

Audited Financial Statements of

# **School District No. 69 (Qualicum)**

June 30, 2015

# School District No. 69 (Qualicum)

June 30, 2015

## Table of Contents

Management Report .....	1
Independent Auditors' Report .....	2
Statement of Financial Position - Statement 1 .....	3
Statement of Operations - Statement 2 .....	4
Statement of Changes in Net Financial Assets (Debt) - Statement 4 .....	5
Statement of Cash Flows - Statement 5 .....	6
Notes to the Financial Statements .....	7-21
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 .....	22
Schedule of Operating Operations - Schedule 2 .....	23
Schedule 2A - Schedule of Operating Revenue by Source .....	24
Schedule 2B - Schedule of Operating Expense by Object .....	25
Schedule 2C - Operating Expense by Function, Program and Object .....	26
Schedule of Special Purpose Operations - Schedule 3 .....	28
Schedule 3A - Changes in Special Purpose Funds and Expense by Object .....	29
Schedule of Capital Operations - Schedule 4 .....	31
Schedule 4A - Tangible Capital Assets .....	32
Schedule 4B - Tangible Capital Assets - Work in Progress .....	33
Schedule 4C - Deferred Capital Revenue .....	34
Schedule 4D - Changes in Unspent Deferred Capital Revenue .....	35

# School District No. 69 (Qualicum)

## MANAGEMENT REPORT DRAFT

### 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 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. 69 (Qualicum)

<b>D</b>	<b>R</b>	<b>A</b>	<b>F</b>	<b>T</b>
Signature of the _____ of the Board of Education				Date Signed
Signature of the Superintendent				Date Signed
Signature of the Secretary Treasurer				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, 2015 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, 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, 2015 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.

### 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 PROFESSIONAL ACCOUNTANTS

Parksville, Canada  
September 22, 2015

# School District No. 69 (Qualicum)

Statement 1

Statement of Financial Position

As at June 30, 2015

	2015 Actual	2014 Actual (Recast - Note 21)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	11,588,333	10,810,842
Accounts Receivable		
Due from Province - Ministry of Education	58,700	58,888
Due from Province - Other	140,224	324,525
Other (Note 4)	369,507	229,251
<b>Total Financial Assets</b>	<u>12,156,764</u>	<u>11,423,506</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education		833,644
Other (Note 5)	3,111,837	2,852,263
Unearned Revenue (Note 6)	1,288,870	507,200
Deferred Revenue (Note 7)	833,461	1,002,318
Deferred Capital Revenue (Note 8)	48,013,153	49,188,925
Employee Future Benefits (Note 9)	5,274,602	5,201,136
Capital Lease Obligations (Note 10)	108,757	115,121
<b>Total Liabilities</b>	<u>58,630,680</u>	<u>59,700,607</u>
<b>Net Financial Assets (Debt)</b>	<u>(46,473,916)</u>	<u>(48,277,101)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	65,499,958	66,867,369
Prepaid Expenses	51,087	82,431
<b>Total Non-Financial Assets</b>	<u>65,551,045</u>	<u>66,949,800</u>
<b>Accumulated Surplus (Deficit)</b>	<u>19,077,129</u>	<u>18,672,699</u>

Contractual Obligations and Contingencies (Note 12)

Approved by the Board

DRAFT

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. 69 (Qualicum)

Statement 2

Statement of Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual (Recast - Note 21)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	41,005,182	41,784,667	41,219,169
Other	101,450	99,070	130,525
Tuition	2,329,000	1,992,246	2,024,987
Other Revenue	1,433,385	1,603,926	1,612,808
Rentals and Leases	259,000	396,351	254,920
Investment Income	90,000	143,034	106,190
Amortization of Deferred Capital Revenue	2,095,594	2,095,594	2,091,758
<b>Total Revenue</b>	<b>47,313,611</b>	<b>48,114,888</b>	<b>47,440,357</b>
<b>Expenses (Note 15)</b>			
Instruction	36,845,383	36,292,970	35,385,543
District Administration	1,797,863	2,020,518	1,948,233
Operations and Maintenance	7,004,063	7,737,242	7,811,016
Transportation and Housing	1,586,022	1,657,561	1,974,807
Debt Services		2,167	3,102
<b>Total Expense</b>	<b>47,233,331</b>	<b>47,710,458</b>	<b>47,122,701</b>
<b>Surplus (Deficit) for the year</b>	<b>80,280</b>	<b>404,430</b>	<b>317,656</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>18,672,699</b>	<b>18,355,043</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>19,077,129</b>	<b>18,672,699</b>

