

*The Board of Education of
School District No. 59
(Peace River South)*

Financial Statements

Year Ended June 30, 2014



Audited Financial Statements of

School District No. 59 (Peace River South)

June 30, 2014

School District No. 59 (Peace River South)

June 30, 2014

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School District No. 59 (Peace River South)

MANAGEMENT REPORT

Version: 8576-1220-8238

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 59 (Peace River South) 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.





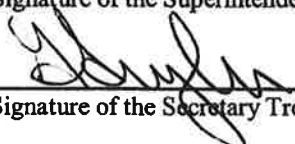
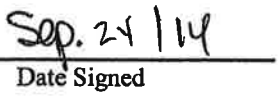
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 59 (Peace River South) (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. 59 (Peace River South) 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. 59 (Peace River South)

 _____ Signature of the Chairperson of the Board of Education	 Date Signed
 _____ Signature of the Superintendent	 Date Signed
 _____ Signature of the Secretary Treasurer	 Date Signed

Independent Auditors' Report

To the Board of Education of School District No. 59 (Peace River South) and the Minister of Education:

We have audited the accompanying financial statements of School District No. 59 (Peace River South), which comprise the statement of financial position as at June 30, 2014 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for 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. 59 (Peace River South) as at June 30, 2014 and the results of its operations, changes in net financial assets (debt) and cash flows 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 2 which describes the financial reporting framework being followed by School District No. 59 (Peace River South).

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.

Grande Prairie, Alberta

September 24, 2014

MNP LLP
Chartered Accountants

MNP

School District No. 59 (Peace River South)

Statement 1

Statement of Financial Position

As at June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 19)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	8,742,932	8,380,776
Accounts Receivable		
Due from Province - Ministry of Education	268,437	269,496
Due from Province - Other		9,000
Other (Note 3)	635,084	516,144
Total Financial Assets	9,646,453	9,175,416
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	814,207	
Due to Province - Other	43,266	42,705
Other (Note 4)	2,327,147	3,442,217
Unearned Revenue (Note 5)	38,198	59,791
Deferred Revenue (Note 6)	549,043	659,815
Deferred Capital Revenue (Note 7)	25,527,233	26,376,218
Employee Future Benefits (Note 8)	631,419	719,437
Total Liabilities	29,930,513	31,300,183
Net Financial Assets (Debt)	(20,284,060)	(22,124,767)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	35,998,188	36,939,339
Prepaid Expenses	67,422	48,529
Total Non-Financial Assets	36,065,610	36,987,868
Accumulated Surplus (Deficit) (Note 18)	15,781,550	14,863,101

Contractual Obligations and Contingencies (Note 14)

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. 59 (Peace River South)

Statement of Operations
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 19)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	45,019,315	44,390,403	45,745,976
Other	80,000	108,100	116,877
Tuition	69,742	79,965	123,527
Other Revenue	1,478,909	2,043,981	1,858,719
Rentals and Leases	133,490	133,845	127,307
Investment Income	80,072	127,961	88,687
Amortization of Deferred Capital Revenue	1,473,357	1,473,357	1,450,219
Total Revenue	48,334,885	48,357,612	49,511,312
Expenses			
Instruction	34,560,098	32,528,868	33,860,944
District Administration	1,828,883	1,743,909	1,932,180
Operations and Maintenance	9,667,600	9,491,402	10,226,924
Transportation and Housing	3,792,037	3,674,984	3,538,094
Total Expense	49,848,618	47,439,163	49,558,142
Surplus (Deficit) for the year	(1,513,733)	918,449	(46,830)
Accumulated Surplus (Deficit) from Operations, beginning of year		14,863,101	14,909,931
Accumulated Surplus (Deficit) from Operations, end of year		15,781,550	14,863,101

School District No. 59 (Peace River South)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual <small>(Recast - Note 19)</small>
	\$	\$	\$
Surplus (Deficit) for the year	(1,513,733)	918,449	(46,830)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,005,002)	(971,703)	(1,109,152)
Amortization of Tangible Capital Assets	1,912,854	1,912,854	1,884,534
Total Effect of change in Tangible Capital Assets	907,852	941,151	775,382
Use of Prepaid Expenses		(67,421)	(48,528)
Acquisition of Supplies Inventory		48,528	70,354
Total Effect of change in Other Non-Financial Assets	-	(18,893)	21,826
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(605,881)	1,840,707	750,378
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		1,840,707	750,378
Net Financial Assets (Debt), beginning of year		(22,124,767)	(22,875,145)
Net Financial Assets (Debt), end of year		(20,284,060)	(22,124,767)

School District No. 59 (Peace River South)

