

Audited Financial Statements of

School District No. 72 (Campbell River)

June 30, 2015

School District No. 72 (Campbell River)

June 30, 2015

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School District No. 72 (Campbell River)

MANAGEMENT REPORT

Version: 6083-5337-3355

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 72 (Campbell River) 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.


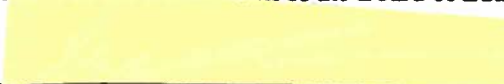
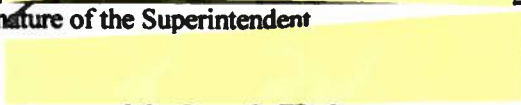
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 72 (Campbell River) (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', MNP LLP, 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. 72 (Campbell River) 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. 72 (Campbell River)

 _____ Chairperson of the Board of Education	<u>09/22/15</u> Date Signed
 _____ Signature of the Superintendent	<u>09/22/15</u> Date Signed
 _____ Signature of the Secretary Treasurer	<u>09/22/15</u> Date Signed

Independent Auditors' Report

To the Board of Education of School District No. 72 (Campbell River) and the Minister of Education:

We have audited the accompanying financial statements of School District No. 72 (Campbell River), which comprise the statement of financial position as at June 30, 2015 and the statements of changes in net financial assets (debt), operations, cash flows and remeasurement gains and losses for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and 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 present the financial position of School District No. 72 (Campbell River) as at June 30, 2015 and the results of its operations, changes in net financial assets (debt), cash flows and remeasurement gains and losses for the year then ended in compliance with, in all material respects, the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

Emphasis of Matter

We draw attention to Note 3 which describes the financial reporting framework being followed by School District No. 72 (Campbell River).

Other Matter

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 audit of the financial statements and, accordingly, we express no opinion on it.

Campbell River, British Columbia

September 22, 2015

MNP LLP

Chartered Professional Accountants

School District No. 72 (Campbell River)

Statement 1

Statement of Financial Position

As at June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	18,238,760	14,274,751
Accounts Receivable		
Due from Province - Ministry of Education	316,361	411,928
Due from LEA/Direct Funding	329,476	271,910
Other (Note 4)	272,170	296,471
Total Financial Assets	19,156,767	15,255,060
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	-	1,006,405
Other (Note 5)	4,635,904	3,805,107
Unearned Revenue (Note 8)	417,062	258,772
Deferred Revenue (Note 9)	2,048,580	1,926,099
Deferred Capital Revenue (Note 10)	70,013,017	65,856,613
Employee Future Benefits (Note 11)	946,089	845,115
Total Liabilities	78,060,652	73,698,111
Net Financial Assets (Debt)	(58,903,885)	(58,443,051)
Non-Financial Assets		
Tangible Capital Assets (Note 6)	88,121,593	87,000,937
Prepaid Expenses	157,935	94,362
Total Non-Financial Assets	88,279,528	87,095,299
Accumulated Surplus (Deficit) (Note 13)	29,375,643	28,652,248
Contractual Obligations and Contingencies (Note 16, 18)		
Approved by the Board		
Signature of the _____	09/22/15	Date Signed
Signature of the _____	09/22/15	Date Signed
Signature of the Secretary Treasurer _____	09/22/15	Date Signed

School District No. 72 (Campbell River)

Statement 2

Statement of Operations

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	49,578,802	49,654,641	48,237,004
Tuition	404,430	407,315	308,700
Other Revenue	4,271,962	4,073,637	4,800,835
Rentals and Leases	172,000	147,338	155,843
Investment Income	118,718	190,204	128,225
Gain (Loss) on Disposal of Tangible Capital Assets		12,199	
Amortization of Deferred Capital Revenue	2,569,010	2,746,282	2,666,076
Total Revenue	57,114,922	57,231,616	56,296,683
Expenses			
Instruction	43,990,929	41,641,579	40,968,687
District Administration	2,281,902	2,141,356	1,978,256
Operations and Maintenance	11,578,198	11,345,596	10,879,746
Transportation and Housing	1,403,117	1,379,690	1,361,399
Total Expense	59,254,146	56,508,221	55,188,088
Surplus (Deficit) for the year	(2,139,224)	723,395	1,108,595
Accumulated Surplus (Deficit) from Operations, beginning of year		28,652,248	27,543,653
Accumulated Surplus (Deficit) from Operations, end of year		29,375,643	28,652,248

School District No. 72 (Campbell River)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(2,139,224)</u>	<u>723,395</u>	<u>1,108,595</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,409,422)	(4,574,394)	(4,110,630)
Amortization of Tangible Capital Assets	3,452,286	3,452,238	3,352,101
Net carrying value of Tangible Capital Assets disposed of		1,500	
Total Effect of change in Tangible Capital Assets	<u>(957,136)</u>	<u>(1,120,656)</u>	<u>(758,529)</u>
Acquisition of Prepaid Expenses		<u>(63,573)</u>	<u>(5,564)</u>
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(63,573)</u>	<u>(5,564)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(3,096,360)</u>	<u>(460,834)</u>	<u>344,502</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(460,834)</u>	<u>344,502</u>
Net Financial Assets (Debt), beginning of year		<u>(58,443,051)</u>	<u>(58,787,553)</u>
Net Financial Assets (Debt), end of year		<u>(58,903,885)</u>	<u>(58,443,051)</u>