**School District No. 69 (Qualicum)**

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual (Recast - Note 21)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	80,280	404,430	317,656
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(1,553,315)	(1,037,471)	(1,678,011)
Amortization of Tangible Capital Assets	2,404,881	2,404,882	2,383,901
<b>Total Effect of change in Tangible Capital Assets</b>	851,566	1,367,411	705,890
Acquisition of Prepaid Expenses		(51,087)	(82,431)
Use of Prepaid Expenses		82,431	97,387
<b>Total Effect of change in Other Non-Financial Assets</b>	-	31,344	14,956
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	931,846	1,803,185	1,038,502
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		1,803,185	1,038,502
<b>Net Financial Assets (Debt), beginning of year</b>		(48,277,101)	(49,315,603)
<b>Net Financial Assets (Debt), end of year</b>		(46,473,916)	(48,277,101)

# School District No. 69 (Qualicum)

Statement of Cash Flows  
Year Ended June 30, 2015

	2015 Actual	2014 Actual (Recast - Note 21)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	404,430	317,656
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	44,233	(140,916)
Prepaid Expenses	31,344	14,956
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(574,070)	977,053
Unearned Revenue	781,670	(59,564)
Deferred Revenue	(168,857)	(200,356)
Employee Future Benefits	73,466	230,953
Amortization of Tangible Capital Assets	2,404,882	2,383,901
Amortization of Deferred Capital Revenue	(2,095,594)	(2,091,758)
Services and Supplies purchased with bylaw capital	(264,943)	(398,117)
<b>Total Operating Transactions</b>	<u>636,561</u>	<u>1,033,808</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(1,016,005)	(1,539,093)
Tangible Capital Assets -WIP Purchased		(6,816)
<b>Total Capital Transactions</b>	<u>(1,016,005)</u>	<u>(1,545,909)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	1,184,765	735,177
Capital Lease Payments	(27,830)	(16,981)
<b>Total Financing Transactions</b>	<u>1,156,935</u>	<u>718,196</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	777,491	206,095
<b>Cash and Cash Equivalents, beginning of year</b>	10,810,842	10,604,747
<b>Cash and Cash Equivalents, end of year</b>	<u>11,588,333</u>	<u>10,810,842</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	11,588,333	10,810,842
	<u>11,588,333</u>	<u>10,810,842</u>



**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established in 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.

**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**

The financial statements of the School District 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

The 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 3(e) and 3(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 3(e) and 3(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, 2014 - increase in annual surplus by \$1,754,698

June 30, 2014 - increase in accumulated surplus and decrease in deferred contributions by \$49,188,925

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

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

a) Basis of Accounting (continued)

Year ended June 30, 2015 - increase in annual surplus by \$1,175,772

June 30, 2015 - increase in accumulated surplus and decrease in deferred contributions by \$48,013,153

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 3(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 3(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.

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

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

f) Employee Future Benefits (continued)

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 (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 31 was adopted for all periods subsequent to July 1, 2004.

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

g) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts directly related to 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 at substantial completion.
- 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.

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

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

g) Tangible Capital Assets (continued)

- 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

h) Prepaid Expenses

Amounts for maintenance contracts and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

i) Capital Leases

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

j) 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 – Accumulated 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.

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

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

k) Revenue Recognition (continued)

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.

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 for 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.

l) 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.

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.

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

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

l) Expenditures (continued)

- 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 of a financial asset or a financial liability.

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

**NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	<b>2015</b>	<b>2014</b>
Due from Federal Government	\$ 51,344	\$ 56,864
Mount Arrowsmith Teachers Association	68,483	52,531
BC Principals and Vice-Principals Association	73,137	-
Other	176,543	119,856
	<b>\$ 369,507</b>	<b>\$ 229,251</b>

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2015	2014
Trades payable	\$ 1,017,291	\$ 822,808
Salaries and benefits payable	1,766,689	1,798,206
Accrued vacation pay	212,872	192,282
Other	114,985	38,967
	\$ 3,111,837	\$ 2,852,263

**NOTE 6      UNEARNED REVENUE**

	2015	2014
Balance, beginning of year	\$ 507,200	\$ 566,764
Changes for the year:		
Increase:		
Tuition fees	1,273,995	495,525
Transportation	14,125	11,675
Other	750	-
	1,288,870	507,200
Decrease:		
Tuition fees	495,525	522,029
Transportation	11,675	41,280
Other	-	3,455
	507,200	566,764
Net changes for the year	781,670	(59,564)
Balance, end of year	\$ 1,288,870	\$ 507,200

**NOTE 7      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.

**NOTE 8      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 revenue is included in Schedule 4C and 4D.

**SCHOOL DISTRICT NO. 69 (QUALICUM)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 9 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 (Note 16).

