

Audited Financial Statements of

**School District No. 85 (Vancouver Island North)**

June 30, 2015

# School District No. 85 (Vancouver Island North)

June 30, 2015

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# School District No. 85 (Vancouver Island North)

## MANAGEMENT REPORT

Version: 9977-9231-7249

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 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. 85 (Vancouver Island North)

September 14, 2015

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Signature of the Chairperson of the Board of Education

Date Signed

September 14, 2015

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Signature of the Superintendent

Date Signed

September 14, 2015

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Signature of the Secretary Treasurer

Date Signed



Chan  
Nowosad  
Boates

C H A R T E R E D   A C C O U N T A N T S

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## 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, 2015 and the statement of operations, statement of changes in net financial assets (debt) and statement of cash flows for the year ended June 30, 2015 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.

### 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 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, 2015 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.

### Emphasis of Matter

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

### 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.

Chartered Professional Accountants  
Campbell River, BC

September 14, 2015

# School District No. 85 (Vancouver Island North)

Statement 1

Statement of Financial Position

As at June 30, 2015

	2015 Actual \$	2014 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents	2,020,108	2,434,177
Accounts Receivable		
Due from Province - Ministry of Education		230,031
Other (Note 4)	149,618	128,202
Portfolio Investments (Note 5)	3,209,500	3,209,943
<b>Total Financial Assets</b>	<b>5,379,226</b>	<b>6,002,353</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education		391,150
Other (Note 6)	1,689,739	1,714,972
Deferred Revenue (Note 7)	347,067	439,513
Deferred Capital Revenue (Note 8)	17,247,762	17,444,727
Employee Future Benefits (Note 9)	1,280,507	1,285,930
<b>Total Liabilities</b>	<b>20,565,075</b>	<b>21,276,292</b>
<b>Net Financial Assets (Debt)</b>	<b>(15,185,849)</b>	<b>(15,273,939)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	27,759,057	27,359,703
Prepaid Expenses	45,352	59,224
<b>Total Non-Financial Assets</b>	<b>27,804,409</b>	<b>27,418,927</b>
<b>Accumulated Surplus (Deficit)</b>	<b>12,618,560</b>	<b>12,144,988</b>

Contractual Obligations and Contingencies

Approved by the Board

September 14, 2015

Signature of the Chairperson of the Board of Education

Date Signed

September 14, 2015

Signature of the Superintendent

Date Signed

September 14, 2015

Signature of the Secretary Treasurer

Date Signed

# School District No. 85 (Vancouver Island North)

Statement 2

Statement of Operations  
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	18,646,738	<b>18,693,684</b>	18,341,806
Other			40,275
Other Revenue	340,000	<b>443,223</b>	419,981
Rentals and Leases	119,500	<b>127,951</b>	129,765
Investment Income	75,320	<b>82,273</b>	126,822
Amortization of Deferred Capital Revenue	938,681	<b>938,681</b>	936,520
<b>Total Revenue</b>	<u>20,120,239</u>	<u><b>20,285,812</b></u>	<u>19,995,169</u>
<b>Expenses (Note 15)</b>			
Instruction	14,889,034	<b>14,335,942</b>	14,444,815
District Administration	1,084,239	<b>985,070</b>	953,133
Operations and Maintenance	4,073,297	<b>3,807,276</b>	3,829,905
Transportation and Housing	709,732	<b>683,952</b>	726,860
<b>Total Expense</b>	<u>20,756,302</u>	<u><b>19,812,240</b></u>	<u>19,954,713</u>
<b>Surplus (Deficit) for the year</b>	<u>(636,063)</u>	<u><b>473,572</b></u>	<u>40,456</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>12,144,988</b>	12,104,532
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>12,618,560</b></u></u>	<u>12,144,988</u>

