

Consolidated Audited Financial Statements of

School District No. 37 (Delta)

June 30, 2014

School District No. 37 (Delta)

June 30, 2014

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School District No. 37 (Delta)

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements.

The accompanying consolidated financial statements of School District No. 37 (Delta) have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated 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. 37 (Delta) (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 external auditors, PricewaterhouseCoopers LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of School District No. 37 (Delta) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 37 (Delta)

Laura Dixon	Original Document Signed	9/23/2014
Signature of the Chairperson of the Board of Education		Date Signed
Dianne Turner	Original Document Signed	9/23/2014
Signature of the Superintendent		Date Signed
Joe Strain	Original Document Signed	9/23/2014
Signature of the Secretary Treasurer		Date Signed



September 24, 2014

Independent Auditor's Report

To the Board of Education of School District No. 37

We have audited the statement of financial position as at June 30, 2014 and the statements of operations, remeasurement gains and losses, changes in net financial assets, and cash flows for the year ended June 30, 2014, comprising Statements 1 to 5, of School District No. 37. The attached supplementary information included in Schedules 1 through 4D is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Other matter**

The supplementary information included in Schedules 1 to 4D has not been audited.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of School District No. 37 as at June 30, 2014 and the results of its operations, its remeasurement gains and losses, changes in net financial assets and its cash flows for the year ended June 30, 2014 in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Basis of accounting

Without modifying our opinion, we draw attention to note 2 of the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Accountants

School District No. 37 (Delta)

Statement 1

Consolidated Statement of Financial Position

As at June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	35,014,629	22,107,572
Accounts Receivable		
Due from Province - Ministry of Education	38,335	65,802
Due from Province - Other	35,739	34,644
Due from LEA/Direct Funding	230,360	229,672
Other (Note 3)	1,621,529	953,771
Portfolio Investments (Note 4)	4,265,238	16,388,469
Total Financial Assets	41,205,830	39,779,930
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education (Note 5)	3,530,459	
Due to Province - Other (Note 5)	5,479	1,801
Other (Note 5)	7,680,012	9,759,971
Unearned Revenue (Note 6)	5,793,037	5,397,296
Deferred Revenue (Note 7)	1,898,368	1,844,354
Deferred Capital Revenue (Note 8)	86,214,483	79,540,621
Employee Future Benefits (Note 9)	3,902,355	3,781,480
Capital Lease Obligations (Note 10)	6,664,625	5,410,768
Other Liabilities	1,041,604	1,094,198
Total Liabilities	116,730,422	106,830,489
Net Financial Assets (Debt)	(75,524,592)	(67,050,559)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	124,531,591	112,408,393
Prepaid Expenses	482,928	406,059
Supplies Inventory	24,131	26,167
Total Non-Financial Assets	125,038,650	112,840,619
Accumulated Surplus (Deficit)	49,514,058	45,790,060

Contractual Obligations and Contingencies (Note 17)

Approved by the Board

Laura Dixon

Original Document Signed

9/23/2014

Signature of the Chairperson of the Board of Education

Date Signed

Dianne Turner

Original Document Signed

9/23/2014

Signature of the Superintendent

Date Signed

Joe Strain

Original Document Signed

9/23/2014

Signature of the Secretary Treasurer

Date Signed

School District No. 37 (Delta)

Statement 2

Consolidated Statement of Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	136,529,697	132,454,847	137,537,634
Other	2,402,778	2,607,958	2,796,071
Federal Grants	3,520	165,068	50,485
Tuition	8,486,138	8,556,397	7,311,964
Other Revenue	6,952,981	7,884,906	7,402,847
Rentals and Leases	710,000	754,610	702,985
Investment Income (Note 24)	402,905	536,557	444,880
Gain (Loss) on Disposal of Tangible Capital Assets (Note 12)	454,500	435,224	300,000
Amortization of Deferred Capital Revenue	3,116,240	3,116,240	3,129,843
Total Revenue	159,058,759	156,511,807	159,676,709
Expenses (Note 19)			
Instruction	135,082,299	127,556,068	132,195,557
District Administration	3,901,103	3,885,076	3,941,180
Operations and Maintenance	20,772,021	20,033,212	20,269,194
Transportation and Housing	1,123,360	1,043,273	1,482,641
Debt Services	32,668	270,180	22,664
Total Expense	160,911,451	152,787,809	157,911,236
Surplus (Deficit) for the year	(1,852,692)	3,723,998	1,765,473
Accumulated Surplus (Deficit) from Operations, beginning of year		45,790,060	44,024,587
Accumulated Surplus (Deficit) from Operations, end of year		49,514,058	45,790,060

School District No. 37 (Delta)

Statement 4

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Surplus (Deficit) for the year	(1,852,692)	3,723,998	1,765,473
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(15,308,856)	(17,073,886)	(11,565,747)
Amortization of Tangible Capital Assets	4,741,246	4,946,688	4,622,146
Net carrying value of Tangible Capital Assets disposed of		4,000	
Total Effect of change in Tangible Capital Assets	(10,567,610)	(12,123,198)	(6,943,601)
Acquisition of Prepaid Expenses		(775,484)	(762,678)
Use of Prepaid Expenses		698,615	641,869
Acquisition of Supplies Inventory		(24,131)	(26,167)
Use of Supplies Inventory		26,167	77,561
Total Effect of change in Other Non-Financial Assets	-	(74,833)	(69,415)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(12,420,302)</u>	(8,474,033)	(5,247,543)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(8,474,033)	(5,247,543)
Net Financial Assets (Debt), beginning of year		(67,050,559)	(61,803,016)
Net Financial Assets (Debt), end of year		<u>(75,524,592)</u>	<u>(67,050,559)</u>

School District No. 37 (Delta)