	2015	2014
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – April 1	\$ 5,519,457	\$ 5,705,822
Service Cost	381,802	381,652
Interest Cost	182,417	173,173
Benefit Payments	(541,853)	(603,131)
Actuarial Gain	436,170	(138,059)
Accrued Benefit Obligation – March 31	<u>\$ 5,974,493</u>	<u>\$ 5,519,457</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 5,974,493	\$ 5,519,457
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(5,974,493)	(5,519,457)
Employer Contributions After Measurement Date	96,448	103,655
Benefits Expense After Measurement Date	(143,026)	(140,930)
Unamortized Net Actuarial (Gain) Loss	746,469	355,596
Accrued Benefit Liability – June 30	<u>\$ (5,274,602)</u>	<u>\$ (5,201,136)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability – July 1	\$ 5,201,136	\$ 4,970,183
Net expense for fiscal year	611,112	616,878
Employer Contributions	(537,646)	(385,925)
Accrued Benefit Liability – June 30	<u>\$ 5,274,602</u>	<u>\$ 5,201,136</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 394,492	\$ 381,564
Interest Cost	171,323	175,484
Amortization of Net Actuarial Gain	45,297	59,830
Net Benefit Expense	<u>\$ 611,112</u>	<u>\$ 616,878</u>



**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**NOTE 9 EMPLOYEE FUTURE BENEFITS (continued)**

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

	2015	2014
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% + seniority	2.50% + seniority
EARSL – March 31	9.5	9.5

**NOTE 10 CAPITAL LEASE OBLIGATIONS**

The School District has entered into two capital leases for the purchase of equipment. The leases are financed through the Municipal Finance Authority, which charges interest at 7%. The leases expire on October 28, 2018 and December 28, 2019. The principal repayments due are as follows:

2016	\$ 32,254
2017	32,254
2018	32,254
2019	13,844
2020	2,065
Total minimum lease payments	112,671
Less amounts representing interest	3,914
Present Value of net minimum capital lease payments	\$ 108,757

Total interest expense for the year was \$2,167 (2014 - \$3,102).

**NOTE 11 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	June 30, 2015	June 30, 2014
Sites	\$ 11,929,778	\$ 11,929,778
Buildings	51,841,004	53,084,701
Buildings – work in progress	-	6,816
Furniture and Equipment	560,580	515,139
Vehicles	1,090,989	1,261,913
Computer Hardware	77,607	69,022
Total	\$ 65,499,958	\$ 66,867,369

**SCHOOL DISTRICT NO. 69 (QUALICUM)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 11 TANGIBLE CAPITAL ASSETS (continued)**

**June 30, 2015**

<b>Cost:</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Total 2015</b>
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	98,416,974	887,788	-	6,816	99,311,578
Buildings-work in progress	6,816	-	-	(6,816)	-
Furniture and Equipment	779,156	123,357	30,820	-	871,693
Vehicles	1,709,238	-	-	-	1,709,238
Computer Hardware	88,704	26,326	-	-	115,030
<b>Total</b>	<b>\$ 112,930,666</b>	<b>\$ 1,037,471</b>	<b>\$ 30,820</b>	<b>\$ -</b>	<b>\$113,937,317</b>

<b>Accumulated Amortization:</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Total 2015</b>
Buildings	\$ 45,332,273	\$ 2,138,301	\$ -	\$ 47,470,574
Furniture and Equipment	264,017	77,916	30,820	311,113
Vehicles	447,325	170,924	-	618,249
Computer Hardware	19,682	17,741	-	37,423
<b>Total</b>	<b>\$ 46,063,297</b>	<b>\$ 2,404,882</b>	<b>\$ 30,820</b>	<b>\$ 48,437,359</b>

**June 30, 2014**

<b>Cost:</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Total 2014</b>
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	1,589,668	737,457	617,287	-	1,709,238
Computer Hardware	62,372	39,051	12,719	-	88,704
<b>Total</b>	<b>\$ 112,083,353</b>	<b>\$ 1,678,011</b>	<b>\$ 830,698</b>	<b>\$ -</b>	<b>\$112,930,666</b>

<b>Accumulated Amortization:</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Total 2014</b>
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
<b>Total</b>	<b>\$ 44,510,094</b>	<b>\$ 2,383,901</b>	<b>\$ 830,698</b>	<b>\$ 46,063,297</b>

- Included in tangible capital assets is equipment under capital lease with a cost of \$ 153,568. The related accumulated amortization is \$13,210.

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

**NOTE 12 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES**

The District, in conducting its usual business activities, is involved in legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

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 \$10,374.

**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 "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 defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2013, the Teachers' Pension Plan has about 45,000 active members and approximately 33,000 retired members. As at December 31, 2013, 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 adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate is then adjusted to the extent there is any amortization of any funding deficit.

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, assets and cost to individual employers participating in the Plan.

The School District paid \$4,000,408 for employer contributions to these plans in the year ended June 30, 2015 (2014 - \$3,898,697).

**NOTE 14 ASSET RETIREMENT OBLIGATION**

Certain schools in the School District contain asbestos. 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.