Statement of Cash Flows
Year Ended June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 19)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	918,449	(46,830)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(108,881)	(5,741)
Prepaid Expenses	(18,893)	21,826
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(300,305)	754,179
Unearned Revenue	(21,590)	7,731
Deferred Revenue	(110,772)	65,559
Employee Future Benefits	(88,018)	(29,430)
Other Liabilities	-	35,730
Amortization of Tangible Capital Assets	1,912,854	1,884,534
Amortization of Deferred Capital Revenue	(1,473,357)	(1,450,219)
Total Operating Transactions	<u>709,487</u>	<u>1,237,339</u>
Capital Transactions		
Tangible Capital Assets Purchased	(971,703)	(1,109,152)
Bylaw Capital Spent on Non-Capital Items	(1,033,704)	(1,001,713)
Total Capital Transactions	<u>(2,005,407)</u>	<u>(2,110,865)</u>
Financing Transactions		
Capital Revenue Received	1,658,076	1,876,919
Total Financing Transactions	<u>1,658,076</u>	<u>1,876,919</u>
Net Increase (Decrease) in Cash and Cash Equivalents	362,156	1,003,393
Cash and Cash Equivalents, beginning of year	8,380,776	7,377,383
Cash and Cash Equivalents, end of year	<u>8,742,932</u>	<u>8,380,776</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>8,742,932</u>	<u>8,380,776</u>
	<u>8,742,932</u>	<u>8,380,776</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 1 AUTHORITY AND PURPOSE

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. 59 (Peace River South)", and operates as "School District No. 59 (Peace River South)." 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. 59 (Peace River South) 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(e) and 2(j).

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 (e) and 2 (j), 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 \$870,336
- June 30, 2013 - increase in accumulated surplus and decrease in deferred contributions by \$26,030,057
- Year-ended June 30, 2014 – increase in annual surplus by \$655,639
- June 30, 2014 – increase in accumulated surplus and decrease in deferred contributions by \$25,212,339.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

b) Cash and Cash Equivalents

Cash and cash equivalents include Certificates of Deposit with the Provincial Treasury that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Unearned Revenue

Unearned revenue includes proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by 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 (j).

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.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

f) Employee Future Benefits

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

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.

g) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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

h) Prepaid Expenses

Prepaid expenses consist of unexpired insurance premiums and other prepaid amounts which will be amortized over the term of the policies, or in the period the actual expense relates to, respectively.

i) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 11 – Interfund Transfers and Note 18 – Accumulated Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

j) 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.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(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.

k) Expenses

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.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

k) Expenses (cont'd)

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.

l) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and 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.

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.

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Financial Instruments (cont'd)

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

m) Measurement Uncertainty

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

n) 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.

o) Future Changes in Accounting Policies

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 Liability for Contaminated Sites to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The District does not expect the adoption of the new section to have a material impact on its financial statements.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Due from Federal Government	\$ 286,369	\$ 293,743
Due from Other School Districts	-	-
Insurance claim	200,379	-
Other Accounts Receivable	148,336	222,401
Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>
	<u>\$ 635,084</u>	<u>\$ 516,144</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Trade payables	\$ 461,325	\$ 1,066,258
Salaries and benefits payable	1,066,763	1,336,713
Accrued vacation pay	755,177	863,719
Other	43,882	175,527
	<u>\$ 2,327,147</u>	<u>\$ 3,442,217</u>

NOTE 5 UNEARNED REVENUE

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Balance, beginning of year	\$ 59,791	\$ 52,060
Changes for the year:		
Increase:		
Tuition fees	16,350	-
Dual credit equipment	20,000	20,000
Other revenue	4,781	35,029
	<u>41,131</u>	<u>55,029</u>
Decrease:		
Tuition fees	-	-
Dual credit equipment	39,052	-
Other revenue	23,672	47,298
	<u>62,724</u>	<u>47,298</u>
Balance, end of year	<u>\$ 38,198</u>	<u>\$ 59,791</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Changes in deferred revenue are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Balance, beginning of year	\$ 659,815	\$ 594,256
Changes for the year:		
Increase: Contributions received		
Provincial Grants – Ministry of Education	1,489,026	1,550,026
Other	1,182,670	1,172,203
Investment income	4,532	6,651
Transfers	-	-
	<u>2,676,228</u>	<u>2,728,880</u>
Decrease:		
Expenses	2,749,744	2,663,321
Recovered	5,048	-
Strike Savings Recovery	32,208	-
	<u>2,787,000</u>	<u>2,663,321</u>
Net changes for the year	<u>(110,772)</u>	<u>65,559</u>
Balance, end of year	<u>\$ 549,043</u>	<u>\$ 659,815</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 7 DEFERRED CAPITAL REVENUE