Statement 5

Consolidated Statement of Cash Flows

Year Ended June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	3,723,998	1,765,473
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(642,074)	88,742
Supplies Inventories	2,036	51,394
Prepaid Expenses	(76,869)	(120,809)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,454,178	594,669
Unearned Revenue	395,741	1,466,610
Deferred Revenue	54,014	117,145
Employee Future Benefits	120,875	361,396
Other Liabilities	(52,594)	66
Loss (Gain) on Disposal of Tangible Capital Assets	(435,224)	(300,000)
Amortization of Tangible Capital Assets	4,946,688	4,622,146
Amortization of Deferred Capital Revenue	(3,116,240)	(3,129,843)
Total Operating Transactions	6,374,529	5,516,989
Capital Transactions		
Tangible Capital Assets Purchased	(478,342)	(397,716)
Tangible Capital Assets -WIP Purchased	(14,831,577)	(5,868,069)
District Portion of Proceeds on Disposal	435,224	300,000
Reimbursement from Deferred Contributions		(50,000)
Remove Book Value of Sold Site	4,000	
Total Capital Transactions	(14,870,695)	(6,015,785)
Financing Transactions		
Capital Revenue Received	9,790,102	6,328,197
Capital Lease Principal Repayment	(510,110)	(252,588)
Total Financing Transactions	9,279,992	6,075,609
Investing Transactions		
Investments in Portfolio Investments	12,123,231	8,929,582
Total Investing Transactions	12,123,231	8,929,582
Net Increase (Decrease) in Cash and Cash Equivalents	12,907,057	14,506,395
Cash and Cash Equivalents, beginning of year	22,107,572	7,601,177
Cash and Cash Equivalents, end of year	35,014,629	22,107,572
Cash and Cash Equivalents, end of year, is made up of:		
Cash	35,014,629	22,107,572
	35,014,629	22,107,572



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 37 (Delta)", and operates as "School District No. 37 (Delta)." A board of education ("Board") elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 37 (Delta) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(g) and 2(p).

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

As noted in Notes 2 (g) and 2 (p), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2013 - increase in annual surplus by \$3,148,354

June 30, 2013 - increase in accumulated surplus and decrease in deferred capital revenue by \$79,540,621

Year-ended June 30, 2014 – increase in annual surplus by \$6,673,862

June 30, 2014 – increase in accumulated surplus and decrease in deferred capital revenue by \$86,214,483



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

b) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Delta Global Campus is 100% owned by the School District. In accordance with the BC School Act, the School District is the holder of the one (1) issued School District No. 37 Business Company common voting share. Delta Global Campus is reported in the special purpose fund and is accounted for using the consolidation method.

c) 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.

d) Accounts Receivable

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

e) Portfolio Investments

The School District has investments in Guaranteed Investment Certificate's (GIC's) and term deposits that have a maturity of greater than three months at the time of acquisition. GIC's and term deposits, not quoted in an active market are reported at cost or amortized cost.

f) Unearned Revenue

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

g) Deferred Revenue and Deferred Capital Revenue

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

SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

g) Deferred Revenue and Deferred Capital Revenue (cont'd)

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

h) Employee Future Benefits

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

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

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

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

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



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

i) 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 Consolidated Statement of Operations.

j) 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:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
 - is directly responsible; or
 - accepts responsibility; and
- a reasonable estimate of the amount can be made.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

k) 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 Consolidated 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 lives are as follows:

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



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

l) 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.

m) Prepaid Expenses

The following items are included as a prepaid expense and are stated at acquisition cost and are charged to expense over the periods expected to benefit from it:

- Insurance for fleet vehicles
- Annual software support agreements
- Prepaid memberships, subscriptions and registration fees
- Prepaid utility costs

n) Supplies Inventory

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

o) 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 20 – Internally Restricted Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

p) 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 lives of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful lives 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 consolidated financial statements.

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

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



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

q) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes interest incurred on capital leases.

Categories of Salaries

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

Allocation of Costs

Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

r) 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 consolidated 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, accounts payable and accrued liabilities, long term debt and other liabilities.

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Consolidated Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Consolidated Statement of Operations. The School District has no remeasurement gains and losses for the year.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated 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.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

s) Measurement Uncertainty

Preparation of consolidated financial statements in accordance with the basis of accounting described in Note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the consolidated 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.

t) Future Change in Accounting Policies

There have been no changes identified at this time.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2014	2013
	<hr/>	<hr/>
Due from Federal Government	\$ 531,016	\$ 345,729
Other	1,090,513	608,042
	<hr/> <u>\$ 1,621,529</u>	<hr/> <u>\$ 953,771</u>

NOTE 4 PORTFOLIO INVESTMENTS

	2014	2013
	<hr/>	<hr/>
GIC's	\$ 27,579	\$ 27,088
Term deposits	4,237,659	16,361,381
	<hr/> <u>\$ 4,265,238</u>	<hr/> <u>\$ 16,388,469</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2014	2013
Due to Province – Ministry of Education	\$ 3,530,459	\$ -
Due to Province - Other	5,479	1,801
Trade payables	2,033,106	2,659,265
Wages payable	2,337,112	1,487,465
Payroll deductions payable	2,251,357	4,778,565
Other	1,058,437	834,676
	<u>\$11,215,950</u>	<u>\$ 9,761,772</u>

NOTE 6 UNEARNED REVENUE

	2014	2013
Balance, beginning of year	\$ 5,397,296	\$ 3,930,686
Changes for the year:		
Increase:		
Tuition fees	8,791,384	8,635,193
Rental/Lease of facilities	759,127	711,254
	<u>9,550,511</u>	<u>9,346,447</u>
Decrease:		
Tuition fees	(8,400,160)	(7,176,773)
Rental/Lease of facilities	(754,610)	(703,064)
Net changes for the year	<u>395,741</u>	<u>1,466,610</u>
Balance, end of year	<u>\$ 5,793,037</u>	<u>\$ 5,397,296</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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.

	2014	2013
Balance, beginning of year	\$1,844,354	\$1,727,209
Changes for the year:		
Increase:		
Provincial Grants	5,450,180	5,978,991
Provincial Grants – Other	394,914	475,350
Federal Grants	-	54,000
Investment Income	6,656	8,860
Other	1,905,315	2,101,697
	<u>7,757,065</u>	<u>8,618,898</u>
Decrease:		
Transfer to Revenue	(7,551,143)	(8,463,349)
Transfer re Capital Additions	(17,353)	(37,527)
Other	(2,669)	(877)
Recovered	(131,886)	-
	<u>54,014</u>	<u>117,145</u>
Net changes for the year	54,014	117,145
Balance, end of year	<u>\$1,898,368</u>	<u>\$1,844,354</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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.

