISK MANAGEMENT (continued)

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

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.

23. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

School District No. 69 (Qualicum)

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

Schedule 1

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2014 Actual (Recast)	2013 Actual (Recast)
Accumulated Surplus (Deficit), beginning of year	476,952			17,028,091	17,505,043	16,988,958 (150,028)
Prior Period Adjustments						
Accumulated Surplus (Deficit), beginning of year, as restated	476,932			17,028,091	17,505,043	16,838,930
Changes for the year						
Surplus (Deficit) for the year	678,946	162,144	(523,434)	317,656	666,113	
Interfund Transfers	(85,040)	(162,144)	247,184			
Tangible Capital Assets Purchased	(275,738)		275,738			
Local Capital						
Net Changes for the year	318,168	-	(512)	317,656	666,113	
Accumulated Surplus (Deficit), end of year - Statement 2	795,120	-	17,027,579	17,822,699	17,505,043	

School District No. 69 (Qualicum)

Schedule 2

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	40,590,200	39,506,278	40,941,360
Other	113,450	130,525	105,775
Tuition	2,377,000	2,024,987	2,146,774
Other Revenue	144,750	234,301	145,738
Rentals and Leases	123,500	254,920	221,404
Investment Income	70,000	103,259	88,840
Total Revenue	43,418,900	42,254,270	43,649,891
Expenses			
Instruction	35,046,478	32,851,475	34,294,385
District Administration	1,759,523	1,948,233	1,756,400
Operations and Maintenance	4,792,107	4,959,716	4,678,563
Transportation and Housing	1,802,085	1,815,900	1,818,790
Total Expense	43,400,193	41,575,324	42,548,138
Operating Surplus (Deficit) for the year	18,707	678,946	1,101,753
Budgeted Appropriation (Retirement) of Surplus (Deficit)	337,031		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(80,000)		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(275,738)	(85,040)	(21,317)
Local Capital	(275,738)	(339,128)	
Total Net Transfers	(275,738)	(360,778)	(360,445)
Total Operating Surplus (Deficit), for the year	-	318,168	741,308
Operating Surplus (Deficit), beginning of year			
Prior Period Adjustments		476,952	(114,328)
April - June 2012 EFB Expense Restatement		(150,028)	
Operating Surplus (Deficit), beginning of year, as restated		476,952	(264,356)
Operating Surplus (Deficit), end of year		795,120	476,952
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 13)	364,689	286,073	
Unrestricted	1,430,431	1,290,879	
Unfunded Accrued Employee Future Benefits (Note 14)	(1,000,000)	(1,100,000)	
Total Operating Surplus (Deficit), end of year	795,120	476,952	

School District No. 69 (Qualicum)

Schedule 2A

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	39,226,901	38,554,068	39,979,803
Other Ministry of Education Grants			
Additional Distributed Learning Enrolments	427,123		
Pay Equity	936,176	936,176	936,176
FSA Monitoring	8,696	8,696	8,696
Education Guarantee	7,338	16,685	16,685
Total Provincial Grants - Ministry of Education	40,590,200	39,506,278	40,941,360
Provincial Grants - Other			
Tuition			
Offshore Tuition Fees	2,377,000	2,024,987	2,146,774
Total Tuition	2,377,000	2,024,987	2,146,774
Other Revenues			
Miscellaneous			
Transportation Revenue	134,750	110,493	70,765
Miscellaneous	10,000	89,752	43,532
Other Grants	29,000	29,000	17,500
Workshop Fees	3,410	3,410	11,641
Donations	1,646	1,646	2,300
Total Other Revenue	144,750	234,301	145,738
Rentals and Leases	123,500	254,920	221,404
Investment Income	70,000	103,259	88,840
Total Operating Revenue	43,418,900	42,254,270	43,649,891

School District No. 69 (Qualicum)

