

Audited Financial Statements of

School District No. 46 (Sunshine Coast)

June 30, 2014

School District No. 46 (Sunshine Coast)

June 30, 2014

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School District No. 46 (Sunshine Coast)

MANAGEMENT REPORT

Version: 8122-7376-5394

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 46 (Sunshine Coast) 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. 46 (Sunshine Coast) (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, White Kennedy, 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. 46 (Sunshine Coast) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 46 (Sunshine Coast)


Signature of the Chairperson of the Board of Education

Sept 7, 2014
Date Signed


Signature of the Superintendent

Sept 7/14
Date Signed


Signature of the Secretary Treasurer

9/9/2014
Date Signed



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Chartered Accountants and Business Advisors

www.WhiteKennedy.com

Ian S. Kennedy, BA, CPA, CA
Michael P. Doherty, BSc, CPA, CA
H. Jon Milligan, BCom, CPA, CA

Chris D. Browne, BCom, CPA, CA
Jeff Duguid, BSc, BCom, CPA, CA
Don E. Jones, CPA, CA

Marielle J. Brûlé, CPA, CA
Peter MacIntosh, BA, CPA, CA
Darrell Swetlishoff, BBA, CPA, CA

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 46 (Sunshine Coast) and the Ministry of Education

We have audited the accompanying financial statements of School District No. 46 (Sunshine Coast), which comprise the statement of financial position as at June 30, 2014, and the statements of operations, changes in net financial assets (debt), cash flows for the year then ended, schedules, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of School District No. 46 (Sunshine Coast) based on the *Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia* which requires that the financial statements be prepared in accordance with Canadian Public Sector Accounting standards except in regard to the accounting for government transfers.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with *Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia*, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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.

Operating as Incorporated Professionals through White Kennedy LLP

PO Box 260, #204, 8309 Main Street
Osoyoos, BC V0H 1V0
Phone 250.495.2688 • Fax 250.495.3525
osooyoos@whitekennedy.com

#201, 99 Padmore Avenue East
Penticton, BC V2A 7H7
Phone 250.493.0600 • Fax 250.493.4709
penticton@whitekennedy.com

#1, 2429 Dobbin Road
West Kelowna, BC V4T 2L4
Phone 250.768.3400 • Fax 250.768.3445
westkelowna@whitekennedy.com

Independent Auditor's Report to the Trustees of School District No. 46 (Sunshine Coast)
(continued)

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 fairly, in all material respects, the financial position of School District No. 46 (Sunshine Coast) as at June 30, 2014, and the results of its operations and its cash flows for the year then ended in accordance with *Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia*.

Basis of Accounting and Restrictions on Use and Distribution

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist School District No. 46 (Sunshine Coast) in complying with the reporting requirements of the Province of British Columbia. As a result, the financial statements may not be suitable for any other purpose.

Penticton, British Columbia
September 9, 2014


CHARTERED ACCOUNTANTS

School District No. 46 (Sunshine Coast)

Statement of Financial Position

As at June 30, 2014

Statement 1

	2014 Actual \$	2013 Actual \$
Financial Assets		
Cash and Cash Equivalents	9,075,005	8,791,980
Accounts Receivable		
Due from Province - Ministry of Education	1,652,034	1,365,563
Other (Note 3)	809,822	354,528
Total Financial Assets	11,536,861	10,512,071
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	687,887	
Other (Note 4)	4,050,024	4,472,402
Unearned Revenue (Note 5)	-	4,250
Deferred Revenue (Note 6)	1,345,934	1,341,277
Deferred Capital Revenue (Note 7)	35,276,176	27,795,147
Employee Future Benefits (Note 8)	1,845,241	1,719,834
District Entered	-	-
Total Liabilities	43,205,262	35,332,910
Net Financial Assets (Debt)	(31,668,401)	(24,820,839)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	43,114,305	35,879,316
Prepaid Expenses	148,053	137,499
Other Assets	-	-
Total Non-Financial Assets	43,262,358	36,016,815
Accumulated Surplus (Deficit)	11,593,957	11,195,976

Contractual Obligations and Contingencies (Note 14 & 16)

Approved by the Board

Signature of the Chairperson of the Board of Education

Signature of the Superintendent

Signature of the Secretary Treasurer

Date Signed

Date Signed

Date Signed

School District No. 46 (Sunshine Coast)Statement of Operations
Year Ended June 30, 2014