**SCHOOL DISTRICT NO. 69 (QUALICUM)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 15 EXPENSE BY OBJECT**

	2015	2014
Salaries and benefits	\$ 38,185,152	\$ 37,339,794
Services and supplies	7,118,257	7,395,904
Amortization	2,404,882	2,383,901
Interest	2,167	3,102
	<u>\$ 47,710,458</u>	<u>\$ 47,122,701</u>

**NOTE 16 ACCUMULATED SURPLUS**

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

	2015	2014
Invested in tangible capital assets	\$ 17,819,981	\$ 17,873,222
Operating surplus	1,257,148	795,120
Local capital surplus	-	4,357
	<u>\$ 19,077,129</u>	<u>\$ 18,672,699</u>

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

- Operating funds were used to fund Local Capital (\$363,550)
- Capital assets were purchased with Operating funds (\$58,141)
- Capital assets were purchased with Special Purpose funds (\$100,000)

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

	2015	2014
School budgets	\$ 221,461	\$ 279,406
Capital maintenance	170,000	85,283
	391,461	364,689
Unrestricted operating surplus	865,687	430,431
Total available for future operations	1,257,148	1,795,120
Less: Unfunded accrued employee future benefits	-	1,000,000
Total operating surplus	<u>\$ 1,257,148</u>	<u>\$ 795,120</u>

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

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**NOTE 18 BUDGET FIGURES**

The budget figures included in the financial statements are not audited. The budget figures data presented in these financial statements is based upon the 2014/15 amended annual budget adopted by the Board on January 27, 2015. The following chart compares the original annual budget bylaw approved June 26, 2014 to the amended annual budget bylaw reported in these financial statements.

	<b>2015 Amended Annual Budget</b>	<b>2015 Annual Budget</b>
<b>Revenues</b>		
Provincial Grants		
Ministry of Education	\$ 43,100,776	\$ 43,358,889
Other Provincial Revenues	101,450	101,450
Tuition	2,329,000	2,377,000
Other Revenue	1,433,385	1,425,000
Rentals and Leases	259,000	259,000
Investment Income	90,000	90,000
Total Revenue	<u>47,313,611</u>	<u>47,611,339</u>
<b>Expenses</b>		
Instruction	36,845,383	37,079,722
District Administration	1,797,863	1,774,031
Operations and Maintenance	7,004,063	6,904,248
Transportation and Housing	1,586,022	1,750,517
Total Expenses	<u>47,233,331</u>	<u>47,508,518</u>
Net Revenue	80,280	102,821
Budgeted Allocation of Surplus	58,983	-
Transfer to Unfunded Employee Future Benefits	(80,000)	(80,000)
Budgeted Surplus for the year	<u>\$ 59,263</u>	<u>\$ 22,821</u>

**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.

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

**NOTE 20 RISK MANAGEMENT (continued)**

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 cash equivalents, amounts receivable and investments.

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

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

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.

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

---

**NOTE 21    PRIOR PERIOD ADJUSTMENT**

In 2004, as a result of a change in accounting policy, reporting of the funds advanced by the Province for approved tangible capital asset projects was to be recorded as deferred contributions until the amount was invested in tangible capital assets. The transaction in 2004 to record the deferred contributions included in error, \$850,000 of bank loan proceeds. An adjustment was made to increase investment in tangible capital assets by \$850,000 and to decrease deferred contributions – bylaw capital by \$850,000. This resulted in an increase to Accumulated Surplus from \$17,822,699 to \$18,672,699 and a decrease to deferred capital revenue from \$50,038,925 to \$49,188,925 at June 30, 2014 and an increase to Accumulated Surplus from \$17,505,043 to \$18,355,043 at July 1, 2013.

**DRAFT**

**School District No. 69 (Qualicum)**  
 Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
 Year Ended June 30, 2015

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	795,120		17,877,579	18,672,699	17,505,043
Prior Period Adjustments					850,000
Accumulated Surplus (Deficit), beginning of year, as restated	795,120	-	17,877,579	18,672,699	18,355,043
Changes for the year					
Surplus (Deficit) for the year	888,719	100,000	(584,289)	404,430	317,656
Interfund Transfers	(58,141)	(100,000)	158,141	-	-
Tangible Capital Assets Purchased	(338,553)		338,553	-	-
Local Capital	(29,997)		29,997	-	-
Other			(57,598)	404,430	317,656
Net Changes for the year	462,028	-	(57,598)	404,430	317,656
Accumulated Surplus (Deficit), end of year - Statement 2	1,257,148	-	17,819,981	19,077,129	18,672,699



