

Audited Financial Statements of

School District No. 85 (Vancouver Island North)

June 30, 2014

School District No. 85 (Vancouver Island North)

June 30, 2014

Table of Contents

Management Report	1
Independent Auditor's Report	2
Statement of Financial Position - Statement 1	3
Statement of Operations - Statement 2	4
Statement of Change in Net Financial Assets (Debt) - Statement 4	5
Statement of Cash Flows - Statement 5	6
Notes to the Financial Statements	7-24
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1	25
Schedule of Operating Operations - Schedule 2	26
Schedule 2A - Schedule of Operating Revenue by Source	27
Schedule 2B - Schedule of Operating Expense by Object	28
Schedule 2C - Operating Expense by Function, Program and Object	29
Schedule of Special Purpose Operations - Schedule 3	31
Schedule 3A - Changes in Special Purpose Funds and Expense by Object	32
Schedule of Capital Operations - Schedule 4	34
Schedule 4A - Tangible Capital Assets	35
Schedule 4C - Deferred Capital Revenue	36
Schedule 4D - Changes in Unspent Deferred Capital Revenue	37

School District No. 85 (Vancouver Island North)

MANAGEMENT REPORT

Version: 5124-4378-2396

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 85 (Vancouver Island North) 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. 85 (Vancouver Island North) (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, Chan Nowosad Boates, 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. 85 (Vancouver Island North) 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. 85 (Vancouver Island North)

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed



John H. Chan Ltd.
Shelly A. Boates Ltd.
Erica Chan-Lafrance Ltd.
Karen Stewart Ltd.

980 Alder Street
Campbell River, BC
V9W 2P9

Telephone (250) 286-0744
Facsimile (250) 286-1067
Toll Free 1-888-CNB-4TAX
Email cnb@channowosadboates.ca
www.channowosadboates.ca

INDEPENDENT AUDITORS' REPORT

To: The Board of Education of
School District No. 85 (Vancouver Island North)
and the Minister of Education

We have audited the accompanying financial statements of School District No. 85 (Vancouver Island North) which comprise the statement of financial position as at June 30, 2014 and the statement of operations, statement of changes in net financial assets (debt) and statement of cash flows for the year ended June 30, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of School District No. 85 (Vancouver Island North) as at and for the year ended June 30, 2014 and the results of its operations, statement of changes in net financial assets (debt) and cash flows are prepared, in all material respects, 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 Matters

We draw attention to the Supplementary Financial Information included in Schedules 1 to 4D which has not been subjected to the auditing procedures applied in the financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink that reads "Chan Nowosad Boates". The signature is written in a cursive, flowing style.

Chartered Accountants
Campbell River, BC

September 8, 2014

School District No. 85 (Vancouver Island North)

Statement of Financial Position

As at June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	2,434,177	1,838,401
Accounts Receivable		
Due from Province - Ministry of Education	230,031	
Other (Note 3)	128,202	34,396
Portfolio Investments (Note 4)	3,209,943	3,212,662
Total Financial Assets	6,002,353	5,085,459
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education (Note 5)	391,150	
Other (Note 5)	1,714,972	1,540,769
Deferred Revenue (Note 6)	439,513	442,641
Deferred Capital Revenue (Note 7)	17,444,727	17,614,432
Employee Future Benefits (Note 8)	1,285,930	1,347,557
Total Liabilities	21,276,292	20,945,399
Net Financial Assets (Debt)	(15,273,939)	(15,859,940)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	27,359,703	27,914,238
Prepaid Expenses	59,224	50,234
Total Non-Financial Assets	27,418,927	27,964,472
Accumulated Surplus (Deficit)	12,144,988	12,104,532

Contractual Obligations and Contingencies

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 85 (Vancouver Island North)

