

Audited Financial Statements of

School District No. 79 (Cowichan Valley)

June 30, 2015

School District No. 79 (Cowichan Valley)

June 30, 2015

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School District No. 79 (Cowichan Valley)

MANAGEMENT REPORT

Version: 1564-9819-7836

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 79 (Cowichan Valley) 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. 79 (Cowichan Valley) (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', Collins Barrow, 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. 79 (Cowichan Valley) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 79 (Cowichan Valley)

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. 79 (Cowichan Valley)

We have audited the accompanying financial statements of the School District No. 79 (Cowichan Valley), which comprise the statements of financial position as at June 30, 2015 and June 30, 2014, the statements of operations, changes in net financial assets (debt), and cash flows for the years ended June 30, 2015 and June 30, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of School District No. 79 (Cowichan Valley) for the years ended June 30, 2015 and June 30, 2014 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

School District No. 79 (Cowichan Valley)
Independent Auditors' Report

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3a to the financial statements, which discloses that the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 3a to the financial statements discloses the impact of these differences.

Other Matters

The attached supplementary information included in schedule 1 through 4 is presented for the purposes of additional analysis and has not been audited.

Collins Barrow Victoria Ltd.

Chartered Professional Accountants

September 15, 2015
Victoria, Canada

Draft

School District No. 79 (Cowichan Valley)

Statement 1

Statement of Financial Position

As at June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	18,102,809	18,395,734
Accounts Receivable		
Due from Province - Ministry of Education	47,589	78,038
Due from Province - Other	450	54,005
Due from LEA/Direct Funding	1,248,333	
Other (Note 4)	472,265	953,845
Inventories for Resale	11,253	241
Total Financial Assets	19,882,699	19,481,863
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	49,161	1,895,308
Other (Note 5)	6,100,556	5,253,776
Unearned Revenue (Note 6)	1,166,505	768,237
Deferred Revenue (Note 7)	3,252,705	3,016,132
Deferred Capital Revenue (Note 8)	80,827,387	83,613,516
Employee Future Benefits (Note 9)	3,513,025	3,411,681
Other Liabilities	829,117	568,566
Total Liabilities	95,738,456	98,527,216
Net Financial Assets (Debt)	(75,855,757)	(79,045,353)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	122,991,597	125,248,489
Restricted Assets (Endowments) (Note 13)	92,893	92,893
Prepaid Expenses	225,015	168,930
Total Non-Financial Assets	123,309,505	125,510,312
Accumulated Surplus (Deficit)	47,453,748	46,464,959

Contractual Obligations and Contingencies (Note 16 & 18)

Approved by the Board

Signature of the Chairperson of the Board of Education	Date Signed
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Signature of the Superintendent	Date Signed
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Signature of the Secretary Treasurer	Date Signed
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School District No. 79 (Cowichan Valley)

Statement of Operations
Year Ended June 30, 2015

Statement 2

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	65,656,958	66,566,181	65,475,805
Other	77,800	86,400	40,775
Tuition	2,126,000	2,316,183	1,794,495
Other Revenue	7,643,297	6,690,161	7,213,126
Rentals and Leases	114,480	138,211	145,249
Investment Income	142,800	198,905	140,365
Amortization of Deferred Capital Revenue	3,509,411	3,619,002	3,521,786
Total Revenue	79,270,746	79,615,043	78,331,601
Expenses (Note 20)			
Instruction	62,200,475	61,942,973	60,575,397
District Administration	2,098,024	2,099,109	2,009,760
Operations and Maintenance	12,850,879	12,153,175	12,554,220
Transportation and Housing	2,426,043	2,430,997	2,644,414
Total Expense	79,575,421	78,626,254	77,783,791
Surplus (Deficit) for the year	(304,675)	988,789	547,810
Accumulated Surplus (Deficit) from Operations, beginning of year		46,464,959	45,917,149
Accumulated Surplus (Deficit) from Operations, end of year		47,453,748	46,464,959

School District No. 79 (Cowichan Valley)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(304,675)	988,789	547,810
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,144,520)	(2,018,022)	(3,515,813)
Amortization of Tangible Capital Assets	4,254,096	4,274,914	4,269,224
Total Effect of change in Tangible Capital Assets	2,109,576	2,256,892	753,411
Acquisition of Prepaid Expenses	(150,000)	(225,015)	(154,053)
Use of Prepaid Expenses	150,000	168,930	151,803
Total Effect of change in Other Non-Financial Assets	-	(56,085)	(2,250)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	1,804,901	3,189,596	1,298,971
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		3,189,596	1,298,971
Net Financial Assets (Debt), beginning of year		(79,045,353)	(80,344,324)
Net Financial Assets (Debt), end of year		(75,855,757)	(79,045,353)