# School District No. 69 (Qualicum)

Schedule of Operating Operations

Year Ended June 30, 2015

Schedule 2

	2015 Budget	2015 Actual	2014 Actual (Recast - Note 21)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	39,335,643	39,733,085	39,506,278
Other	101,450	99,070	130,525
Tuition	2,329,000	1,992,246	2,024,987
Other Revenue	133,385	386,000	234,301
Rentals and Leases	259,000	396,351	254,920
Investment Income	90,000	143,034	103,259
<b>Total Revenue</b>	<b>42,248,478</b>	<b>42,749,786</b>	<b>42,254,270</b>
<b>Expenses</b>			
Instruction	33,875,844	33,636,176	32,851,475
District Administration	1,797,863	2,020,518	1,948,233
Operations and Maintenance	4,599,182	4,717,736	4,959,716
Transportation and Housing	1,586,022	1,486,637	1,815,900
<b>Total Expense</b>	<b>41,858,911</b>	<b>41,861,067</b>	<b>41,575,324</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>389,567</b>	<b>888,719</b>	<b>678,946</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>58,983</b>		
<b>Budgeted Reduction of Unfunded Accrued Employee Future Benefits</b>	<b>(80,000)</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(368,550)	(58,141)	(85,040)
Local Capital		(338,553)	(275,738)
Other		(29,997)	
<b>Total Net Transfers</b>	<b>(368,550)</b>	<b>(426,691)</b>	<b>(360,778)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>462,028</b>	<b>318,168</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>795,120</b>	<b>476,952</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>1,257,148</b>	<b>795,120</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 16)		391,461	364,689
Unrestricted		865,687	1,430,431
Unfunded Accrued Employee Future Benefits (Note 16)		-	(1,000,000)
<b>Total Operating Surplus (Deficit), end of year</b>		<b>1,257,148</b>	<b>795,120</b>

**School District No. 69 (Qualicum)**

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual (Recast - Note 21)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	38,847,162	38,949,457	38,554,068
Strike Savings Recovery	(1,102,021)	(911,281)	
Other Ministry of Education Grants			
Labour Settlement Funding	654,326	654,326	
Pay Equity	936,176	936,176	936,176
Funding for Graduated Adults		11,353	7,338
FSA Monitoring		8,696	8,696
Miscellaneous		84,358	
<b>Total Provincial Grants - Ministry of Education</b>	<b>39,335,643</b>	<b>39,733,085</b>	<b>39,506,278</b>
<b>Provincial Grants - Other</b>	<b>101,450</b>	<b>99,070</b>	<b>130,525</b>
<b>Tuition</b>			
Offshore Tuition Fees	2,329,000	1,992,246	2,024,987
<b>Total Tuition</b>	<b>2,329,000</b>	<b>1,992,246</b>	<b>2,024,987</b>
<b>Other Revenues</b>			
Miscellaneous			
Transportation revenue	119,385	124,874	110,493
Miscellaneous	10,000	202,405	89,752
Other Grants		48,117	29,000
Workshop fees		1,125	3,410
Donations		5,752	1,646
Pcard Dividend	4,000	3,727	
<b>Total Other Revenue</b>	<b>133,385</b>	<b>386,000</b>	<b>234,301</b>
<b>Rentals and Leases</b>	<b>259,000</b>	<b>396,351</b>	<b>254,920</b>
<b>Investment Income</b>	<b>90,000</b>	<b>143,034</b>	<b>103,259</b>
<b>Total Operating Revenue</b>	<b>42,248,478</b>	<b>42,749,786</b>	<b>42,254,270</b>

**School District No. 69 (Qualicum)**

Schedule of Operating Expense by Object

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual (Recast - Note 21)
	\$	\$	\$
<b>Salaries</b>			
Teachers	17,090,098	15,985,569	15,701,637
Principals and Vice Principals	2,168,093	2,233,222	2,503,457
Educational Assistants	3,277,751	3,071,186	2,965,465
Support Staff	4,596,730	4,650,321	5,102,502
Other Professionals	1,243,243	1,208,363	1,104,322
Substitutes	921,360	1,438,921	1,344,517
<b>Total Salaries</b>	<u>29,297,275</u>	<u>28,587,582</u>	<u>28,721,900</u>
<b>Employee Benefits</b>	7,316,461	8,245,609	7,733,723
<b>Total Salaries and Benefits</b>	<u>36,613,736</u>	<u>36,833,191</u>	<u>36,455,623</u>
<b>Services and Supplies</b>			
Services	1,746,290	1,304,415	1,164,172
Student Transportation	424,300	652,086	662,938
Professional Development and Travel	199,900	392,525	413,608
Rentals and Leases	-	24,283	84,625
Dues and Fees	44,500	52,770	47,956
Insurance	151,000	157,918	146,956
Supplies	1,614,685	1,492,976	1,510,100
Utilities	1,064,500	950,903	1,089,346
<b>Total Services and Supplies</b>	<u>5,245,175</u>	<u>5,027,876</u>	<u>5,119,701</u>
<b>Total Operating Expense</b>	<u>41,858,911</u>	<u>41,861,067</u>	<u>41,575,324</u>