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

	Deferred Capital 2014	Unspent Capital 2014	Total Deferred Capital Revenue 2014	Total Deferred Capital Revenue 2013
Balance, beginning of year	\$26,030,057	\$346,161	\$26,376,218	\$26,951,231
Changes for the year:				
Increase:				
Transfer from Unspent – Capital Additions	655,639	-	655,639	870,336
Transfer from Unspent – Work in Progress	-	-	-	-
Provincial Grants – Ministry of Education	-	1,652,658	1,652,658	1,872,725
Other Income	-	-	-	-
Investment income	-	5,418	5,418	4,194
MoEd Restricted Portion of Disposal Proceeds	-	-	-	-
	<u>655,639</u>	<u>1,658,076</u>	<u>2,313,715</u>	<u>2,747,255</u>
Decrease:				
Amortization of Deferred Capital	1,473,357	-	1,473,357	1,450,219
Capital Additions–transfer to Deferred Capital	-	655,639	655,639	870,336
Work in Progress–transfer to Deferred Capital	-	-	-	-
Site Purchases–transfer to Revenue	-	-	-	-
Non-capital items	-	1,033,704	1,033,704	1,001,713
Revenue Recognized on Disposal of Buildings	-	-	-	-
	<u>1,473,357</u>	<u>1,689,343</u>	<u>3,162,700</u>	<u>3,322,268</u>
Net changes for the year	<u>(817,718)</u>	<u>(31,267)</u>	<u>(848,985)</u>	<u>(575,013)</u>
Balance, end of year	<u>\$25,212,339</u>	<u>\$314,894</u>	<u>\$25,527,233</u>	<u>\$26,376,218</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

	<u>June 30, 2014</u>	<u>June 30, 2013 (Recast - Note 19)</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,071,814	\$ 905,867
Service Cost	87,088	77,163
Interest Cost	32,597	39,677
Benefit Payments	(288,484)	(170,501)
Actuarial (Gain) Loss	127,641	219,608
Accrued Benefit Obligation – March 31	<u>\$1,030,656</u>	<u>\$1,071,814</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$1,030,656	\$1,071,814
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	<u>(1,030,656)</u>	<u>(1,071,814)</u>
Employer Contributions After Measurement Date	-	40,366
Benefits Expense After Measurement Date	(30,317)	(29,921)
Unamortized Net Actuarial (Gain) Loss	429,554	341,932
Accrued Benefit Asset (Liability) - June 30	<u>(\$631,419)</u>	<u>(\$719,437)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	\$ 719,437	\$ 719,656
Recognize Benefit Expense April 1 - June 30, 2012	<u>-</u>	<u>29,210</u>
Accrued Benefit Liability (Asset) - July 1 (restated)	\$719,437	748,866
Net Expense for Fiscal Year	160,100	133,438
Employer Contributions	(248,118)	(162,867)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 631,419</u>	<u>\$ 719,437</u>
Components of Net Benefit Expense		
Service Cost	\$ 87,095	\$ 79,644
Interest Cost	32,986	37,908
Amortization of Net Actuarial (Gain)/Loss	<u>40,019</u>	<u>15,886</u>
Net Benefit Expense (Income)	<u>\$ 160,100</u>	<u>\$ 133,438</u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

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

Discount Rate - April 1	3.00%	4.25%
Discount Rate - March 31	3.25%	3.00%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.1	9.1

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value

	Net Book Value June 30, 2014	Net Book Value June 30, 2013
Sites	\$ 5,244,781	\$ 5,244,781
Buildings	27,274,579	28,140,862
Buildings – work in progress	-	-
Furniture & Equipment	1,204,384	1,084,143
Vehicles	2,169,263	2,289,786
Computer Software	11,949	43,594
Computer Software	93,232	136,173
Total	\$ 35,998,188	\$ 36,939,339

June 30, 2014

Cost:	Balance at July 1, 2013	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2014
Sites	\$ 5,244,781	\$ -	\$ -	\$ -	\$ 5,244,781
Buildings	66,083,249	396,290	-	-	66,479,539
Buildings – work in progress	-	-	-	-	-
Furniture & Equipment	1,718,300	292,071	(70,804)	-	1,939,567
Vehicles	4,038,653	283,342	(400,148)	-	3,921,847
Computer Software	158,224	-	(101,043)	-	57,181
Computer Hardware	214,707	-	(8,880)	-	205,827
Total	\$ 77,457,914	\$ 971,703	\$ (580,875)	\$ -	\$ 77,848,742

Accumulated Amortization:	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Sites	\$ -	-	-	\$ -
Buildings	37,942,387	1,262,573	-	39,204,960
Furniture & Equipment	634,157	171,830	(70,804)	735,183
Vehicles	1,748,867	403,865	(400,148)	1,752,584
Computer Software	114,630	31,645	(101,043)	45,232
Computer Hardware	78,534	42,941	(8,880)	112,595
Total	\$ 40,518,575	\$ 1,912,854	\$ (580,875)	\$ 41,850,554