Statement 2

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	36,054,647	35,251,973	35,726,877
Other		107,051	95,751
Tuition	105,000	100,300	100,300
Other Revenue	1,487,585	1,559,361	1,494,479
Rentals and Leases	60,000	93,342	94,740
Investment Income	82,000	118,445	85,388
Amortization of Deferred Capital Revenue	1,247,976	1,273,569	1,254,478
Total Revenue	39,037,208	38,504,041	38,852,013
Expenses (Note 18)			
Instruction	32,672,117	29,159,347	29,551,385
District Administration	1,762,882	1,702,108	1,565,014
Operations and Maintenance	6,562,436	6,187,216	6,397,802
Transportation and Housing	1,139,518	1,057,389	1,112,030
Total Expense	42,136,953	38,106,060	38,626,231
Surplus (Deficit) for the year	(3,099,745)	397,981	225,782
Accumulated Surplus (Deficit) from Operations, beginning of year		11,195,976	10,970,194
Accumulated Surplus (Deficit) from Operations, end of year		11,593,957	11,195,976

School District No. 46 (Sunshine Coast)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(3,099,745)</u>	<u>397,981</u>	<u>225,782</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(7,436,000)	(8,883,353)	(2,691,699)
Amortization of Tangible Capital Assets	1,631,139	1,648,364	1,663,213
Total Effect of change in Tangible Capital Assets	<u>(5,804,861)</u>	<u>(7,234,989)</u>	<u>(1,028,486)</u>
Acquisition of Prepaid Expenses		(148,053)	(137,499)
Use of Prepaid Expenses		137,499	
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(10,554)</u>	<u>(137,499)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(8,904,606)</u>	<u>(6,847,562)</u>	<u>(940,203)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(6,847,562)</u>	<u>(940,203)</u>
Net Financial Assets (Debt), beginning of year		<u>(24,820,839)</u>	<u>(23,880,636)</u>
Net Financial Assets (Debt), end of year		<u><u>(31,668,401)</u></u>	<u><u>(24,820,839)</u></u>

School District No. 46 (Sunshine Coast)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2014

	2014 Actual	2013 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	397,981	225,782
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(741,765)	(1,390,055)
Prepaid Expenses	(10,554)	(137,499)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	265,509	1,565,561
Unearned Revenue	(4,250)	4,250
Deferred Revenue	4,657	(6,631)
Employee Future Benefits	125,407	87,819
Amortization of Tangible Capital Assets	1,648,364	1,663,213
Amortization of Deferred Capital Revenue	(1,273,569)	(1,254,478)
Total Operating Transactions	411,780	757,962
Capital Transactions		
Tangible Capital Assets Purchased	(849,715)	(1,031,636)
Tangible Capital Assets -WIP Purchased	(8,033,638)	(1,660,063)
Total Capital Transactions	(8,883,353)	(2,691,699)
Financing Transactions		
Capital Revenue Received	8,754,598	2,560,340
Total Financing Transactions	8,754,598	2,560,340
Net Increase (Decrease) in Cash and Cash Equivalents	283,025	626,603
Cash and Cash Equivalents, beginning of year	8,791,980	8,165,377
Cash and Cash Equivalents, end of year	9,075,005	8,791,980
Cash and Cash Equivalents, end of year, is made up of:		
Cash	9,075,005	8,791,980
	9,075,005	8,791,980

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 1 AUTHORITY AND PURPOSE

PS 1000, PS 1100

The School District 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. 46 (Sunshine Coast)", and operates as "School District No. 46 (Sunshine Coast)." 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. 46 (Sunshine Coast) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(f) and 2(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 2(f) and 2(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, 2013 – increase in annual surplus by \$2,560,340

June 30, 2013 – increase in accumulated surplus and decrease in deferred contributions by \$27,795,147

Year-ended June 30, 2014 - increase in annual surplus by \$8,754,598

June 30, 2014 - increase in accumulated surplus and decrease in deferred contributions by \$35,276,176

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

b) Cash and Cash Equivalents

PS 1201.104-.105

Cash and cash equivalents include deposits with the Provincial Treasury's Central Deposit Program 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

PS 3041.07, .08, .27-.30, PS 3450.20, .30-.31, .34, .36, 39, .41, .53-.54, .81-.84, .85-.96

The School District occasionally has investments in GIC's and term deposits that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits and other investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

e) Unearned Revenue

PS 3100.10-.11

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.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

- f) Deferred Revenue and Deferred Capital Revenue
PS 3410.16, .17, .19, .25

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

- g) Employee Future Benefits
PS 3250.84, .100-.104, PS 3255.35-.36

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

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

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2016. The next valuation will be performed at March 31, 2016 for use at June 30, 2016. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 2 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) Tangible Capital Assets
PS 3150.22, .31-.33, .40-.42

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

j) Capital Leases
PSG-2.24

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

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses
PS 1100.24, PS 1201.67

Software licenses, property tax, equipment leases, insurance premiums, subscriptions, services, memberships and supplies are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves
PSG-4

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 12 – Interfund Transfers and Note 19 – Internally Restricted Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

m) Revenue Recognition
PS 3410.08, .16, .17, .19

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

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

m) Revenue Recognition *(Continued)*

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

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

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

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

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

n) Expenditures
PS 1201.85 - .88

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

Categories of Salaries

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

o) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

p) Financial Instruments

PS 3450.9, .15, .30-.31, .36, .52 - .58, .85-.96, .99-.100

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, bank overdraft, accounts payable and accrued liabilities, long term debt 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.