Schedule 2B

Schedule of Operating Expense by Object

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast)
	\$	\$	\$
Salaries			
Teachers	17,406,335	15,701,637	16,943,641
Principals and Vice Principals	2,582,800	2,503,457	2,647,500
Educational Assistants	3,104,957	2,965,465	2,992,603
Support Staff	5,219,776	5,102,502	4,981,188
Other Professionals	1,147,003	1,104,322	991,044
Substitutes	845,200	1,344,517	1,183,554
Total Salaries	30,306,071	28,721,900	29,739,530
Employee Benefits	7,731,936	7,733,723	7,867,664
Total Salaries and Benefits	38,038,007	36,455,623	37,607,194
Services and Supplies			
Services	1,235,868	1,164,172	1,089,966
Student Transportation	403,000	662,938	692,785
Professional Development and Travel	352,300	413,608	456,902
Rentals and Leases	81,500	84,625	88,014
Dues and Fees	47,150	47,956	47,672
Insurance	109,000	146,956	138,907
Supplies	2,113,368	1,510,100	1,355,278
Utilities	1,020,000	1,089,346	1,071,420
Total Services and Supplies	5,362,186	5,119,701	4,940,944
Total Operating Expense	43,400,193	41,575,324	42,548,138

School District No. 69 (Qualicum)
 Operating Expense by Function, Program and Object
 Year Ended June 30, 2014

Schedule 2C

	Teachers Salaries	Vice Principals Salaries	Principals and Assistants Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
1 Instruction								
1.02 Regular Instruction	12,318,557	668,650		8,593		836,428		13,832,228
1.03 Career Programs	704,093	75,750		57,392				837,235
1.07 Library Services	372,310			225,982		9,255		607,547
1.08 Counselling	315,984							315,984
1.10 Special Education	1,662,346	99,800	2,793,411	38,775		277,280		4,871,612
1.30 English Language Learning	54,953							54,953
1.31 Aboriginal Education	34,346	99,800	172,054	6,953				313,153
1.41 School Administration		1,451,389		1,098,858		50,980		2,601,227
1.61 Continuing Education								
1.62 Off Shore Students	239,048	99,800		44,765	63,925			447,538
1.64 Other		8,268				1,980		10,248
Total Function 1	15,701,637	2,503,457	2,965,465	1,481,318	63,925	1,175,923	-	23,891,725
4 District Administration								
4.11 Educational Administration					346,414			346,414
4.40 School District Governance					63,334			63,334
4.41 Business Administration					240,954	440,590	6,861	688,405
Total Function 4	-	-	-	240,954	850,338	6,861	-	1,098,153
5 Operations and Maintenance								
5.41 Operations and Maintenance Administration					76,381	109,463	705	186,549
5.50 Maintenance Operations					2,165,856		84,077	2,249,933
5.52 Maintenance of Grounds					197,561			197,561
5.56 Utilities								
Total Function 5	-	-	-	2,439,798	109,463	84,782	-	2,634,043
7 Transportation and Housing								
7.41 Transportation and Housing Administration					45,643	80,596		126,239
7.70 Student Transportation					894,789		76,951	971,740
Total Function 7	-	-	-	940,432	80,596	76,951	-	1,097,979
9 Debt Services								
Total Function 9	-	-	-	-	-	-	-	-
Total Functions 1 - 9	15,701,637	2,503,457	2,965,465	5,102,502	1,104,322	1,344,517	28,721,900	-