Statement 2

Statement of Operations
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	18,813,555	18,341,806	19,213,634
Other		40,275	40,584
Other Revenue	407,689	419,981	434,219
Rentals and Leases	119,500	129,765	124,158
Investment Income	75,300	126,822	77,342
Amortization of Deferred Capital Revenue	936,520	936,520	914,456
Total Revenue	<u>20,352,564</u>	<u>19,995,169</u>	<u>20,804,393</u>
Expenses (Note 14)			
Instruction	15,350,594	14,444,815	15,568,555
District Administration	989,494	953,133	983,761
Operations and Maintenance	4,067,768	3,829,905	3,970,282
Transportation and Housing	774,803	726,860	725,942
Total Expense	<u>21,182,659</u>	<u>19,954,713</u>	<u>21,248,540</u>
Surplus (Deficit) for the year	<u>(830,095)</u>	<u>40,456</u>	<u>(444,147)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		12,104,532	12,548,679
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>12,144,988</u></u>	<u>12,104,532</u>

School District No. 85 (Vancouver Island North)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$	\$
Surplus (Deficit) for the year	(830,095)	40,456	(444,147)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(834,846)	(744,996)	(1,529,519)
Amortization of Tangible Capital Assets	1,300,794	1,299,531	1,260,716
Total Effect of change in Tangible Capital Assets	465,948	554,535	(268,803)
Acquisition of Prepaid Expenses		(59,226)	(50,236)
Use of Prepaid Expenses		50,236	25,643
Total Effect of change in Other Non-Financial Assets	-	(8,990)	(24,593)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(364,147)</u>	586,001	(737,543)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		586,001	(737,543)
Net Financial Assets (Debt), beginning of year		(15,859,940)	(15,122,397)
Net Financial Assets (Debt), end of year		<u>(15,273,939)</u>	<u>(15,859,940)</u>

School District No. 85 (Vancouver Island North)

Statement of Cash Flows
Year Ended June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	40,456	(444,147)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(323,837)	12,791
Prepaid Expenses	(8,990)	(24,593)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	565,353	25,175
Deferred Revenue	(3,128)	75,325
Employee Future Benefits	(61,627)	(10,950)
Amortization of Tangible Capital Assets	1,299,531	1,260,716
Amortization of Deferred Capital Revenue	(936,520)	(914,456)
Prior Period Adjustment - June 30, 2013 Surplus Re: EFB		(40,469)
Total Operating Transactions	<u>571,238</u>	<u>(60,608)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(744,996)	(1,529,519)
Total Capital Transactions	<u>(744,996)</u>	<u>(1,529,519)</u>
Financing Transactions		
Capital Revenue Received	766,815	975,090
Total Financing Transactions	<u>766,815</u>	<u>975,090</u>
Investing Transactions		
Investments in Portfolio Investments	2,719	(116)
Total Investing Transactions	<u>2,719</u>	<u>(116)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>595,776</u>	<u>(615,153)</u>
Cash and Cash Equivalents, beginning of year	<u>1,838,401</u>	<u>2,453,554</u>
Cash and Cash Equivalents, end of year	<u><u>2,434,177</u></u>	<u><u>1,838,401</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	1,900	2,459
Cash Equivalents	2,432,277	1,835,942
	<u><u>2,434,177</u></u>	<u><u>1,838,401</u></u>

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on July 1, 1965 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. 85 (Vancouver Island North)", and operates as "School District No. 85 (Vancouver Island North)." 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. 85 (Vancouver Island North) is exempt from federal and provincial corporate income taxes.

NOTE 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 (f) and 2 (k).

In November 2011, 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 (f) 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 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 – decrease annual surplus by \$60,634
- June 30, 2013 – increase accumulated surplus and decrease deferred contributions by \$17,614,432
- Year-ended June 30, 2014 – increase annual surplus by \$268,349
- June 30, 2014 – increase accumulated surplus and decrease deferred contributions by \$17,444,727

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 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) Portfolio Investments

The School District has investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. GIC's and other investments not quoted in an active market are reported at cost or amortized cost.