	2014	2013
Balance, beginning of year	\$79,540,621	\$76,392,267
Changes for the year:		
Increase:		
Transfer to DCR – Cap Additions	97,842	54,766
Other – Transfer from DCR WIP	10,379,671	4,538,374
Provincial Grants	8,349,050	4,834,540
Provincially Restricted Capital	1,317,673	1,288,200
Other Capital	123,379	205,457
	<u>20,267,615</u>	<u>10,921,337</u>
Decrease:		
Amortization	(3,116,240)	(3,129,843)
Transfer to DCR – Cap Additions	(97,842)	(54,766)
Transfer to DCR – WIP	(10,379,671)	(4,538,374)
Other	-	(50,000)
Net changes for the year	<u>6,673,862</u>	<u>3,148,354</u>
Balance, end of year	<u>\$86,214,483</u>	<u>\$79,540,621</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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.

	2014	2013 (Recast)
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$4,603,032	\$3,499,349
Service Cost	352,420	273,517
Interest Cost	140,138	151,147
Benefit Payments	(487,472)	(295,689)
Increase (Decrease) in obligation due to Plan Amendment	-	192,374
Actuarial (Gain) Loss	(144,297)	782,334
Accrued Benefit Obligation – March 31	<u>\$4,463,821</u>	<u>\$4,603,032</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$4,463,821	\$4,603,032
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(4,463,821)	(4,603,032)
Employer Contributions After Measurement Date	108,763	126,419
Benefits Expense After Measurement Date	(125,169)	(123,140)
Unamortized Net Actuarial (Gain) Loss	577,872	818,273
Accrued Benefit Asset (Liability) – June 30	<u>(\$3,902,355)</u>	<u>(\$3,781,480)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$3,781,480	\$3,313,919
Recognize Benefit Expense April 1 – June 30	-	106,166
Accrued Benefit Liability – July 1 (restated)	3,781,480	3,420,085
Net expense for Fiscal Year	590,690	639,146
Employer Contributions	(469,815)	(277,751)
Accrued Benefit Liability – June 30	<u>\$3,902,355</u>	<u>\$3,781,480</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 9 EMPLOYEE FUTURE BENEFITS *(Continued)*

	2014	2013 (Recast)
Components of Net Benefit Expense		
Service Cost	\$352,721	\$293,243
Interest Cost	141,866	148,395
Immediate Recognition of Plan Amendment	-	192,374
Amortization of Net Actuarial (Gain)/Loss	96,103	5,134
Net Benefit Expense (Income)	<u>\$590,690</u>	<u>\$639,146</u>

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

Discount Rate – April 1	3.00%	4.25%
Discount Rate – March 31	3.25%	3.00%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	8.6	8.6



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 10 CAPITAL LEASE OBLIGATIONS

The district has six leases (with terms ranging from eight months to three years, eight months), for maintenance fleet vehicles and equipment. These leases are secured with the equipment and vehicles and have a \$1 purchase option at the termination of the lease. The district also has one lease (with a term of nineteen years) for a thermal energy plant. This lease has a buyout option based on the market value at the end of the agreement. The leases bear interest rates averaging 6.94% with average monthly principal and interest payments of \$49,835.

Repayments are due as follows:

	<u>June 30, 2014</u>
2015	\$ 755,057
2016	738,789
2017	689,663
2018	578,559
2019	430,504
Thereafter	<u>6,027,064</u>
Total minimum lease payments	<u>\$ 9,219,636</u>
Less amounts representing interest	<u>(2,555,011)</u>
Present value of net minimum capital lease payments	<u>\$ 6,664,625</u>

Total interest on leases for the year was \$270,180 (\$22,664 for the year ended June 30, 2013).



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 11 TANGIBLE CAPITAL ASSETS

June 30, 2014

COST	Balance at June 30, 2013	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2014
Sites	\$ 10,718,525	\$ -	\$ 4,000	\$ -	\$ 10,714,525
Buildings	174,785,447	7,254	-	3,811,214	178,603,915
Buildings - Capital Lease (PPA)	4,108,849	1,760,213	-	-	5,869,062
Buildings - Work in Progress	2,233,487	11,873,088	-	(3,811,214)	10,295,361
Furniture & Equipment	2,711,358	307,953	442,285	130,900	2,707,926
Furniture & Equipment - Capital Lease	2,886,830	3,754	-	-	2,890,584
Furniture & Equipment - Work in Progress	67,358	66,368	-	(130,900)	2,826
Vehicles	512,953	138,945	-	-	651,898
Vehicles - Capital Lease	706,243	-	-	-	706,243
Computer Software	111,855	444	-	171,117	283,416
Computer Software - Work in Progress	200,334	166,395	-	(171,117)	195,612
Computer Equipment	2,490,535	23,746	14,689	2,903,665	5,403,257
Computer Equipment - Work in Progress	1,030,190	2,725,726	-	(2,903,665)	852,251
TOTAL	\$ 202,563,964	\$ 17,073,886	\$ 460,974	\$ -	\$ 219,176,876

Amortization	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Buildings	\$ 85,759,948	\$ 3,539,029	\$ -	\$ 89,298,977
Buildings - Capital Lease	-	205,442	-	205,442
Furniture & Equipment	1,311,295	271,136	442,285	1,140,146
Furniture & Equipment - Capital Lease	1,276,874	288,683	-	1,565,557
Vehicles	139,446	51,296	-	190,742
Vehicles - Capital Lease	273,462	70,624	-	344,086
Computer Software	32,290	22,371	-	54,661
Computer Hardware	1,362,256	498,107	14,689	1,845,674
TOTAL	\$ 90,155,571	\$ 4,946,688	\$ 456,974	\$ 94,645,285



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 11 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2013

COST	Balance at June 30, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 10,718,525	\$ -	\$ -	\$ -	\$ 10,718,525
Buildings	172,108,377	-	-	2,677,070	174,785,447
Buildings - Capital Lease	-	4,108,849	-	-	4,108,849
Buildings - Work in Progress	280,772	4,629,785	-	(2,677,070)	2,233,487
Furniture & Equipment	2,870,332	270,408	433,832	4,450	2,711,358
Furniture & Equipment - Capital Lease	1,699,871	1,186,959	-	-	2,886,830
Furniture & Equipment - Work in Progress	-	71,808	-	(4,450)	67,358
Vehicles	456,073	93,814	36,934	-	512,953
Vehicles - Capital Lease	702,090	4,153	-	-	706,243
Computer Software	70,138	33,494	12,214	20,437	111,855
Computer Software - Work in Progress	95,833	124,938	-	(20,437)	200,334
Computer Hardware	2,661,889	-	195,550	24,196	2,490,535
Computer Hardware - Work in Progress	12,848	1,041,538	-	(24,196)	1,030,190
TOTAL	\$ 191,676,748	\$ 11,565,746	\$ 678,530	\$ -	\$ 202,563,964