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2013

Cost:	Balance at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 5,244,781	\$ -	\$ -	\$ -	\$ 5,244,781
Buildings	66,083,249	-	-	-	66,083,249
Buildings – work in progress	-	-	-	-	-
Furniture & Equipment	1,637,534	210,101	(129,335)	-	1,718,300
Vehicles	3,502,123	899,051	(362,521)	-	4,038,653
Computer Software	176,098	-	(17,874)	-	158,224
Computer Hardware	214,707	-	-	-	214,707
Total	\$ 76,858,492	\$ 1,109,152	\$ (509,730)	\$ -	\$ 77,457,914

Accumulated Amortization:	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	36,649,979	1,292,408	-	37,942,387
Furniture & Equipment	599,739	163,753	(129,335)	634,157
Vehicles	1,761,176	350,212	(362,521)	1,748,867
Computer Software	97,284	35,220	(17,874)	114,630
Computer Hardware	35,593	42,941	-	78,534
Total	\$ 39,143,771	\$ 1,884,534	\$ (509,730)	\$ 40,518,575

NOTE 10 EMPLOYEE PENSION PLANS

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

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1.37 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 Plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plans record accrued liabilities and accrued assets for the Plans 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 Plans.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 10 EMPLOYEE PENSION PLANS *(Continued)*

The School District paid \$3,454,619 for employer contributions to these plans in the year ended June 30, 2014 (2013: \$3,459,171).

NOTE 11 INTERFUND TRANSFERS

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

- A transfer in the amount of \$316,064 was made from the operating fund to the capital fund for capital equipment purchases.

NOTE 12 RELATED PARTY TRANSACTIONS

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

NOTE 13 BUDGET FIGURES

The preliminary and amended budgets were prepared under the Canadian Public Sector Accounting Standards ("PSA") framework in which Ministry of Education funding for the acquisition of depreciable tangible capital assets is included in revenue. These financial statements have been prepared under PSA with the exceptions as described in Note 3. Under these policies, depreciable tangible capital asset funding is not recorded as revenue when received but rather recorded as deferred capital revenue and amortized to revenue over the life of the asset acquired.

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on January 22, 2014. The Board adopted a preliminary annual budget on June 19, 2013. 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:

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 13 BUDGET FIGURES (Continued)

	2014 Amended	2014 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$ 45,019,315	\$ 45,184,684	\$ (165,369)
Other	80,000	80,000	-
Tuition	69,742	115,700	(45,958)
Other Revenue	1,478,909	1,321,124	157,785
Rentals and Leases	133,490	133,490	-
Investment Income	80,072	75,000	5,072
Amortization of Deferred Capital Revenue	1,473,357	1,437,815	35,542
Total Revenue	<u>48,334,885</u>	<u>48,347,813</u>	<u>(12,928)</u>
Expenses			
Instruction	34,560,098	34,198,943	361,155
District Administration	1,828,883	1,829,297	(414)
Operations and Maintenance	9,667,600	9,493,757	173,843
Transportation and Housing	3,792,037	3,825,327	(33,290)
Total Expenses	<u>49,848,618</u>	<u>49,347,324</u>	<u>501,294</u>
Surplus (Deficit) for the year	<u>(1,513,733)</u>	<u>(999,511)</u>	<u>(514,222)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets			
From Operating and Special Purpose Funds	(386,002)	(335,500)	(50,502)
From Deferred Capital Revenue	(619,000)	-	(619,000)
Total Acquisition of Tangible Capital Assets	<u>(1,005,002)</u>	<u>(335,500)</u>	<u>(669,502)</u>
Amortization of Tangible Capital Assets	1,912,854	1,867,330	45,524
Total Effect of change in Tangible Capital Assets	<u>907,852</u>	<u>1,531,830</u>	<u>(623,978)</u>
(Increase) Decrease in Net Financial Assets	<u>\$ (605,881)</u>	<u>\$ 532,319</u>	<u>\$ (1,138,200)</u>

**SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 14 CONTINGENCIES

Each year the School District is involved with a number of legal actions and arbitrations. Although the outcomes of these matters are not determinable at this time, management believes they will not have a material adverse effect on the School District's financial position or results of the operation.

NOTE 15 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2014, the liability is not reasonably determinable.