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.

q) Measurement Uncertainty

PS 2130.05-.15

Preparation of financial statements in accordance with the basis of accounting described in Note 2 (a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2014	2013
Due from Federal Government	\$ -	\$ -
Due from Other School Districts	-	1,276
Other : GST receivable	683,408	259,438
PST receivable	266	447
Other	126,148	93,367
	<u>\$809,822</u>	<u>\$354,528</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER
PS 1201.46

	2014	2013
Trade payables	\$2,066,344	\$2,134,898
Salaries and benefits payable	1,501,359	1,867,893
Accrued vacation pay	478,381	467,408
Other	3,939	2,203
	<u>\$4,050,023</u>	<u>\$4,472,402</u>

NOTE 5 UNEARNED REVENUE
PS 3100.18

	2014	2013
Balance, beginning of year	\$ 4,250	\$ -
Changes for the year:		
Increase:		
Tuition fees		4,250
	-	<u>4,250</u>
Decrease:		
Tuition fees	-4,250	
Net changes for the year	<u>-4,250</u>	4,250
Balance, end of year	<u>\$ -</u>	<u>\$ 4,250</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 6 DEFERRED REVENUE

PS 3410.35-.36

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

NOTE 7 DEFERRED CAPITAL REVENUE

PS 3410.35-.36

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

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 8 EMPLOYEE FUTURE BENEFITS
PS 3255.35-.36

Benefits include vested sick leave, accumulating non-vested sick leave, retirement/severance, vacation and overtime. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 9.

	<u>2014</u>	<u>2013 (Recast)</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	1,836,197	1,551,770
Service Cost	149,875	128,311
Interest Cost	55,973	67,688
Benefit Payments - April 1 to March 31 - VESTED (62,322)		
Benefit Payments - April 1 to March 31 - NON-VESTED (23,578)	(85,900)	(106,978)
Increase (Decrease) in obligation due to plan amendment	0	7,918
Actuarial (Gain)/Loss	(177,839)	187,488
Accrued Benefit Obligation - March 31	<u>1,778,306</u>	<u>1,836,197</u>
Change in Plan Assets		
Market Value of Plan Assets - April 1	0	0
Actual Return on Plan Assets	0	0
Employer Contributions - April 1 to March 31	85,900	106,978
Benefit Payments - April 1 to March 31	(85,900)	(106,978)
Market Value of Plan Assets - March 31	<u>0</u>	<u>0</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	1,778,306	1,836,197
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(1,778,306)	(1,836,197)
Employer Contributions After Measurement Date - April 1 to June 30 - VESTED	36,234	23,359
Benefit Expense After Measurement Date - April 1-June 30	(52,391)	(51,462)
Unamortized Net Actuarial (Gain)/Loss	(50,777)	144,468
Accrued Benefit (Liability) Asset - June 30	<u>(1,845,240)</u>	<u>(1,719,832)</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 8 EMPLOYEE FUTURE BENEFITS *(Continued)*

Components of Net Benefit Expense

Service Cost - July 1 to March 31	112,406	96,233
Service Cost - April 1 to June 30	37,620	37,469
Interest Cost - July 1 to March 31	41,980	50,766
Interest Cost - April 1 to June 30	14,771	13,993
Immediate Recognition of Plan Amendment	0	7,918
Amortization of Net Actuarial (Gain)/Loss	17,406	(14,244)
Net Benefit Expense (Income)	<u>224,183</u>	<u>192,135</u>

Reconciliation of Change in Accrued Benefit Liability (Asset)

Accrued Benefit Liability (Asset) - July 1	1,719,832	1,597,910
Recognize Benefit Expense April 1 - June 30, 2012	<u>49,000</u>	49,000
Accrued Benefit Liability (Asset) - July 1 (restated)	1,719,832	1,646,910
Net Expense for Fiscal Year	224,183	192,135
Employer Contributions - July 1 to March 31	(62,541)	(95,854)
Employer Contributions - April 1 to June 30	<u>(36,234)</u>	<u>(23,359)</u>
Accrued Benefit Liability (Asset) - June 30	<u>1,845,240</u>	<u>1,719,832</u>

Assumptions

Discount Rate - April 1	3.00%	4.25%
Discount Rate - March 31	3.25%	3.00%
Long Term Salary Growth - April 1	2.50%	2.50%
Long Term Salary Growth - March 31	2.50%	2.50%
EARS - March 31	7.9	7.9

NOTE 9 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

It is planned that the initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards will be eliminated in eight (8) years, after payments commence.