**School District No. 69 (Qualicum)**  
 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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	12,516,796	405,004		138,431		882,297	13,942,528
1.03 Career Programs	697,183	78,992		124,331			900,506
1.07 Library Services	341,964			203,071		26,556	571,591
1.08 Counselling	288,101						288,101
1.10 Special Education	1,813,557	105,322	2,898,708	40,686		276,212	5,134,485
1.30 English Language Learning	53,018						53,018
1.31 Aboriginal Education	44,323	102,196	172,478	6,781			325,778
1.41 School Administration		1,388,413		928,257		71,729	2,388,399
1.62 Off Shore Students	230,627	153,295		47,798	68,937		500,657
1.64 Other					12,107		12,107
<b>Total Function 1</b>	<b>15,985,569</b>	<b>2,233,222</b>	<b>3,071,186</b>	<b>1,489,355</b>	<b>81,044</b>	<b>1,256,794</b>	<b>24,117,170</b>
<b>4 District Administration</b>							
4.11 Educational Administration					348,187		348,187
4.40 School District Governance					75,962		75,962
4.41 Business Administration				204,359	479,856	6,979	691,194
<b>Total Function 4</b>	-	-	-	<b>204,359</b>	<b>904,005</b>	<b>6,979</b>	<b>1,115,343</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				49,713	166,624		216,337
5.50 Maintenance Operations				1,916,940		73,834	1,990,774
5.52 Maintenance of Grounds				219,768			219,768
5.56 Utilities							-
<b>Total Function 5</b>	-	-	-	<b>2,186,421</b>	<b>166,624</b>	<b>73,834</b>	<b>2,426,879</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				49,124	56,690	5,197	111,011
7.70 Student Transportation				721,062		96,117	817,179
7.73 Housing							-
<b>Total Function 7</b>	-	-	-	<b>770,186</b>	<b>56,690</b>	<b>101,314</b>	<b>928,190</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>15,985,569</b>	<b>2,233,222</b>	<b>3,071,186</b>	<b>4,650,321</b>	<b>1,208,363</b>	<b>1,438,921</b>	<b>28,587,582</b>

**School District No. 69 (Qualicum)**  
 Operating Expense by Function, Program and Object  
 Year Ended June 30, 2015

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2015 Actual	2015 Budget	2014 Actual
	\$	\$	\$	\$	\$	\$	(Recast - Note 21) \$
<b>1 Instruction</b>							
1.02 Regular Instruction	13,942,528	4,032,133	17,974,661	776,021	18,750,682	18,719,091	18,624,340
1.03 Career Programs	900,506	269,093	1,169,599	404,658	1,574,257	1,606,841	1,129,148
1.07 Library Services	571,591	162,706	734,297	29,523	763,820	734,394	771,988
1.08 Counselling	288,101	87,261	375,362		375,362	385,435	423,770
1.10 Special Education	5,134,485	1,551,832	6,686,317	70,722	6,757,039	6,796,866	6,220,656
1.30 English Language Learning	53,018	16,696	69,714	165	69,879	71,496	65,206
1.31 Aboriginal Education	325,778	98,539	424,317	66,337	490,654	519,503	453,444
1.41 School Administration	2,388,599	648,704	3,037,303	92,235	3,129,338	2,992,247	3,531,594
1.62 Off Shore Students	500,657	149,284	649,941	1,045,422	1,695,363	1,974,288	1,552,386
1.64 Other	12,107	17,675	29,782		29,782	75,683	78,943
<b>Total Function 1</b>	<b>24,117,170</b>	<b>7,033,923</b>	<b>31,151,093</b>	<b>2,485,083</b>	<b>33,636,176</b>	<b>33,875,844</b>	<b>32,851,475</b>
<b>4 District Administration</b>							
4.11 Educational Administration	348,187	85,448	433,635	56,706	490,341	476,500	493,159
4.40 School District Governance	75,962	3,737	79,699	135,702	215,401	217,339	163,650
4.41 Business Administration	691,194	188,478	879,672	435,104	1,314,776	1,104,024	1,291,424
<b>Total Function 4</b>	<b>1,115,343</b>	<b>277,663</b>	<b>1,393,006</b>	<b>627,512</b>	<b>2,020,518</b>	<b>1,797,863</b>	<b>1,948,233</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	216,337	59,278	275,615	136,004	411,619	446,168	381,608
5.50 Maintenance Operations	1,990,774	539,799	2,530,573	474,661	3,005,234	2,714,119	3,156,898
5.52 Maintenance of Grounds	219,768	61,545	281,313	68,667	349,980	374,395	331,864
5.56 Utilities	-	-	-	950,903	950,903	1,064,500	1,089,346
<b>Total Function 5</b>	<b>2,426,879</b>	<b>660,622</b>	<b>3,087,501</b>	<b>1,630,235</b>	<b>4,717,736</b>	<b>4,599,182</b>	<b>4,959,716</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	111,011	22,535	133,546	26,573	160,119	130,979	161,613
7.70 Student Transportation	817,179	250,866	1,068,045	234,323	1,302,368	1,431,043	1,637,067
7.73 Housing	-	-	-	24,150	24,150	24,000	17,220
<b>Total Function 7</b>	<b>928,190</b>	<b>273,401</b>	<b>1,201,591</b>	<b>285,046</b>	<b>1,486,637</b>	<b>1,586,022</b>	<b>1,815,900</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>28,587,582</b>	<b>8,245,609</b>	<b>36,833,191</b>	<b>5,027,876</b>	<b>41,861,067</b>	<b>41,858,911</b>	<b>41,575,324</b>