School District No. 79 (Cowichan Valley)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	988,789	547,810
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(682,749)	1,941,498
Inventories for Resale	(11,012)	4,186
Prepaid Expenses	(56,085)	(2,250)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(999,367)	1,147,214
Unearned Revenue	398,268	285,553
Deferred Revenue	236,573	(185,363)
Employee Future Benefits	101,344	(100,272)
Other Liabilities	260,551	160,585
Amortization of Tangible Capital Assets	4,274,914	4,269,224
Amortization of Deferred Capital Revenue	(3,619,002)	(3,521,786)
Recognition of Deferred Capital Revenue Spent on Sites	(123,943)	(311,909)
Total Operating Transactions	768,281	4,234,490
Capital Transactions		
Tangible Capital Assets Purchased	(2,018,022)	(3,515,813)
Total Capital Transactions	(2,018,022)	(3,515,813)
Financing Transactions		
Capital Revenue Received	956,816	1,837,160
Total Financing Transactions	956,816	1,837,160
Net Increase (Decrease) in Cash and Cash Equivalents	(292,925)	2,555,837
Cash and Cash Equivalents, beginning of year	18,395,734	15,839,897
Cash and Cash Equivalents, end of year	18,102,809	18,395,734
Cash and Cash Equivalents, end of year, is made up of:		
Cash	18,102,809	18,395,734
	18,102,809	18,395,734



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

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. 79 (Cowichan Valley)", and operates as "School District No. 79 (Cowichan Valley)". A board of education ("Board") elected for a four year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 79 is exempt from federal and provincial corporate income taxes.

NOTE 2 ADOPTION OF NEW ACCOUNTING POLICY

On July 1, 2014, the District adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to July 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the District.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 3(f) and 3(m).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

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

Year-ended June 30, 2014 - decrease in annual surplus by \$1,857,837.

June 30, 2014 – increase in accumulated surplus and decrease in deferred contributions by \$1,606,824.

Year-ended June 30, 2015 – decrease in annual surplus by \$2,779,427.

June 30, 2015 – increase in accumulated surplus and decrease in deferred contributions by \$716,545.

b) Cash and Cash Equivalents

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

Inventories for resale including school supplies are measured at lower of cost and net realizable value. Cost includes all costs incurred to get ready for sale including taxes. Net realizable value is the expected selling price in the ordinary course of business.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and fees for busing to be delivered in future periods. Revenue will be recognized in that future period when the services are provided.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 3 (m).

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

g) Employee Future Benefits

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

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination and 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 (EARSL) of active employees covered under the plan.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

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

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.

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 market 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

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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 3 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, 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 as 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

j) Prepaid Expenses

Prepaid utilities, prepaid insurance, and prepaid services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) Supplies Inventory

Supplies inventory held for consumption or use include materials and supplies and are recorded at the lower of historical cost and replacement cost.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 14 – Interfund Transfers and Note 21 – Internally Restricted Surplus).



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

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

m) Revenue Recognition

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

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

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

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

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

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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

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

m) Revenue Recognition (continued)

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

n) Expenditures

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

Categories of Salaries

- Principals, 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 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

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

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.

p) 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Financial Instruments (continued)

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

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

q) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 3 (a) requires management 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.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2015	June 30, 2014
Due from Federal Government	\$ 87,855	\$ 68,357
Due from Other School Districts	100	5,256
Busing Fees	29,535	183,385
International Students	73,560	137,303
Industry Training Authority	1,000	1,000
BC Hydro PowerSmart	50,117	4,433
Rentals	1,753	10,294
Coast Salish Employment Society	-	197,300
Vancouver Island University	-	176,372
Other	243,345	270,145
Allowance for Doubtful Accounts	(15,000)	(100,000)
	<u>\$ 472,265</u>	<u>\$ 953,845</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2015	June 30, 2014
Trades payable	\$ 887,649	\$ 584,113
Salaries and benefits payable	631,202	978,026
Accrued vacation pay	1,501,627	1,482,888
Other	3,080,078	2,208,749
	<u>\$ 6,100,556</u>	<u>\$ 5,253,776</u>

NOTE 6 UNEARNED REVENUE

	June 30, 2015	June 30, 2014
Balance, beginning of year	\$ 768,237	\$ 482,684
Changes for the year:		
Increase:		
Tuition Fees	2,669,731	2,078,508
Busing Fees	370,874	374,669
	<u>3,040,605</u>	<u>2,453,177</u>
Decrease:		
Tuition fees	2,316,183	1,794,495
Busing Fees	326,154	373,129
	<u>2,642,337</u>	<u>2,167,624</u>
Net changes for the year	398,268	285,553
Balance, end of year	<u>\$ 1,166,505</u>	<u>\$ 768,237</u>

NOTE 7 DEFERRED REVENUE

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

NOTE 8 DEFERRED CAPITAL REVENUE

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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 9 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 10.