School District No. 72 (Campbell River)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	723,395	1,108,595
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	62,302	(34,253)
Inventories for Resale	-	5,100
Prepaid Expenses	(63,573)	(10,664)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	830,798	282,095
Unearned Revenue	158,290	(48,132)
Deferred Revenue	122,481	(111,830)
Employee Future Benefits	100,973	97,251
Other Liabilities	(1,006,405)	906,069
Loss (Gain) on Disposal of Tangible Capital Assets	(12,199)	
Amortization of Tangible Capital Assets	3,452,238	3,352,101
Amortization of Deferred Capital Revenue	(2,746,282)	(2,666,076)
Total Operating Transactions	1,622,018	2,880,256
Capital Transactions		
Tangible Capital Assets Purchased	(4,215,018)	(1,731,163)
Tangible Capital Assets -WIP Purchased	(359,376)	(2,379,467)
District Portion of Proceeds on Disposal	13,699	
Total Capital Transactions	(4,560,695)	(4,110,630)
Financing Transactions		
Capital Revenue Received	7,525,178	3,610,241
Deferred Capital transferred to Operations and Mtnce	(622,492)	(525,674)
Total Financing Transactions	6,902,686	3,084,567
Net Increase (Decrease) in Cash and Cash Equivalents	3,964,009	1,854,193
Cash and Cash Equivalents, beginning of year	14,274,751	12,420,558
Cash and Cash Equivalents, end of year	18,238,760	14,274,751
Cash and Cash Equivalents, end of year, is made up of:		
Cash	18,238,760	14,274,751
	18,238,760	14,274,751

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 72 (Campbell River)", and operates as "School District No. 72 (Campbell River)." A board of education (Board) elected for a four-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. The School District is exempt from tax.

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 AND REPORTING PRACTICES

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(g) and 3(l).

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 (g) and 3(l), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of tangible capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2014 - increase in annual surplus by \$3,743,053

June 30, 2014 - increase in accumulated surplus and decrease in deferred contributions to \$65,667,694

Year-ended June 30, 2015 – increase in annual surplus by \$4,093,737

June 30, 2015 – increase in accumulated surplus and decrease in deferred contributions to \$67,015,149

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (Continued)**

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased.

c) Accounts Receivable

Accounts Receivable are measured at amortized costs and shown net of allowance for doubtful accounts (see Note 4).

d) Prepaid Expenses

Software licensing and support, memberships, dues and tuition are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

e) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Work-in-progress is not amortized until after the asset has been completed or put into use.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset and commences the year following acquisition. Estimated useful life is as follows:

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

f) Unearned Revenue

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

g) 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(1).

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

g) 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.

h) 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 and accounts payable and accrued liabilities.

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.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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.

i) Use of Estimates

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 for 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 impairment of assets, rates for amortization, allowance for doubtful accounts, employee incentive bonuses and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

j) 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 cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSLS) 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.

k) 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 and all of 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.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

1) Revenue Recognition

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

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

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

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

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

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

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

m) 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 regular 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 identification of program.

n) Going Concern disclosure

The School District has implemented Handbook Section 1400, General Standards of Financial Statement Presentation. This standard includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded there is no issue regarding the School District's ability to continue as a going concern based on the assumption that the current funding levels are maintained and any committed additional future funding is received. If there are significant declines in funding, expenses will be adjusted to match committed funding.

o) Statement of Remeasurement Gains and Losses

A statement of re-measurement gains and losses has not been presented as the District does not hold any financial assets or liabilities that would give rise to remeasurement gains or losses.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2015	2014
Due from Federal Government	\$ 62,225	\$ 78,244
Due from North Island College	31,868	31,868
Due from Royal Bank	11,579	8,907
Due from BC Hydro	72,335	24,483
Due from Fortis	-	5,849
Due from other	94,165	147,112
Allowance for Doubtful Accounts	-	-
	<u>\$272,170</u>	<u>\$ 296,471</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2015	2014
Trade Payables	\$878,955	\$ 1,122,401
Salaries and Benefits Payable	2,478,555	1,554,207
Accrued Vacation Pay	547,184	480,028
Capital Trade Payables	269,623	401,825
Other Payables	461,587	246,648
	<u>\$ 4,635,904</u>	<u>\$ 3,805,107</u>

NOTE 6 TANGIBLE CAPITAL ASSETS

June 30, 2015

Cost:	Opening Cost July 1, 2014	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2015
Sites	\$ 8,125,203	\$ -	\$ (1,500)	\$ -	\$ 8,123,703
Buildings	133,584,440	3,530,040	-	2,424,457	139,511,937
Buildings – work in progress	2,424,457	359,376	-	(2,424,457)	359,376
Furniture & Equipment	1,128,282	99,846	(137,563)	-	1,090,565
Vehicles	2,221,402	222,370	-	-	2,443,772
Computer Hardware	1,150,889	362,762	(130,599)	-	1,383,055
Total	\$148,634,673	\$4,574,394	\$(269,662)	\$ -	\$152,939,405

Accumulated Amortization:	Opening Accumulated Amortization July 1, 2014	Additions	Disposals	Balance at June 30, 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	59,840,468	2,887,092	-	62,727,560
Furniture & Equipment	540,450	112,828	(137,563)	515,715
Vehicles	895,999	222,140	-	1,118,139
Computer Hardware	356,819	230,178	(130,599)	456,398
Total	\$61,633,736	\$3,452,238	\$(268,162)	\$ 64,817,812