Detailed information regarding portfolio investments is disclosed in Note 4.

e) Unearned Revenue

Unearned revenue would include 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 would be recognized in that future period when the courses, services, or products are provided.

f) Deferred Revenue and Deferred Capital Revenue

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

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

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

f) Deferred Revenue and Deferred Capital Revenue *(Continued)*

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.

g) Employee Future Benefits

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

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

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) 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.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

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

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

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

i) Prepaid Expenses

Prepaid expenses for services that extend beyond the current period, such as insurance premiums and membership fees, are included as prepaid expenses and stated at acquisition cost and are charged to expense over the periods expected to benefit from them.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

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

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 Notes 11 – Interfund Transfers and Note 15 – Internally Restricted Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

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.

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

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. 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 is performed is deferred and recognized when the fee is earned or service performed.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

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

k) Revenue Recognition *(Continued)*

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.

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.
- 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, portfolio investments, accounts payable, accrued liabilities and other liabilities.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

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

m) Financial Instruments *(Continued)*

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

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

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.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2014	June 30, 2013
a) LEA/Direct Funding Receivable		
Due from Direct Funding (2002-2003)	\$79,245	\$79,245
Allowance for Doubtful Accounts	\$79,245	\$79,245
	\$	\$
b) Accounts Receivable Other	June 30, 2014	June 30, 2013
Due from Federal Government	\$ 30,308	\$33,065
Due from Other	\$ 97,894	\$ 1,331
	\$128,202	\$34,396

NOTE 4 PORTFOLIO INVESTMENTS

	June 30, 2014	June 30, 2013
Investments in the cost and amortized cost category: GIC's	\$3,209,943	\$3,212,662
	\$3,209,943	\$3,212,662

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2014	June 30, 2013
a) Due to Province of BC		
Ministry of Education	\$391,150	
	\$391,150	

The amount shown as due to the Province of BC – Ministry of Education is equal to 80% of the June 2014 teacher salary and benefit savings from the current labour dispute with the BCTF.

	June 30, 2014	June 30, 2013
b) Due to Others		
Trade payables	\$ 374,660	\$ 207,567
Salaries and benefits payable	\$1,111,663	\$1,022,666
Accrued vacation pay	\$ 201,512	\$ 292,958
Other payables	\$ 27,137	\$ 17,578
	\$1,714,972	\$1,540,769

NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

NOTE 7 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

	June 30, 2014	June 30, 2013 (Restated)
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,452,865	\$1,362,135
Service Cost	112,301	102,945
Interest Cost	43,839	58,930
Benefit Payments	-207,953	-115,083
Actuarial (Gain) Loss	23,484	43,938
Accrued Benefit Obligation – March 31	\$1,377,568	\$1,452,865
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,377,568	\$1,452,865
Market Value of Plan Assets – March 31		
Funded Status – Surplus (Deficit)	\$-1,377,568	\$-1,452,865
Employer Contributions After Measurement Date	115,851	101,576
Benefits Expense After Measurement Date	-39,397	-39,035
Unamortized Net Actuarial (Gain) Loss	15,184	42,767
Accrued Benefit Asset (Liability) – June 30	\$-1,285,930	\$-1,347,557
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) – July 1	\$1,347,557	\$1,358,507
Recognize Benefits Expense April 1 – June 30, 2012	██████████	40,469
Accrued Benefit Liability (Asset) – July 1 (restated)	1,347,557	1,398,976
Net expense for Fiscal Year	160,601	160,315
Employer Contributions	-222,228	-211,734
Accrued Benefit Liability – June 30	\$1,285,930	\$1,347,557
Components of Net Benefit Expense		
Service Cost	\$ 112,244	\$ 105,284
Interest Cost	44,259	55,157
Amortization of Net Actuarial (Gain)/Loss	4,099	
Net Benefit Expense (Income)	\$ 160,601	\$ 160,315

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

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

June 30, 2014 June 30, 2013

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

Assumptions

Discount Rate – April 1	3.00%	4.25%
Discount Rate – March 31	3.25%	3.00%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.4	10.4

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2014	Net Book Value 2013
Sites	\$ 2,891,161	\$ 2,891,161
Buildings	23,006,973	23,584,031
Buildings – work in progress		
Furniture & Equipment	431,374	474,601
Vehicles	897,626	806,351
Computer Software	2,827	4,241
Computer Hardware	129,742	153,853
Total	\$27,359,703	\$27,914,238