	June 30, 2015	June 30, 2014
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 3,954,882	\$ 4,176,636
Service Cost	266,948	265,617
Interest Cost	128,572	124,864
Benefit Payments	(397,743)	(556,131)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	71,620	(56,104)
Accrued Benefit Obligation – March 31	<u>\$ 4,024,279</u>	<u>\$ 3,954,882</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 4,024,279	\$ 3,954,882
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(4,024,279)	(3,954,882)
Employer Contributions after Measurement Date	23,302	37,789
Benefit Expense after Measurement Date	(96,870)	(98,880)
Unamortized Net Actuarial (Gain) Loss	584,822	604,292
Accrued Benefit Asset (Liability) – June 30	<u>\$(3,513,025)</u>	<u>\$(3,411,681)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) – July 1	\$ 3,411,681	\$ 3,511,956
Net expense for Fiscal Year	484,600	490,024
Employer Contributions	(383,256)	(590,299)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 3,513,025</u>	<u>\$ 3,411,681</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 9 EMPLOYEE FUTURE BENEFITS *(Continued)*

	June 30, 2015	June 30, 2014
Components of Net Benefit Expense		
Service Cost	\$ 274,330	\$ 265,950
Interest Cost	119,180	125,791
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	91,090	98,283
Net Benefit Expense (Income)	<u>\$ 484,600</u>	<u>\$ 490,024</u>

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

	June 30, 2015	June 30, 2014
Assumptions		
Discount Rate – April 1	3.25%	3.00%
Discount Rate – March 31	2.25%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	7.8	7.8

NOTE 10 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 5 years.

Unfunded liability, as at July 1, 2014 as previously reported	\$ 417,014
Reductions during the year	<u>(150,000)</u>
Unfunded liability, as at June 30, 2015	<u>\$ 267,014</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value June 30, 2015	Net Book Value June 30, 2014
Sites	\$ 26,043,353	\$ 25,907,984
Buildings	93,780,316	96,264,853
Furniture & Equipment	1,210,022	1,329,611
Vehicles	1,827,974	1,538,336
Computer Software	38,988	53,621
Computer Hardware	90,944	154,084
Total	<u>\$ 122,991,597</u>	<u>\$ 125,248,489</u>

June 30, 2015

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2015
Sites	\$ 25,907,984	\$ 135,367	\$ -	\$ -	\$ 26,043,353
Buildings	162,004,607	1,170,680	-	-	163,175,287
Furniture & Equipment	2,690,897	149,501	553,883	-	2,286,515
Vehicles	2,728,338	562,472	44,351	-	3,246,459
Computer Software	73,163	-	14,797	-	58,366
Computer Hardware	315,699	-	18,740	-	296,959
Total	<u>\$193,720,688</u>	<u>\$2,018,022</u>	<u>\$631,771</u>	<u>\$ -</u>	<u>\$195,106,939</u>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	65,739,754	3,655,217	-	69,394,971
Furniture & Equipment	1,361,286	269,090	553,883	1,076,493
Vehicles	1,190,002	272,834	44,351	1,418,485
Computer Software	19,542	14,633	14,797	19,378
Computer Hardware	161,615	63,140	18,740	206,015
Total	<u>\$ 68,742,199</u>	<u>\$4,274,914</u>	<u>\$ 631,771</u>	<u>\$ 72,115,342</u>

June 30, 2014

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2014
Sites	\$ 25,550,719	\$ 357,265	\$ -	\$ -	\$ 25,907,984
Buildings	159,384,742	2,619,865	-	-	162,004,607
Furniture & Equipment	2,668,201	451,038	428,342	-	2,690,897
Vehicles	3,098,431	42,120	412,213	-	2,728,338
Computer Software	78,134	45,525	50,496	-	73,163
Computer Hardware	356,177	-	40,478	-	315,699
Total	<u>\$ 191,136,404</u>	<u>\$ 3,515,813</u>	<u>\$ 931,529</u>	<u>\$ -</u>	<u>\$ 193,720,688</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2014
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	62,134,055	3,605,699	-	65,739,754
Furniture & Equipment	1,522,808	266,820	428,342	1,361,286
Vehicles	1,292,372	309,843	412,213	1,190,002
Computer Software	54,411	15,627	50,496	19,542
Computer Hardware	130,858	71,235	40,478	161,615
Total	\$ 65,134,504	\$ 4,269,224	\$ 931,529	\$ 68,472,199

- Contributed tangible capital assets

Additions to Sites include the following contributed tangible capital assets:

	June 30, 2015	June 30, 2014
Playground Site Improvements	\$ 89,457	\$ -
Total	\$ 89,457	\$ -

Additions to Buildings include the following contributed tangible capital assets:

	June 30, 2015	June 30, 2014
Trades Centre Contribution	\$ -	\$ 167,974
Total	\$ -	\$ 167,974

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

	June 30, 2015	June 30, 2014
Playground Equipment	\$ 124,925	\$ 29,724
Total	\$ 124,925	\$ 29,724



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 12 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The boards of trustees for these plans represent plan members and employers and are responsible for managing the pension plans including investing assets and administering benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2013, the Teachers' Pension Plan has about 45,000 active members and approximately 33,000 retired members. As at December 31, 2013 the Municipal Pension Plan has about 182,000 active members, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate is then adjusted to the extent there is any amortization of any funding deficit.