Amortization	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Buildings	\$ 82,257,040	\$ 3,502,908	-	\$ 85,759,948
Furniture & Equipment	1,458,098	287,029	433,832	1,311,295
Furniture & Equipment - Capital Lease	1,106,887	169,987	-	1,276,874
Vehicles	130,773	45,607	36,934	139,446
Vehicles - Capital Lease	203,253	70,209	-	273,462
Computer Software	30,476	14,028	12,214	32,290
Computer Hardware	1,025,428	532,378	195,550	1,362,256
TOTAL	\$ 86,211,955	\$ 4,622,146	\$ 678,530	\$ 90,155,571



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 11 TANGIBLE CAPITAL ASSETS *(Continued)*

Net Book Value	Net Book Value 2014	Net Book Value 2013
Sites	\$ 10,714,525	\$ 10,718,525
Buildings	89,304,938	89,025,499
Buildings - Capital Lease	5,663,620	4,108,849
Buildings - Work in Progress	10,295,361	2,233,487
Furniture & Equipment	1,567,780	1,400,063
Furniture & Equipment - Capital Lease	1,325,027	1,609,956
Furniture & Equipment - Work in Progress	2,826	67,358
Vehicles	461,156	373,507
Vehicles - Capital Lease	362,157	432,781
Computer Software	228,755	79,565
Computer Software - Work in Progress	195,612	200,334
Computer Equipment	3,557,583	1,128,279
Computer Equipment - Work in Progress	852,251	1,030,190
TOTAL	\$ 124,531,591	\$ 112,408,393

- Contributed tangible capital assets

Additions to buildings and furniture & equipment include the following contributed tangible capital assets:

	2014	2013
PAC & Municipality Funded Playgrounds	\$90,588	\$28,192
PAC Funded School Equipment	7,254	26,574
Total	\$97,842	\$54,766

- Work in progress projects having a value of \$11,346,050 (2013: \$3,531,369) have not been amortized. Amortization of these assets will commence when the asset is put into service.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

During the 2013-14 school-year, the School District disposed of two properties, as follows:

- a) On December 16, 2013, the District's 1.14 acre Delview Adult Learning Centre property (Plan 37230 NWD Lot 998 DL 440 Group 2 PL 37230), located at 11582 92nd Avenue, Delta BC, was sold for \$1,400,000. The property was originally acquired for educational purposes in August of 1977 through an exchange with the Corporation of Delta along with the acquisition of a 2.07 acre parcel of land, north of South Delta Secondary, for a 0.66 acre lot on 11030 River Road. The River Road lot, in turn, was acquired by the Board in 1902 for the original Annieville School. The origins of the 1902 site acquisition are unknown.
- b) On June 27, 2014, a 0.162 acre District residential lot, located at 5489 18th Avenue, Delta BC (lying immediately west of Lot 65 Timber Lot 1 Sec 15 Twp 5 NWD PL 20009), which was acquired from Century Holdings via Referendum 7 in 1970 for \$4,000, was sold for \$470,000.

In accordance with the Ministry's Allocation of Proceeds from the Disposition of Capital Assets Policy, all net proceeds of the above real property sales are apportioned 25% to the Board (Local Capital) and 75% to the Minister (Restricted Capital). The proceeds of the sale of these two properties are used toward the construction of the new Delta Community College and toward improvements of the science block at South Delta Secondary School.

NOTE 13 EMPLOYEE PENSION PLANS

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

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the Plan.

The School District paid \$13,647,883 for employer contributions to these plans in the year ended June 30, 2014 (\$13,128,710 in the year ended June 30, 2013).

NOTE 14 INTERFUND TRANSFERS

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

- **Capital Lease Principal:** A transfer to the Capital Fund of \$510,110 consisting of \$507,758 from the Operating Fund and \$2,352 from Special Purpose Funds covered the 2013/14 short-term principal portion of the district's capital leases.
- **Capital Lease Interest:** A transfer in the amount of \$270,180 consisting of \$269,863 from the Operating Fund and \$317 from Special Purpose Funds to the Capital Fund was made for the payment of capital lease interest.
- **Purchase of Capital Assets:** A transfer in the amount of \$367,277, consisting of \$349,924 from the Operating Fund and \$17,353 from Special Purpose Funds were transferred to the Capital Fund for the purchase of capital items, including computer hardware, electronic equipment, furniture and equipment, and vehicles
- **Capital Projects:** Transfers to the Capital Fund totaling \$4,031,460, were made from the Operating Fund. These funds paid for building, computer hardware and software projects.

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.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 16 BUDGET FIGURES

Budget figures included in the consolidated financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 11, 2014. For comparative purposes, Original and Amended Budgets have been provided below.

	2014 ORIGINAL BUDGET	2014 AMENDED BUDGET
REVENUES		
Provincial Grants		
Provincial Grants - Ministry of Education	\$ 135,147,267	\$ 136,529,697
Provincial Grants - Other	2,465,888	2,402,778
Federal Grants	0	3,520
Tuition	6,301,188	8,486,138
Other Revenue	6,684,104	6,952,981
Rentals and Leases	710,000	710,000
Investment Income	271,700	402,905
Gain (Loss) on Disposal of Tangible Capital Assets	0	454,500
Amortization of Deferred Capital Revenue	3,163,174	3,116,240
Total Revenue	\$ 154,743,321	\$ 159,058,759
EXPENSES		
Instruction	131,983,275	135,082,299
District Administration	3,776,729	3,901,103
Operations and Maintenance	19,833,804	20,772,021
Transportation and Housing	1,219,947	1,123,360
Debt Services	33,197	32,668
Total Expense	\$ 156,846,952	\$ 160,911,451
Surplus (Deficit) for the year	\$ (2,103,631)	\$ (1,852,692)



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 17 CONTINGENCIES

(a) Ongoing legal proceedings: 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.

(b) Outstanding Labour Relations and Human Resources related matters may result in imposed or agreed to settlements. The potential amount of the loss to the School District, while not determinable, is not expected to exceed \$200,000.

(c) In 2014, the School District was served a writ of summons regarding school fees. Two other districts have been served with a similar claim. The potential financial consequences are unknown at this time.

NOTE 18 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2014, the School District has a liability of \$80,000 (2013 – \$55,000) related to asset retirement obligations.