June 30, 2014

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2014
Sites	\$ 2,891,161	\$	\$	\$	\$ 2,891,161
Buildings	53,895,865	447,366			54,343,231
Buildings – work in progress					
Furniture & Equipment	853,630	42,136	109,483		786,283
Vehicles	1,387,563	230,031	223,724		1,393,870
Computer Software	7,069				7,069
Computer Hardware	247,870	25,463	16,542		256,791
Total	\$59,283,158	\$744,996	\$349,749	\$	\$59,678,405

	Opening Accumulated Amortization	Additions	Disposals	Total 2014
Sites	\$	\$	\$	\$
Buildings	30,311,834	1,024,424		31,336,258
Furniture & Equipment	379,029	85,363	109,483	354,909
Vehicles	581,212	138,756	223,724	496,244
Computer Software	2,828	1,414		4,242
Computer Hardware	94,017	49,574	16,542	127,049
Total	\$31,368,920	\$1,299,531	\$349,749	\$32,318,702

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 9 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2013

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2013
Sites	\$ 2,891,161	\$	\$	\$	\$ 2,891,161
Buildings	52,853,334	1,042,531			53,895,865
Buildings – work in progress					
Furniture & Equipment	704,718	151,547	2,635		853,630
Vehicles	1,260,060	324,847	197,344		1,387,563
Computer Software	7,069				7,069
Computer Hardware	262,511	10,594	25,235		247,870
Total	\$57,978,853	\$1,529,519	\$225,214	\$	\$59,283,158

	Opening Accumulated Amortization	Additions	Disposals	Total 2013
Sites	\$	\$	\$	\$
Buildings	29,301,512	1,010,322		30,311,834
Furniture & Equipment	311,192	70,472	2,635	379,029
Vehicles	652,550	126,006	197,344	581,212
Computer Software	1,414	1,414		2,828
Computer Hardware	66,750	52,202	25,235	94,017
Total	\$30,333,418	\$1,260,716	\$225,214	\$31,368,920

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 10 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.

School District No. 85 (Vancouver Island North) paid \$1,542,797 for employer contributions to these plans in the year ended June 30, 2014.

**SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014**

NOTE 11 INTERFUND TRANSFERS

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

1. Transfer from Operating Fund to Capital Fund	\$ 300,000
2. Transfer from Special Purpose Funds to Capital Fund	4,370

These transfers were made in order to fund the cost of capital building programs and the acquisition costs of furniture, equipment, vehicles and computer hardware.

NOTE 12 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. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 13 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget bylaw on February 17, 2014. The amended budget is based on a more accurate estimation of revenue and expenditure than the budget approved before the commencement of the fiscal year.

NOTE 14 EXPENSE BY OBJECT

Total expenses as per Statement 2, detailed by object.

	2014	2013
Salaries and benefits	\$15,503,560	\$16,767,449
Services and supplies	3,151,622	3,221,809
Amortization	1,299,531	1,260,716
	\$19,954,713	\$21,249,974

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by the Board
for:

Appropriation to 2014 – 2015 Annual Budget	\$ 722,472	
School-Based Budgets Carried Forward	73,841	
District Budgets Carried Forward	13,146	
Pro-D Allocations Carried Forward	18,303	
Internally Restricted Surplus	\$ 827,762	
Unrestricted Operating Surplus	962,942	
Total Available for Future Operations	\$1,790,704	

NOTE 16 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.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 17 PRIOR PERIOD ADJUSTMENTS

a) Employee Future Benefits

In prior years school districts reported annual Employee Future Benefit (EFB) expense equal to the 12 months ended March 31 expenses as determined by the actuary rather than the 12 months ended June 30. An adjustment was made to increase the Employee Future Benefit (EFB) liability to include benefits expense incurred after the early measurement date of March 31 (see Note 8). The June 30, 2013 EFB liability increased by \$39,035 representing the EFB expenses April 1 to June 30, 2013. The opening surplus as at July 1, 2012 was decreased by \$40,469 representing the April 1 – June 2012 EFB expenses. The surplus for the year ended June 30, 2013 was increased by \$1,434 representing the April 1 – June 2013 EFB expense minus the April 1 – June 2012 EFB expense.