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 6 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2014

<i>Cost:</i>	<i>Balance at July 1, 2013</i>	<i>Additions</i>	<i>Disposals</i>	<i>Transfers (WIP)</i>	<i>Balance at June 30, 2014</i>
<i>Sites</i>	\$ 8,125,203	\$	\$	\$	\$ 8,125,203
<i>Buildings</i>	132,298,948	780,554		508,940	133,584,440
<i>Buildings – work in progress</i>	551,930	2,378,467		(508,940)	2,424,457
<i>Furniture & Equipment</i>	1,223,004	43,831	(138,553)		1,128,282
<i>Vehicles</i>	1,814,497	508,505	(99,600)		2,221,402
<i>Computer Hardware</i>	877,544	400,273	(126,928)		1,150,889
<i>Total</i>	\$144,889,124	\$4,110,630	\$ (365,081)	\$	\$148,634,673

<i>Accumulated Amortization:</i>	<i>Balance at July 1, 2013</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance at June 30, 2014</i>
<i>Sites</i>	\$ -	\$	\$	\$ -
<i>Buildings</i>	56,967,627	2,872,841		59,840,468
<i>Furniture & Equipment</i>	556,702	122,301	(138,553)	540,450
<i>Vehicles</i>	814,149	181,450	(99,600)	895,999
<i>Computer Hardware</i>	308,238	175,509	(126,928)	356,819
<i>Total</i>	\$58,648,716	\$3,352,101	\$(365,081)	\$ 61,633,736

Net Book Value:

	<i>Net Book Value June 30, 2015</i>	<i>Net Book Value June 30 2014</i>
<i>Sites</i>	\$ 8,123,703	\$ 8,125,203
<i>Buildings</i>	76,811,377	73,743,972
<i>Buildings – work in progress</i>	359,376	2,424,457
<i>Furniture & Equipment</i>	574,850	587,832
<i>Vehicles</i>	1,325,633	1,325,403
<i>Computer Hardware</i>	926,654	794,070
<i>Total</i>	\$88,121,593	\$87,000,837

Buildings – work in progress having a value of \$359,373 (2014: \$2,424,457) have not been amortized. Amortization of these assets will commence when the asset is put into service.

NOTE 7 DISPOSAL OF SITES AND BUILDINGS

The site on Cortes Island, at 800 Sutil Road, Manson's Landing was disposed of in June 2015. The net proceeds were \$54,797. The historical cost of the land purchased in 1968 was \$1,500. Proceeds were allocated 75% to the Ministry of Education restricted capital and 25% to the District local capital.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 8 UNEARNED REVENUE

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	June 30, 2015	June 30, 2014
Balance, beginning of year	\$258,772	\$308,904
Changes for the year:		
Increase:		
Tuition fees	417,062	258,772
	417,062	258,772
Decrease:		
Tuition fees	258,772	308,904
Net changes for the year	158,290	(48,132)
Balance, end of year	\$417,062	\$258,772

NOTE 9 DEFERRED REVENUE

a) Deferred Revenue – Ministry of Education

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.

The special purpose fund represents government grants for aboriginal improvement and early learning, repairs and minor capital improvements to facilities, special education equipment and social equity programs; recorded on the capital funds represents government grants for seismic, building envelope and asset disposal proceeds in use by the Ministry of Education.

	2015 Total	2014 Total
Balance, beginning of year	\$ 498,207	\$ 539,528
Increases:		
Provincial grants – MEd	2,390,985	1,818,684
Investment income	4,352	3,150
	2,395,317	1,821,834
Decreases:		
Transfers to Revenue	2,357,664	1,863,153
Other (specify)		
	2,357,664	1,863,153
Net Changes for the year	37,653	(41,319)
Balance, end of the year	\$535,860	\$498,207

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 9 DEFERRED REVENUE (Continued)

b) Deferred Revenue – Other -

Deferred Revenue – Other recorded in the operating fund represent an aboriginal early learning grant; recorded in the special purpose fund represents school generated funds, community supported social programs and scholarship trust funds; recorded in the capital fund represents community grants to support capital projects.

	2015 Total	2014 Total
Balance, beginning of year	<u>\$1,427,892</u>	<u>\$1,498,403</u>
Increases:		
School Generated Funds	1,831,797	2,082,508
Investment Income	8,273	6,364
Other	<u>294,105</u>	<u>358,672</u>
	<u>2,134,175</u>	<u>2,427,544</u>
Decreases:		
Transfers to Revenue	<u>2,049,347</u>	<u>2,498,055</u>
	<u>2,049,347</u>	<u>2,498,055</u>
Net Changes for the year	<u>84,828</u>	<u>(70,511)</u>
Balance, end of the year	<u>\$1,512,720</u>	<u>\$1,427,892</u>
Total Deferred Revenue	<u>\$2,048,580</u>	<u>\$1,926,099</u>

NOTE 10 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. Changes to deferred capital revenue are as follows:

