



ITEM 3

To: Board of Education

From: Finance Committee
of the Whole

Re: **AUDITED FINANCIAL STATEMENTS**

Date: September 10, 2014
(Public Board Meeting)

Decision

BACKGROUND/RATIONALE:

At the recommendation of the Finance Committee of the Whole the attached financial statements for the Board of Education of School District No. 42 (Maple Ridge – Pitt Meadows) for the fiscal year ended June 30, 2014 are presented to the Board for approval (Attachment A).

In accordance with the School Act, Boards of Education must prepare financial statements with respect to the preceding fiscal year and forward a copy to the Minister of Education by September 30, 2014, together with the auditor's report.

The financial statements have been prepared by Maple Ridge – Pitt Meadows School District staff and audited by KPMG.

Accounting Policies

The financial statements have been prepared in accordance with the Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. As required by the public sector accounting standards, the 2014 budget amounts included in these financial statements are the board approved 2013/14 preliminary budget.

Significant accounting and reporting practices are summarized in Note 2 of the financial statements. These include the following:

- operating expenses are recorded in the year the good or service is received;
- operating grants are not restricted in use and are recorded as revenue when received or receivable;
- restricted contributions are recorded as deferred contributions until the funds are expended;
- contributions for capital projects are recorded as deferred capital contributions once they are invested in capital assets;
- capital assets and deferred capital contributions are amortized over the estimated useful life of the assets.

Operating Fund

As noted in Schedule 2 of the financial statements, there is no unrestricted operating fund surplus as of June 30, 2014.

A restricted operating surplus of \$2.68 million exists as of June 30, 2014. Details of this restricted surplus are outlined in the following table. The entire restricted surplus is committed

to funding specific expenditures in 2014/15 (\$1.86 million) and general expenditures approved by the Board for the 2014/15 budget.

Internally Restricted Operating Fund Surplus	
As at June 30, 2014	
(\$ millions)	
Funds for Specific Expenditures in 2014/15	
Targeted Funding - Aboriginal Education	\$ 0.17
School Budget Balances	0.33
Professional Development Funds	0.20
Financial Provisions	0.10
Funds Required to Complete Projects in Progress	0.69
Energy Efficiency Projects	0.27
Purchase Order Commitments	0.10
	<u>\$ 1.86</u>
Use of contingency reserve to fund next year's budget	<u>\$ 0.82</u>
Total Internally Restricted Operating Surplus	<u>\$ 2.68</u>

With respect to the funding for specific expenditures in 2014/15 (\$1.86 million), in most cases these expenditures were planned to be incurred in 2013/14, however for various reasons, the timing of the expenditures was extended into 2014/15. The teacher job action that begun in 2014 further restricted completing projects planned for the 2013/14 fiscal year.

The funds committed to assist in funding the 2014/15 budget (\$0.82 million) are needed to help offset the projected operating budget shortfall of \$5.02 million.

Variances of note in the operating section include lower than budgeted teacher salaries of \$3.96 million and lower than budgeted benefits of \$0.60 million. These variances are principally owed to the teacher job action. The Ministry of Education will claw back 80% of the job action related savings accrued in teacher salaries and benefits.

Capital Purchases from Operating are \$0.45 million higher than budgeted. This is due to the change in capitalization policy. District Finance staff will continue to monitor expenditure patterns and propose budget reallocations between supplies and capital assets purchased to better reflect the spending patterns of departments and schools.

Our June 25, 2014 operating projection estimated a transfer to contingency reserve of \$3.56 million and an internally restricted operating surplus of \$2.48 million. At the end of June 2014 an actual \$3.88 million was transferred to the contingency reserve for future unanticipated expenditures. Actual appropriated surplus at June 30, 2014 was \$2.68 million (Financial Statements Note 20).

Special Purpose Funds

Special Purpose Funds include funds received from the Ministry of Education or other sources that have been designated for specific purposes. During 2013/14, \$7.12 million in special purpose contributions was received and \$7.56 million was spent or recovered (see Schedule 3B). The Building Envelope Design Fund had an unspent balance at June 30, 2014 of \$0.03 million that was transferred to Ministry of Education Restricted Capital. These funds were intended for the Kanaka Creek Building Envelope Design which has since been completed with additional Bylaw Capital funding.

As at June 30, 2014, \$1.99 million in Special Purpose Funds remains available for expenditures in future years for designated purposes. Major Special Purpose Funds include School Generated Funds, Annual Facilities Grant, Youth Education Support Fund and Community Link.

Capital Fund

The net value of capital assets (historical cost less accumulated amortization) is \$175.96 million as at June 30, 2014 (see Schedule 4A). Of this amount, \$29.18 million represents net investment in sites, \$139.70 million in building and \$7.08 million in furniture and equipment, vehicles and computer software and hardware. These net costs represent the historical cost net of accumulated amortization of all School District No. 42 capital assets, they do not reflect current market value.