# School District No. 85 (Vancouver Island North)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(636,063)	<b>473,572</b>	40,456
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(1,543,963)	<b>(1,693,787)</b>	(744,996)
Amortization of Tangible Capital Assets	1,294,433	<b>1,294,433</b>	1,299,531
<b>Total Effect of change in Tangible Capital Assets</b>	(249,530)	<b>(399,354)</b>	554,535
Acquisition of Prepaid Expenses		<b>(45,354)</b>	(59,226)
Use of Prepaid Expenses		<b>59,226</b>	50,236
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>13,872</b>	(8,990)
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(885,593)</u>	<b>88,090</b>	586,001
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<b>88,090</b>	586,001
<b>Net Financial Assets (Debt), beginning of year</b>		<b>(15,273,939)</b>	(15,859,940)
<b>Net Financial Assets (Debt), end of year</b>		<u><b>(15,185,849)</b></u>	<u>(15,273,939)</u>

# School District No. 85 (Vancouver Island North)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	473,572	40,456
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	208,615	(323,837)
Prepaid Expenses	13,873	(8,990)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(416,385)	565,353
Deferred Revenue	(92,446)	(3,128)
Employee Future Benefits	(5,423)	(61,627)
Amortization of Tangible Capital Assets	1,294,433	1,299,531
Amortization of Deferred Capital Revenue	(938,681)	(936,520)
<b>Total Operating Transactions</b>	<u>537,558</u>	<u>571,238</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(1,693,787)	(744,996)
<b>Total Capital Transactions</b>	<u>(1,693,787)</u>	<u>(744,996)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	741,716	766,815
<b>Total Financing Transactions</b>	<u>741,716</u>	<u>766,815</u>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	444	2,719
<b>Total Investing Transactions</b>	<u>444</u>	<u>2,719</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(414,069)</u>	595,776
<b>Cash and Cash Equivalents, beginning of year</b>	<u>2,434,177</u>	1,838,401
<b>Cash and Cash Equivalents, end of year</b>	<u><u>2,020,108</u></u>	<u><u>2,434,177</u></u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	1,800	1,900
Cash Equivalents	2,018,308	2,432,277
	<u><u>2,020,108</u></u>	<u><u>2,434,177</u></u>



**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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**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      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**

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 3 (f) and 3 (m).

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 3 (f) and 3 (m), 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, 2014 – increase annual surplus by \$268,349
- June 30, 2014 – increase accumulated surplus and decrease deferred capital revenue by \$17,444,727
- Year-ended June 30, 2015 – increase annual surplus by \$98,321
- June 30, 2015 – increase accumulated surplus and decrease deferred capital revenue by \$17,247,762

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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**NOTE 3      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 5.

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 3 (m).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 3 (a) for the impact of this policy on these financial statements.

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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

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 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, 2015**

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

h) Asset Retirement Obligations

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

i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School district:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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

j) 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

k) 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, 2015**

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

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 12 – Interfund Transfers and Note 16 – Internally Restricted Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

m) Revenue Recognition

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

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

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

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 3 (a) for the impact of this policy on these financial statements.

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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

m) Revenue Recognition *(Continued)*

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.

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.

n) 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 and Vice-Principals employed under an individual employment contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Directors of Instruction, 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.

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

o) Financial Instruments

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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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.

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.

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 3 (a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, 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, 2015**

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**NOTE 4      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

a) LEA/Direct Funding Receivable

	2015	2014
Due from Direct Funding (2002-2003)	\$79,245	\$79,245
Allowance for Doubtful Accounts	79,245	\$79,245
	\$       -	\$       -

b) Accounts Receivable Other

	2015	2014
Due from Federal Government	\$ 20,071	\$ 30,308
Due from Other	\$129,547	\$ 97,894
	\$149,618	\$128,202

**NOTE 5      PORTFOLIO INVESTMENTS**

	2015	2014
Investments in the cost and amortized cost category: GIC's	\$3,209,500	\$3,209,943
	\$3,209,500	\$3,209,943

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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**NOTE 6      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

a) Due to Province of BC

	2015	2014
Ministry of Education	\$ -	\$391,150
	\$ -	\$391,150

b) Due to Others

	2015	2014
Trade payables	\$ 244,423	\$ 374,660
Salaries and benefits payable	1,184,936	1,111,663
Accrued vacation pay	236,340	201,512
Other payables	24,040	27,137
	\$1,689,739	\$1,714,972