	Deferred Cap Revenue	Unspent Def. Cap Revenue	2015 Total	2014 Total
Balance, beginning of year	\$ 65,667,694	\$ 188,919	\$ 65,856,613	\$ 65,438,123
Increases:				
Transfers from DC - capital additions	6,158,818		6,158,818	1,870,526
Transfers from DC – work in progress	(2,065,081)		(2,065,081)	1,872,527
Provincial Grants – MEd		4,556,846	4,556,846	3,576,564
Provincial Grants – Other	-	2,859,000	2,859,000	-
Other Revenue		68,234	68,234	33,677
MEd Restricted portion of proceeds		41,098	41,098	-
	<u>4,093,737</u>	<u>7,525,178</u>	<u>11,618,915</u>	<u>7,353,952</u>
Decreases:				
Amortization	2,746,282		2,746,282	2,666,076
Transfers to revenue - capital additions		3,734,361	3,734,361	3,713,711
Transfers to revenue – capital additions		359,376	359,376	29,342
Transfers to capital expense		622,492	622,492	525,675
	<u>2,746,282</u>	<u>4,716,229</u>	<u>7,462,511</u>	<u>6,934,804</u>
Balance, end of the year	<u>67,015,149</u>	<u>2,997,868</u>	<u>\$70,013,017</u>	<u>\$65,856,613</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 11 EMPLOYEE FUTURE BENEFITS

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

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

	2015	2014
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,388,772	\$ 1,397,611
Service Cost	110,388	110,072
Interest Cost	48,524	43,075
Benefit Payments	(119,912)	(103,750)
Actuarial (Gain)/Loss	71,549	(60,237)
Accrued Benefit Obligation – March 31	<u>\$1,495,319</u>	<u>\$ 1,388,772</u>

	2015	2014
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,495,319	\$ 1,388,772
Funded Status - Surplus/(Deficit)	(1,495,319)	(1,388,772)
Employer Contributions After Measurement Date	35,873	32,470
Benefit Expense After Measurement Date	(39,607)	(39,227)
Unamortized Net Actuarial (Gain)/Loss	552,962	548,414
Accrued Benefit Asset/(Liability) – June 30	<u>\$(946,089)</u>	<u>\$ (845,115)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) – July 1	\$845,115	\$ 747,884
Net Expense for Fiscal Year	224,290	227,566
Employer Contributions	(123,316)	(130,315)
Accrued Benefit Asset/(Liability) – June 30	<u>\$(946,089)</u>	<u>\$ (845,115)</u>

Components of Net Benefit Expense		
Service Cost	\$113,697	\$ 110,151
Interest Cost	43,592	43,937
Amortization of Net Actuarial (Gain)/Loss	67,001	73,478
Net Benefit Expense (Income)	<u>\$224,290</u>	<u>\$ 227,566</u>

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

	2015	2014
Discount Rate – April 1	3.25%	3.00%
Discount Rate – March 31	2.25%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9.3	9.3

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 12 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. 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 a \$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 \$1.37 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The School District No. 72 (Campbell River) paid \$4,645,840 for employer contributions to these plans for the year ended June 30, 2015 and \$4,491,181 for the year ended June 30, 2014.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 13 ACCUMULATED SURPLUS (DEFICIT) – END OF YEAR

FUND BALANCES, END OF YEAR

OPERATING FUND	2015	2014
Internally Restricted (appropriated) by the Board for:		
Board Instructional Support	31,520	31,520
Distance Learning	19,952	24,293
Electronic Record Conversion	-	17,736
Education Implementation Training DELT	150,000	150,000
International Program	109,990	-
Learning Resources	175,000	175,000
Reserve Required to Balance Next Year Budget	843,928	567,708
Education Leadership and Succession	20,000	20,000
Strategic Plan Implementation	250,000	195,000
Critical Incident/Emergency Response Contingency	10,000	10,000
Strategic Development/Communication	-	10,000
Aboriginal Education	266,681	233,937
School Based Supply Accounts	158,976	357,892
SSEAC Training	9,360	10,095
VISTA Planning	-	5,000
Facility Review	20,000	35,000
Policy Implementation	30,000	20,000
Labour Disruption costs	-	220,000
Student Services - Psychological Testing Protocols	5,000	6,000
Timberline/Heritage Lands Complex	30,000	200,000
Emergency Radios	-	25,000
Employee Future Benefit Unamortized Gain	772,280	772,280
SMT Team Development	20,000	-
School Based Equipment Local Capital	75,000	-
Health and Wellness Implementation	40,000	-
Mowing tractor	35,000	-
Response to Intervention Training for Administrators	10,000	-
Additional Support for Curriculum Implementation	50,000	-
Total of Targeted Reserves	\$3,132,687	\$3,086,461
Operational Needs and Contingency Reserve	1,000,000	1,000,000
OPERATING FUND		
Internally Restricted Reserve	\$4,132,687	\$4,086,461
Unrestricted Operating Reserve	3,342,294	2,502,945
Total Operating Reserves	\$7,474,981	\$6,589,406
CAPITAL FUND		
Invested in Capital Assets	\$20,969,284	\$21,196,083
Local Capital	931,378	866,759
	\$29,375,643	\$28,652,248

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 14 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Schedule 1 (Statement of Changes in Accumulated Surplus (Deficit) by Fund. For the year ended June 30, 2015 transfers were as follows:

- A transfer in the amount of \$215,000 was made from the operating fund to the capital fund for the purchase of local capital assets.
- A transfer in the amount of \$355,815 was made from the operating fund to the capital fund for the purchase of capital assets.