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

The Board of Education of School District No. 79 (Cowichan Valley) paid \$6,798,261 for employer contributions to these plans in the year ended June 30, 2015.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 13 RESTRICTED ASSETS – ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the school district. One restriction is that the original contribution should not be spent. Another potential restriction is that any investment income of the endowment funds that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	2014	Contributions	2015
W.F. Marshall Scholarship	\$ 2,592	\$ -	\$ 2,592
Xerox Canada Scholarship	12,500	-	12,500
George Alistair MacKay Scholarship	37,766	-	37,766
Wunderlich Safety Scholarship	2,216	-	2,216
V.L. Stanley-Jones Memorial Scholarship	20,000	-	20,000
Raoula Pedersen Memorial Fine Arts	9,426	-	9,426
Christina McLeod Memorial Scholarship	8,393	-	8,393
Total	\$ 92,893	\$ -	\$ 92,893

NOTE 14 INTERFUND TRANSFERS

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

	Operating Fund	Special Purpose Fund	Capital Fund
Tangible Capital Assets purchased from Operating funds	\$ (68,406)	\$ -	\$ 68,406
Tangible Capital Assets purchased from Special Purpose funds	-	(270,871)	270,871
Total	\$ (68,406)	\$(270,871)	\$339,277

NOTE 15 RELATED PARTY TRANSACTIONS

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



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts 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	2016	2017	2018	2019	2020	Thereafter
Facility Lease	\$ 66,011	\$ 3,500	\$ -	\$ -	\$ -	\$ -
Vehicle Leases	4,906	-	-	-	-	-
Equipment Lease	2,391	2,391	2,391	2,391	1,793	-
	<u>\$ 73,308</u>	<u>\$ 5,891</u>	<u>\$ 2,391</u>	<u>\$ 2,391</u>	<u>\$ 1,793</u>	<u>\$ -</u>

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through adoption of an annual budget on May 14, 2014.

NOTE 18 CONTINGENCIES

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

NOTE 19 ASSET RETIREMENT OBLIGATION

Future legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo renovations or demolition. The amount cannot be reasonably determined.

NOTE 20 EXPENSE BY OBJECT

	2015	2014
Salaries and benefits	\$64,736,329	\$63,955,467
Services and supplies	9,615,011	9,559,100
Amortization	4,274,914	4,269,224
	<u>\$78,626,254</u>	<u>\$77,783,791</u>



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 21 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

2015/2016 Operating Budget	\$750,000	
Aboriginal Education Target	15,571	
BC Education Plan	156,537	
Career Equipment	1,034	
Children & Families Grant	15,000	
CUPE Professional Development Funds	3,676	
Distributed Learning	58,969	
Friends Grant	4,812	
Learning Resources	205,511	
Local Education Agreement	65,000	
School Rollovers 10%	28,890	
Special Education Innovation Grant	7,234	
Teacher Grants		\$1,312,234
Unrestricted Operating Surplus (Deficit)		991,126
Unfunded Accrued Employee Future Benefits		(267,014)
		<hr/>
Total Available for Future Operations		\$2,036,346

NOTE 22 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.

NOTE 23 RISK MANAGEMENT

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

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

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

NOTE 23 RISK MANAGEMENT (*Continued*)

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 therefore, 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 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 funds are deposited with a primary financial institution and the Ministry of Finance.

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 its 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.



Cowichan Valley School District

Notes to Financial Statements

For the year ended June 30, 2015

NOTE 24 GOVERNANCE

On July 1, 2012 by order of the Lieutenant-Governor in Council of the Province of British Columbia, the nine member Board of Education of School District No. 79 (Cowichan Valley) was removed from office and an Official Trustee was appointed. The Official Trustee provided the governance function for the School District up to November 30, 2014. On December 1, 2014, a newly elected seven member Board took office.

School District No. 79 (Cowichan Valley)

Additional Comments of Auditors

For the Years Ended June 30, 2015 and June 30, 2014

The accompanying schedules 1 to 4D are presented as supplementary information only. In this respect, they do not form part of the financial statements of School District No. 79 (Cowichan Valley). The information in these schedules has been subject to audit procedures only to the extent necessary to report on the financial statements, and hence they are excluded from our audit report dated September 15, 2015.