**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 Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	2015	2014
Balance, beginning of year	\$ 439,513	\$ 442,641
Changes for the year:		
Increase:		
Grants: Provincial – Ministry of Education	971,190	703,535
School generated funds	420,669	349,713
Other	1,828	4,537
	\$1,833,200	\$1,500,426
Decrease - Allocated to Revenue:		
Provincial – Ministry of Education	1,081,254	667,590
School generated funds	401,479	389,323
Other	3,400	4,000
	\$1,486,133	\$1,060,913
Balance, end of year	\$ 347,067	\$ 439,513

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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**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 Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	2015	2014
<b>Deferred capital revenue subject to amortization</b>		
Balance, beginning of year	\$17,333,327	\$17,601,676
Changes for the year:		
Increase:		
Capital Additions	840,360	668,171
Decrease:		
Amortization	938,681	936,520
	17,235,006	17,333,327
<b>Deferred capital revenue - unspent</b>		
Balance, beginning of year	111,400	12,756
Changes for the year:		
Increase:		
Provincial grants – Ministry of Education	741,716	766,815
Decrease:		
Transfer to deferred capital revenue subject to amortization	840,360	668,171
	\$ 12,756	\$ 111,400
<b>Total deferred capital revenue balance, end of year</b>	<b>\$17,247,762</b>	<b>\$17,444,727</b>

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS 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.

	2015	2014
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$1,377,568	\$1,452,865
Service Cost	112,072	112,301
Interest Cost	45,517	43,839
Benefit Payments	(224,871)	(207,953)
Actuarial Loss	148,484	23,484
Accrued Benefit Obligation – March 31	\$1,458,770	\$1,377,568
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 1,458,770	\$ 1,377,568
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	\$(1,458,770)	\$(1,377,568)
Employer Contributions After Measurement Date	57,031	115,851
Benefits Expense After Measurement Date	(40,595)	(39,397)
Unamortized Net Actuarial Loss	161,827	15,184
Accrued Benefit Liability – June 30	\$(1,280,507)	\$(1,285,930)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	\$1,285,930	\$1,347,557
Net expense for Fiscal Year	160,627	160,601
Employer Contributions	(166,051)	(222,228)
Accrued Benefit Liability – June 30	\$1,280,507	\$1,285,930
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 116,104	\$ 112,244
Interest Cost	42,683	44,259
Amortization of Net Actuarial Loss	1,841	4,099
Net Benefit Expense	\$ 160,627	\$ 160,601

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

**Assumptions**

Discount Rate – April 1	3.25%	3.00%
Discount Rate – March 31	2.25%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.4	10.4

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

**NOTE 10 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2015	Net Book Value 2014
Sites	\$ 2,891,161	\$ 2,891,161
Buildings	23,518,093	23,006,973
Buildings – work in progress	-	-
Furniture & Equipment	478,351	431,374
Vehicles	777,561	897,626
Computer Software	1,413	2,827
Computer Hardware	92,478	129,742
<b>Total</b>	<b>\$27,759,057</b>	<b>\$27,359,703</b>

**June 30, 2015**

	Opening Cost	Additions	Disposals	Total 2015
Sites	\$ 2,891,161	\$ -	\$ -	\$ 2,891,161
Buildings	54,343,231	1,534,766	-	55,877,997
Furniture & Equipment	786,283	125,605	-	911,888
Vehicles	1,393,870	19,322	18,674	1,394,518
Computer Software	7,069	-	-	7,069
Computer Hardware	256,791	14,094	30,546	240,339
<b>Total</b>	<b>\$59,678,405</b>	<b>\$1,693,787</b>	<b>\$49,220</b>	<b>\$61,322,972</b>

	Opening Accumulated Amortization	Additions	Disposals	Total 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	31,336,258	1,023,646	-	32,359,904
Furniture & Equipment	354,909	78,628	-	433,537
Vehicles	496,244	139,387	18,674	616,957
Computer Software	4,242	1,414	-	5,656
Computer Hardware	127,049	51,358	30,546	147,861
<b>Total</b>	<b>\$32,318,702</b>	<b>\$1,294,433</b>	<b>\$49,220</b>	<b>\$33,563,915</b>

