

Audited Financial Statements of

**School District No. 78 (Fraser-Cascade)**

June 30, 2015

# School District No. 78 (Fraser-Cascade)

June 30, 2015

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# School District No. 78 (Fraser-Cascade)

## MANAGEMENT REPORT

Version: 6810-6064-4082

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 78 (Fraser-Cascade) 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. 78 (Fraser-Cascade) (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', McConnell Voelkl, 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. 78 (Fraser-Cascade) 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. 78 (Fraser-Cascade)



Signature of the Chairperson of the Board of Education

Sept. 22/15

Date Signed



Signature of the Superintendent

September 18, 2015

Date Signed



Signature of the Secretary Treasurer

Sept. 18, 2015

Date Signed



**CHARTERED ACCOUNTANTS**  
 F.W. Voelkl, C.P.A., C.A.  
 C.M. Kelley, C.P.A., C.A. (incorporated professional)

P.O. Box 819  
 228 Wallace St.  
 Hope, B.C. V0X 1L0



Office (604)869-5634  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 78 (Fraser-Cascade), and  
 To the Minister of Education, Province of British Columbia:

We have audited the accompanying financial statements of **SCHOOL DISTRICT NO. 78 (FRASER-CASCADE)**, which comprise the statement of financial position as at **JUNE 30, 2015**, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

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

### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether these 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, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion:

In our opinion, the financial statements of the **SCHOOL DISTRICT NO. 78 (FRASER-CASCADE)** as at and for the year ended **JUNE 30, 2015**, 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.

### Emphasis of Matter:

Without modifying our opinion, we draw attention to Note 3(a) to the financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

*McConnell, Voelkl*

CHARTERED PROFESSIONAL ACCOUNTANTS

September 16, 2015  
 Hope, BC, Canada

*Members, Chartered Professional Accountants of British Columbia*

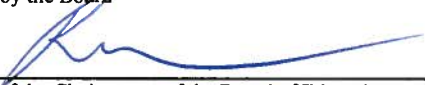

# School District No. 78 (Fraser-Cascade)

Statement of Financial Position  
As at June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 2b)	6,772,111	7,136,884
Accounts Receivable		
Due from LEA/Direct Funding	861,116	944,554
Other (Note 4)	81,932	124,526
Portfolio Investments (Note 5)	3,291,796	2,747,014
<b>Total Financial Assets</b>	<b>11,006,955</b>	<b>10,952,978</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education (Note 6)	-	352,219
Other (Note 6)	343,702	706,125
Unearned Revenue (Note 7)	22,918	35,764
Deferred Revenue (Note 8)	590,743	575,298
Deferred Capital Revenue (Note 9)	15,830,104	15,289,946
Employee Future Benefits (Note 10)	1,222,393	1,102,223
Other Liabilities (Note 6)	640,067	649,636
<b>Total Liabilities</b>	<b>18,649,927</b>	<b>18,711,211</b>
<b>Net Financial Assets (Debt)</b>	<b>(7,642,972)</b>	<b>(7,758,233)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	21,956,676	21,402,810
Prepaid Expenses (Note 31)	8,026	6,553
<b>Total Non-Financial Assets</b>	<b>21,964,702</b>	<b>21,409,363</b>
<b>Accumulated Surplus (Deficit)</b>	<b>14,321,730</b>	<b>13,651,130</b>

Contractual Obligations and Contingencies

Approved by the Board


  
 \_\_\_\_\_  
 Signature of the Chairperson of the Board of Education Date Signed


  
 \_\_\_\_\_  
 Signature of the Superintendent Date Signed


  
 \_\_\_\_\_  
 Signature of the Secretary Treasurer Date Signed

**School District No. 78 (Fraser-Cascade)**

Statement of Operations  
 Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	16,588,037	16,727,275	16,796,576
Other		7,417	23,902
Tuition	24,000	33,481	106,667
Other Revenue	3,322,884	3,366,021	3,134,243
Rentals and Leases	42,000	55,100	62,606
Investment Income	80,000	156,897	142,812
Amortization of Deferred Capital Revenue (Note 3f)	768,021	755,966	750,138
<b>Total Revenue</b>	<b>20,824,942</b>	<b>21,102,157</b>	<b>21,016,944</b>
<b>Expenses</b>			
Instruction	16,075,684	15,525,250	14,150,233
District Administration	1,087,567	921,844	852,918
Operations and Maintenance	3,607,452	3,119,282	3,197,300
Transportation and Housing	870,506	865,181	842,786
<b>Total Expense</b>	<b>21,641,209</b>	<b>20,431,557</b>	<b>19,043,237</b>
<b>Surplus (Deficit) for the year</b>	<b>(816,267)</b>	<b>670,600</b>	<b>1,973,707</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>13,651,130</b>	11,677,423
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>14,321,730</b>	<b>13,651,130</b>