NOTE 15 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has entered into a contract for the delivery of services and the construction of tangible capital assets. This contractual obligation will become a liability in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contract.

CONTRACTUAL OBLIGATIONS
Pinecrest Seismic Project

2016

\$ 1,787,499

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 10, 2015. The Board adopted a preliminary annual budget on May 20, 2014. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2015 Amended	2015 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	49,578,802	48,758,478	820,324
Tuition	404,430	300,630	103,800
Other Revenue	4,271,962	4,579,090	(307,128)
Rentals and Leases	172,000	195,000	(23,000)
Investment Income	118,718	100,000	18,718
Amortization of Deferred Capital Revenue	2,569,010	2,648,139	(79,129)
Total Revenue	57,114,922	56,581,337	533,585
Expenses			
Instruction	43,990,929	43,148,779	842,150
District Administration	2,281,902	2,048,325	233,577
Operations and Maintenance	8,348,052	7,908,862	439,190
Transportation and Housing	1,180,977	1,179,940	1,037
Amortization	3,452,286	3,284,963	167,323
Total Expenses	59,254,146	57,570,869	1,683,277
Deficit for the year	(2,139,224)	(989,532)	(1,149,692)
Effects of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,409,422)	(639,959)	(3,769,463)
Amortization of Tangible Capital Assets	3,452,286	3,284,963	167,323
Total Effect of change in Tangible			
Capital Assets	(957,136)	2,645,004	(3,602,140)
(Increase) Decrease in Net Financial Assets			
(Debt)	(3,096,360)	1,655,472	(4,751,832)

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 18 CONTINGENCIES

Ongoing Legal Proceedings

In the ordinary course of operations, the School District has legal proceedings brought against it and provision has been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.

NOTE 19 ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared under the assumption that the School District operates as a “going concern”.

NOTE 20 FINANCIAL INSTRUMENTS

All significant financial assets, financial liabilities and equity instruments of the School District are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

- **Credit Risk**

Financial instruments that potentially subject the School District to concentrations of credit risk consist primarily of other receivables. The maximum credit risk exposure is \$272,170 (2014 - \$296,471).

However, the School District believes that there is minimal risk associated with the collection of these amounts as they consist primarily of receivables from the Federal and Provincial Government organizations. The School District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially un-collectible accounts receivable.

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities.

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 to 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 20 FINANCIAL INSTRUMENTS (continued)

- **Foreign Currency Risk**

The School District maintains a U.S. bank account and enters into transactions with vendors for supplies denominated in U.S. currency for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2015 there was an insignificant balance maintained in the U.S. dollar bank account.

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the School District does not hold significant funds in U.S. dollars in order to reduce their risk against adverse movements in the foreign exchange rates.

- **Financial Asset Impairment**

At each year-end date, the School District is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the School District has compared the carrying value of each of these financial assets to its fair value as at June 30, 2015. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.

- **Fair Values of Financial Instruments**

The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

- **Risk Management Policy**

The School District, as part of its operations, has established objectives (i.e. hedging of risk exposures and avoidance of undue concentrations of risk) to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the School District follows a risk management policy approved by its Board of Trustees.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2015

NOTE 21 ASSET RETIREMENT OBLIGATION

The District is subject to environmental laws and regulations enacted by the Province and local authorities.

The District currently provides educational programs in 20 schools. It also operates a number of administrative support buildings. Many of these schools and buildings were constructed prior to the implementation of current asbestos removal regulations and asbestos containing materials were utilized in their construction. The nature and extent of asbestos construction material varies from building to building.

Upon retirement of these District buildings, either through demolition or sale, the District may incur removal costs or realize reduced sale proceeds because of the presence of asbestos. The District has made no provision for the financial impact of removal costs or reduced sale proceeds as they cannot be reasonably estimated due to the indeterminate nature and date of potential future retirements.

NOTE 22 EXPENSE BY OBJECT

	2015	2014
Salaries	\$ 35,403,860	\$ 34,639,587
Benefits	8,778,601	8,266,931
Service and supplies	8,873,522	8,929,469
Amortization	3,452,238	3,352,101
	<u>\$ 56,508,221</u>	<u>\$ 55,188,088</u>

NOTE 23 TRUST FUNDS

Funds in the amount of \$1,235,599 (2014 - \$1,246,738) are held in trust for teachers who participate in the payroll savings plan. These funds are not reflected in the financial statements.

School District No. 72 (Campbell River)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2015

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	6,589,406		22,062,842	28,652,248	27,543,653
Changes for the year					
Surplus (Deficit) for the year	1,456,390		(732,995)	723,395	1,108,595
Interfund Transfers	(355,815)		355,815	-	-
Tangible Capital Assets Purchased	(215,000)		215,000	-	-
Local Capital	885,575	-	(162,180)	723,395	1,108,595
Net Changes for the year					
	7,474,981	-	21,900,662	29,375,643	28,652,248