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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**NOTE 10 TANGIBLE CAPITAL ASSETS** *(Continued)*

**June 30, 2014**

	Opening Cost	Additions	Disposals	Total 2014
Sites	\$ 2,891,161	\$ -	\$ -	\$ 2,891,161
Buildings	53,895,865	447,366	-	54,343,231
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
<b>Total</b>	<b>\$59,283,158</b>	<b>\$744,996</b>	<b>\$349,749</b>	<b>\$59,678,405</b>

	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
<b>Total</b>	<b>\$31,368,920</b>	<b>\$1,299,531</b>	<b>\$349,749</b>	<b>\$32,318,702</b>

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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**NOTE 11     EMPLOYEE PENSION PLANS**

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The boards of trustees for these plans represent plan members and employers and are responsible for managing the pension plans including investing assets and administering 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.

School District No. 85 (Vancouver Island North) paid \$1,612,687 for employer contributions to these plans in the year ended June 30, 2015.

**SCHOOL DISTRICT NO. 85**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015**

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**NOTE 12 INTERFUND TRANSFERS**

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

1. Transfer from Operating Fund to Capital Fund	\$ 550,000
2. Transfer from Special Purpose Funds to Capital Fund	250,073

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 13 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, 2015**

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**NOTE 14 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 16, 2015. 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 15 EXPENSE BY OBJECT**

Total expenses as per Statement 2, detailed by object.

	2015	2014
Salaries and benefits	\$15,453,789	\$15,503,560
Services and supplies	3,139,127	3,151,622
Amortization	1,294,433	1,299,531
	\$19,887,349	\$19,954,713

**NOTE 16 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

Internally Restricted (appropriated) by the Board  
for:

Appropriation to 2015 – 2016 Annual Budget	\$ 523,978	
Unspent Targeted First Nations Funding	80,259	
School-Based Budgets Carried Forward	96,663	
District Budgets Carried Forward	8,588	
Pro-D Allocations Carried Forward	19,227	
Internally Restricted Surplus	\$ 728,715	
Unrestricted Operating Surplus	1,090,481	
Total Available for Future Operations	\$1,819,196	

**NOTE 17 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, 2015**

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**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.

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, 2015

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	1,790,704		10,354,284	<b>12,144,988</b>	12,104,532
<b>Changes for the year</b>					
Surplus (Deficit) for the year	578,492	250,073	(354,993)	<b>473,572</b>	40,456
Interfund Transfers					
Tangible Capital Assets Purchased		(250,073)	250,073	-	
Local Capital	(550,000)		550,000	-	
<b>Net Changes for the year</b>	<b>28,492</b>	<b>-</b>	<b>445,080</b>	<b>473,572</b>	<b>40,456</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>1,819,196</b>	<b>-</b>	<b>10,799,364</b>	<b>12,618,560</b>	12,144,988

# School District No. 85 (Vancouver Island North)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	17,552,625	<b>17,612,430</b>	17,674,216
Other			40,275
Other Revenue	5,000	<b>38,344</b>	26,658
Rentals and Leases	119,500	<b>127,951</b>	129,765
Investment Income	75,000	<b>81,514</b>	126,293
<b>Total Revenue</b>	<u>17,752,125</u>	<u><b>17,860,239</b></u>	<u>17,997,207</u>
<b>Expenses</b>			
Instruction	13,762,991	<b>13,157,349</b>	13,407,217
District Administration	1,084,239	<b>985,070</b>	953,133
Operations and Maintenance	2,800,025	<b>2,594,763</b>	2,650,185
Transportation and Housing	631,104	<b>544,565</b>	588,104
<b>Total Expense</b>	<u>18,278,359</u>	<u><b>17,281,747</b></u>	<u>17,598,639</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(526,234)</u>	<u><b>578,492</b></u>	<u>398,568</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>826,234</u>		
<b>Net Transfers (to) from other funds</b>			
Local Capital	<u>(300,000)</u>	<u><b>(550,000)</b></u>	<u>(300,000)</u>
<b>Total Net Transfers</b>	<u>(300,000)</u>	<u><b>(550,000)</b></u>	<u>(300,000)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u><b>28,492</b></u>	<u>98,568</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>1,790,704</b>	1,692,136
<b>Operating Surplus (Deficit), end of year</b>		<u><b>1,819,196</b></u>	<u>1,790,704</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>728,715</b>	827,762
Unrestricted		<b>1,090,481</b>	962,942
<b>Total Operating Surplus (Deficit), end of year</b>		<u><b>1,819,196</b></u>	<u>1,790,704</u>