NOTE 19 EXPENSE BY OBJECT

	2014	2013 (Recast)
Salaries and benefits	\$127,515,322	\$132,212,958
Services and supplies	20,055,619	21,053,468
Interest	270,180	22,664
Amortization	4,946,688	4,622,146
Total Expenses	<u>\$152,787,809</u>	<u>\$157,911,236</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

<i>Restricted for 2014-15 Operations</i>	\$1,500,000	
<i>Education Technology & Infrastructure</i>	2,926,067	
<i>School Based Initiatives</i>	3,403,667	
<i>School Generated Funds</i>	2,078,086	
<i>District Initiatives</i>	3,298,949	
<i>Restricted for specific Operations Initiatives</i>	11,706,769	
Subtotal Internally Restricted		<u>13,206,769</u>
Unrestricted Operating Surplus (Deficit)		<u>1,554,117</u>
Total Available for Future Operations		<u>\$14,760,886</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 consolidated financial statements have been prepared on a going concern basis.

NOTE 22 PRIOR PERIOD ADJUSTMENT

In prior years, school districts reported annual Employee Future Benefit (EFB) expense equal to the 12 months ended March 31 expenses as determined by the actuary rather than the 12 months ended June 30. An adjustment was made to increase the EFB liability to include benefits expense incurred after the early measurement date of March 31 (see Note 9). The June 30, 2013 EFB liability increased by \$16,974 representing the EFB expenses April 1 to June 30, 2013. The opening surplus as at July 1, 2012 was decreased by \$106,166 representing the April 1 – June 2012 EFB expenses. The surplus for the year ended June 30, 2013 was decreased by \$123,140 representing the April 1 – June 2013 EFB expense minus the April 1 – June 2012 EFB expense.

On October 31, 2011, the School District entered into a contractual arrangement with FortisBC Energy Inc. for thermal energy services to be provided to the School District through a thermal energy plant built on school district property. As a result of an adjustment made to recognize the plant as a leased asset, the June 30, 2013 tangible capital assets and lease liability balance were corrected and increased by \$4,108,849 or 70% of the approximate cost incurred by FortisBC Energy Inc. to complete the plant. The full cost of the lease is being repaid from energy consumption payments over a period of twenty years beginning in 2013-14.

SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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.

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in term deposits, guaranteed investment certificates and the Province's Shared K-12 Investment Pool.

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 they invest solely in term deposits, guaranteed investment certificates and the Province's Shared K-12 Investment Pool that have a maturity date of no more than three years.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 23 RISK MANAGEMENT *(Continued)*

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.

NOTE 24 SUPPLEMENTARY CASH FLOW INFORMATION

	2014				2013
	Operating Fund	Special Purpose Fund	Capital Fund	Total	Total
Interest received	\$ 525,627	\$ 6,218	\$ 58,110	\$ 589,955	\$ 455,025
Interest paid – Capital Lease			\$ 270,180	\$ 270,180	\$ 22,664

School District No. 37 (Delta)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	14,589,992		31,200,068	45,790,060	44,130,753
Prior Period Adjustments					(106,166)
Accumulated Surplus (Deficit), beginning of year, as restated	14,589,992	-	31,200,068	45,790,060	44,024,587
Changes for the year					
Surplus (Deficit) for the year	5,337,433	20,022	(1,633,457)	3,723,998	1,765,473
Interfund Transfers					
Tangible Capital Assets Purchased	(349,924)	(17,353)	367,277	-	
Tangible Capital Assets - Work in Progress	(4,031,460)		4,031,460	-	
Local Capital	(7,533)		7,533	-	
Other	(777,622)	(2,669)	780,291	-	
Net Changes for the year	170,894	-	3,553,104	3,723,998	1,765,473
Accumulated Surplus (Deficit), end of year - Statement 2	14,760,886	-	34,753,172	49,514,058	45,790,060

School District No. 37 (Delta)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	130,766,894	127,310,540	131,333,222
Other	1,925,775	2,149,823	2,394,441
Federal Grants		161,548	
Tuition	8,486,138	8,556,397	7,311,964
Other Revenue	5,410,742	5,925,857	5,565,570
Rentals and Leases	710,000	754,610	702,985
Investment Income	354,000	490,923	396,292
Total Revenue	147,653,549	145,349,698	147,704,474
Expenses			
Instruction	128,332,257	120,718,706	124,985,041
District Administration	3,457,765	3,460,976	3,545,892
Operations and Maintenance	15,424,685	14,789,310	14,723,683
Transportation and Housing	1,123,360	1,043,273	1,482,641
Total Expense	148,338,067	140,012,265	144,737,257
Operating Surplus (Deficit) for the year	(684,518)	5,337,433	2,967,217
Budgeted Appropriation (Retirement) of Surplus (Deficit)	3,725,053		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(70,000)	(349,924)	(278,729)
Tangible Capital Assets - Work in Progress	(2,624,090)	(4,031,460)	(1,189,365)
Local Capital		(7,533)	(48,461)
Other	(346,445)	(777,622)	(274,375)
Total Net Transfers	(3,040,535)	(5,166,539)	(1,790,930)
Total Operating Surplus (Deficit), for the year	-	170,894	1,176,287
Operating Surplus (Deficit), beginning of year		14,589,992	13,519,871
Prior Period Adjustments			
April - June 2012 EFB Expense Restatement			(106,166)
Operating Surplus (Deficit), beginning of year, as restated		14,589,992	13,413,705
Operating Surplus (Deficit), end of year		14,760,886	14,589,992
Operating Surplus (Deficit), end of year			
Internally Restricted		13,206,769	13,035,875
Unrestricted		1,554,117	1,554,117
Total Operating Surplus (Deficit), end of year		14,760,886	14,589,992