NOTE 16 EXPENSE BY OBJECT

	<u>June 30, 2014</u>	<u>June 30, 2013- Recast - Note 19</u>
Salaries and benefits	\$ 35,309,270	\$ 37,172,046
Services and supplies	10,217,039	10,501,562
Interest	-	-
Amortization	1,912,854	1,884,534
Other	-	-
	<u>\$ 47,439,163</u>	<u>\$ 49,558,142</u>

NOTE 17 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 18 ACCUMULATED SURPLUS

	June 30, 2014	June 30, 2013- Recast - Note 19
OPERATING		
Internally Restricted (appropriated) by Board for:		
School-based Surpluses	\$ 557,463	\$ 399,341
Capacity Building	-	250,000
Inquiry-based Learning	350,000	100,000
Maintenance Projects	160,692	368,833
Primary Literacy Project	330,000	130,000
Aboriginal Student Achievement Project	66,667	100,000
Community Embedded Learning	255,000	360,000
Assessment for Learning Training	70,000	70,000
District Numeracy Position	200,000	200,000
Later to Literacy Project	200,000	100,000
Transportation Reserve	500,000	-
Board Contingency Fund	778,895	145,447
Subtotal Internally Restricted	<u>3,468,717</u>	<u>2,223,621</u>
Unrestricted Operating Surplus (Deficit)	<u>1,418,036</u>	<u>1,625,063</u>
Total Available for Future Operations	<u>\$ 4,886,753</u>	<u>\$ 3,848,684</u>
CAPITAL		
Investment in Tangible Capital Assets	10,785,849	10,909,282
Local Capital	<u>108,948</u>	<u>105,135</u>
Capital Surplus	<u>10,894,797</u>	<u>11,014,417</u>
ACCUMULATED SURPLUS	<u><u>\$ 15,781,550</u></u>	<u><u>\$ 14,863,101</u></u>

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 19 PRIOR PERIOD ADJUSTMENT

In prior years school districts reported annual Employee Future Benefit (EFB) expense equal to the 12 months ended March 31 expenses as determined by the actuary rather than the 12 months ended June 30. An adjustment was made to increase the Employee Future Benefit (EFB) liability to include benefits expense incurred after the early measurement date of March 31 (see Note 8). The June 30, 2013 EFB liability increased by \$29,921 representing the EFB expenses April 1 to June 30, 2013. The opening surplus as at July 1, 2012 was decreased by \$29,210 representing the April 1 – June 2012 EFB expenses. The surplus for the year ended June 30, 2013 was decreased by \$711 representing the April 1 – June 2013 EFB expense minus the April 1 – June 2012 EFB expense.

NOTE 20 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash and amounts receivable.

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.

b) Market risk:

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is not 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.

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

c) **Liquidity risk:**

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

School District No. 59 (Peace River South)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	3,848,684		11,014,417	14,863,101	14,939,141
Prior Period Adjustments					(29,210)
Accumulated Surplus (Deficit), beginning of year, as restated	<u>3,848,684</u>	-	<u>11,014,417</u>	<u>14,863,101</u>	<u>14,909,931</u>
Changes for the year					
Surplus (Deficit) for the year	1,354,133		(435,684)	918,449	(46,830)
Interfund Transfers	(316,064)		316,064	-	
Tangible Capital Assets Purchased	1,038,069		(119,620)	918,449	(46,830)
Net Changes for the year	<u>4,886,753</u>	-	<u>10,894,797</u>	<u>15,781,550</u>	<u>14,863,101</u>

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

School District No. 59 (Peace River South)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 19)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	42,366,871	41,783,812	43,310,615
Other	80,000	108,100	116,877
Tuition	69,742	79,965	123,527
Other Revenue	550,722	871,417	635,697
Rentals and Leases	133,490	133,845	127,307
Investment Income	75,000	119,855	77,729
Total Revenue	43,275,825	43,096,994	44,391,752
Expenses			
Instruction	32,216,462	30,011,403	31,262,834
District Administration	1,828,883	1,743,909	1,932,180
Operations and Maintenance	6,916,544	6,716,430	7,275,466
Transportation and Housing	3,388,172	3,271,119	3,538,094
Total Expense	44,350,061	41,742,861	44,008,574
Operating Surplus (Deficit) for the year	(1,074,236)	1,354,133	383,178
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,577,753		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(386,002)	(316,064)	(238,816)
Total Net Transfers	(386,002)	(316,064)	(238,816)
Total Operating Surplus (Deficit), for the year	117,515	1,038,069	144,362
Operating Surplus (Deficit), beginning of year		3,848,684	3,733,532
Prior Period Adjustments			
April - June 2012 EFB Expense Restatement			(29,210)
Operating Surplus (Deficit), beginning of year, as restated		3,848,684	3,704,322
Operating Surplus (Deficit), end of year		4,886,753	3,848,684
Operating Surplus (Deficit), end of year			
Internally Restricted		3,468,717	2,223,621
Unrestricted		1,418,036	1,625,063
Total Operating Surplus (Deficit), end of year		4,886,753	3,848,684