**School District No. 78 (Fraser-Cascade)**

Statement 4

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(816,267)</u>	<u>670,600</u>	<u>1,973,707</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets (Note 11)	(420,477)	(1,594,733)	(597,389)
Amortization of Tangible Capital Assets (Note 11)	1,010,229	1,040,866	1,026,009
<b>Total Effect of change in Tangible Capital Assets</b>	<u>589,752</u>	<u>(553,867)</u>	<u>428,620</u>
Use of Prepaid Expenses		(1,472)	26,177
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(1,472)</u>	<u>26,177</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(226,515)</u>	<u>115,261</u>	<u>2,428,504</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>115,261</u>	<u>2,428,504</u>
<b>Net Financial Assets (Debt), beginning of year</b>		(7,758,233)	(10,186,737)
<b>Net Financial Assets (Debt), end of year</b>		<u>(7,642,972)</u>	<u>(7,758,233)</u>

**School District No. 78 (Fraser-Cascade)**

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	670,600	1,973,707
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	126,032	1,217,684
Prepaid Expenses	(1,472)	26,177
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(714,642)	378,123
Unearned Revenue	(12,846)	(15,266)
Deferred Revenue	15,445	51,826
Employee Future Benefits	120,170	54,156
Other Liabilities	(9,569)	(94,849)
Amortization of Tangible Capital Assets	1,040,866	1,026,009
Amortization of Deferred Capital Revenue	(755,966)	(750,138)
<b>Total Operating Transactions</b>	<b>478,618</b>	<b>3,867,429</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased (Note 11)	(849,733)	(597,389)
Tangible Capital Assets -WIP Purchased (Note 11)	(745,000)	
<b>Total Capital Transactions</b>	<b>(1,594,733)</b>	<b>(597,389)</b>
<b>Financing Transactions</b>		
Capital Revenue Received (Note 9)	1,296,124	442,827
<b>Total Financing Transactions</b>	<b>1,296,124</b>	<b>442,827</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments (Note 5)	(544,782)	1,024,843
<b>Total Investing Transactions</b>	<b>(544,782)</b>	<b>1,024,843</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(364,773)</b>	<b>4,737,710</b>
<b>Cash and Cash Equivalents, beginning of year (Note 3b)</b>	<b>7,136,884</b>	<b>2,399,174</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>6,772,111</b>	<b>7,136,884</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	6,772,111	7,136,884
	<b>6,772,111</b>	<b>7,136,884</b>



**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on December 2, 1996, 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. 78 (Fraser Cascade)", and operates as "School District No. 78 (Fraser Cascade)." 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. 78 (Fraser Cascade) 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(n).

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(n), 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. As a result, revenue recognized in the Statement of Operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2014 - decrease in annual surplus by \$307,311  
June 30, 2014 - increase in accumulated surplus and decrease in deferred contributions by \$15,289,946  
Year-ended June 30, 2015 – increase in annual surplus by \$540,158  
June 30, 2015 – increase in accumulated surplus and decrease in deferred contributions by \$15,830,104

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Portfolio Investments

The School District has investments in term deposits that have a maturity of greater than 3 months at the time of acquisition. Term deposits are reported at cost.

Detailed information regarding portfolio investments is disclosed in Note 5.

e) Unearned Revenue

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

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 (n).

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

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

g) Employee Future Benefits

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

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

h) Asset Retirement Obligations

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

i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

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

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

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

k) Capital Leases

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

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

l) Prepaid Expenses

Fees for the District's budget software license and support and prepaid dues are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

m) 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 13 – Interfund Transfers and Note 20 – Internally Restricted Surplus).

n) 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

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

- 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.

o) 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 the District Coordinator of Student Support Services, employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs:

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

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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

- 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.