School District No. 37 (Delta)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	128,716,871	128,942,894	129,225,592
AANDC/LEA Recovery	(260,890)	(307,146)	(307,024)
Other Ministry of Education Grants			
Pay Equity	2,171,545	2,171,545	2,171,545
Teacher Strike Saving Recovery		(3,772,369)	
Carbon Rebate	60,700	60,700	102,751
Education Guarantee	60,000	171,248	121,690
FSA	18,668	18,668	18,668
Quality Teaching & Learning		10,000	
Development of Critical Thinking		15,000	
Total Provincial Grants - Ministry of Education	130,766,894	127,310,540	131,333,222
Provincial Grants - Other	1,925,775	2,149,823	2,394,441
Federal Grants		161,548	
Tuition			
Summer School Fees	100,000	156,237	135,191
Continuing Education	735,088	667,561	724,227
Offshore Tuition Fees	6,580,000	6,665,952	5,651,162
Academy Tuition Fees	1,071,050	1,066,647	801,384
Total Tuition	8,486,138	8,556,397	7,311,964
Other Revenues			
Other School District/Education Authorities	40,000	61,335	66,002
LEA/Direct Funding from First Nations	307,024	307,941	306,229
Miscellaneous			
Instructional Cafeteria	330,000	398,698	374,035
Municipal Grant - Crossing Guard	85,421	93,420	85,421
Admin. Fees	43,500	54,025	54,000
POPARD Teacher Training	175,120	128,357	106,712
Other Revenues	402,375	928,431	1,008,585
School Generated Funds	4,027,302	3,953,650	3,564,586
Total Other Revenue	5,410,742	5,925,857	5,565,570
Rentals and Leases	710,000	754,610	702,985
Investment Income	354,000	490,923	396,292
Total Operating Revenue	147,653,549	145,349,698	147,704,474

School District No. 37 (Delta)

Schedule 2B (Unaudited)

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

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Salaries			
Teachers	67,109,909	62,669,038	66,610,162
Principals and Vice Principals	7,296,298	7,256,097	7,061,733
Educational Assistants	10,803,080	10,515,424	10,847,081
Support Staff	10,557,728	10,529,184	10,313,958
Other Professionals	2,535,853	2,517,295	2,522,312
Substitutes	3,810,618	4,094,216	4,258,429
Total Salaries	102,113,486	97,581,254	101,613,675
Employee Benefits	26,555,917	25,329,645	25,454,133
Total Salaries and Benefits	128,669,403	122,910,899	127,067,808
Services and Supplies			
Services	4,804,786	4,416,788	4,800,438
Student Transportation	1,145,102	1,029,590	1,446,892
Professional Development and Travel	820,208	735,641	671,621
Rentals and Leases	265,758	138,296	90,104
Dues and Fees	165,470	210,206	174,763
Insurance	382,889	356,970	300,810
Supplies	9,997,206	8,445,199	8,171,374
Utilities	2,087,245	1,768,676	2,013,447
Total Services and Supplies	19,668,664	17,101,366	17,669,449
Total Operating Expense	148,338,067	140,012,265	144,737,257

School District No. 37 (Delta)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	45,905,220	1,077,206	684,205	41,543		2,339,258	50,047,432
1.03 Career Programs	440,422	472	202,934			10,013	653,841
1.07 Library Services	1,470,232	125,576		140,982		55,360	1,792,150
1.08 Counselling	2,116,952					3,014	2,119,966
1.10 Special Education	9,361,467	333,859	8,866,544	112,591		691,117	19,365,578
1.30 English Language Learning	1,411,525	185,035	90,429			47,074	1,734,063
1.31 Aboriginal Education	51,230	48,677	248,965	6,945		123,028	478,845
1.41 School Administration		4,816,568		2,396,278	10,977	124,511	7,348,334
1.60 Summer School	281,844			1,285		4,579	287,708
1.61 Continuing Education	334,661	223,084	33,600	154,658	96,084	616	842,703
1.62 Off Shore Students	917,981	340,942	107,190	334,743		33,534	1,734,390
1.64 Other	364,127	83,742	281,557	222,962		42,527	994,915
Total Function 1	62,655,661	7,235,161	10,515,424	3,411,987	107,061	3,474,631	87,399,925
4 District Administration							
4.11 Educational Administration	813	20,936		49,577	627,668		698,994
4.40 School District Governance					162,753		162,753
4.41 Business Administration	12,564			681,789	788,547	3,458	1,486,358
Total Function 4	13,377	20,936	-	731,366	1,578,968	3,458	2,348,105
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				284,789	636,467	22,094	943,350
5.50 Maintenance Operations				5,661,726	137,342	342,243	6,141,311
5.52 Maintenance of Grounds				405,830		178,920	584,750
5.56 Utilities				19,036			19,036
Total Function 5	-	-	-	6,371,381	773,809	543,257	7,688,447
7 Transportation and Housing							
7.41 Transportation and Housing Administration				14,450	57,457		71,907
7.70 Student Transportation						72,870	72,870
Total Function 7	-	-	-	14,450	57,457	72,870	144,777
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	62,669,038	7,256,097	10,515,424	10,529,184	2,517,295	4,094,216	97,581,254

School District No. 37 (Delta)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2014 Actual	2014 Budget	2013 Actual (Recast - Note 22)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	50,047,432	12,884,575	62,932,007	6,164,491	69,096,498	73,311,977	72,855,477
1.03 Career Programs	653,841	172,403	826,244	26,122	852,366	1,017,395	917,815
1.07 Library Services	1,792,150	452,020	2,244,170	69,949	2,314,119	2,515,377	2,477,559
1.08 Counselling	2,119,966	515,418	2,635,384	14,145	2,649,529	2,946,184	2,753,927
1.10 Special Education	19,365,578	5,186,824	24,552,402	447,470	24,999,872	26,192,682	25,708,694
1.30 English Language Learning	1,734,063	427,128	2,161,191	36,177	2,197,368	2,493,044	2,358,075
1.31 Aboriginal Education	478,845	115,994	594,839	49,995	644,834	668,980	700,501
1.41 School Administration	7,348,334	1,929,060	9,277,394	178,276	9,455,670	9,490,808	9,372,327
1.60 Summer School	287,708	48,812	336,520	15,431	351,951	355,742	331,317
1.61 Continuing Education	842,703	198,530	1,041,233	1,121,377	2,162,610	2,006,012	2,286,479
1.62 Off Shore Students	1,734,390	423,328	2,157,718	829,620	2,987,338	4,280,543	2,605,183
1.64 Other	994,915	210,485	1,205,400	1,801,151	3,006,551	3,053,513	2,617,687
Total Function 1	87,399,925	22,564,577	109,964,502	10,754,204	120,718,706	128,332,257	124,985,041
4 District Administration							
4.11 Educational Administration	698,994	184,346	883,340	169,579	1,052,919	1,001,057	1,027,739
4.40 School District Governance	162,753	3,687	166,440	52,181	218,621	284,873	279,007
4.41 Business Administration	1,486,358	365,590	1,851,948	337,488	2,189,436	2,171,835	2,239,146
Total Function 4	2,348,105	553,623	2,901,728	559,248	3,460,976	3,457,765	3,545,892
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	943,350	256,214	1,199,564	549,097	1,748,661	1,817,497	1,718,993
5.50 Maintenance Operations	6,141,311	1,783,420	7,924,731	2,247,158	10,171,889	10,389,753	9,861,190
5.52 Maintenance of Grounds	584,750	142,914	727,664	199,739	927,403	958,027	906,789
5.56 Utilities	19,036	10,396	29,432	1,911,925	1,941,357	2,259,408	2,236,711
Total Function 5	7,688,447	2,192,944	9,881,391	4,907,919	14,789,310	15,424,685	14,723,683
7 Transportation and Housing							
7.41 Transportation and Housing Administration	71,907	14,629	86,536		86,536	86,683	89,006
7.70 Student Transportation	72,870	3,872	76,742	879,995	956,737	1,036,677	1,393,635
Total Function 7	144,777	18,501	163,278	879,995	1,043,273	1,123,360	1,482,641
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	97,581,254	25,329,645	122,910,899	17,101,366	140,012,265	148,338,067	144,737,257