# School District No. 85 (Vancouver Island North)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	17,590,983	<b>17,646,311</b>	17,912,895
Strike Savings Recovery	(447,028)	<b>(474,441)</b>	(391,150)
Other Ministry of Education Grants			
Labour Settlement Funding	293,454	<b>293,454</b>	
Pay Equity	115,216	<b>115,216</b>	115,216
QTL			10,000
FSA		<b>7,972</b>	7,972
Carbon Tax Refund		<b>18,327</b>	19,006
Education Guarantee		<b>277</b>	277
Teacher Benefit Levelling Up		<b>5,314</b>	
<b>Total Provincial Grants - Ministry of Education</b>	<b>17,552,625</b>	<b>17,612,430</b>	17,674,216
<b>Provincial Grants - Other</b>			40,275
<b>Other Revenues</b>			
Miscellaneous			
Sale of Assets	5,000	<b>1,369</b>	18,606
Miscellaneous		<b>36,975</b>	8,052
<b>Total Other Revenue</b>	<b>5,000</b>	<b>38,344</b>	26,658
<b>Rentals and Leases</b>	<b>119,500</b>	<b>127,951</b>	129,765
<b>Investment Income</b>	<b>75,000</b>	<b>81,514</b>	126,293
<b>Total Operating Revenue</b>	<b>17,752,125</b>	<b>17,860,239</b>	17,997,207

# School District No. 85 (Vancouver Island North)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	5,785,539	<b>5,827,045</b>	5,889,935
Principals and Vice Principals	1,434,175	<b>1,422,813</b>	1,446,908
Educational Assistants	1,477,160	<b>1,360,076</b>	1,542,814
Support Staff	2,162,361	<b>2,186,438</b>	2,251,223
Other Professionals	702,730	<b>688,117</b>	665,813
Substitutes	642,268	<b>534,477</b>	445,941
<b>Total Salaries</b>	<u>12,204,233</u>	<u><b>12,018,966</b></u>	<u>12,242,634</u>
<b>Employee Benefits</b>	3,202,952	<b>2,780,454</b>	2,752,546
<b>Total Salaries and Benefits</b>	<u>15,407,185</u>	<u><b>14,799,420</b></u>	<u>14,995,180</u>
<b>Services and Supplies</b>			
Services	733,341	<b>716,981</b>	640,587
Student Transportation	46,383	<b>39,360</b>	34,290
Professional Development and Travel	401,334	<b>350,138</b>	380,721
Rentals and Leases	13,900	<b>7,572</b>	12,101
Dues and Fees	19,698	<b>19,323</b>	18,592
Insurance	75,100	<b>72,294</b>	69,131
Supplies	820,158	<b>619,742</b>	725,329
Utilities	761,260	<b>656,917</b>	722,708
<b>Total Services and Supplies</b>	<u>2,871,174</u>	<u><b>2,482,327</b></u>	<u>2,603,459</u>
<b>Total Operating Expense</b>	<u>18,278,359</u>	<u><b>17,281,747</b></u>	<u>17,598,639</u>

# School District No. 85 (Vancouver Island North)

Schedule 2C (Unaudited)