Unfunded liability, as at July 1, 2013 as previously reported	\$ 511,406
Reductions during the year	<u>0</u>
Unfunded liability, as at June 30, 2014	<u>\$ 511,406</u>

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 10 TANGIBLE CAPITAL ASSETS

PS 3150.40-.42, PSG-2.25

Net Book Value:

	Net Book Value 2014	Net Book Value 2013
Sites	\$ 3,051,972	\$ 3,051,972
Buildings	29,076,241	29,636,270
Buildings – WIP	9,733,944	1,760,826
Furniture & Equipment	602,669	825,397
Furniture & Equipment – WIP	60,520	-
Vehicles	585,280	568,516
Computer Hardware	3,679	36,335
Total	\$ 43,114,305	\$ 35,879,316

June 30, 2014

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2014
Sites	\$ 3,051,972	\$ -	\$ -	\$ -	\$ 3,051,972
Buildings	60,827,511	720,960			61,548,471
Buildings – WIP	1,760,826	7,973,118			9,733,944
Furniture & Equipment	2,372,096	14,482	(444,845)		1,941,733
Furniture & Equipment. – WIP		60,520			60,520
Vehicles	975,093	114,273			1,089,366
Computer Hardware	163,279		(150,695)		12,584
Total	\$69,150,777	\$ 8,883,353	(\$595,540)	\$ -	\$77,438,590

	Opening Accumulated Amortization	Additions	Disposals	Total 2014
Buildings	\$ 31,191,241	\$ 1,280,989	\$ -	\$ 32,472,230
Furniture & Equipment	1,546,699	237,210	(444,845)	1,339,064
Vehicles	406,577	97,509		504,086
Computer Hardware	126,944	32,656	(150,695)	8,905
Total	\$ 33,271,461	\$ 1,648,364	(\$595,540)	\$ 34,324,285

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2013

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2013
Sites	\$3,051,972	\$ -	\$ -	\$ -	\$3,051,972
Buildings	60,138,326	689,185			60,827,511
Buildings – work in progress	100,763	1,660,063			1,760,826
Furniture & Equipment	2,314,185	100,374	(42,463)		2,372,096
Vehicles	1,023,616	242,077	(290,600)		975,093
Computer Hardware	283,982		(120,703)		163,279
Total	\$66,912,844	\$2,691,699	(\$453,766)	\$ -	\$69,150,777

Accumulated Amortization:	Opening Cost	Additions	Disposals	Total 2013
Buildings	\$29,918,604	\$1,272,637	\$ -	\$31,191,241
Furniture & Equipment	1,357,743	231,419	(42,463)	1,546,699
Vehicles	594,816	102,361	(290,600)	406,577
Computer Hardware	190,851	56,796	(120,703)	126,944
Total	\$32,062,014	\$1,663,213	(\$453,766)	\$33,271,461

Contributed tangible capital assets:

Additions to Furniture & Equipment and Vehicles include the following contributed tangible capital assets:

	2014	2013
Maintenance Equipment	\$ 14,482	\$ 25,374
Various Replacement Vehicles for Fleet	114,273	167,213
Total	\$ 128,755	\$ 192,587

- Buildings – work in progress having a value of \$9,733,944 (2013: \$1,760,826) have not been amortized. Amortization of these assets will commence when the asset is put into service.
- Furniture & Equipment – work in progress having a value of \$60,520 have not been amortized. Amortization of these assets will commence when the asset is put into service.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 11 EMPLOYEE PENSION PLANS
PS 3250.100-.104

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 32,000 retired members from school districts. The Municipal Pension Plan has about 179,000 active members, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the Plan.

The School District #46 (Sunshine Coast) paid \$2,908,471 for employer contributions to these plans in the year ended June 30, 2014.

NOTE 12 INTERFUND TRANSFERS

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

- Purchase of capital assets from the Operating fund: \$128,755

NOTE 13 RELATED PARTY TRANSACTIONS
CICA HB 3840.46

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. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 14 CONTRACTUAL OBLIGATIONS

PS 3390.08.09, PS 3070.60(d)

The School District has entered into a number of multiple-year contract for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual Obligations	2015
Gibsons Elementary Replacement	<u>\$ 3,528,000</u>

The School District also maintains various operating leases for computer hardware with expiry of less than five years.

NOTE 15 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 on *February 11, 2014*.