School District No. 37 (Delta)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	5,762,803	5,144,307	6,204,412
Other	477,003	458,135	401,630
Federal Grants	3,520	3,520	50,485
Other Revenue	1,542,239	1,959,049	1,837,277
Investment Income	13,905	6,154	7,947
Total Revenue	<u>7,799,470</u>	<u>7,571,165</u>	<u>8,501,751</u>
Expenses			
Instruction	6,750,042	6,837,362	7,210,516
District Administration	443,338	424,100	395,288
Operations and Maintenance	606,090	289,681	857,543
Total Expense	<u>7,799,470</u>	<u>7,551,143</u>	<u>8,463,347</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>20,022</u>	<u>38,404</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(17,353)	(30,727)
Tangible Capital Assets - Work in Progress			(6,800)
Other		(2,669)	(877)
Total Net Transfers	<u>-</u>	<u>(20,022)</u>	<u>(38,404)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 37 (Delta)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2014

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn	OLEP
Deferred Revenue, beginning of year	\$ 30,122	\$ 1,069	\$ 50,934	\$ 202,736	\$ 939,883	\$ 789	\$	\$ 33,609	\$ 13,900
Add: Restricted Grants									
Provincial Grants - Ministry of Education	258,995	1,637,777	22,780				224,000	58,800	275,442
Provincial Grants - Other				34,103	1,812,243				
Other				2,685					
Investment Income	94	399	513						
	259,089	1,638,176	23,293	36,788	1,812,243	-	224,000	58,800	275,442
Less: Allocated to Revenue	289,211	1,563,119	38,052	45,308	1,799,590	789	214,707	37,732	151,214
Recovered		67,475							1,951
Deferred Revenue, end of year	-	8,651	36,175	194,216	952,536	-	9,293	54,677	136,177
Revenues									
Provincial Grants - Ministry of Education	289,117	1,562,720	37,539				214,707	37,732	151,214
Provincial Grants - Other									
Federal Grants									
Other Revenue				43,322	1,799,590	789			
Investment Income	94	399	513	1,986					
	289,211	1,563,119	38,052	45,308	1,799,590	789	214,707	37,732	151,214
Expenses									
Salaries									
Teachers		995,417							35,393
Principals and Vice Principals									
Educational Assistants		186,248					143,651		
Support Staff	89,888								
Substitutes		84,888					3,866	6,970	8,722
	89,888	1,266,553	-	-	-	-	147,517	6,970	44,115
Employee Benefits	25,041	258,967					50,753	1,203	9,309
Services and Supplies	174,282	37,599	20,699	45,308	1,799,590	789	16,437	29,559	97,790
	289,211	1,563,119	20,699	45,308	1,799,590	789	214,707	37,732	151,214
Net Revenue (Expense) before Interfund Transfers	-	-	17,353	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased			(17,353)						
Other	-	-	(17,353)	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 37 (Delta)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2014

	Community- LINK	PRP Assessment Unit	ESWIS	AVID	ACE-IT	AESN Provincial	AESN Non-Provincial	AESN Federal	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	28,893		171,684	26,336	154,726	59,516	126,440	3,717	1,844,354
Add: Restricted Grants									
Provincial Grants - Ministry of Education	539,281	2,433,105							5,450,180
Provincial Grants - Other			227,813		129,025		38,076		394,914
Other							58,969		1,905,315
Investment Income	815					574	1,556	20	6,656
	540,096	2,433,105	227,813	-	129,025	574	98,601	20	7,757,065
Less: Allocated to Revenue	472,953	2,370,114	228,515	9,026	156,661	43,956	146,481	3,737	7,571,165
Recovered		62,460							131,886
Deferred Revenue, end of year	96,036	531	170,982	17,310	127,090	16,134	78,560	-	1,898,368
Revenues									
Provincial Grants - Ministry of Education	472,138	2,370,114		9,026					5,144,307
Provincial Grants - Other			228,515		156,661	43,382	29,577		458,135
Federal Grants								3,520	3,520
Other Revenue							115,348		1,959,049
Investment Income	815					574	1,556	217	6,154
	472,953	2,370,114	228,515	9,026	156,661	43,956	146,481	3,737	7,571,165
Expenses									
Salaries									
Teachers		1,169,325	23,084	6,976	45,056				2,275,251
Principals and Vice Principals		186,655			-				186,655
Educational Assistants	363,503		120,301						813,703
Support Staff		210,053			30,427				330,368
Substitutes		164	6,406	204	969				112,189
	363,503	1,566,197	149,791	7,180	76,452	-	-	-	3,718,166
Employee Benefits	101,956	379,295	41,777	1,846	16,110				886,257
Services and Supplies	7,494	421,953	36,947		64,099	43,956	146,481	3,737	2,946,720
	472,953	2,367,445	228,515	9,026	156,661	43,956	146,481	3,737	7,551,143
Net Revenue (Expense) before Interfund Transfers	-	2,669	-	-	-	-	-	-	20,022
Interfund Transfers									
Tangible Capital Assets Purchased									(17,353)
Other		(2,669)							(2,669)
	-	(2,669)	-	-	-	-	-	-	(20,022)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 37 (Delta)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual			2013 Actual (Recast - Note 22)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Investment Income	35,000		39,480	39,480	40,641
Gain (Loss) on Disposal of Tangible Capital Assets	454,500	435,224		435,224	300,000
Amortization of Deferred Capital Revenue	3,116,240	3,116,240		3,116,240	3,129,843
Total Revenue	3,605,740	3,551,464	39,480	3,590,944	3,470,484
Expenses					
Operations and Maintenance			7,533	7,533	65,822
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,741,246	4,946,688		4,946,688	4,622,146
Debt services					
Capital Lease Interest	32,668		270,180	270,180	22,664
Total Expense	4,773,914	4,946,688	277,713	5,224,401	4,710,632
Capital Surplus (Deficit) for the year	(1,168,174)	(1,395,224)	(238,233)	(1,633,457)	(1,240,148)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	70,000	367,277		367,277	309,456
Tangible Capital Assets - Work in Progress	2,624,090	4,031,460		4,031,460	1,196,165
Local Capital			7,533	7,533	48,461
Capital Lease Payment	346,445		780,291	780,291	275,252
Total Net Transfers	3,040,535	4,398,737	787,824	5,186,561	1,829,334
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(439,224)	439,224	-	
Tangible Capital Assets Purchased from Local Capital		13,223	(13,223)	-	
Tangible Capital Assets WIP Purchased from Local Capital		395,446	(395,446)	-	
Principal Payment					
Capital Lease		510,110	(510,110)	-	
Total Other Adjustments to Fund Balances		479,555	(479,555)	-	
Total Capital Surplus (Deficit) for the year	1,872,361	3,483,068	70,036	3,553,104	589,186
Capital Surplus (Deficit), beginning of year		30,397,981	802,087	31,200,068	30,610,882
Capital Surplus (Deficit), end of year		33,881,049	872,123	34,753,172	31,200,068