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	4,604,339	612,650		83,166		224,598	5,524,753
1.03 Career Programs	21,719					1,020	22,739
1.07 Library Services	182,610			51,909		9,653	244,172
1.08 Counselling	167,154					8,308	175,462
1.10 Special Education	724,141	41,781	1,255,905	13,537	45,466	151,198	2,232,028
1.30 English Language Learning	127,082					6,694	133,776
1.31 Aboriginal Education		58,387	104,171	12,513		4,541	179,612
1.41 School Administration		709,995		395,524		69,893	1,175,412
1.64 Other							-
<b>Total Function 1</b>	<b>5,827,045</b>	<b>1,422,813</b>	<b>1,360,076</b>	<b>556,649</b>	<b>45,466</b>	<b>475,905</b>	<b>9,687,954</b>
<b>4 District Administration</b>							
4.11 Educational Administration					317,635		317,635
4.40 School District Governance					79,575		79,575
4.41 Business Administration				130,016	148,569		278,585
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,016</b>	<b>545,779</b>	<b>-</b>	<b>675,795</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				74,669	48,505	577	123,751
5.50 Maintenance Operations				1,086,308		44,922	1,131,230
5.52 Maintenance of Grounds				35,137			35,137
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,196,114</b>	<b>48,505</b>	<b>45,499</b>	<b>1,290,118</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					48,367		48,367
7.70 Student Transportation				303,659		13,073	316,732
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303,659</b>	<b>48,367</b>	<b>13,073</b>	<b>365,099</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>5,827,045</b>	<b>1,422,813</b>	<b>1,360,076</b>	<b>2,186,438</b>	<b>688,117</b>	<b>534,477</b>	<b>12,018,966</b>

# School District No. 85 (Vancouver Island North)

Schedule 2C (Unaudited)

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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	5,524,753	1,306,543	6,831,296	520,169	7,351,465	7,535,516	7,226,838
1.03 Career Programs	22,739	5,763	28,502	4,404	32,906	56,487	5,760
1.07 Library Services	244,172	66,074	310,246	11,890	322,136	344,611	364,368
1.08 Counselling	175,462	46,046	221,508	1,236	222,744	240,009	224,615
1.10 Special Education	2,232,028	536,532	2,768,560	159,487	2,928,047	3,177,234	3,323,680
1.30 English Language Learning	133,776	35,038	168,814	7,553	176,367	192,456	149,514
1.31 Aboriginal Education	179,612	41,787	221,399	365,884	587,283	637,217	588,738
1.41 School Administration	1,175,412	259,924	1,435,336	45,790	1,481,126	1,533,861	1,478,162
1.64 Other	-	-	-	55,275	55,275	45,600	45,542
<b>Total Function 1</b>	<b>9,687,954</b>	<b>2,297,707</b>	<b>11,985,661</b>	<b>1,171,688</b>	<b>13,157,349</b>	<b>13,762,991</b>	<b>13,407,217</b>
<b>4 District Administration</b>							
4.11 Educational Administration	317,635	69,482	387,117	51,725	438,842	492,527	401,093
4.40 School District Governance	79,575	1,360	80,935	57,592	138,527	154,570	125,957
4.41 Business Administration	278,585	49,508	328,093	79,608	407,701	437,142	426,083
<b>Total Function 4</b>	<b>675,795</b>	<b>120,350</b>	<b>796,145</b>	<b>188,925</b>	<b>985,070</b>	<b>1,084,239</b>	<b>953,133</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	123,751	25,436	149,187	46,252	195,439	193,071	198,025
5.50 Maintenance Operations	1,131,230	240,611	1,371,841	300,875	1,672,716	1,763,611	1,670,814
5.52 Maintenance of Grounds	35,137	8,620	43,757	25,934	69,691	82,083	58,638
5.56 Utilities	-	-	-	656,917	656,917	761,260	722,708
<b>Total Function 5</b>	<b>1,290,118</b>	<b>274,667</b>	<b>1,564,785</b>	<b>1,029,978</b>	<b>2,594,763</b>	<b>2,800,025</b>	<b>2,650,185</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	48,367	8,654	57,021	1,860	58,881	81,786	84,838
7.70 Student Transportation	316,732	79,076	395,808	89,876	485,684	549,318	503,266
<b>Total Function 7</b>	<b>365,099</b>	<b>87,730</b>	<b>452,829</b>	<b>91,736</b>	<b>544,565</b>	<b>631,104</b>	<b>588,104</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>12,018,966</b>	<b>2,780,454</b>	<b>14,799,420</b>	<b>2,482,327</b>	<b>17,281,747</b>	<b>18,278,359</b>	<b>17,598,639</b>