The *amended* annual budget figures are adjusted to reflect more current enrolment information and grant figures. The revision of the annual budget is a provincial requirement, and the inclusion of amended budgets in the financial statements presents the most relevant information to the user.

NOTE 16 CONTINGENCIES

PS 3300.26-.32

BC Teachers have been without a contract since June 2013. Negotiations between the BCPSEA and BCTF have been unsuccessful and BC Teachers began job action in late 2014. In May and early June 2014 the union implemented phases I job action which included partial withdrawal of service and rotating strikes and in response the employer imposed a partial lockout and designated specific days for full lockout. In late June the union implemented a full withdrawal of service. Teacher salaries were reduced by 10% for partial lockout days and all unionized staff did not receive pay for full service withdrawal days, including CUPE employees who chose to not cross picket lines.

In June BCPSEA and the K-12 Presidents' Council and Support Staff Unions signed a Provincial Framework Agreement in which "the Unions and the Government agree to the principle that support staff union members who have lost wages as a result of not crossing lawful picket lines during full days of the BCTF strike/BCPSEA lockout shall be compensated..." This compensation is contingent on the local parties achieving a collective agreement that incorporates the Provincial Framework Agreement and is ratified by November 30, 2014.

As a result \$325,591 in expense has been recognized in the 2013/14 school year and a liability has been created. This amount represents support staff wages and benefits from June 2014 that are likely to be paid in the 2014/15 school year.

SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 17 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2014 the liability cannot reasonably be determined.

NOTE 18 EXPENSE BY OBJECT
PS 1201.86

	2014	2013 (Recast)
Salaries and benefits	\$ 31,624,477	\$ 30,747,835
Services and supplies	6,510,156	6,212,721
Amortization	1,631,139	1,663,213
	<u>\$ 39,765,772</u>	<u>\$ 38,623,769</u>

NOTE 19 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

School Surpluses	\$ 548,495	
Financial Provisions	800,000	
Contractual Obligations	221,823	
District Programs	994,123	
Subtotal Internally Restricted	<u>\$ 2,564,441</u>	
Unrestricted Operating Surplus (Deficit)		1,669,674
Total Available for Future Operations		<u>\$ 4,234,115</u>

NOTE 20 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. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 21 RISK MANAGEMENT
PS 3450.079, .085-.096, A48-A76

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in the Provincial Treasury's Central Deposit Program, GICs and term deposits.

- b) 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 they invest solely in Provincial Treasury's Central Deposit Program, GICs and term deposits that have a maturity date of no more than 3 years.

- c) 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. 46 (Sunshine Coast)

Schedule 1

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

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	3,078,688		8,117,288	11,195,976	11,019,194
Prior Period Adjustments					(49,000)
Accumulated Surplus (Deficit), beginning of year, as restated	3,078,688	-	8,117,288	11,195,976	10,970,194
Changes for the year					
Surplus (Deficit) for the year	772,776		(374,795)	397,981	225,782
Interfund Transfers					
Tangible Capital Assets Purchased	(128,755)		128,755	-	
Net Changes for the year	644,021	-	(246,040)	397,981	225,782
Accumulated Surplus (Deficit), end of year - Statement 2	3,722,709	-	7,871,248	11,593,957	11,195,976

School District No. 46 (Sunshine Coast)

Schedule 2

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	34,665,966	34,041,963	34,230,961
Other		107,051	95,751
Tuition	105,000	100,300	100,300
Other Revenue	512,085	543,213	581,009
Rentals and Leases	60,000	93,342	94,740
Investment Income	75,000	108,805	78,371
Total Revenue	35,418,051	34,994,674	35,181,132
Expenses			
Instruction	30,509,603	27,025,332	27,466,558
District Administration	1,762,882	1,702,108	1,565,014
Operations and Maintenance	4,722,630	4,437,069	4,403,013
Transportation and Housing	1,139,518	1,057,389	1,112,030
Total Expense	38,134,633	34,221,898	34,546,615
Operating Surplus (Deficit) for the year	(2,716,582)	772,776	634,517
Budgeted Appropriation (Retirement) of Surplus (Deficit)	2,716,582		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(128,755)	(192,587)
Total Net Transfers	-	(128,755)	(192,587)
Total Operating Surplus (Deficit), for the year	-	644,021	441,930
Operating Surplus (Deficit), beginning of year		3,078,688	2,685,758
Prior Period Adjustments			
April - June 2012 EFB Expense Restatement			(49,000)
June 2013 EFB Restatement			-
Operating Surplus (Deficit), beginning of year, as restated		3,078,688	2,636,758
Operating Surplus (Deficit), end of year		3,722,709	3,078,688
Operating Surplus (Deficit), end of year			
Internally Restricted		2,564,441	2,661,899
Unrestricted		1,669,674	928,195
Unfunded Accrued Employee Future Benefits		(511,406)	(511,406)
Total Operating Surplus (Deficit), end of year		3,722,709	3,078,688