School District No. 37 (Delta)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2014

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,718,525	174,785,447	5,598,188	1,219,196	111,855	2,490,535	194,923,746
Prior Period Adjustments							
Addition of Leased Asset-Geothermal Plan in 2012-13		4,108,849					4,108,849
Cost, beginning of year, as restated	10,718,525	178,894,296	5,598,188	1,219,196	111,855	2,490,535	199,032,595
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Other		7,254	90,588				97,842
Operating Fund			187,233	138,945		23,746	349,924
Special Purpose Funds			17,353				17,353
Local Capital			12,779		444		13,223
Capital Lease		1,760,213	3,754				1,763,967
Transferred from Work in Progress		3,811,214	130,900		171,117	2,903,665	7,016,896
	-	5,578,681	442,607	138,945	171,561	2,927,411	9,259,205
Decrease:							
Disposed of	4,000						4,000
Deemed Disposals			442,285			14,689	456,974
	4,000	-	442,285	-	-	14,689	460,974
Cost, end of year	10,714,525	184,472,977	5,598,510	1,358,141	283,416	5,403,257	207,830,826
Work in Progress, end of year		10,295,361	2,826		195,612	852,251	11,346,050
Cost and Work in Progress, end of year	10,714,525	194,768,338	5,601,336	1,358,141	479,028	6,255,508	219,176,876
Accumulated Amortization, beginning of year		85,759,948	2,588,169	412,908	32,290	1,362,256	90,155,571
Changes for the Year							
Increase: Amortization for the Year		3,744,471	559,819	121,920	22,371	498,107	4,946,688
Decrease:							
Deemed Disposals			442,285			14,689	456,974
		-	442,285	-	-	14,689	456,974
Accumulated Amortization, end of year		89,504,419	2,705,703	534,828	54,661	1,845,674	94,645,285
Tangible Capital Assets - Net	10,714,525	105,263,919	2,895,633	823,313	424,367	4,409,834	124,531,591

School District No. 37 (Delta)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2014

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	2,233,487	67,358	200,334	1,030,190	3,531,369
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	8,585,134				8,585,134
Deferred Capital Revenue - Other	1,794,537				1,794,537
Operating Fund	1,086,140	62,726	156,868	2,725,726	4,031,460
Local Capital	382,277	3,642	9,527		395,446
Asbestos Abatement	25,000				25,000
	11,873,088	66,368	166,395	2,725,726	14,831,577
Decrease:					
Transferred to Tangible Capital Assets	3,811,214	130,900	171,117	2,903,665	7,016,896
	3,811,214	130,900	171,117	2,903,665	7,016,896
Net Changes for the Year	8,061,874	(64,532)	(4,722)	(177,939)	7,814,681
Work in Progress, end of year	10,295,361	2,826	195,612	852,251	11,346,050

School District No. 37 (Delta)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2014

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	73,536,117	161,500	731,068	74,428,685
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions			97,842	97,842
Transferred from Work in Progress	3,713,593			3,713,593
	3,713,593	-	97,842	3,811,435
Decrease:				
Amortization of Deferred Capital Revenue	2,986,155	4,750	125,335	3,116,240
	2,986,155	4,750	125,335	3,116,240
Net Changes for the Year	727,438	(4,750)	(27,493)	695,195
Deferred Capital Revenue, end of year	74,263,555	156,750	703,575	75,123,880
Work in Progress, beginning of year	2,115,961			2,115,961
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	8,585,134	1,776,000	18,537	10,379,671
	8,585,134	1,776,000	18,537	10,379,671
Decrease				
Transferred to Deferred Capital Revenue	3,713,593			3,713,593
	3,713,593	-	-	3,713,593
Net Changes for the Year	4,871,541	1,776,000	18,537	6,666,078
Work in Progress, end of year	6,987,502	1,776,000	18,537	8,782,039
Total Deferred Capital Revenue, end of year	81,251,057	1,932,750	722,112	83,905,919

School District No. 37 (Delta)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2014

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,509,734	1,369,690			116,551	2,995,975
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	8,349,050					8,349,050
MEd Restricted Portion of Proceeds on Disposal		1,317,673				1,317,673
Capital Assets from PAC and Other External Non-Provincial					104,842	104,842
WIP Donated by Other External Non-Provincial					18,537	18,537
Transfer Project Surplus to MOE Restricted	(36,420)	36,420				-
	8,312,630	1,354,093	-	-	123,379	9,790,102
Decrease:						
Transferred to DCR - Capital Additions					97,842	97,842
Transferred to DCR - Work in Progress	8,585,134	1,776,000			18,537	10,379,671
	8,585,134	1,776,000	-	-	116,379	10,477,513
Net Changes for the Year	(272,504)	(421,907)	-	-	7,000	(687,411)
Balance, end of year	1,237,230	947,783	-	-	123,551	2,308,564