b) Special Purpose Funds

Due to changes in the governance structure of the Mount Waddington Family Literacy Society, it was removed as a special purpose fund, effective June 30, 2013. The following adjustments were made: Cash was reduced by \$17,540, Deferred Revenue was reduced by \$18,689 and Accounts Payable was increased by \$1,149.

NOTE 18 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, amounts receivable and investments.

The School District is not exposed to significant credit risk associated with its amounts receivable.

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

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014

NOTE 18 RISK MANAGEMENT *(continued)*

b) Market risk :

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as it invests solely in guaranteed investment certificates that have a maturity date of no more than 5 years.

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. 85 (Vancouver Island North)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,692,136		10,412,396	12,104,532	12,589,148
Prior Period Adjustments					(40,469)
Accumulated Surplus (Deficit), beginning of year, as restated	1,692,136	-	10,412,396	12,104,532	12,548,679
Changes for the year					
Surplus (Deficit) for the year	398,568	4,370	(362,482)	40,456	(444,147)
Interfund Transfers					
Tangible Capital Assets Purchased		(4,370)	4,370	-	
Local Capital	(300,000)		300,000	-	
Net Changes for the year	98,568	-	(58,112)	40,456	(444,147)
Accumulated Surplus (Deficit), end of year - Statement 2	1,790,704	-	10,354,284	12,144,988	12,104,532

School District No. 85 (Vancouver Island North)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	17,983,793	17,674,216	18,394,701
Other		40,275	40,584
Other Revenue	5,000	26,658	33,743
Rentals and Leases	119,500	129,765	124,158
Investment Income	75,000	126,293	76,978
Total Revenue	18,183,293	17,997,207	18,670,164
Expenses			
Instruction	14,266,205	13,407,217	14,525,046
District Administration	989,494	953,133	983,761
Operations and Maintenance	2,905,730	2,650,185	2,835,572
Transportation and Housing	636,047	588,104	599,936
Total Expense	18,797,476	17,598,639	18,944,315
Operating Surplus (Deficit) for the year	(614,183)	398,568	(274,151)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	914,183		
Net Transfers (to) from other funds			
Local Capital	(300,000)	(300,000)	(300,000)
Total Net Transfers	(300,000)	(300,000)	(300,000)
Total Operating Surplus (Deficit), for the year	-	98,568	(574,151)
Operating Surplus (Deficit), beginning of year		1,692,136	2,306,756
Prior Period Adjustments			
April - June 2012 EFB Expense Restatement			(40,469)
Operating Surplus (Deficit), beginning of year, as restated		1,692,136	2,266,287
Operating Surplus (Deficit), end of year		1,790,704	1,692,136
Operating Surplus (Deficit), end of year			
Internally Restricted		827,762	348,943
Unrestricted		962,942	1,343,193
Total Operating Surplus (Deficit), end of year		1,790,704	1,692,136

School District No. 85 (Vancouver Island North)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	17,858,577	17,521,745	18,252,089
Other Ministry of Education Grants			
Pay Equity	115,216	115,216	115,216
QTL	10,000	10,000	
FSA		7,972	7,972
Carbon Tax Refund		19,006	19,424
Education Guarantee		277	
Total Provincial Grants - Ministry of Education	17,983,793	17,674,216	18,394,701
Provincial Grants - Other		40,275	40,584
Other Revenues			
Miscellaneous			
Sale of Assets	5,000	18,606	4,557
Miscellaneous		8,052	29,186
Total Other Revenue	5,000	26,658	33,743
Rentals and Leases	119,500	129,765	124,158
Investment Income	75,000	126,293	76,978
Total Operating Revenue	18,183,293	17,997,207	18,670,164