# School District No. 69 (Qualicum)

Schedule of Special Purpose Operations

Year Ended June 30, 2015

Schedule 3

	2015 Budget	2015 Actual	2014 Actual (Recast - Note 21)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	1,669,539	1,786,639	1,314,774
Other Revenue	1,300,000	1,217,926	1,378,507
Investment Income			2,931
<b>Total Revenue</b>	<u>2,969,539</u>	<u>3,004,565</u>	<u>2,696,212</u>
<b>Expenses</b>			
Instruction	2,969,539	2,656,794	2,534,068
Operations and Maintenance		247,771	
<b>Total Expense</b>	<u>2,969,539</u>	<u>2,904,565</u>	<u>2,534,068</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>100,000</u>	<u>162,144</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(100,000)	(162,144)
<b>Total Net Transfers</b>	<u>-</u>	<u>(100,000)</u>	<u>(162,144)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>

**School District No. 69 (Qualicum)**  
 Changes in Special Purpose Funds and Expense by Object  
 Year Ended June 30, 2015

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community-LINK	Service Delivery Transformation
Deferred Revenue, beginning of year	\$ -	\$ 71,863	\$ 7,089	\$ 765,530	\$ 11,044	\$ 1,144	\$ 14,192	\$ -	\$ -
Add: Restricted Grants	216,315	786,866	11,273	1,230,178	96,200	19,600	101,534	348,742	25,000
Provincial Grants - Ministry of Education									
Other									
Less: Allocated to Revenue	216,315	786,866	11,273	1,230,178	96,200	19,600	101,534	348,742	25,000
Deferred Revenue, end of year	-	858,729	5,037	1,217,926	107,244	20,744	98,372	348,742	-
	-	-	13,325	777,782	-	-	17,554	-	25,000
<b>Revenues</b>	216,315	858,729	5,037	1,217,926	107,244	20,744	98,372	348,742	-
Provincial Grants - Ministry of Education									
Other Revenue									
<b>Expenses</b>									
Salaries									
Teachers		594,227					32,047	68,888	
Principals and Vice Principals		133,149						30,000	
Educational Assistants								160,260	
Support Staff	139,107								
Employee Benefits	139,107	727,376					32,047	259,148	
Services and Supplies	77,208	131,353					11,938	38,726	
Interfund Transfers	216,315	858,729	5,037	1,217,926	107,244	20,744	98,372	348,742	
Tangible Capital Assets Purchased									
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 69 (Qualicum)**  
 Changes in Special Purpose Funds and Expense by Object  
 Year Ended June 30, 2015

	APG Seismic	TOTAL
Deferred Revenue, beginning of year	\$ 131,456	\$ 1,002,318
<b>Add: Restricted Grants</b>		
Provincial Grants - Ministry of Education	1,605,530	1,230,178
Other	2,835,708	3,004,565
<b>Less: Allocated to Revenue</b>		
Deferred Revenue, end of year	131,456	833,461
<b>Revenues</b>		
Provincial Grants - Ministry of Education	131,456	1,786,639
Other Revenue	131,456	1,217,926
<b>Expenses</b>		
Salaries		
Teachers		695,162
Principals and Vice Principals		30,000
Educational Assistants		293,409
Support Staff	12,266	151,373
Employee Benefits	12,266	1,169,944
Services and Supplies	19,190	182,017
	31,456	1,552,604
		2,904,565
<b>Net Revenue (Expense) before Interfund Transfers</b>	100,000	100,000
<b>Interfund Transfers</b>		
Tangible Capital Assets Purchased	(100,000)	(100,000)
	(100,000)	(100,000)
<b>Net Revenue (Expense)</b>	-	-