School District No. 59 (Peace River South)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 19)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	41,334,476	41,571,776	42,308,809
Other Ministry of Education Grants			
Pay Equity	944,395	944,395	944,395
Carbon Tax Reimbursement	80,000	108,803	104,793
Enrolment Audit Adjustment			(116,396)
Strike Savings Clawback		(857,195)	
Special Education Project			30,000
Education Guarantee		7,338	30,318
Other	8,000	8,695	8,696
Total Provincial Grants - Ministry of Education	42,366,871	41,783,812	43,310,615
Provincial Grants - Other	80,000	108,100	116,877
Tuition			
Offshore Tuition Fees	69,742	79,965	123,527
Total Tuition	69,742	79,965	123,527
Other Revenues			
Miscellaneous			
Seconded Teacher revenue	73,000	74,682	76,306
BC Hydro Energy Program	160,000	81,363	184,411
Substitute Staff Recoveries	80,000	105,081	90,217
Insurance Claim		200,379	
Bus Fees	45,000	56,707	44,588
Miscellaneous	192,722	353,205	240,175
Total Other Revenue	550,722	871,417	635,697
Rentals and Leases	133,490	133,845	127,307
Investment Income	75,000	119,855	77,729
Total Operating Revenue	43,275,825	43,096,994	44,391,752

School District No. 59 (Peace River South)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 19)
	\$	\$	\$
Salaries			
Teachers	14,741,973	13,399,270	14,533,392
Principals and Vice Principals	2,996,247	3,138,600	3,322,213
Educational Assistants	2,525,406	2,535,030	2,685,834
Support Staff	4,757,249	4,625,341	4,716,080
Other Professionals	2,152,539	2,062,067	2,093,451
Substitutes	1,529,809	1,092,979	1,126,884
Total Salaries	28,703,223	26,853,287	28,477,854
Employee Benefits	7,156,972	6,935,659	7,083,650
Total Salaries and Benefits	35,860,195	33,788,946	35,561,504
Services and Supplies			
Services	2,164,722	1,842,431	2,060,740
Student Transportation	1,085,082	974,805	1,053,190
Professional Development and Travel	598,574	581,485	551,971
Rentals and Leases	27,300	29,252	21,466
Dues and Fees	380,704	379,113	315,151
Insurance	194,690	169,261	190,945
Supplies	2,863,794	2,733,153	3,057,496
Utilities	1,175,000	1,244,415	1,196,111
Total Services and Supplies	8,489,866	7,953,915	8,447,070
Total Operating Expense	44,350,061	41,742,861	44,008,574

School District No. 59 (Peace River South)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	10,959,697	829,438	274,287	145,808	430,848	702,803	13,342,881
1.03 Career Programs	94,250		20,330		80,812	2,424	197,816
1.07 Library Services	205,846	6,457	127,610			11,446	351,359
1.08 Counselling	544,101					4,577	570,373
1.10 Special Education	1,178,991	282,420	1,836,741		244,697	95,926	3,638,775
1.30 English Language Learning	17,368		32,560			329	50,257
1.31 Aboriginal Education	395,589	393,715	227,765	186	138,219	2,585	1,158,059
1.41 School Administration	3,428	1,626,570	23	544,854		25,213	2,200,088
1.62 Off Shore Students							
Total Function 1	13,399,270	3,138,600	2,519,316	690,848	916,271	845,303	21,509,608
4 District Administration							
4.11 Educational Administration				17,323	480,695		498,018
4.40 School District Governance					103,821		103,821
4.41 Business Administration				137,658	310,559		448,217
Total Function 4	-	-	-	154,981	895,075	-	1,050,056
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration			372	41,556	171,276	1,432	214,636
5.50 Maintenance Operations				2,099,244		195,351	2,294,595
5.52 Maintenance of Grounds				594,055			594,055
5.56 Utilities							
Total Function 5	-	-	372	2,734,855	171,276	196,783	3,103,286
7 Transportation and Housing							
7.41 Transportation and Housing Administration				40,676	79,445		120,121
7.70 Student Transportation			15,342	1,003,981		50,893	1,070,216
Total Function 7	-	-	15,342	1,044,657	79,445	50,893	1,190,337
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	13,399,270	3,138,600	2,535,030	4,625,341	2,062,067	1,092,979	26,853,287

School District No. 59 (Peace River South)