School District No. 46 (Sunshine Coast)

Schedule 2A

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	34,116,766	33,474,865	33,671,843
Other Ministry of Education Grants			
Pay Equity	510,381	510,381	510,381
Education Guarantee	5,123	1,938	8,030
Carbon Tax Reimbursement	25,000	46,083	32,011
FSA Scorer Funds	8,696	8,696	8,696
Total Provincial Grants - Ministry of Education	34,665,966	34,041,963	34,230,961
Provincial Grants - Other		107,051	95,751
Tuition			
Offshore Tuition Fees	105,000	100,300	100,300
Total Tuition	105,000	100,300	100,300
Other Revenues			
Other School District/Education Authorities	509,385	518,627	578,309
Miscellaneous			
Art Start Grant	2,700	4,914	2,700
Asset Investment Recovery		15,670	
Other		4,002	
Total Other Revenue	512,085	543,213	581,009
Rentals and Leases	60,000	93,342	94,740
Investment Income	75,000	108,805	78,371
Total Operating Revenue	35,418,051	34,994,674	35,181,132

School District No. 46 (Sunshine Coast)

Schedule 2B

Schedule of Operating Expense by Object

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
Salaries			
Teachers	13,815,061	12,449,721	13,532,216
Principals and Vice Principals	1,732,549	1,725,218	1,737,123
Educational Assistants	2,563,799	2,464,251	2,455,020
Support Staff	3,963,072	3,827,064	3,493,908
Other Professionals	1,132,720	1,091,807	1,052,387
Substitutes	2,537,557	1,793,756	1,759,860
Total Salaries	25,744,758	23,351,817	24,030,514
Employee Benefits	5,879,719	5,897,690	5,739,186
Total Salaries and Benefits	31,624,477	29,249,507	29,769,700
Services and Supplies			
Services	664,670	593,262	510,286
Student Transportation	1,099,230	1,015,668	1,074,925
Professional Development and Travel	235,182	125,546	177,442
Rentals and Leases	36,000	32,924	33,051
Dues and Fees	43,500	41,953	39,742
Insurance	83,000	78,129	80,096
Supplies	3,598,574	2,339,792	2,183,054
Utilities	750,000	745,117	678,319
Total Services and Supplies	6,510,156	4,972,391	4,776,915
Total Operating Expense	38,134,633	34,221,898	34,546,615

School District No. 46 (Sunshine Coast)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	9,375,060	564,685	18,492	443,466	35,266	1,695,240	12,132,209
1.03 Career Programs	29,600	21,986					51,586
1.07 Library Services	212,454	17,030		89,673			319,157
1.08 Counselling	249,454			127,044			376,498
1.10 Special Education	2,073,292	238,025	2,445,759	250,691	5,529	78,315	5,091,611
1.30 English Language Learning	79,928						79,928
1.31 Aboriginal Education	429,933	39,431					469,364
1.41 School Administration		844,061		507,063	13,636		1,364,760
1.62 Off Shore Students					80		80
1.64 Other				39,794		7,720	47,514
Total Function 1	12,449,721	1,725,218	2,464,251	1,457,731	54,511	1,781,275	19,932,707
4 District Administration							
4.11 Educational Administration					345,403		345,403
4.40 School District Governance					97,566		97,566
4.41 Business Administration				85,480	488,372	12,481	586,333
Total Function 4	-	-	-	85,480	931,341	12,481	1,029,302
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				41,732	84,764		126,496
5.50 Maintenance Operations				2,173,126			2,173,126
5.52 Maintenance of Grounds				55,639			55,639
5.56 Utilities							-
Total Function 5	-	-	-	2,270,497	84,764	-	2,355,261
7 Transportation and Housing							
7.41 Transportation and Housing Administration					21,191		21,191
7.70 Student Transportation				13,356			13,356
Total Function 7	-	-	-	13,356	21,191	-	34,547
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	12,449,721	1,725,218	2,464,251	3,827,064	1,091,807	1,793,756	23,351,817

School District No. 46 (Sunshine Coast)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