Accumulated Surplus (Deficit), end of year - Statement 2

School District No. 72 (Campbell River)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	46,555,298	46,674,485	45,848,176
Tuition	404,430	407,315	308,700
Other Revenue	2,010,041	2,024,290	2,302,780
Rentals and Leases	172,000	147,338	155,843
Investment Income	118,718	181,714	121,081
Total Revenue	49,260,487	49,435,142	48,736,580
Expenses			
Instruction	39,317,969	37,234,568	36,607,479
District Administration	2,281,902	2,141,356	1,978,256
Operations and Maintenance	7,735,587	7,445,278	7,124,066
Transportation and Housing	1,180,977	1,157,550	1,179,949
Total Expense	50,516,435	47,978,752	46,889,750
Operating Surplus (Deficit) for the year	(1,255,948)	1,456,390	1,846,830
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,670,948		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(200,000)	(355,815)	(276,035)
Local Capital	(215,000)	(215,000)	(215,000)
Total Net Transfers	(415,000)	(570,815)	(491,035)
Total Operating Surplus (Deficit), for the year	-	885,575	1,355,795
Operating Surplus (Deficit), beginning of year		6,589,406	5,233,611
Operating Surplus (Deficit), end of year		7,474,981	6,589,406
Operating Surplus (Deficit), end of year			
Internally Restricted		4,132,687	4,086,461
Unrestricted		3,342,294	2,502,945
Total Operating Surplus (Deficit), end of year		7,474,981	6,589,406

School District No. 72 (Campbell River)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	47,987,125	47,923,371	47,251,470
AANDC/LEA Recovery	(1,312,724)	(1,257,519)	(1,572,684)
Strike Savings Recovery	(1,151,167)	(1,051,537)	
Other Ministry of Education Grants			
Labour Settlement Funding	870,347	870,347	
Pay Equity	75,322	75,322	75,322
Carbon Tax Rebate	69,000	66,794	71,250
Education Guarantee	8,695	23,812	14,122
Foundation Skills Assessment	8,700	8,696	8,696
Teacher Extended Health		15,199	
Total Provincial Grants - Ministry of Education	46,555,298	46,674,485	45,848,176
Tuition			
Offshore Tuition Fees	404,430	407,315	308,700
Total Tuition	404,430	407,315	308,700
Other Revenues			
Other School District/Education Authorities	512,904	537,533	548,691
LEA/Direct Funding from First Nations	1,307,263	1,257,519	1,572,684
Miscellaneous			
BC Hydro Power Smart Initiative	50,000	75,000	50,000
Contracted Services - Student Services	119,874	116,194	113,905
Misc Revenue/Transcripts	5,000	38,044	17,500
BCPSEA Teacher Benefits	15,000	-	
Total Other Revenue	2,010,041	2,024,290	2,302,780
Rentals and Leases	172,000	147,338	155,843
Investment Income	118,718	181,714	121,081
Total Operating Revenue	49,260,487	49,435,142	48,736,580

School District No. 72 (Campbell River)

Schedule 2B (Unaudited)

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

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Salaries			
Teachers	19,745,059	19,128,420	18,824,186
Principals and Vice Principals	3,024,867	3,058,633	3,160,266
Educational Assistants	3,760,336	3,574,439	3,605,186
Support Staff	5,986,621	5,982,538	5,840,793
Other Professionals	1,219,405	1,274,160	1,179,463
Substitutes	1,055,860	877,928	863,316
Total Salaries	34,792,148	33,896,118	33,473,210
Employee Benefits	8,516,426	8,415,102	7,973,907
Total Salaries and Benefits	43,308,574	42,311,220	41,447,117
Services and Supplies			
Services	1,179,750	875,704	857,307
Student Transportation	27,050	17,655	21,844
Professional Development and Travel	522,111	558,728	509,195
Rentals and Leases	193,235	164,598	168,133
Dues and Fees	52,131	55,931	54,936
Insurance	159,000	146,339	142,296
Supplies	3,449,543	2,366,810	2,050,238
Utilities	1,625,041	1,481,767	1,638,684
Total Services and Supplies	7,207,861	5,667,532	5,442,633
Total Operating Expense	50,516,435	47,978,752	46,889,750

School District No. 72 (Campbell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

Schedule 2C (Unaudited)

	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	15,060,935	551,134	120,917	571,543	22,980	852,074	17,179,583
1.03 Career Programs						392	392
1.07 Library Services	564,911	106,771		154,165			825,847
1.08 Counselling	583,969			51,192			635,161
1.10 Special Education	2,308,652	203,764	2,966,379	43,622		18,673	5,541,090
1.30 English Language Learning	195,314						195,314
1.31 Aboriginal Education	303,500	66,990	487,143	32,366		5,750	895,749
1.41 School Administration		2,129,974		462,225			2,592,199
1.60 Summer School							-
1.62 Off Shore Students	111,139			6,901		74	118,114
Total Function 1	19,128,420	3,058,633	3,574,439	1,322,014	22,980	876,963	27,983,449
4 District Administration							
4.11 Educational Administration				17,055	361,865	267	379,187
4.40 School District Governance					75,299		75,299
4.41 Business Administration				395,845	547,804	698	944,347
Total Function 4	-	-	-	412,900	984,968	965	1,398,833
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				107,750	69,531		177,281
5.50 Maintenance Operations				3,285,319	161,738		3,447,057
5.52 Maintenance of Grounds				233,712			233,712
5.56 Utilities				1,214			1,214
Total Function 5	-	-	-	3,627,995	231,269	-	3,859,264
7 Transportation and Housing							
7.70 Student Transportation				619,629	34,943		654,572
7.73 Housing							-
Total Function 7	-	-	-	619,629	34,943	-	654,572
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	19,128,420	3,058,633	3,574,439	5,982,538	1,274,160	877,928	33,896,118