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

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Re-measurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Re-measurement Gains and Losses and recognized in the Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

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

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

q) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 3 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 4      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2015	2014
Due from Federal Government	\$ 66,504	\$ 50,189
Due from Employees	9,285	8,455
Rent Receivable	0	7,000
FCTA Salary Recovery	0	47,737
Special Needs Support	0	4,000
Other/ Benefit Recovery	6,143	7,145
	\$ 81,932	\$ 124,526

**NOTE 5      PORTFOLIO INVESTMENTS**

	2015	2014
Investments in the cost and amortized cost category:		
Term Deposits	\$ 3,291,796	\$ 2,747,014

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

	2015	2014
Due to Ministry of Education – Strike Savings	\$ 0	\$ 352,219
Trade payables	\$ 343,702	\$ 706,125
Salaries and benefits payable	565,162	622,403
Accrued vacation pay	74,905	27,233
Other	0	0
Other Liabilities	\$ 640,067	\$ 649,636



**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**NOTE 7      UNEARNED REVENUE**

	2015	2014
Balance, beginning of year	\$ 35,764	\$ 51,030
Changes for the year:		
Increase:		
Tuition fees	11,364	11,281
Seiyotes Conference	0	62,745
	11,364	74,026
Decrease:		
Tuition fees	11,281	31,051
Seiyotes Conference	12,929	58,241
	24,210	89,292
Net changes for the year	24,210	89,292
Balance, end of year	\$ 22,918	\$ 35,764

**NOTE 8      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 9      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.

**NOTE 10     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.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	1,222,587	1,297,106
Service Cost	93,833	93,826
Interest Cost	40,312	38,924
Benefit Payments	(58,729)	(148,561)
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	(7,893)	(58,708)
Accrued Benefit Obligation – March 31	<u>1,290,110</u>	<u>1,222,587</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	1,290,110	1,222,587
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(1,290,110)	(1,222,587)
Employer Contributions After Measurement Date	0	30,714
Benefits Expense After Measurement Date	(34,077)	(33,536)
Unamortized Net Actuarial (Gain) Loss	101,794	123,186
Accrued Benefit Asset (Liability) - June 30	<u>(1,222,393)</u>	<u>(1,102,223)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	1,102,223	1,048,068
Net Expense for Fiscal Year	148,185	152,410
Employer Contributions	(28,015)	(98,254)
Accrued Benefit Liability (Asset) - June 30	<u>1,222,393</u>	<u>1,102,223</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	96,985	93,828
Interest Cost	37,701	39,271
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	13,498	19,311
Net Benefit Expense (Income)	<u>148,185</u>	<u>152,410</u>

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**NOTE 10 EMPLOYEE FUTURE BENEFITS (Continued)**

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

Discount Rate – April 1	3.25%	3.00%
Discount Rate – March 31	2.25%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.1	10.1

**NOTE 11 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2015	Net Book Value 2014
Sites	\$ 703,489	\$ 703,489
Buildings	19,232,427	19,588,884
Buildings – work in progress	745,000	
Furniture & Equipment	290,207	285,607
Vehicles	724,860	647,770
Computer Software		
Computer Hardware	260,693	177,060
<b>Total</b>	<b>\$21,956,676</b>	<b>\$21,402,810</b>

**June 30, 2015**

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2015
Sites	\$ 703,489	\$	\$	\$	\$ 703,489
Buildings	37,336,592	430,570			37,767,162
Buildings – work in progress				745,000	745,000
Furniture & Equipment	390,263	43,626			433,889
Vehicles	1,593,133	236,404	665,000		1,164,536
Computer Software					
Computer Hardware	277,501	139,134	69,514		347,121
<b>Total</b>	<b>\$40,300,978</b>	<b>\$1,594,733</b>	<b>\$ 734,514</b>	<b>\$745,000</b>	<b>\$41,161,197</b>

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)**

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2015
Sites	\$0	\$	\$	\$
Buildings	17,747,708	787,027		18,534,735
Furniture & Equipment	104,656	39,026		143,682
Vehicles	945,363	159,313	665,000	439,676
Computer Software				
Computer Hardware	100,442	55,500	69,514	86,428
<b>Total</b>	<b>\$18,898,169</b>	<b>\$1,040,866</b>	<b>\$734,514</b>	<b>\$19,204,521</b>