School District No. 69 (Qualicum)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	Actual	Budget	2014 Actual (Recast)	2013 Actual	2013 Budget
1 Instruction									
1.02 Regular Instruction	\$ 13,832,228	\$ 3,942,339	\$ 17,774,567	\$ 849,773	\$ 18,624,340	\$ 19,914,540	\$ 20,381,867		
1.03 Career Programs	837,235	105,177	942,412	186,736	1,129,148	1,660,947	465,755		
1.07 Library Services	607,567	132,451	739,998	31,990	771,968	832,129	876,968		
1.08 Counselling	315,984	107,786	423,770		423,770	429,001	433,861		
1.10 Special Education	4,871,612	1,293,764	6,165,376	55,280	6,220,656	6,394,073	6,287,165		
1.30 English Language Learning	54,953	10,253	65,206		65,206	74,609	28,475		
1.31 Aboriginal Education	313,153	67,534	380,687	72,757	453,444	457,643	432,015		
1.41 School Administration	2,601,227	812,369	3,413,596	117,998	3,531,594	3,397,422	3,634,387		
1.61 Continuing Education	-	-	-	-	-	-	48,454		
1.62 Off Shore Students	447,538	92,112	539,650	1,012,736	1,552,386	1,834,353	1,601,652		
1.64 Other	10,248	3,381	13,629	65,314	78,943	51,761	103,786		
Total 1 Function 1	\$ 23,891,725	6,567,166	30,458,891	2,392,584	32,851,475	35,046,478	34,294,385		
4 District Administration									
4.11 Educational Administration	346,414	83,949	430,363	62,796	493,159	453,711	449,499		
4.40 School District Governance	63,334	3,376	66,710	96,940	163,650	162,249	158,961		
4.41 Business Administration	688,405	151,579	839,984	451,440	1,291,424	1,143,563	1,147,940		
Total 4 Function 4	\$ 1,098,153	238,904	1,337,057	611,176	1,948,233	1,759,523	1,756,400		
5 Operations and Maintenance									
5.41 Operations and Maintenance Administration	186,549	41,257	227,806	153,802	381,608	358,811	339,931		
5.50 Maintenance Operations	2,249,933	522,218	2,772,151	384,747	3,156,898	3,035,827	2,863,171		
5.52 Maintenance of Grounds	197,561	54,077	251,638	80,226	331,864	377,469	404,041		
5.56 Utilities	-	-	-	1,089,346	1,089,346	1,020,000	1,071,420		
Total 5 Function 5	\$ 2,634,043	617,552	3,251,595	1,708,121	4,939,716	4,792,107	4,678,563		
7 Transportation and Housing									
7.41 Transportation and Housing Administration	126,239	28,620	154,859	6,754	161,613	174,720	167,159		
7.70 Student Transportation	971,740	281,481	1,253,221	383,846	1,637,067	1,603,365	1,624,691		
7.73 Housing	-	-	-	17,220	17,220	24,000	26,940		
Total 7 Function 7	\$ 1,097,979	310,101	1,408,080	407,820	1,815,900	1,802,085	1,818,790		
9 Debt Services									
Total 9 Function 9	\$ -	-	-	-	-	-	-		
Total Functions 1 - 9	\$ 28,721,900	7,733,723	36,455,623	5,119,701	41,575,324	43,400,193	42,548,138		

School District No. 69 (Qualicum)

Schedule 3

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,667,319	1,314,774	1,394,422
Other Revenue	1,300,000	1,378,507	1,214,284
Investment Income		2,931	4,318
Total Revenue	2,967,319	2,696,212	2,613,024
Expenses			
Instruction	2,967,319	2,534,068	2,613,024
Total Expense	2,967,319	2,534,068	2,613,024
Special Purpose Surplus (Deficit) for the year		162,144	
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(162,144)	
Total Net Transfers		(162,144)	
Total Special Purpose Surplus (Deficit) for the year			
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year			

School District No. 69 (Qualicum)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2014

	TOTAL \$
Deferred Revenue, beginning of year	1,202,674
Add: Restricted Grants	
Provincial Grants - Ministry of Education	1,167,206
Other	1,325,719
Investment Income	2,931
Less: Allocated to Revenue	
2,495,856	2,495,856
2,696,212	2,696,212
Deferred Revenue, end of year	1,002,318
 Revenues	
Provincial Grants - Ministry of Education	1,314,774
Other Revenue	1,378,507
Investment Income	2,931
 Expenses	
Salaries	
Teachers	313,793
Principals and Vice Principals	84,258
Educational Assistants	50,604
Support Staff	259,188
	707,843
Employee Benefits	
Services and Supplies	176,328
	1,649,897
	2,534,068
 Net Revenue (Expense) before Interfund Transfers	162,144
 Interfund Transfers	
Tangible Capital Assets Purchased	(162,144)
	(162,144)
 Net Revenue (Expense)	-

School District No. 69 (Qualicum)