School District No. 85 (Vancouver Island North)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$	\$
Salaries			
Teachers	6,292,464	5,889,935	6,795,788
Principals and Vice Principals	1,399,231	1,446,908	1,400,809
Educational Assistants	1,411,363	1,542,814	1,488,248
Support Staff	2,284,424	2,251,223	2,425,476
Other Professionals	668,138	665,813	682,834
Substitutes	651,249	445,941	564,758
Total Salaries	12,706,869	12,242,634	13,357,913
Employee Benefits	3,238,638	2,752,546	2,867,803
Total Salaries and Benefits	15,945,507	14,995,180	16,225,716
Services and Supplies			
Services	663,446	640,587	686,044
Student Transportation	47,286	34,290	36,589
Professional Development and Travel	402,064	380,721	340,223
Rentals and Leases	13,900	12,101	4,556
Dues and Fees	18,999	18,592	18,807
Insurance	73,672	69,131	64,655
Supplies	871,342	725,329	845,223
Utilities	761,260	722,708	722,502
Total Services and Supplies	2,851,969	2,603,459	2,718,599
Total Operating Expense	18,797,476	17,598,639	18,944,315

School District No. 85 (Vancouver Island North)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	4,518,829	578,846		106,199		203,110	5,406,984
1.03 Career Programs							-
1.07 Library Services	195,691			82,719		8,865	287,275
1.08 Counselling	175,359					7,286	182,645
1.10 Special Education	890,139	86,194	1,426,140	15,876	81,677	120,322	2,620,348
1.30 English Language Learning	109,917		614			4,884	115,415
1.31 Aboriginal Education		71,828	116,060	20,526		287	208,701
1.41 School Administration		710,040		415,764		47,032	1,172,836
1.64 Other							-
Total Function 1	5,889,935	1,446,908	1,542,814	641,084	81,677	391,786	9,994,204
4 District Administration							
4.11 Educational Administration					290,697		290,697
4.40 School District Governance					79,575		79,575
4.41 Business Administration				128,406	119,010		247,416
Total Function 4	-	-	-	128,406	489,282	-	617,688
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				68,812	47,427	425	116,664
5.50 Maintenance Operations				1,048,949		45,554	1,094,503
5.52 Maintenance of Grounds				30,666			30,666
5.56 Utilities							-
Total Function 5	-	-	-	1,148,427	47,427	45,979	1,241,833
7 Transportation and Housing							
7.41 Transportation and Housing Administration				19,346	47,427		66,773
7.70 Student Transportation				313,960		8,176	322,136
Total Function 7	-	-	-	333,306	47,427	8,176	388,909
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	5,889,935	1,446,908	1,542,814	2,251,223	665,813	445,941	12,242,634

School District No. 85 (Vancouver Island North)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2014 Actual	2014 Budget	2013 Actual (Recast - Note 17)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	5,406,984	1,265,824	6,672,808	554,030	7,226,838	7,936,007	8,010,864
1.03 Career Programs	-	-	-	5,760	5,760	8,500	2,450
1.07 Library Services	287,275	64,487	351,762	12,606	364,368	399,183	397,005
1.08 Counselling	182,645	39,028	221,673	2,942	224,615	235,103	251,364
1.10 Special Education	2,620,348	547,027	3,167,375	156,305	3,323,680	3,321,543	3,488,086
1.30 English Language Learning	115,415	24,574	139,989	9,525	149,514	166,287	172,336
1.31 Aboriginal Education	208,701	44,405	253,106	335,632	588,738	619,940	706,195
1.41 School Administration	1,172,836	269,567	1,442,403	35,759	1,478,162	1,534,042	1,453,976
1.64 Other	-	-	-	45,542	45,542	45,600	42,770
Total Function 1	9,994,204	2,254,912	12,249,116	1,158,101	13,407,217	14,266,205	14,525,046
4 District Administration							
4.11 Educational Administration	290,697	67,687	358,384	42,709	401,093	428,824	427,944
4.40 School District Governance	79,575	1,889	81,464	44,493	125,957	128,057	126,226
4.41 Business Administration	247,416	54,712	302,128	123,955	426,083	432,613	429,591
Total Function 4	617,688	124,288	741,976	211,157	953,133	989,494	983,761
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	116,664	26,032	142,696	55,329	198,025	228,241	208,300
5.50 Maintenance Operations	1,094,503	246,345	1,340,848	329,966	1,670,814	1,832,049	1,829,092
5.52 Maintenance of Grounds	30,666	7,566	38,232	20,406	58,638	84,180	75,677
5.56 Utilities	-	-	-	722,708	722,708	761,260	722,503
Total Function 5	1,241,833	279,943	1,521,776	1,128,409	2,650,185	2,905,730	2,835,572
7 Transportation and Housing							
7.41 Transportation and Housing Administration	66,773	14,734	81,507	3,331	84,838	96,509	91,106
7.70 Student Transportation	322,136	78,669	400,805	102,461	503,266	539,538	508,830
Total Function 7	388,909	93,403	482,312	105,792	588,104	636,047	599,936
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	12,242,634	2,752,546	14,995,180	2,603,459	17,598,639	18,797,476	18,944,315