School District No. 72 (Campbell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2015 Actual	2015 Budget (Note 17)	2014 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	17,179,583	4,302,222	21,481,805	1,359,281	22,841,086	23,627,559	22,191,758
1.03 Career Programs	392	74	466	12,986	13,452	34,690	20,005
1.07 Library Services	825,847	197,043	1,022,890	259,064	1,281,954	1,343,828	1,199,214
1.08 Counseling	635,161	156,668	791,829		791,829	833,555	790,727
1.10 Special Education	5,541,090	1,433,660	6,974,750	103,087	7,077,837	7,658,201	7,116,595
1.30 English Language Learning	195,314	52,809	248,123	3,188	251,311	180,164	286,940
1.31 Aboriginal Education	895,749	230,852	1,126,601	130,701	1,257,302	1,523,857	1,166,323
1.41 School Administration	2,592,199	603,489	3,195,688	211,873	3,407,561	3,628,685	3,482,736
1.60 Summer School	-	-	-	1,192	1,192	83,000	94,834
1.62 Off Shore Students	118,114	29,177	147,291	163,753	311,044	404,430	258,347
Total Function 1	27,983,449	7,065,994	34,989,443	2,245,125	37,234,568	39,317,969	36,607,479
4 District Administration							
4.11 Educational Administration	379,187	81,841	461,028	62,680	523,708	539,668	494,423
4.40 School District Governance	75,299	1,099	76,398	123,779	200,177	267,158	155,022
4.41 Business Administration	944,347	215,718	1,160,065	257,406	1,417,471	1,475,076	1,328,811
Total Function 4	1,398,833	298,658	1,697,491	443,865	2,141,356	2,281,902	1,978,256
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	177,281	38,898	216,179	118,960	335,139	351,545	315,339
5.50 Maintenance Operations	3,447,057	828,623	4,275,680	919,980	5,195,660	5,277,940	4,718,598
5.52 Maintenance of Grounds	233,712	64,588	298,300	88,826	387,126	481,061	414,315
5.56 Utilities	1,214	249	1,463	1,525,890	1,527,353	1,625,041	1,675,814
Total Function 5	3,859,264	932,358	4,791,622	2,653,656	7,445,278	7,735,587	7,124,066
7 Transportation and Housing							
7.70 Student Transportation	654,572	178,092	832,664	276,743	1,109,407	1,113,177	1,129,391
7.73 Housing	-	-	-	48,143	48,143	67,800	50,558
Total Function 7	654,572	178,092	832,664	324,886	1,157,550	1,180,977	1,179,949
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	33,896,118	8,415,102	42,311,220	5,667,532	47,978,752	50,516,435	46,889,750

School District No. 72 (Campbell River)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations**Year Ended June 30, 2015**

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,411,039	2,357,664	1,863,153
Other Revenue	2,261,921	2,049,347	2,498,055
Total Revenue	4,672,960	4,407,011	4,361,208
Expenses			
Instruction	4,672,960	4,407,011	4,361,208
Total Expense	4,672,960	4,407,011	4,361,208
Special Purpose Surplus (Deficit) for the year	-	-	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants

Provincial Grants • Ministry of Education

Other

Investment Income

THE 1990S

**Less: Allocated to Revenue
Deferred Revenue, end of year**

Revenues

Provincial Grants • Ministry of Education

Other Revenue

Expenses

Sabanes

Teachers

Principals and Vice Principals

Educational Assistants

Support Staff
Customer Care / Marketing

Subgroups

1

Employee Benefits

Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)[illegible]

	Service Delivery Transformation	Qeals PRP	Headstart PRP	Provincial Literacy	Drug & Alcohol VIHA	District Trust Funds	Van Foundation Kejo Grant	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		2,475	1	74,677		581,431	64,349	1,926,099
Add: Restricted Grants								
Provincial Grants - Ministry of Education	33,277	128,740	131,215					2,390,965
Other					53,976	227,479		2,125,902
Investment Income	326	11	105	731		5,966	635	12,625
Less: Allocated to Revenue	33,603	128,751	131,320	731	53,976	233,445	635	4,529,492
Deferred Revenue, end of year	-	130,036	120,490	-	53,947	199,812	-	4,407,011
	33,603	1,190	10,831	75,408	59	615,064	64,984	2,648,580
Revenues								
Provincial Grants - Ministry of Education		130,036	120,490			199,812		2,357,664
Other Revenue		130,036	120,490		53,947	199,812		2,049,347
Expenses								
Salaries								
Teachers		89,152	81,683			9,487		770,636
Principals and Vice Principals		7,626	7,626		42,032	47,785		131,166
Educational Assistants								547,263
Support Staff		4,073	4,073					8,146
Substitutes						17,219		50,531
Employee Benefits	-	100,851	93,382	-	42,032	74,491	-	1,507,742
Services and Supplies		24,057	21,980		10,638	18,447		363,499
		5,128	5,128		1,277	106,874		2,535,770
	-	130,036	120,490	-	53,947	199,812	-	4,407,011
Net Revenue (Expense) before Interfund Transfers								
	-	-	-	-	-	-	-	-
Interfund Transfers								
	-	-	-	-	-	-	-	-
Net Revenue (Expense)								
	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual			2014 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	612,465	622,492		622,492	525,675
Investment Income			8,490	8,490	7,144
Gain (Loss) on Disposal of Tangible Capital Assets		12,199		12,199	
Amortization of Deferred Capital Revenue	2,569,010	2,746,282		2,746,282	2,666,076
Total Revenue	3,181,475	3,380,973	8,490	3,389,463	3,198,895
Expenses					
Operations and Maintenance	612,465	622,492	47,728	670,220	585,029
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,230,146	3,230,098		3,230,098	3,170,651
Transportation and Housing	222,140	222,140		222,140	181,450
Total Expense	4,064,751	4,074,730	47,728	4,122,458	3,937,130
Capital Surplus (Deficit) for the year	(883,276)	(693,757)	(39,238)	(732,995)	(738,235)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	200,000	355,815		355,815	276,035
Local Capital	215,000		215,000	215,000	215,000
Total Net Transfers	415,000	355,815	215,000	570,815	491,035
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(13,699)	13,699	-	
Tangible Capital Assets Purchased from Local Capital		124,842	(124,842)	-	
Total Other Adjustments to Fund Balances		111,143	(111,143)	-	
Total Capital Surplus (Deficit) for the year	(468,276)	(226,799)	64,619	(162,180)	(247,200)
Capital Surplus (Deficit), beginning of year		21,196,083	866,759	22,062,842	22,310,042
Capital Surplus (Deficit), end of year		20,969,284	931,378	21,900,662	22,062,842