# School District No. 69 (Qualicum)

## Schedule of Capital Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual			2014 Actual (Recast - Note 21)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education		264,943		264,943	398,117
Amortization of Deferred Capital Revenue	2,095,594	2,095,594		2,095,594	2,091,758
<b>Total Revenue</b>	<b>2,095,594</b>	<b>2,360,537</b>	<b>-</b>	<b>2,360,537</b>	<b>2,489,875</b>
<b>Expenses</b>					
Operations and Maintenance		264,943	272,834	537,777	626,306
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,404,881	2,233,958		2,233,958	2,224,994
Transportation and Housing		170,924		170,924	158,907
Debt services					
Capital Lease Interest			2,167	2,167	3,102
<b>Total Expense</b>	<b>2,404,881</b>	<b>2,669,825</b>	<b>275,001</b>	<b>2,944,826</b>	<b>3,013,309</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(309,287)</b>	<b>(309,288)</b>	<b>(275,001)</b>	<b>(584,289)</b>	<b>(523,434)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	368,550	158,141		158,141	247,184
Local Capital			338,553	338,553	275,738
Capital Lease Payment			29,997	29,997	
<b>Total Net Transfers</b>	<b>368,550</b>	<b>158,141</b>	<b>368,550</b>	<b>526,691</b>	<b>522,922</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		70,076	(70,076)	-	
Principal Payment					
Capital Lease		27,830	(27,830)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>97,906</b>	<b>(97,906)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>59,263</b>	<b>(53,241)</b>	<b>(4,357)</b>	<b>(57,598)</b>	<b>(512)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>17,873,222</b>	<b>4,357</b>	<b>17,877,579</b>	<b>17,028,091</b>
Prior Period Adjustments					
Reallocation of Capital Surplus					850,000
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>17,873,222</b>	<b>4,357</b>	<b>17,877,579</b>	<b>17,878,091</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>17,819,981</b>	<b>-</b>	<b>17,819,981</b>	<b>17,877,579</b>

**School District No. 69 (Qualicum)**

Tangible Capital Assets

Year Ended June 30, 2015

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	11,929,778	98,416,974	779,156	1,709,238	-	88,704	112,923,850
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		787,788					787,788
Operating Fund			58,141				58,141
Special Purpose Funds		100,000					100,000
Local Capital			43,750			26,326	70,076
Capital Lease			21,466				21,466
Transferred from Work in Progress		6,816					6,816
Decrease:							
Deemed Disposals		894,604	123,357			26,326	1,044,287
Cost, end of year							
Work in Progress, end of year			30,820				30,820
Cost and Work in Progress, end of year	11,929,778	99,311,578	871,693	1,709,238		115,030	113,937,317
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		45,332,273	264,017	447,325		19,682	46,063,297
Decrease:							
Deemed Disposals		2,138,301	77,916	170,924		17,741	2,404,882
Accumulated Amortization, end of year			30,820				30,820
Tangible Capital Assets - Net	11,929,778	51,841,004	560,580	1,090,989		77,607	65,499,958

**School District No. 69 (Qualicum)**

Tangible Capital Assets - Work in Progress  
 Year Ended June 30, 2015

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	6,816				6,816
<b>Changes for the Year</b>					
Decrease:					
Transferred to Tangible Capital Assets	6,816				6,816
	6,816	-	-	-	6,816
<b>Net Changes for the Year</b>	(6,816)	-	-	-	(6,816)
<b>Work in Progress, end of year</b>	-	-	-	-	-

**School District No. 69 (Qualicum)**

Deferred Capital Revenue  
Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	47,880,812	973,410	17,987	48,872,209
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	787,788			787,788
Transferred from Work in Progress	6,816			6,816
	<u>794,604</u>	<u>-</u>	<u>-</u>	<u>794,604</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,064,444	29,151	1,999	2,095,594
	<u>2,064,444</u>	<u>29,151</u>	<u>1,999</u>	<u>2,095,594</u>
<b>Net Changes for the Year</b>	<u>(1,269,840)</u>	<u>(29,151)</u>	<u>(1,999)</u>	<u>(1,300,990)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>46,610,972</u>	<u>944,259</u>	<u>15,988</u>	<u>47,571,219</u>
<b>Work in Progress, beginning of year</b>	6,816			6,816
<b>Changes for the Year</b>				
Decrease				
Transferred to Deferred Capital Revenue	6,816			6,816
	<u>6,816</u>	<u>-</u>	<u>-</u>	<u>6,816</u>
<b>Net Changes for the Year</b>	<u>(6,816)</u>	<u>-</u>	<u>-</u>	<u>(6,816)</u>
<b>Work in Progress, end of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>46,610,972</u>	<u>944,259</u>	<u>15,988</u>	<u>47,571,219</u>

**School District No. 69 (Qualicum)**  
**Changes in Unspent Deferred Capital Revenue**  
**Year Ended June 30, 2015**

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	821,422	147,442	-	191,036	-	1,159,900
Prior Period Adjustments	(850,000)					(850,000)
Reallocation of Capital Surplus	(28,578)	147,442	-	191,036	-	309,900
<b>Balance, beginning of year, as restated</b>						
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	1,184,765					1,184,765
Transfer project surplus to MEd Restricted Capital	(3,530)	3,530				-
	1,181,235	3,530				1,184,765
Decrease:						
Transferred to DCR - Capital Additions	787,788					787,788
Purchase of Services and Supplies	264,943					264,943
	1,052,731					1,052,731
<b>Net Changes for the Year</b>	128,504	3,530	-	-	-	132,034
<b>Balance, end of year</b>	99,926	150,972	-	191,036	-	441,934