School District No. 85 (Vancouver Island North)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 17)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	829,762	667,590	818,933
Other Revenue	402,689	393,323	400,476
Total Revenue	<u>1,232,451</u>	<u>1,060,913</u>	<u>1,219,409</u>
Expenses			
Instruction	1,084,389	1,037,598	1,043,509
Operations and Maintenance		18,945	
Total Expense	<u>1,084,389</u>	<u>1,056,543</u>	<u>1,043,509</u>
Special Purpose Surplus (Deficit) for the year	<u>148,062</u>	<u>4,370</u>	<u>175,900</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(148,062)	(4,370)	(175,900)
Total Net Transfers	<u>(148,062)</u>	<u>(4,370)</u>	<u>(175,900)</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 85 (Vancouver Island North)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	98,516		1,557	30,780	282,428		16,041	13,319	
Prior Period Adjustment									
Deferred Revenue, beginning of year, as restated	98,516	-	1,557	30,780	282,428	-	16,041	13,319	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	62,491	223,611	2,813			96,000	19,600	10,151	288,869
Other				4,350	349,713				
Investment Income				187					
	62,491	223,611	2,813	4,537	349,713	96,000	19,600	10,151	288,869
Less: Allocated to Revenue	18,945	223,611	4,370	4,000	389,323	96,000	25,220	10,575	288,869
Deferred Revenue, end of year	142,062	-	-	31,317	242,818	-	10,421	12,895	-
Revenues									
Provincial Grants - Ministry of Education	18,945	223,611	4,370			96,000	25,220	10,575	288,869
Other Revenue				4,000	389,323				
	18,945	223,611	4,370	4,000	389,323	96,000	25,220	10,575	288,869
Expenses									
Salaries									
Teachers		129,682						1,930	102,016
Educational Assistants		24,609							103,893
Substitutes		12,827					1,475		12,306
	-	167,118	-	-	-	-	1,475	1,930	218,215
Employee Benefits		54,403					82		65,157
Services and Supplies	18,945	2,090		4,000	389,323	96,000	23,663	8,645	5,497
	18,945	223,611	-	4,000	389,323	96,000	25,220	10,575	288,869
Net Revenue (Expense) before Interfund Transfers	-	-	4,370	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased			(4,370)						
	-	-	(4,370)	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund		18,529	9,393						52,357

School District No. 85 (Vancouver Island North)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2014