Schedule 2C

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2014 Actual	2014 Budget	2013 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	12,132,209	2,898,191	15,030,400	1,446,511	16,476,911	19,348,601	17,187,415
1.03 Career Programs	51,586	12,936	64,522	7,100	71,622	66,394	65,485
1.07 Library Services	319,157	88,747	407,904	48,864	456,768	467,430	428,552
1.08 Counselling	376,498	95,200	471,698	490	472,188	485,408	622,919
1.10 Special Education	5,091,611	1,457,860	6,549,471	225,638	6,775,109	7,003,379	6,633,846
1.30 English Language Learning	79,928	20,747	100,675	-	100,675	174,440	155,979
1.31 Aboriginal Education	469,364	123,334	592,698	133,585	726,283	855,252	593,677
1.41 School Administration	1,364,760	338,250	1,703,010	116,028	1,819,038	1,718,437	1,718,759
1.62 Off Shore Students	80	-	80	439	519	113,000	395
1.64 Other	47,514	5,890	53,404	72,815	126,219	277,262	59,531
Total Function 1	19,932,707	5,041,155	24,973,862	2,051,470	27,025,332	30,509,603	27,466,558
4 District Administration							
4.11 Educational Administration	345,403	80,356	425,759	22,862	448,621	439,158	432,777
4.40 School District Governance	97,566	1,114	98,680	84,298	182,978	190,270	176,777
4.41 Business Administration	586,333	131,284	717,617	352,892	1,070,509	1,133,454	955,460
Total Function 4	1,029,302	212,754	1,242,056	460,052	1,702,108	1,762,882	1,565,014
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	126,496	26,702	153,198	83,453	236,651	259,474	229,674
5.50 Maintenance Operations	2,173,126	594,819	2,767,945	570,140	3,338,085	3,591,146	3,382,128
5.52 Maintenance of Grounds	55,639	15,086	70,725	43,098	113,823	122,010	112,892
5.56 Utilities	-	-	-	748,510	748,510	750,000	678,319
Total Function 5	2,355,261	636,607	2,991,868	1,445,201	4,437,069	4,722,630	4,403,013
7 Transportation and Housing							
7.41 Transportation and Housing Administration	21,191	4,189	25,380	-	25,380	26,544	24,379
7.70 Student Transportation	13,356	2,985	16,341	1,015,668	1,032,009	1,112,974	1,087,651
Total Function 7	34,547	7,174	41,721	1,015,668	1,057,389	1,139,518	1,112,030
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	23,351,817	5,897,690	29,249,507	4,972,391	34,221,898	38,134,633	34,546,615

School District No. 46 (Sunshine Coast)

Schedule 3

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,388,681	1,210,010	1,495,916
Other			
Other Revenue	975,500	1,016,148	913,470
Investment Income	7,000	9,640	7,017
Total Revenue	<u>2,371,181</u>	<u>2,235,798</u>	<u>2,416,403</u>
Expenses			
Instruction	2,162,514	2,134,015	2,084,827
Operations and Maintenance	208,667	101,783	331,576
Total Expense	<u>2,371,181</u>	<u>2,235,798</u>	<u>2,416,403</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 46 (Sunshine Coast)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2014

Schedule 3A

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	150,971		3,523	22,033	631,136	467,239			18,099
Add: Restricted Grants									
Provincial Grants - Ministry of Education	57,696	431,118		9,378			192,000	24,500	15,743
Other					54,977	888,879			
Investment Income					9,640				
	57,696	431,118	-	9,378	64,617	888,879	192,000	24,500	15,743
Less: Allocated to Revenue	101,783	410,585	-	6,560	95,985	851,900	192,000	24,500	4,352
Deferred Revenue, end of year	106,884	20,533	3,523	24,851	599,768	804,218	-	-	29,490
Revenues									
Provincial Grants - Ministry of Education	101,783	410,585		6,560			192,000	24,500	4,352
Provincial Grants - Other					86,345	851,900			
Other Revenue					9,640				
Investment Income									
	101,783	410,585	-	6,560	95,985	851,900	192,000	24,500	4,352
Expenses									
Salaries									
Teachers		231,342					103,434		
Educational Assistants		45,076					25,342		
Support Staff	80,909								
Substitutes		10,656							
	80,909	287,074	-	-	-	-	128,776	-	-
Employee Benefits	20,874	70,761					33,224		
Services and Supplies		52,750		6,560	95,985	851,900	30,000	24,500	4,352
	101,783	410,585	-	6,560	95,985	851,900	192,000	24,500	4,352
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 46 (Sunshine Coast)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2014