Draft

School District No. 79 (Cowichan Valley)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	869,654	92,893	45,502,412	46,464,959	45,917,149
Changes for the year					
Surplus (Deficit) for the year	1,235,098	270,871	(517,180)	988,789	547,810
Interfund Transfers	(68,406)	(270,871)	339,277	-	
Tangible Capital Assets Purchased	1,166,692	-	(177,903)	988,789	547,810
Net Changes for the year	2,036,346	92,893	45,324,509	47,453,748	46,464,959
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 79 (Cowichan Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	63,138,172	63,761,417	63,101,827
Other	77,800	86,400	40,775
Tuition	2,126,000	2,316,183	1,794,495
Other Revenue	5,789,597	5,001,612	5,306,376
Rentals and Leases	114,480	138,211	145,249
Investment Income	110,000	177,454	121,769
Total Revenue	71,356,049	71,481,277	70,510,491
Expenses			
Instruction	58,185,199	57,837,812	56,967,261
District Administration	2,098,024	2,099,109	2,009,760
Operations and Maintenance	8,842,720	8,124,198	8,568,674
Transportation and Housing	2,180,106	2,185,060	2,360,736
Total Expense	71,306,049	70,246,179	69,906,431
Operating Surplus (Deficit) for the year	50,000	1,235,098	604,060
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(50,000)		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(68,406)	(63,427)
Total Net Transfers	-	(68,406)	(63,427)
Total Operating Surplus (Deficit), for the year	-	1,166,692	540,633
Operating Surplus (Deficit), beginning of year		869,654	329,021
Operating Surplus (Deficit), end of year		2,036,346	869,654
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 21)		1,312,234	596,358
Unrestricted		991,126	690,310
Unfunded Accrued Employee Future Benefits (Note 10)		(267,014)	(417,014)
Total Operating Surplus (Deficit), end of year		2,036,346	869,654

School District No. 79 (Cowichan Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	67,980,487	66,373,402	67,050,440
AANDC/LEA Recovery	(5,294,597)	(4,399,626)	(4,449,074)
Other Ministry of Education Grants			
Labour Settlement Funding		1,273,328	
Pay Equity	363,682	363,682	363,682
Funding for Graduated Adults	88,600	40,978	45,962
FSA & Exam Allocation		13,769	13,769
My Ed BC Rebate		20,498	
Carbon Tax Reimbursement		60,386	72,048
Miscellaneous Grants		15,000	5,000
Total Provincial Grants - Ministry of Education	63,138,172	63,761,417	63,101,827
Provincial Grants - Other	77,800	86,400	40,775
Tuition			
Offshore Tuition Fees	2,126,000	2,316,183	1,599,995
Other Tuition Fees			194,500
Total Tuition	2,126,000	2,316,183	1,794,495
Other Revenues			
LEA/Direct Funding from First Nations	5,294,597	4,399,626	4,449,074
Miscellaneous			
BC Hydro Energy Manager	50,000	75,000	75,000
Registration Fees	95,000	137,107	375,931
Transportation Fees	350,000	326,154	373,129
Homestay Placement Fee		26,025	
Asset Sales		30,590	14,200
Miscellaneous		7,110	19,042
Total Other Revenue	5,789,597	5,001,612	5,306,376
Rentals and Leases	114,480	138,211	145,249
Investment Income	110,000	177,454	121,769
Total Operating Revenue	71,356,049	71,481,277	70,510,491

School District No. 79 (Cowichan Valley)

Schedule 2B (Unaudited)

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

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Salaries			
Teachers	29,925,484	29,102,276	28,728,052
Principals and Vice Principals	3,818,396	3,869,498	3,919,032
Educational Assistants	4,896,036	4,953,596	5,124,562
Support Staff	7,813,654	7,800,000	7,943,204
Other Professionals	1,589,098	1,624,629	1,528,833
Substitutes	3,400,594	2,921,771	3,076,961
Total Salaries	51,443,262	50,271,770	50,320,644
Employee Benefits	12,731,826	12,592,288	12,309,450
Total Salaries and Benefits	64,175,088	62,864,058	62,630,094
Services and Supplies			
Services	2,085,625	2,571,413	2,194,235
Student Transportation	88,600	281,370	200,242
Professional Development and Travel	450,500	545,964	510,973
Rentals and Leases	96,100	106,832	104,467
Dues and Fees	79,660	72,594	71,925
Insurance	244,134	224,048	212,693
Supplies	2,628,342	2,460,787	2,503,748
Utilities	1,458,000	1,119,113	1,378,054
Bad Debts			100,000
Total Services and Supplies	7,130,961	7,382,121	7,276,337
Total Operating Expense	71,306,049	70,246,179	69,906,431