School District No. 72 (Campbell River)

Tangible Capital Assets

Year Ended June 30, 2015

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,125,203	133,584,440	1,128,285	2,221,402	-	1,150,889	146,210,219
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,316,417		222,370		87,340	3,626,127
Deferred Capital Revenue - Other		108,234					108,234
Operating Fund		94,710	24,232			236,873	355,815
Local Capital		10,679	75,614			38,549	124,842
Transferred from Work in Progress		2,424,457					2,424,457
	-	5,954,497	99,846	222,370	-	362,762	6,639,475
Decrease:							
Disposed of	1,500		137,563			130,599	1,500
Deemed Disposals			137,563			130,599	268,162
	1,500	-					269,662
Cost, end of year	8,123,703	139,538,937	1,090,568	2,443,772		1,383,052	152,580,032
Work in Progress, end of year		359,373					359,373
Cost and Work in Progress, end of year	8,123,703	139,898,310	1,090,568	2,443,772		1,383,052	152,939,405
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		2,887,092	112,828	222,140		230,178	3,452,238
Decrease:							
Deemed Disposals			137,563			130,599	268,162
			137,563			130,599	268,162
Accumulated Amortization, end of year		62,727,560	515,715	1,118,139		456,398	64,817,812
Tangible Capital Assets - Net	8,123,703	77,170,750	574,853	1,325,633		926,654	88,121,593

School District No. 72 (Campbell River)

Schedule 4B (Unaudited)

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

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	2,424,454				2,424,454
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	49,080				49,080
Deferred Capital Revenue - Other	310,296				310,296
	<u>359,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,376</u>
Decrease:					
Transferred to Tangible Capital Assets	2,424,457				2,424,457
	<u>2,424,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,424,457</u>
Net Changes for the Year	<u>(2,065,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,065,081)</u>
Work in Progress, end of year	<u>359,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,373</u>

School District No. 72 (Campbell River)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	57,263,701	5,461,361	518,178	63,243,240
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,626,127	40,000	68,234	3,734,361
Transferred from Work in Progress	2,424,457			2,424,457
	6,050,584	40,000	68,234	6,158,818
Decrease:				
Amortization of Deferred Capital Revenue	2,569,010	163,647	13,625	2,746,282
	2,569,010	163,647	13,625	2,746,282
Net Changes for the Year	3,481,574	(123,647)	54,609	3,412,536
Deferred Capital Revenue, end of year	60,745,275	5,337,714	572,787	66,655,776
Work in Progress, beginning of year	2,424,454			2,424,454
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	49,080	310,296		359,376
	49,080	310,296	-	359,376
Decrease				
Transferred to Deferred Capital Revenue	2,424,457			2,424,457
	2,424,457	-	-	2,424,457
Net Changes for the Year	(2,375,377)	310,296	-	(2,065,081)
Work in Progress, end of year	49,077	310,296	-	359,373
Total Deferred Capital Revenue, end of year	60,794,352	5,648,010	572,787	67,015,149

School District No. 72 (Campbell River)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2015

Schedule 4D (Unaudited)

	Bylaw Capital \$	MEd Restricted Capital \$	Other Provincial Capital \$	Land Capital \$	Other Capital \$	Total \$
Balance, beginning of year	135,607	45,831			7,481	188,919
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	7,415,846					7,415,846
Other		41,098			68,234	68,234
MEd Restricted Portion of Proceeds on Disposal	(2,859,000)	2,859,000				41,098
Transfer bylaw surplus to MEd restricted	4,556,846	2,900,098	-	-	68,234	7,525,178
Decrease:						
Transferred to DCR - Capital Additions	3,626,127	40,000			68,234	3,734,361
Transferred to DCR - Work in Progress	49,080	310,296				359,376
Transferred to Capital Revenue	622,492					622,492
	4,297,699	350,296	-	-	68,234	4,716,229
Net Changes for the Year	259,147	2,549,802	-	-	-	2,808,949
Balance, end of year	394,754	2,595,633	-	-	7,481	2,997,868