**June 30, 2014**

Cost:	Balance at July 1, 2013	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2014
Sites	\$ 703,489	\$	\$	\$	\$ 703,489
Buildings	36,893,765	442,827			37,336,592
Buildings – work in progress					
Furniture & Equipment	353,518	86,336	49,591		390,263
Vehicles	1,566,029	27,104			1,593,133
Computer Software	0				
Computer Hardware	264,279	41,122	27,900		277,501
<b>Total</b>	<b>\$39,781,080</b>	<b>\$597,389</b>	<b>\$ 77,491</b>	<b>\$</b>	<b>\$40,300,978</b>

Accumulated Amortization:	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Sites	\$0	\$	\$	\$
Buildings	16,966,510	781,198		17,747,708
Furniture & Equipment	118,895	35,352	49,591	104,656
Vehicles	788,760	156,603		945,363
Computer Software	0			
Computer Hardware	75,485	52,856	27,900	100,441
<b>Total</b>	<b>\$17,949,650</b>	<b>\$1,026,009</b>	<b>\$77,491</b>	<b>\$18,898,168</b>

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE 12     EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 33,000 retired members from school districts. 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.

School District No. 78 (Fraser- Cascade) paid \$ 1,562,267 for employer contributions to these plans in the year ended June 30, 2015 (2014 - \$1,460,194).

**NOTE 13     INTERFUND TRANSFERS**

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

- Purchase of equipment and computers totaling \$182,760 from operating
- Purchase of vehicle totaling \$115,849 from operating

**NOTE 14     RELATED PARTY TRANSACTIONS**

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

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**NOTE 15 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.

	2016	2017	2018	2019	Thereafter
Operating lease payments:	\$18,685	\$15,729	\$3,341	\$0	\$0

Contractual obligations for the construction and renovation of schools within the next fiscal year \$2,950,000 of which \$745,000 was expended in fiscal 2015.

**NOTE 16 BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 10, 2015.

**NOTE 17 CONTINGENCIES**

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

**NOTE 18 ASSET RETIREMENT OBLIGATION**

The School District has undergone reviews of asbestos materials in the district and school facilities. The asbestos material found does not pose a risk to the public, however, upon upgrade or renovation of the facilities, certain asbestos abatement procedures may need to take place. Until the work is undertaken, the estimate of the cost is not able to be determined.

**NOTE 19 EXPENSE BY OBJECT**

	2015	2014
Salaries and benefits	\$16,486,944	\$15,190,070
Services and supplies	2,862,201	2,827,158
Interest	0	0
Amortization	1,040,866	1,026,009
Other	0	0
	\$ 20,390,011	\$ 19,043,237

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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**NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

Internally Restricted (appropriated) by Board for:	
<i>School Surpluses</i>	\$ 700,260
<i>Aboriginal Education Council Funds</i>	276,484
<i>Trustee Professional Development C/F</i>	13,027
<i>Outdoor Education</i>	22,905
<i>Truck Purchase</i>	25,000
<i>Technology Plan</i>	200,000
<i>Modular Unit</i>	200,000
Subtotal Internally Restricted	<u>\$ 1,437,676</u>
Unrestricted Operating Surplus (Deficit)	<u>3,548,427</u>
Total Available for Future Operations	<u>\$4,986,103</u>
Total Capital Surplus	<u>\$8,835,627</u>
Total Accumulated Surplus	<u>\$13,821,730</u>

**NOTE 21 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 22 RISK MANAGEMENT**

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

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

a) Credit Risk

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

The School District is 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.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

b) Market Risk

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as it invests solely in term deposits that have a maturity date of no more than 3 years.

c) Liquidity Risk

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

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

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



## INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Board of Education of School District No. 78 (Fraser-Cascade), and  
To the Minister of Education, Province of British Columbia:

We have audited the financial statements of **SCHOOL DISTRICT NO. 78 (FRASER-CASCADE)**, which comprise the statement of financial position as at **JUNE 30, 2015**, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated September 16, 2015 which contained an unmodified opinion on the financial statements as a whole. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such financial information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

*McConnell, Voelkl*  
CHARTERED PROFESSIONAL ACCOUNTANTS

September 16, 2015  
Hope, BC, Canada

# School District No. 78 (Fraser-Cascade)

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
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	4,829,212		8,821,918	13,651,130	11,677,423
<b>Changes for the year</b>					
Surplus (Deficit) for the year	955,500		(284,900)	670,600	1,973,707
Interfund Transfers	(298,609)		298,609	-	-
Tangible Capital Assets Purchased	(500,000)		500,000	-	-
Local Capital	156,891	-	513,709	670,600	1,973,707
<b>Net Changes for the year</b>	<b>4,986,103</b>	<b>-</b>	<b>9,335,627</b>	<b>14,321,730</b>	<b>13,651,130</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>					