Schedule 4

Schedule of Capital Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual		2013 Actual (Recast)
	\$	\$	\$	\$
Revenues				
Provincial Grants				
Ministry of Education		398,117	398,117	718,197
Amortization of Deferred Capital Revenue	2,025,491	2,091,758	2,091,758	2,020,680
Total Revenue	2,025,491	2,489,875	-	2,738,877
Expenses				
Operations and Maintenance		398,117	228,189	626,306
Amortization of Tangible Capital Assets				
Operations and Maintenance	2,301,229	2,224,994	2,224,994	2,147,877
Transportation and Housing		158,907	158,907	191,213
Debt services				
Capital Lease Interest			3,102	3,102
Total Expense	2,301,229	2,782,018	231,291	3,013,309
Capital Surplus (Deficit) for the year		(275,738)	(292,143)	(523,434)
Net Transfers (to) from other funds				
Tangible Capital Assets Purchased	275,738	247,184	247,184	21,317
Local Capital			275,738	275,738
Total Net Transfers	275,738	247,184	275,738	339,128
Other Adjustments to Fund Balances				
Tangible Capital Assets Purchased from Local Capital		100,839	(100,839)	-
Principal Payment				
Capital Lease		16,981	(16,981)	-
Total Other Adjustments to Fund Balances		117,820	(117,820)	-
Total Capital Surplus (Deficit) for the year		72,861	(73,373)	(512)
Capital Surplus (Deficit), beginning of year		16,950,361	77,730	17,028,091
Capital Surplus (Deficit), end of year		17,023,222	4,357	17,027,579
				17,028,091

School District No. 69 (Qualicum)

Tangible Capital Assets
Year Ended June 30, 2014

Schedule 4A

	Sites	Buildings	Equipment	Vehicles	Software	Computer Hardware	Total
Cost, beginning of year	\$ 11,929,778	\$ 97,658,378	\$ 816,800	\$ 1,589,068	\$ 62,372	\$ 112,056,396	
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	569,495			611,749			1,181,244
Deferred Capital Revenue - Other				9,826			9,826
Operating Fund				85,040			85,040
Special Purpose Funds							162,144
Local Capital							100,839
Capital Lease							132,102
Transferred from Work in Progress			26,957				26,957
Decrease:							
Deemed Disposals			200,692	617,287		12,719	830,698
Cost, end of year			200,692	617,287		12,719	830,698
Work in Progress, end of year			11,929,778	98,416,974	779,156	1,709,238	
Cost and Work in Progress, end of year			11,929,778	98,423,790	779,156	1,709,238	
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year	43,201,433	383,029		905,705		19,927	44,510,094
Decrease:							
Deemed Disposals	2,130,840	81,680		158,907		12,474	2,383,901
Accumulated Amortization, end of year							
Tangible Capital Assets - Net			11,929,778	53,091,517	515,139	1,261,913	66,867,369

School District No. 69 (Qualicum)

Schedule 4B

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2014

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	26,957				26,957
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	6,816				6,816
	6,816				6,816
Decrease:					
Transferred to Tangible Capital Assets	26,957				26,957
	26,957				26,957
Net Changes for the Year	(20,141)				(20,141)
Work in Progress, end of year	6,816				6,816

School District No. 69 (Qualicum)

Schedule 4C

Deferred Capital Revenue

Year Ended June 30, 2014

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	48,734,202	991,752	19,986	49,745,940
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,181,244	9,826		1,191,070
Transferred from Work in Progress	26,957			26,957
	1,208,201	9,826	-	1,218,027
Decrease:				
Amortization of Deferred Capital Revenue	2,061,591	28,168	1,999	2,091,758
	2,061,591	28,168	1,999	2,091,758
	(853,390)	(18,342)	(1,999)	(873,731)
Deferred Capital Revenue, end of year	47,880,812	973,410	17,987	48,872,209
 Work in Progress, beginning of year	 26,957			 26,957
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	6,816			6,816
	6,816			6,816
Decrease				
Transferred to Deferred Capital Revenue	26,957			26,957
	26,957			26,957
	(20,141)			(20,141)
Net Changes for the Year	6,816			6,816
 Work in Progress, end of year	 47,887,628	 973,410	 17,987	 48,879,025
 Total Deferred Capital Revenue, end of year	 47,880,812	 973,410	 17,987	 48,872,209

School District No. 69 (Qualicum)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2014

	Other MEd	Restricted Capital	Provincial Capital	Land Capital	Other Capital	Total
Bylaw Capital	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,676,661	155,387		188,678		2,020,726
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education						
Investment Income	730,938	1,881		2,358		730,938
Decrease:						
Transferred to DCR - Capital Additions	1,181,244	9,826		1,191,070		
Transferred to DCR - Work in Progress	6,816			6,816		
Purchase of Services and Supplies	398,117			398,117		
	1,586,177	9,826		-	1,596,003	
Net Changes for the Year	(655,239)	(7,945)		2,358		(860,826)
Balance, end of year	821,422	147,442		191,036		1,159,900