Operating Expense by Function, Program and Object
Year Ended June 30, 2014

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2014 Actual	2014 Budget	2013 Actual
	\$	\$	\$	\$	\$	\$	(Recast - Note 19) \$
1 Instruction							
1.02 Regular Instruction	13,342,881	3,498,312	16,841,193	1,914,257	18,755,450	20,369,656	20,332,674
1.03 Career Programs	197,816	52,117	249,933	246,483	496,416	480,261	477,967
1.07 Library Services	351,359	89,071	440,430	30,295	470,725	542,341	564,933
1.08 Counselling	570,373	139,343	709,716	18,355	728,071	720,284	656,944
1.10 Special Education	3,638,775	1,002,639	4,641,414	153,757	4,795,171	5,082,986	4,743,557
1.30 English Language Learning	50,257	10,207	60,464	14,374	74,838	96,632	46,590
1.31 Aboriginal Education	1,158,059	306,187	1,464,246	91,020	1,555,266	1,637,951	1,497,532
1.41 School Administration	2,200,088	488,916	2,689,004	167,771	2,856,775	3,007,660	2,726,108
1.62 Off Shore Students	-	-	-	278,691	278,691	278,691	216,529
Total Function 1	21,509,608	5,586,792	27,096,400	2,915,003	30,011,403	32,216,462	31,262,834
4 District Administration							
4.11 Educational Administration	498,018	113,814	611,832	71,174	683,006	654,322	802,280
4.40 School District Governance	103,821	1,585	105,406	89,523	194,929	197,866	185,466
4.41 Business Administration	448,217	111,021	559,238	306,736	865,974	976,695	944,434
Total Function 4	1,050,056	226,420	1,276,476	467,433	1,743,909	1,828,883	1,932,180
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	214,636	49,686	264,322	241,962	506,284	487,076	470,329
5.50 Maintenance Operations	2,294,595	575,146	2,869,741	1,201,306	4,071,047	4,415,973	4,717,112
5.52 Maintenance of Grounds	594,055	128,624	722,679	170,176	892,855	838,495	889,202
5.56 Utilities	-	-	-	1,246,244	1,246,244	1,175,000	1,198,823
Total Function 5	3,103,286	753,456	3,856,742	2,859,688	6,716,430	6,916,544	7,275,466
7 Transportation and Housing							
7.41 Transportation and Housing Administration	120,121	29,481	149,602	10,790	160,392	196,367	191,471
7.70 Student Transportation	1,070,216	339,510	1,409,726	1,701,001	3,110,727	3,191,805	3,346,623
Total Function 7	1,190,337	368,991	1,559,328	1,711,791	3,271,119	3,388,172	3,538,094
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	26,853,287	6,935,659	33,788,946	7,953,915	41,742,861	44,350,061	44,008,574

School District No. 59 (Peace River South)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 19)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,618,740	1,572,887	1,433,648
Other Revenue	928,187	1,172,564	1,223,022
Investment Income	5,072	4,293	6,651
Total Revenue	<u>2,551,999</u>	<u>2,749,744</u>	<u>2,663,321</u>
Expenses			
Instruction	2,343,636	2,517,465	2,598,110
Operations and Maintenance	208,363	232,279	65,211
Total Expense	<u>2,551,999</u>	<u>2,749,744</u>	<u>2,663,321</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. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2014

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Technology	Special Education Equipment	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	124,504	5,048	9,230	24,515	-	429,356	3,123	7,462	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	120,343	533,736	-	3,790	135,907	1,148,698	192,000	39,200	111,378
Other							900		
Investment Income			239	468			1,519	495	
Less: Allocated to Revenue Recovered	120,343	533,745	239	4,258	135,907	1,148,698	194,419	39,695	111,378
Strike Savings Recovery	232,279	507,966	-	16,465	130,066	1,137,760	182,203	46,679	108,100
5,048									
25,779									
Deferred Revenue, end of year	12,568	-	9,469	12,308	5,841	440,294	15,339	478	3,278
Revenues									
Provincial Grants - Ministry of Education	232,279	507,957	-	15,997	130,066	1,137,760	179,784	46,184	108,100
Other Revenue							900		
Investment Income			9	468			1,519	495	
Expenses									
Salaries									
Teachers		327,415			71,304				67,643
Educational Assistants		68,838			11,091				
Support Staff	54,159						131,407		
Other Professionals									
Substitutes					35			13,505	
Employee Benefits	54,159	396,253	-	-	82,430	-	131,407	13,505	67,643
Services and Supplies	11,372	101,885			22,008		38,533	2,952	17,176
	166,748	9,828		16,465	25,628	1,137,760	12,263	30,222	23,281
	232,279	507,966	-	16,465	130,066	1,137,760	182,203	46,679	108,100
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2014