# School District No. 78 (Fraser-Cascade)

Schedule 2 (Unaudited)

Schedule of Operating Operations  
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	15,639,410	15,772,459	16,028,043
Other		7,417	23,902
Tuition	24,000	33,481	106,667
Other Revenue	2,897,884	2,860,797	2,664,956
Rentals and Leases	42,000	55,100	62,606
Investment Income	80,000	156,897	142,812
<b>Total Revenue</b>	<b>18,683,294</b>	<b>18,886,151</b>	<b>19,028,986</b>
<b>Expenses</b>			
Instruction	14,818,456	14,191,266	13,005,458
District Administration	1,087,567	921,844	852,918
Operations and Maintenance	2,637,427	2,111,673	2,234,849
Transportation and Housing	713,903	705,868	686,183
<b>Total Expense</b>	<b>19,257,353</b>	<b>17,930,651</b>	<b>16,779,408</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(574,059)</b>	<b>955,500</b>	<b>2,249,578</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>574,059</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(298,609)	(154,562)
Local Capital		(500,000)	(1,500,000)
<b>Total Net Transfers</b>	<b>-</b>	<b>(798,609)</b>	<b>(1,654,562)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>156,891</b>	<b>595,016</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>4,829,212</b>	<b>4,234,196</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>4,986,103</b>	<b>4,829,212</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted			1,465,824
Unrestricted		4,986,103	3,363,388
<b>Total Operating Surplus (Deficit), end of year</b>		<b>4,986,103</b>	<b>4,829,212</b>

**School District No. 78 (Fraser-Cascade)**

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	18,564,546	18,595,140	18,972,826
AANDC/LEA Recovery	(2,882,884)	(2,861,301)	(2,831,152)
Strike Savings Recovery	(555,982)	(533,531)	(387,496)
Other Ministry of Education Grants			
Labour Settlement Funding	284,214	284,214	
Pay Equity	229,516	229,516	229,516
Funding for Graduated Adults		6,368	6,922
Teacher levelling up benefit		13,169	
FSA and Monitored marking		7,972	7,972
Carbon Tax Reimbursement		30,912	29,455
<b>Total Provincial Grants - Ministry of Education</b>	<b>15,639,410</b>	<b>15,772,459</b>	<b>16,028,043</b>
<b>Provincial Grants - Other</b>		<b>7,417</b>	<b>23,902</b>
<b>Tuition</b>			
Offshore Tuition Fees	24,000	33,481	106,667
<b>Total Tuition</b>	<b>24,000</b>	<b>33,481</b>	<b>106,667</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	2,882,884	2,843,354	2,664,017
Miscellaneous			
Computer Sale		900	
BC Hydro Incentive		3,203	26
Administrative Fee		-	403
Bus Sale		3,500	
Industry Training Authority		4,000	
Other Grants	15,000	5,840	510
<b>Total Other Revenue</b>	<b>2,897,884</b>	<b>2,860,797</b>	<b>2,664,956</b>
<b>Rentals and Leases</b>	<b>42,000</b>	<b>55,100</b>	<b>62,606</b>
<b>Investment Income</b>	<b>80,000</b>	<b>156,897</b>	<b>142,812</b>
<b>Total Operating Revenue</b>	<b>18,683,294</b>	<b>18,886,151</b>	<b>19,028,986</b>

**School District No. 78 (Fraser-Cascade)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	6,654,569	6,419,202	6,268,855
Principals and Vice Principals	1,384,000	1,452,435	1,263,897
Educational Assistants	1,529,598	1,504,183	1,147,376
Support Staff	2,021,957	1,990,368	1,927,373
Other Professionals	584,064	583,222	541,345
Substitutes	826,030	641,867	530,427
<b>Total Salaries</b>	<u>13,000,218</u>	<u>12,591,277</u>	<u>11,679,273</u>
<b>Employee Benefits</b>	3,261,210	3,108,600	2,881,456
<b>Total Salaries and Benefits</b>	<u>16,261,428</u>	<u>15,699,877</u>	<u>14,560,729</u>
<b>Services and Supplies</b>			
Services	393,007	258,534	183,835
Student Transportation	69,500	30,305	35,498
Professional Development and Travel	256,473	218,486	186,322
Rentals and Leases	4,500	21,527	23,801
Dues and Fees	34,700	29,158	67,205
Insurance	90,500	70,312	70,685
Supplies	1,639,645	1,197,814	1,177,240
Utilities	507,600	404,638	474,093
<b>Total Services and Supplies</b>	<u>2,995,925</u>	<u>2,230,774</u>	<u>2,218,679</u>
<b>Total Operating Expense</b>	<u>19,257,353</u>	<u>17,930,651</u>	<u>16,779,408</u>