	Literacy Society	TOTAL
	\$	\$
Deferred Revenue, beginning of year	18,689	461,330
Prior Period Adjustment	(18,689)	(18,689)
Deferred Revenue, beginning of year, as restated	-	442,641
Add: Restricted Grants		
Provincial Grants - Ministry of Education		703,535
Other		354,063
Investment Income		187
	-	1,057,785
Less: Allocated to Revenue	-	1,060,913
Deferred Revenue, end of year	-	439,513
Revenues		
Provincial Grants - Ministry of Education		667,590
Other Revenue		393,323
	-	1,060,913
Expenses		
Salaries		
Teachers		233,628
Educational Assistants		128,502
Substitutes		26,608
	-	388,738
Employee Benefits		119,642
Services and Supplies		548,163
	-	1,056,543
Net Revenue (Expense) before Interfund Transfers	-	4,370
Interfund Transfers		
Tangible Capital Assets Purchased		(4,370)
	-	(4,370)
Net Revenue (Expense)	-	-
Additional Expenses funded by, and reported in, the Operating Fund		80,279

School District No. 85 (Vancouver Island North)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual			2013 Actual (Recast - Note 17)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Investment Income	300		529	529	364
Amortization of Deferred Capital Revenue	936,520	936,520		936,520	914,456
Total Revenue	936,820	936,520	529	937,049	914,820
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,162,038	1,160,775		1,160,775	1,134,710
Transportation and Housing	138,756	138,756		138,756	126,006
Total Expense	1,300,794	1,299,531	-	1,299,531	1,260,716
Capital Surplus (Deficit) for the year	(363,974)	(363,011)	529	(362,482)	(345,896)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	148,062	4,370		4,370	175,900
Local Capital	300,000		300,000	300,000	300,000
Total Net Transfers	448,062	4,370	300,000	304,370	475,900
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		72,455	(72,455)	-	
Total Other Adjustments to Fund Balances		72,455	(72,455)	-	
Total Capital Surplus (Deficit) for the year	84,088	(286,186)	228,074	(58,112)	130,004
Capital Surplus (Deficit), beginning of year		10,312,562	99,834	10,412,396	10,282,392
Capital Surplus (Deficit), end of year		10,026,376	327,908	10,354,284	10,412,396

School District No. 85 (Vancouver Island North)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2014

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,891,161	53,895,865	853,630	1,387,563	7,069	247,870	59,283,158
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		438,140		230,031			668,171
Special Purpose Funds			4,370				4,370
Local Capital		9,226	37,766			25,463	72,455
	-	447,366	42,136	230,031	-	25,463	744,996
Decrease:							
Deemed Disposals			109,483	223,724		16,542	349,749
	-	-	109,483	223,724	-	16,542	349,749
Cost, end of year	2,891,161	54,343,231	786,283	1,393,870	7,069	256,791	59,678,405
Work in Progress, end of year							-
Cost and Work in Progress, end of year	2,891,161	54,343,231	786,283	1,393,870	7,069	256,791	59,678,405
Accumulated Amortization, beginning of year		30,311,834	379,029	581,212	2,828	94,017	31,368,920
Changes for the Year							
Increase: Amortization for the Year		1,024,424	85,363	138,756	1,414	49,574	1,299,531
Decrease:							
Deemed Disposals			109,483	223,724		16,542	349,749
			-	109,483	-	16,542	349,749
Accumulated Amortization, end of year		31,336,258	354,909	496,244	4,242	127,049	32,318,702
Tangible Capital Assets - Net	2,891,161	23,006,973	431,374	897,626	2,827	129,742	27,359,703

School District No. 85 (Vancouver Island North)

Deferred Capital Revenue

Year Ended June 30, 2014

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	17,601,676			17,601,676
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	668,171			668,171
	668,171	-	-	668,171
Decrease:				
Amortization of Deferred Capital Revenue	936,520			936,520
	936,520	-	-	936,520
Net Changes for the Year	(268,349)	-	-	(268,349)
Deferred Capital Revenue, end of year	17,333,327	-	-	17,333,327
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	17,333,327	-	-	17,333,327

School District No. 85 (Vancouver Island North)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$	\$ 12,756	\$	\$	\$	\$ 12,756
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	766,815					766,815
	766,815	-	-	-	-	766,815
Decrease:						
Transferred to DCR - Capital Additions	668,171					668,171
	668,171	-	-	-	-	668,171
Net Changes for the Year	98,644	-	-	-	-	98,644
Balance, end of year	98,644	12,756	-	-	-	111,400