# School District No. 85 (Vancouver Island North)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	1,094,113	1,081,254	667,590
Other Revenue	335,000	404,879	393,323
<b>Total Revenue</b>	<u>1,429,113</u>	<u>1,486,133</u>	<u>1,060,913</u>
<b>Expenses</b>			
Instruction	1,126,043	1,178,593	1,037,598
Operations and Maintenance	57,467	57,467	18,945
<b>Total Expense</b>	<u>1,183,510</u>	<u>1,236,060</u>	<u>1,056,543</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>245,603</u>	<u>250,073</u>	<u>4,370</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(245,603)	(250,073)	(4,370)
<b>Total Net Transfers</b>	<u>(245,603)</u>	<u>(250,073)</u>	<u>(4,370)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u><u>-</u></u>	<u><u>-</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>	<u><u>-</u></u>

# School District No. 85 (Vancouver Island North)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	142,062			31,317	242,818		10,421	12,895	
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	161,008	354,990	4,470			96,000	19,600	9,650	300,472
Other				1,700	420,669				
Investment Income				128					
	161,008	354,990	4,470	1,828	420,669	96,000	19,600	9,650	300,472
<b>Less:</b> Allocated to Revenue	303,070	354,990	4,470	3,400	401,479	96,000	5,899	16,353	300,472
<b>Deferred Revenue, end of year</b>	-	-	-	<b>29,745</b>	<b>262,008</b>	-	<b>24,122</b>	<b>6,192</b>	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	303,070	354,990	4,470			96,000	5,899	16,353	300,472
Other Revenue				3,400	401,479				
	303,070	354,990	4,470	3,400	401,479	96,000	5,899	16,353	300,472
<b>Expenses</b>									
Salaries									
Teachers		217,123							91,370
Educational Assistants		57,935							134,909
Substitutes		11,848						945	15,241
	-	286,906	-	-	-	-	-	945	241,520
Employee Benefits		68,084						189	56,725
Services and Supplies	57,467			3,400	401,479	96,000	5,899	15,219	2,227
	57,467	354,990	-	3,400	401,479	96,000	5,899	16,353	300,472
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>245,603</b>	<b>-</b>	<b>4,470</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(245,603)		(4,470)						
	(245,603)	-	(4,470)	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 85 (Vancouver Island North)

Changes in Special Purpose Funds and Expense by Object  
 Year Ended June 30, 2015

	Service Delivery	
	Transformation	TOTAL
	\$	\$
<b>Deferred Revenue, beginning of year</b>		439,513
<b>Add:</b> Restricted Grants		
Provincial Grants - Ministry of Education	25,000	971,190
Other		422,369
Investment Income		128
	25,000	1,393,687
<b>Less:</b> Allocated to Revenue	-	1,486,133
<b>Deferred Revenue, end of year</b>	<b>25,000</b>	<b>347,067</b>
<b>Revenues</b>		
Provincial Grants - Ministry of Education		1,081,254
Other Revenue		404,879
	-	1,486,133
<b>Expenses</b>		
Salaries		
Teachers		308,493
Educational Assistants		192,844
Substitutes		28,034
	-	529,371
Employee Benefits		124,998
Services and Supplies		581,691
	-	1,236,060
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	250,073
<b>Interfund Transfers</b>		
Tangible Capital Assets Purchased		(250,073)
	-	(250,073)
<b>Net Revenue (Expense)</b>	-	-