# School District No. 78 (Fraser-Cascade)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2015

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	5,562,935	315,080		265,881		450,115	6,594,011
1.03 Career Programs		25,469					25,469
1.07 Library Services	38,991	9,703					48,694
1.08 Counselling	30,893	19,407					50,300
1.10 Special Education	573,686	201,911	1,110,578			81,297	1,967,472
1.30 English Language Learning	92,725						92,725
1.31 Aboriginal Education	37,412		393,605				431,017
1.41 School Administration		880,865		227,164		14,583	1,122,612
1.60 Summer School							-
1.61 Continuing Education	82,560						82,560
<b>Total Function 1</b>	<b>6,419,202</b>	<b>1,452,435</b>	<b>1,504,183</b>	<b>493,045</b>	<b>-</b>	<b>545,995</b>	<b>10,414,860</b>
<b>4 District Administration</b>							
4.11 Educational Administration					297,720		297,720
4.40 School District Governance					79,860		79,860
4.41 Business Administration				75,568	138,757		214,325
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,568</b>	<b>516,337</b>	<b>-</b>	<b>591,905</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				1,499	31,366		32,865
5.50 Maintenance Operations				965,804		72,301	1,038,105
5.52 Maintenance of Grounds				107,369			107,369
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,074,672</b>	<b>31,366</b>	<b>72,301</b>	<b>1,178,339</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				67,736	35,519		103,255
7.70 Student Transportation				279,347		23,571	302,918
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347,083</b>	<b>35,519</b>	<b>23,571</b>	<b>406,173</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>6,419,202</b>	<b>1,452,435</b>	<b>1,504,183</b>	<b>1,990,368</b>	<b>583,222</b>	<b>641,867</b>	<b>12,591,277</b>

# School District No. 78 (Fraser-Cascade)

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	2014 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	6,594,011	1,825,656	8,419,667	830,956	9,250,623	9,627,265	8,613,408
1.03 Career Programs	25,469	6,311	31,780		31,780	2,500	35,493
1.07 Library Services	48,694	12,777	61,471	14,689	76,160	239,410	85,241
1.08 Counseling	50,300	11,676	61,976		61,976	167,203	72,309
1.10 Special Education	1,967,472	461,159	2,428,631	77,856	2,506,487	2,448,058	2,116,623
1.30 English Language Learning	92,725	23,272	115,997	774	116,771	87,646	127,026
1.31 Aboriginal Education	431,017	104,029	535,046	108,114	643,160	827,839	658,166
1.41 School Administration	1,122,612	242,428	1,365,040	36,600	1,401,640	1,418,535	1,187,525
1.60 Summer School	-	-	-	-	-	-	9,841
1.61 Continuing Education	82,560	20,109	102,669		102,669		99,826
<b>Total Function 1</b>	<b>10,414,860</b>	<b>2,707,417</b>	<b>13,122,277</b>	<b>1,068,989</b>	<b>14,191,266</b>	<b>14,818,456</b>	<b>13,005,458</b>
<b>4 District Administration</b>							
4.11 Educational Administration	297,720	44,982	342,702	57,411	400,113	419,212	359,231
4.40 School District Governance	79,860	-	79,860	106,277	186,137	202,724	145,492
4.41 Business Administration	214,325	47,890	262,215	73,379	335,594	465,631	348,195
<b>Total Function 4</b>	<b>591,905</b>	<b>92,872</b>	<b>684,777</b>	<b>237,067</b>	<b>921,844</b>	<b>1,087,567</b>	<b>852,918</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	32,865	5,609	38,474	11,804	50,278	87,139	49,941
5.50 Maintenance Operations	1,038,105	186,929	1,225,034	252,483	1,477,517	1,971,211	1,572,776
5.52 Maintenance of Grounds	107,369	28,754	136,123	43,117	179,240	71,477	138,039
5.56 Utilities	-	-	-	404,638	404,638	507,600	474,093
<b>Total Function 5</b>	<b>1,178,339</b>	<b>221,292</b>	<b>1,399,631</b>	<b>712,042</b>	<b>2,111,673</b>	<b>2,637,427</b>	<b>2,234,849</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	103,255	20,727	123,982	2,087	126,069	123,113	119,741
7.70 Student Transportation	302,918	66,292	369,210	210,589	579,799	590,790	566,442
<b>Total Function 7</b>	<b>406,173</b>	<b>87,019</b>	<b>493,192</b>	<b>212,676</b>	<b>705,868</b>	<b>713,903</b>	<b>686,183</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>12,591,277</b>	<b>3,108,600</b>	<b>15,699,877</b>	<b>2,230,774</b>	<b>17,930,651</b>	<b>19,257,353</b>	<b>16,779,408</b>