School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	23,582,315	555,674	65,046	289,037	61,188	1,743,367	26,296,627
1.03 Career Programs	45,096	139,593	3,797	146,162		23,801	358,449
1.07 Library Services	595,635	133,784		165,334		36,587	931,340
1.08 Counselling	675,269			346,266		24,239	1,045,774
1.10 Special Education	3,041,390	139,985	4,132,030	117,587	118,509	524,481	8,073,982
1.30 English Language Learning	271,274						271,274
1.31 Aboriginal Education	214,110	99,508	752,723	45,129		48,920	1,160,390
1.41 School Administration		2,519,785		1,156,855		84,663	3,761,303
1.61 Continuing Education	306,103	49,482		52,268		25,124	432,977
1.62 Off Shore Students	371,084	231,687		92,168	51,306	39,521	785,766
1.64 Other							-
Total Function 1	29,102,276	3,869,498	4,953,596	2,410,806	231,003	2,550,703	43,117,882
4 District Administration							
4.11 Educational Administration				59,638	399,006	3,240	461,884
4.40 School District Governance					62,741		62,741
4.41 Business Administration				397,689	397,454	24,980	820,123
Total Function 4	-	-	-	457,327	859,201	28,220	1,344,748
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				74,985	449,346	32,168	556,499
5.50 Maintenance Operations				3,314,418		217,401	3,531,819
5.52 Maintenance of Grounds				369,872			369,872
5.56 Utilities							-
Total Function 5	-	-	-	3,759,275	449,346	249,569	4,458,190
7 Transportation and Housing							
7.41 Transportation and Housing Administration				130,855	85,079	8,748	224,682
7.70 Student Transportation				1,041,737		84,531	1,126,268
Total Function 7	-	-	-	1,172,592	85,079	93,279	1,350,950
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	29,102,276	3,869,498	4,953,596	7,800,000	1,624,629	2,921,771	50,271,770

School District No. 79 (Cowichan Valley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

Schedule 2C (Unaudited)

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2015 Actual \$	2015 Budget (Note 17) \$	2014 Actual \$
1 Instruction							
1.02 Regular Instruction	26,296,627	6,903,213	33,199,840	1,524,163	34,724,003	35,576,173	33,989,328
1.03 Career Programs	358,449	88,313	446,762	771,260	1,218,022	914,848	1,063,534
1.07 Library Services	931,340	234,847	1,166,187	54,803	1,220,990	1,352,346	1,241,187
1.08 Counselling	1,045,774	245,656	1,291,430	3,765	1,295,195	1,313,383	1,428,846
1.10 Special Education	8,073,982	1,961,417	10,035,399	176,322	10,211,721	10,641,447	10,160,004
1.30 English Language Learning	271,274	71,471	342,745	3,528	346,273	415,210	365,242
1.31 Aboriginal Education	1,160,390	259,785	1,420,175	173,174	1,593,349	1,533,520	1,762,844
1.41 School Administration	3,761,303	875,859	4,637,162	103,967	4,741,129	4,635,731	4,927,974
1.61 Continuing Education	432,977	103,916	536,893	42,389	579,282	474,036	542,758
1.62 Off Shore Students	785,766	182,112	967,878	928,302	1,896,180	1,314,305	1,469,270
1.64 Other	-	-	-	11,668	11,668	14,200	16,274
Total Function 1	43,117,882	10,926,589	54,044,471	3,793,341	57,837,812	58,185,199	56,967,261
4 District Administration							
4.11 Educational Administration	461,884	107,533	569,417	21,171	590,588	498,490	586,217
4.40 School District Governance	62,741	5,180	67,921	186,629	254,550	233,465	136,863
4.41 Business Administration	820,123	165,440	985,563	268,408	1,253,971	1,366,069	1,286,680
Total Function 4	1,344,748	278,153	1,622,901	476,208	2,099,109	2,098,024	2,009,760
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	556,499	109,328	665,827	201,732	867,559	877,477	808,776
5.50 Maintenance Operations	3,531,819	853,925	4,385,744	1,193,395	5,579,139	5,954,675	5,861,199
5.52 Maintenance of Grounds	369,872	91,010	460,882	58,459	519,341	484,068	472,442
5.56 Utilities	-	-	-	1,158,159	1,158,159	1,526,500	1,426,257
Total Function 5	4,458,190	1,054,263	5,512,453	2,611,745	8,124,198	8,842,720	8,568,674
7 Transportation and Housing							
7.41 Transportation and Housing Administration	224,682	47,338	272,020	36,057	308,077	273,400	267,574
7.70 Student Transportation	1,126,268	285,945	1,412,213	464,770	1,876,983	1,906,706	2,093,162
Total Function 7	1,350,950	333,283	1,684,233	500,827	2,185,060	2,180,106	2,360,736
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	50,271,770	12,592,288	62,864,058	7,382,121	70,246,179	71,306,049	69,906,431