# School District No. 85 (Vancouver Island North)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual			2014 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Investment Income	320		759	759	529
Amortization of Deferred Capital Revenue	938,681	938,681		938,681	936,520
<b>Total Revenue</b>	<b>939,001</b>	<b>938,681</b>	<b>759</b>	<b>939,440</b>	<b>937,049</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,215,805	1,155,046		1,155,046	1,160,775
Transportation and Housing	78,628	139,387		139,387	138,756
<b>Total Expense</b>	<b>1,294,433</b>	<b>1,294,433</b>	<b>-</b>	<b>1,294,433</b>	<b>1,299,531</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(355,432)</b>	<b>(355,752)</b>	<b>759</b>	<b>(354,993)</b>	<b>(362,482)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	245,603	250,073		250,073	4,370
Local Capital	300,000		550,000	550,000	300,000
<b>Total Net Transfers</b>	<b>545,603</b>	<b>250,073</b>	<b>550,000</b>	<b>800,073</b>	<b>304,370</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		603,354	(603,354)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>603,354</b>	<b>(603,354)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>190,171</b>	<b>497,675</b>	<b>(52,595)</b>	<b>445,080</b>	<b>(58,112)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>10,026,376</b>	<b>327,908</b>	<b>10,354,284</b>	<b>10,412,396</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>10,524,051</b>	<b>275,313</b>	<b>10,799,364</b>	<b>10,354,284</b>

# School District No. 85 (Vancouver Island North)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2015

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	2,891,161	54,343,231	786,283	1,393,870	7,069	256,791	<b>59,678,405</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		840,360					<b>840,360</b>
Special Purpose Funds		245,603	4,470				<b>250,073</b>
Local Capital		448,803	121,135	19,322		14,094	<b>603,354</b>
	-	1,534,766	125,605	19,322	-	14,094	<b>1,693,787</b>
Decrease:							
Deemed Disposals				18,674		30,546	<b>49,220</b>
	-	-	-	18,674	-	30,546	<b>49,220</b>
<b>Cost, end of year</b>	2,891,161	55,877,997	911,888	1,394,518	7,069	240,339	<b>61,322,972</b>
<b>Work in Progress, end of year</b>							<b>-</b>
<b>Cost and Work in Progress, end of year</b>	2,891,161	55,877,997	911,888	1,394,518	7,069	240,339	<b>61,322,972</b>
<b>Accumulated Amortization, beginning of year</b>		31,336,258	354,909	496,244	4,242	127,049	<b>32,318,702</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		1,023,646	78,628	139,387	1,414	51,358	<b>1,294,433</b>
Decrease:							
Deemed Disposals				18,674		30,546	<b>49,220</b>
				18,674		30,546	<b>49,220</b>
<b>Accumulated Amortization, end of year</b>		32,359,904	433,537	616,957	5,656	147,861	<b>33,563,915</b>
<b>Tangible Capital Assets - Net</b>	<b>2,891,161</b>	<b>23,518,093</b>	<b>478,351</b>	<b>777,561</b>	<b>1,413</b>	<b>92,478</b>	<b>27,759,057</b>

# School District No. 85 (Vancouver Island North)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	17,333,327			17,333,327
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	840,360			840,360
	840,360	-	-	840,360
Decrease:				
Amortization of Deferred Capital Revenue	938,681			938,681
	938,681	-	-	938,681
<b>Net Changes for the Year</b>	(98,321)	-	-	(98,321)
<b>Deferred Capital Revenue, end of year</b>	17,235,006	-	-	17,235,006
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
<b>Net Changes for the Year</b>	-	-	-	-
<b>Work in Progress, end of year</b>	-	-	-	-
<b>Total Deferred Capital Revenue, end of year</b>	17,235,006	-	-	17,235,006

# School District No. 85 (Vancouver Island North)

Schedule 4D (Unaudited)

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>	\$ 98,644	\$ 12,756	\$	\$	\$	\$ 111,400
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	741,716					741,716
	741,716	-	-	-	-	741,716
Decrease:						
Transferred to DCR - Capital Additions	840,360					840,360
	840,360	-	-	-	-	840,360
<b>Net Changes for the Year</b>	(98,644)	-	-	-	-	(98,644)
<b>Balance, end of year</b>	-	12,756	-	-	-	12,756