**School District No. 78 (Fraser-Cascade)**

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations  
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	948,627	954,816	768,533
Other Revenue	425,000	505,224	469,287
<b>Total Revenue</b>	<u>1,373,627</u>	<u>1,460,040</u>	<u>1,237,820</u>
<b>Expenses</b>			
Instruction	1,257,228	1,333,984	1,144,775
Operations and Maintenance	116,399	126,056	93,045
<b>Total Expense</b>	<u>1,373,627</u>	<u>1,460,040</u>	<u>1,237,820</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>



**School District No. 78 (Fraser-Cascade)**

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community-LINK
<b>Deferred Revenue, beginning of year</b>	\$ 9,657		\$ 7,081	\$ 22,727	\$ 475,903	\$ 47,615	\$ 4,160	\$ 4,492	\$ -
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	116,399	374,637	4,665	1,850	494,165	96,200	12,250	9,723	340,596
Other									
	116,399	374,637	4,665	1,850	494,165	96,200	12,250	9,723	340,596
<b>Less:</b> Allocated to Revenue	126,056	374,637	3,529	6,500	498,265	91,951	11,195	6,852	340,596
<b>Deferred Revenue, end of year</b>	-	-	<b>8,217</b>	<b>18,077</b>	<b>471,803</b>	<b>51,864</b>	<b>5,215</b>	<b>7,363</b>	-
<b>Revenues</b>	126,056	374,637	3,529	6,500	498,265	91,951	11,195	6,852	340,596
Provincial Grants - Ministry of Education									
Other Revenue	126,056	374,637	3,529	6,500	498,265	91,951	11,195	6,852	340,596
<b>Expenses</b>									
Salaries									
Teachers		238,189							11,781
Principals and Vice Principals									87,996
Educational Assistants									154,519
Substitutes		65,340				72,771			
Employee Benefits		303,529					5,500		234,296
Services and Supplies		71,108					500		64,231
Scholarships			3,529	6,500	498,265	4,048	5,195	6,852	22,069
	126,056	374,637	3,529	6,500	498,265	91,951	11,195	6,852	340,596
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 78 (Fraser-Cascade)**

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

	Service Delivery Transformation	District Band	TOTAL
<b>Deferred Revenue, beginning of year</b>	\$	\$ 3,663	\$ 575,298
<b>Add:</b> Restricted Grants	25,000		979,470
Provincial Grants - Ministry of Education			496,015
Other	25,000	-	1,475,485
<b>Less:</b> Allocated to Revenue	-	459	1,460,040
<b>Deferred Revenue, end of year</b>	<b>25,000</b>	<b>3,204</b>	<b>590,743</b>
<b>Revenues</b>			
Provincial Grants - Ministry of Education		459	954,816
Other Revenue	-	459	505,224
			1,460,040
<b>Expenses</b>			
Salaries			249,970
Teachers			87,996
Principals and Vice Principals			292,630
Educational Assistants			5,500
Substitutes			636,096
Employee Benefits			150,971
Services and Supplies		459	666,473
Scholarships			6,500
		459	1,460,040
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-
<b>Interfund Transfers</b>	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-

**School District No. 78 (Fraser-Cascade)**

Schedule 4 (Unaudited)