Schedule JA

	Community- LINK	Literacy Misc-MOE	Community Connections	Misc Other Grants	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		1,931	17,500	28,845	1,341,277
Add: Restricted Grants					
Provincial Grants - Ministry of Education	484,120				1,214,555
Other				72,404	1,016,260
Investment Income					9,640
	484,120	-	-	72,404	2,240,455
Less: Allocated to Revenue	470,230	-	17,500	60,403	2,235,798
Deferred Revenue, end of year	13,890	1,931	-	40,846	1,345,934
Revenues					
Provincial Grants - Ministry of Education	470,230				1,210,010
Provincial Grants - Other					-
Other Revenue			17,500	60,403	1,016,148
Investment Income					9,640
	470,230	-	17,500	60,403	2,235,798
Expenses					
Salaries					
Teachers	65,431				400,207
Educational Assistants	122,846				193,264
Support Staff	4,859		9,936		95,704
Substitutes					10,656
	193,136	-	9,936	-	699,831
Employee Benefits	46,954		2,564		174,377
Services and Supplies	230,140		5,000	60,403	1,361,590
	470,230	-	17,500	60,403	2,235,798
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-
Interfund Transfers					
	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-

School District No. 46 (Sunshine Coast)

Schedule 4

Schedule of Capital Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual			2013 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Amortization of Deferred Capital Revenue	1,247,976	1,273,569		1,273,569	1,254,478
Total Revenue	1,247,976	1,273,569	-	1,273,569	1,254,478
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,631,139	1,648,364		1,648,364	1,663,213
Total Expense	1,631,139	1,648,364	-	1,648,364	1,663,213
Capital Surplus (Deficit) for the year	(383,163)	(374,795)	-	(374,795)	(408,735)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		128,755		128,755	192,587
Total Net Transfers	-	128,755	-	128,755	192,587
Total Capital Surplus (Deficit) for the year	(383,163)	(246,040)	-	(246,040)	(216,148)
Capital Surplus (Deficit), beginning of year		8,117,288		8,117,288	8,333,436
Capital Surplus (Deficit), end of year		7,871,248	-	7,871,248	8,117,288

School District No. 46 (Sunshine Coast)

Tangible Capital Assets
Year Ended June 30, 2014

Schedule 4A

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	3,051,972	60,827,511	2,372,096	975,093	-	163,279	67,389,951
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		720,960					720,960
Operating Fund			14,482	114,273			128,755
	-	720,960	14,482	114,273	-	-	849,715
Decrease:							
Deemed Disposals			444,845			150,695	595,540
	-	-	444,845	-	-	150,695	595,540
Cost, end of year	3,051,972	61,548,471	1,941,733	1,089,366	-	12,584	67,644,126
Work in Progress, end of year		9,733,944	60,520				9,794,464
Cost and Work in Progress, end of year	3,051,972	71,282,415	2,002,253	1,089,366	-	12,584	77,438,590
Accumulated Amortization, beginning of year		31,191,241	1,546,699	406,577		126,944	33,271,461
Changes for the Year							
Increase: Amortization for the Year		1,280,989	237,210	97,509		32,656	1,648,364
Decrease:							
Deemed Disposals			444,845			150,695	595,540
			444,845	-	-	150,695	595,540
Accumulated Amortization, end of year		32,472,230	1,339,064	504,086	-	8,905	34,324,285
Tangible Capital Assets - Net	3,051,972	38,810,185	663,189	585,280	-	3,679	43,114,305

School District No. 46 (Sunshine Coast)

Schedule 4B

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2014

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	1,760,826				1,760,826
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	7,973,118	60,520			8,033,638
	7,973,118	60,520	-	-	8,033,638
Net Changes for the Year	7,973,118	60,520	-	-	8,033,638
Work in Progress, end of year	9,733,944	60,520	-	-	9,794,464

School District No. 46 (Sunshine Coast)

Schedule 4C

Deferred Capital Revenue

Year Ended June 30, 2014

	Bylaw Capital \$	Other Provincial \$	Other Capital \$	Total Capital \$
Deferred Capital Revenue, beginning of year	25,915,492		85,710	26,001,202
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	720,960			720,960
	720,960	-	-	720,960
Decrease:				
Amortization of Deferred Capital Revenue	1,252,141		21,428	1,273,569
	1,252,141	-	21,428	1,273,569
Net Changes for the Year	(531,181)	-	(21,428)	(552,609)
Deferred Capital Revenue, end of year	25,384,311	-	64,282	25,448,593
Work in Progress, beginning of year	1,760,826			1,760,826
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	8,033,638			8,033,638
	8,033,638	-	-	8,033,638
Net Changes for the Year	8,033,638	-	-	8,033,638
Work in Progress, end of year	9,794,464	-	-	9,794,464
Total Deferred Capital Revenue, end of year	35,178,775	-	64,282	35,243,057

School District No. 46 (Sunshine Coast)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2014

Schedule 4D

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		33,119				33,119
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	8,754,598					8,754,598
	8,754,598	-	-	-	-	8,754,598
Decrease:						
Transferred to DCR - Capital Additions	720,960					720,960
Transferred to DCR - Work in Progress	8,033,638					8,033,638
	8,754,598	-	-	-	-	8,754,598
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	33,119	-	-	-	33,119