	Community- LINK	Community Connections	Early Learning Funds	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year	436	2,655	53,486	659,815
Add: Restricted Grants				
Provincial Grants - Ministry of Education	352,672			1,489,026
Other			33,072	1,182,670
Investment Income	213	29	1,560	4,532
Less: Allocated to Revenue	352,885	29	34,632	2,676,228
Recovered	352,733	2,684	32,809	2,749,744
Strike Savings Recovery	588			5,048
Deferred Revenue, end of year	-	-	55,309	32,208
Revenues				
Provincial Grants - Ministry of Education	352,520			1,572,887
Other Revenue		2,655	31,249	1,172,564
Investment Income	213	29	1,560	4,293
	352,733	2,684	32,809	2,749,744
Expenses				
Salaries				
Teachers	54,582			520,944
Educational Assistants	165,781			234,619
Support Staff				65,250
Other Professionals				131,407
Substitutes				13,540
Employee Benefits	220,363			965,760
Services and Supplies	68,259		751	262,936
	64,111	2,684	32,058	1,521,048
	352,733	2,684	32,809	2,749,744
Net Revenue (Expense) before Interfund Transfers	-	-	-	-
Interfund Transfers	-	-	-	-
Net Revenue (Expense)	-	-	-	-

School District No. 59 (Peace River South)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual			2013 Actual (Recast - Note 19)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	1,033,704	1,033,704		1,033,704	1,001,713
Investment Income			3,813	3,813	4,307
Amortization of Deferred Capital Revenue	1,473,357	1,473,357		1,473,357	1,450,219
Total Revenue	2,507,061	2,507,061	3,813	2,510,874	2,456,239
Expenses					
Operations and Maintenance	1,033,704	1,033,704		1,033,704	1,001,713
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,508,989	1,508,989		1,508,989	1,884,534
Transportation and Housing	403,865	403,865		403,865	
Total Expense	2,946,558	2,946,558	-	2,946,558	2,886,247
Capital Surplus (Deficit) for the year	(439,497)	(439,497)	3,813	(435,684)	(430,008)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	386,002	316,064		316,064	238,816
Total Net Transfers	386,002	316,064	-	316,064	238,816
Total Capital Surplus (Deficit) for the year	(53,495)	(123,433)	3,813	(119,620)	(191,192)
Capital Surplus (Deficit), beginning of year		10,909,282	105,135	11,014,417	11,205,609
Capital Surplus (Deficit), end of year		10,785,849	108,948	10,894,797	11,014,417

School District No. 59 (Peace River South)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2014

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,244,781	66,083,249	1,718,300	4,038,653	158,224	214,707	77,457,914
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		396,290	40,788	218,561			614,851
Deferred Capital Revenue - Other			251,283	64,781			40,788
Operating Fund		396,290	292,071	283,342			316,064
Decrease:							
Deemed Disposals			70,804	400,148	101,043	8,880	580,875
Cost, end of year	5,244,781	66,479,539	1,939,567	3,921,847	57,181	205,827	580,875
Work in Progress, end of year							
Cost and Work in Progress, end of year	5,244,781	66,479,539	1,939,567	3,921,847	57,181	205,827	77,848,742
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		37,942,387	634,157	1,748,867	114,630	78,534	40,518,575
Decrease:							
Deemed Disposals		1,262,573	171,830	403,865	31,645	42,941	1,912,854
Accumulated Amortization, end of year			70,804	400,148	101,043	8,880	580,875
			70,804	400,148	101,043	8,880	580,875
		39,204,960	735,183	1,752,584	45,232	112,595	41,850,554
Tangible Capital Assets - Net	5,244,781	27,274,579	1,204,384	2,169,263	11,949	93,232	35,998,188

School District No. 59 (Peace River South)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2014

	Bylaw Capital \$	Other Provincial \$	Other Capital \$	Total Capital \$
Deferred Capital Revenue, beginning of year	23,398,108	591,484	2,040,465	26,030,057
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	614,851		40,788	655,639
	614,851	-	40,788	655,639
Decrease:				
Amortization of Deferred Capital Revenue	1,393,867	16,662	62,828	1,473,357
	1,393,867	16,662	62,828	1,473,357
Net Changes for the Year	(779,016)	(16,662)	(22,040)	(817,718)
Deferred Capital Revenue, end of year	22,619,092	574,822	2,018,425	25,212,339
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	22,619,092	574,822	2,018,425	25,212,339

School District No. 59 (Peace River South)

Schedule 4D (Unaudited)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	155,775	149,598	-	-	40,788	346,161
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,652,658					1,652,658
Investment Income	3,543	1,875				5,418
	1,656,201	1,875	-	-	-	1,658,076
Decrease:						
Transferred to DCR - Capital Additions	614,851				40,788	655,639
Facility Improvements Not Capitalized	1,033,704					1,033,704
	1,648,555	-	-	-	40,788	1,689,343
Net Changes for the Year	7,646	1,875	-	-	(40,788)	(31,267)
Balance, end of year	163,421	151,473	-	-	-	314,894