Schedule of Capital Operations  
Year Ended June 30, 2015

	2015 Budget	2015 Actual			2014 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Amortization of Deferred Capital Revenue	768,021	755,966		755,966	750,138
<b>Total Revenue</b>	<b>768,021</b>	<b>755,966</b>	<b>-</b>	<b>755,966</b>	<b>750,138</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	853,626	881,553		881,553	869,406
Transportation and Housing	156,603	159,313		159,313	156,603
<b>Total Expense</b>	<b>1,010,229</b>	<b>1,040,866</b>	<b>-</b>	<b>1,040,866</b>	<b>1,026,009</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(242,208)</b>	<b>(284,900)</b>	<b>-</b>	<b>(284,900)</b>	<b>(275,871)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased		298,609		298,609	154,562
Local Capital			500,000	500,000	1,500,000
<b>Total Net Transfers</b>	<b>-</b>	<b>298,609</b>	<b>500,000</b>	<b>798,609</b>	<b>1,654,562</b>
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(242,208)</b>	<b>13,709</b>	<b>500,000</b>	<b>513,709</b>	<b>1,378,691</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>6,282,790</b>	<b>2,539,128</b>	<b>8,821,918</b>	<b>7,443,227</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>6,296,499</b>	<b>3,039,128</b>	<b>9,335,627</b>	<b>8,821,918</b>

# School District No. 78 (Fraser-Cascade)

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	703,489	37,336,592	390,263	1,593,133	-	277,501	40,300,978
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - By/Law		430,570	43,626	120,554			551,124
Operating Fund		430,570	43,626	236,403		139,134	298,609
Decrease:							
Deemed Disposals		-	-	665,000		69,514	734,514
Cost, end of year	703,489	37,767,162	433,889	1,164,536	-	69,514	734,514
Work in Progress, end of year		745,000				347,121	40,416,197
Cost and Work in Progress, end of year	703,489	38,512,162	433,889	1,164,536	-	347,121	41,161,197
Accumulated Amortization, beginning of year		17,747,708	104,656	945,363		100,442	18,898,169
Changes for the Year							
Increase: Amortization for the Year		787,027	39,026	159,313		55,500	1,040,866
Decrease:							
Deemed Disposals		-	-	665,000		69,514	734,514
Accumulated Amortization, end of year		18,534,735	143,682	439,676		86,428	19,204,521
Tangible Capital Assets - Net	703,489	19,977,427	290,207	724,860	-	260,693	21,956,676

**School District No. 78 (Fraser-Cascade)**

Schedule 4B (Unaudited)

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

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>					-
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	745,000				745,000
	<u>745,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,000</u>
<b>Net Changes for the Year</b>	<u>745,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,000</u>
<b>Work in Progress, end of year</b>	<u>745,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,000</u>

# School District No. 78 (Fraser-Cascade)

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	15,008,465	111,555		15,120,020
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	551,124			551,124
	<u>551,124</u>	-	-	<u>551,124</u>
Decrease:				
Amortization of Deferred Capital Revenue	752,368	3,598		755,966
	<u>752,368</u>	<u>3,598</u>	-	<u>755,966</u>
<b>Net Changes for the Year</b>	<u>(201,244)</u>	<u>(3,598)</u>	-	<u>(204,842)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>14,807,221</u>	<u>107,957</u>	-	<u>14,915,178</u>
<b>Work in Progress, beginning of year</b>	-			-
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	745,000			745,000
	<u>745,000</u>	-	-	<u>745,000</u>
<b>Net Changes for the Year</b>	<u>745,000</u>	-	-	<u>745,000</u>
<b>Work in Progress, end of year</b>	<u>745,000</u>	-	-	<u>745,000</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>15,552,221</u>	<u>107,957</u>	-	<u>15,660,178</u>

**School District No. 78 (Fraser-Cascade)**

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
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	25,000	78,741	-	66,185	-	169,926
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	1,296,124	-	-	-	-	1,296,124
Decrease:						
Transferred to DCR - Capital Additions	551,124	-	-	-	-	551,124
Transferred to DCR - Work in Progress	745,000	-	-	-	-	745,000
	1,296,124	-	-	-	-	1,296,124
<b>Net Changes for the Year</b>	-	-	-	-	-	-
<b>Balance, end of year</b>	<b>25,000</b>	<b>78,741</b>	<b>-</b>	<b>66,185</b>	<b>-</b>	<b>169,926</b>