School District No. 79 (Cowichan Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,518,786	2,770,278	2,062,068
Other Revenue	1,853,700	1,599,093	1,906,750
Investment Income	16,800	6,661	2,050
Total Revenue	<u>4,389,286</u>	<u>4,376,032</u>	<u>3,970,868</u>
Expenses			
Instruction	4,015,276	4,105,161	3,608,136
Total Expense	<u>4,015,276</u>	<u>4,105,161</u>	<u>3,608,136</u>
Special Purpose Surplus (Deficit) for the year	<u>374,010</u>	<u>270,871</u>	<u>362,732</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(374,010)	(270,871)	(362,732)
Total Net Transfers	<u>(374,010)</u>	<u>(270,871)</u>	<u>(362,732)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		92,893	92,893
Special Purpose Surplus (Deficit), end of year		<u>92,893</u>	<u>92,893</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		92,893	92,893
Total Special Purpose Surplus (Deficit), end of year		<u>92,893</u>	<u>92,893</u>

School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education
Other
Investment Income

Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues
Provincial Grants - Ministry of Education
Other Revenue
Investment Income

Expenses
Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers
Tangible Capital Assets Purchased

Net Revenue (Expense)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	910,074	-	21,440	16,868	1,291,591	142,450	48,610	138,410	92,994
Add: Restricted Grants									
Provincial Grants - Ministry of Education	416,763	1,371,862	14,577		1,566,213	192,000	41,650	167,888	615,041
Other	12,327			2,101				2,000	
Investment Income	429,090	1,371,862	14,577	2,101	1,566,213	192,000	41,650	169,888	615,041
Less: Allocated to Revenue	419,624	1,371,862	11,757	3,800	1,571,962	188,923	35,089	176,061	556,123
Deferred Revenue, end of year	919,540	-	24,260	15,169	1,285,842	145,527	55,171	132,237	151,912
Revenues									
Provincial Grants - Ministry of Education	416,763	1,371,862	11,757		1,571,962	188,923	35,089	174,061	556,123
Other Revenue	2,861			3,800				2,000	
Investment Income	419,624	1,371,862	11,757	3,800	1,571,962	188,923	35,089	176,061	556,123
Expenses									
Salaries									
Teachers		769,649				1,868		15,819	
Principals and Vice Principals		61,799						18,318	
Educational Assistants									
Support Staff		218,953							276,540
Substitutes		30,992							53,412
		1,081,393				1,868	12,300	8,901	20,503
Employee Benefits		290,469				478	12,300	43,038	350,455
Services and Supplies	148,753		11,757	3,800	1,571,962	186,577	2,461	10,010	79,637
	148,753	1,371,862	11,757	3,800	1,571,962	188,923	20,328	123,013	126,031
							35,089	176,061	556,123
Net Revenue (Expense) before Interfund Transfers	270,871	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(270,871)								
	(270,871)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 79 (Cowichan Valley)

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

Schedule 3A (Unaudited)

	Service Delivery Transformation	BC Hydro	Early Learning	Student Inspiration	Lake Cowichan School Building Envelope	Wendy's House	Cultural Trust	Compassionate Leaders	Learning Supports
Deferred Revenue, beginning of year	\$	\$ 83,994	\$ 19,024	\$ 7,015	\$ 217,579	\$ 26,083	\$ -	\$ -	\$ -
Add: Restricted Grants									
Provincial Grants - Ministry of Education	46,817								
Other		43,473		23,500		11,473	10,920	42,000	32,000
Investment Income									
Less: Allocated to Revenue	46,817	43,473	-	23,500	-	11,473	10,920	42,000	32,000
Deferred Revenue, end of year	-	199	5,700	6,074	-	7,994	10,864	-	10,000
	46,817	127,268	13,324	24,441	217,579	29,562	56	42,000	22,000
Revenues									
Provincial Grants - Ministry of Education									
Other Revenue		199	5,700	6,074		7,994	10,864		10,000
Investment Income									
Expenses									
Salaries		199	5,700	6,074	-	7,994	10,864	-	10,000
Teachers									
Principals and Vice Principals									
Educational Assistants									
Support Staff									
Substitutes									
Employee Benefits			132						
Services and Supplies			132						
		199	5,538	6,074		7,994	10,864		10,000
		199	5,700	6,074	-	7,994	10,864	-	10,000
Net Revenue (Expense) before Interfund Transfers									
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)									

School District No. 79 (Cowichan Valley)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

	TOTAL
	\$
Deferred Revenue, beginning of year	3,016,132
Add:	
Restricted Grants	
Provincial Grants - Ministry of Education	2,940,598
Other	1,657,579
Investment Income	14,428
	<u>4,612,605</u>
Less: Allocated to Revenue	<u>4,376,032</u>
Deferred Revenue, end of year	<u>3,252,705</u>
Revenues	
Provincial Grants - Ministry of Education	2,770,278
Other Revenue	1,599,093
Investment Income	6,661
	<u>4,376,032</u>
Expenses	
Salaries	
Teachers	787,336
Principals and Vice Principals	80,117
Educational Assistants	276,540
Support Staff	272,365
Substitutes	72,828
	<u>1,489,186</u>
Employee Benefits	383,085
Services and Supplies	2,232,890
	<u>4,105,161</u>
Net Revenue (Expense) before Interfund Transfers	<u>270,871</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(270,871)
	<u>(270,871)</u>
Net Revenue (Expense)	<u>-</u>

School District No. 79 (Cowichan Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2015

	2015 Budget (Note 17)	2015 Actual			2014 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education		34,486		34,486	311,910
Other Revenue		89,456		89,456	
Investment Income	16,000		14,790	14,790	16,546
Amortization of Deferred Capital Revenue	3,509,411	3,619,002		3,619,002	3,521,786
Total Revenue	3,525,411	3,742,944	14,790	3,757,734	3,850,242
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,008,159	4,028,977		4,028,977	3,985,546
Transportation and Housing	245,937	245,937		245,937	283,678
Total Expense	4,254,096	4,274,914	-	4,274,914	4,269,224
Capital Surplus (Deficit) for the year	(728,685)	(531,970)	14,790	(517,180)	(418,982)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	374,010	339,277		339,277	426,159
Total Net Transfers	374,010	339,277	-	339,277	426,159
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		126,706	(126,706)	-	
Total Other Adjustments to Fund Balances		126,706	(126,706)	-	
Total Capital Surplus (Deficit) for the year	(354,675)	(65,987)	(111,916)	(177,903)	7,177
Capital Surplus (Deficit), beginning of year		44,196,414	1,305,998	45,502,412	45,495,235
Capital Surplus (Deficit), end of year		44,130,427	1,194,082	45,324,509	45,502,412

School District No. 79 (Cowichan Valley)

Tangible Capital Assets

Year Ended June 30, 2015

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	25,907,984	162,004,607	2,690,897	2,728,338	73,163	315,699	193,720,688
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	27,615	642,600		391,936			1,062,151
Deferred Capital Revenue - Other	96,328	268,635	124,925				489,888
Operating Fund			5,429	62,977			68,406
Special Purpose Funds	11,426	259,445					270,871
Local Capital			19,147	107,559			126,706
	135,369	1,170,680	149,501	562,472	-	-	2,018,022
Decrease:							
Deemed Disposals			553,883	44,351	14,797	18,740	631,771
	-	-	553,883	44,351	14,797	18,740	631,771
Cost, end of year	26,043,353	163,175,287	2,286,515	3,246,459	58,366	296,959	195,106,939
Work in Progress, end of year							-
Cost and Work in Progress, end of year	26,043,353	163,175,287	2,286,515	3,246,459	58,366	296,959	195,106,939
Accumulated Amortization, beginning of year							
Changes for the Year		65,739,754	1,361,286	1,190,002	19,542	161,615	68,472,199
Increase: Amortization for the Year		3,655,217	269,090	272,834	14,633	63,140	4,274,914
Decrease:							
Deemed Disposals			553,883	44,351	14,797	18,740	631,771
	-	-	553,883	44,351	14,797	18,740	631,771
Accumulated Amortization, end of year	69,394,971	1,076,493	1,418,485	1,418,485	19,378	206,015	72,115,342
Tangible Capital Assets - Net	26,043,353	93,780,316	1,210,022	1,827,974	38,988	90,944	122,991,597

School District No. 79 (Cowichan Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	78,377,324	2,258,186	416,339	81,051,849
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,034,536	268,635	124,925	1,428,096
	1,034,536	268,635	124,925	1,428,096
Decrease:				
Amortization of Deferred Capital Revenue	3,495,972	88,483	34,547	3,619,002
	3,495,972	88,483	34,547	3,619,002
Net Changes for the Year	(2,461,436)	180,152	90,378	(2,190,906)
Deferred Capital Revenue, end of year	75,915,888	2,438,338	506,717	78,860,943
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	75,915,888	2,438,338	506,717	78,860,943

School District No. 79 (Cowichan Valley)

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

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 241,502	\$ 2,320,165	\$	\$	\$	\$ 2,561,667
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	716,545					716,545
Investment Income		25,889				25,889
Donations					214,382	214,382
Decrease:						
Transferred to DCR - Capital Additions	1,034,536	268,635			124,925	1,428,096
Transferred to Revenue - Site Purchases	27,615	6,871			89,457	123,943
	1,062,151	275,506			214,382	1,552,039
Net Changes for the Year	(345,606)	(249,617)				(595,223)
Balance, end of year	(104,104)	2,070,548				1,966,444