During 2013/14, grants from the Ministry of Education by Bylaw capital projects totaled \$2.29 million (see Schedule 4D). During 2013/14, \$2.10 million was spent on capital projects. Major projects included Kanaka Creek Elementary Building Envelope (\$0.53 million), roof replacements (\$0.68 million) which included Thomas Haney Secondary, Albion Elementary, Golden Ears Elementary and Pitt Meadows Elementary, heating and ventilation projects (\$0.88 million) which included Thomas Haney Secondary, Riverside Centre, Alexander Robinson, Alouette Elementary, Hammond Elementary and Harry Hooge Elementary as well as other small capital projects.

The Ministry of Education Restricted Capital Account (shareable capital) totals \$1.45 million as at June 30, 2014 (see Schedule 4D).

The Land Capital Restricted Account (School Site Acquisition funds) received contributions of \$0.60 million in 2013/14 and ended the 2014 year with a balance of \$4.57 million (see Schedule 4D).

The contingency reserve fund (Local Capital) totals \$4.70 million as at June 30, 2014 (see Schedule 4). The balance available in this fund will be used to fund the implementation of the new student information system (\$0.44 million) and future unanticipated expenditures.

RECOMMENDATION:

THAT THE BOARD: approve the Audited Financial Statements of School District No. 42 (Maple Ridge – Pitt Meadows) June 30, 2014.

Attachment A

Audited Financial Statements of

School District No. 42 (Maple Ridge-Pitt Meadows)

June 30, 2014

School District No. 42 (Maple Ridge-Pitt Meadows)

June 30, 2014

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School District No. 42 (Maple Ridge-Pitt Meadows)

MANAGEMENT REPORT

Version: 6828-6082-4100

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 42 (Maple Ridge-Pitt Meadows) 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. 42 (Maple Ridge-Pitt Meadows) (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 quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG, 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. 42 (Maple Ridge-Pitt Meadows) 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. 42 (Maple Ridge-Pitt Meadows)

Signature of the Chairperson of the Board of Education	Date Signed
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Signature of the Superintendent	Date Signed
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Signature of the Secretary Treasurer	Date Signed
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INDEPENDENT AUDITORS' REPORT

To the Board of Education of the School District No. 42 (Maple Ridge-Pitt Meadows)
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 42 (Maple Ridge-Pitt Meadows), which comprise the statement of financial position as at June 30, 2014 and the statements of operations, changes in net debt and cash flows for the year ended June 30, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 our 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements of School District No. 42 (Maple Ridge-Pitt Meadows) as at and for the year ended June 30, 2014 are prepared, in all material respects, in accordance with the financial reporting provisions 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 2 to the financial statements, which describe the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 4D is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Chartered Accountants

September 10, 2014

Abbotsford, British Columbia

School District No. 42 (Maple Ridge-Pitt Meadows)

Statement of Financial Position

As at June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	36,800,286	17,601,927
Accounts Receivable		
Due from Province - Ministry of Education	423,503	71,543
Due from Province - Other	75,000	60,203
Due from LEA/Direct Funding	-	44,719
Other (Note 3)	518,867	749,722
Portfolio Investments (Note 4)	528,453	13,411,731
Total Financial Assets	38,346,109	31,939,845
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	2,758,596	-
Other (Note 5)	9,956,302	10,276,080
Unearned Revenue (Note 6)	3,953,828	3,176,638
Deferred Revenue (Note 7)	1,996,001	2,460,629
Deferred Capital Revenue (Note 8)	122,243,012	124,578,150
Employee Future Benefits (Note 9)	6,304,541	6,056,897
Capital Lease Obligations (Note 11)	722,845	699,558
Total Liabilities	147,935,125	147,247,952
Net Financial Assets (Debt)	(109,589,016)	(115,308,107)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	175,963,870	179,219,308
Prepaid Expenses	402,384	288,249
Supplies Inventory	-	474
Total Non-Financial Assets	176,366,254	179,508,031
Accumulated Surplus (Deficit) (Note 20)	66,777,238	64,199,924

Contractual Obligations and Contingencies (Note 15,17)

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. 42 (Maple Ridge-Pitt Meadows)

Statement 2

Statement of Operations

Year Ended June 30, 2014

	2014 Budget (Note 16)	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	118,711,579	118,062,647	121,070,636
Other	389,583	458,144	449,281
Federal Grants		101,860	162,110
Tuition	6,816,825	6,638,819	6,988,534
Other Revenue	5,456,086	4,960,454	5,058,210
Rentals and Leases	319,080	351,524	311,274
Investment Income	324,570	449,902	364,830
Amortization of Deferred Capital Revenue	5,282,851	5,272,333	5,592,046
Total Revenue	<u>137,300,574</u>	<u>136,295,683</u>	<u>139,996,921</u>
Expenses (Note 19)			
Instruction	113,335,285	107,939,220	113,269,463
District Administration	4,566,955	4,070,086	4,671,250
Operations and Maintenance	20,144,308	20,565,593	19,948,829
Transportation and Housing	1,177,780	1,115,938	1,202,648
Debt Services	10,735	27,532	16,405
Total Expense	<u>139,235,063</u>	<u>133,718,369</u>	<u>139,108,595</u>
Surplus (Deficit) for the year	<u>(1,934,489)</u>	<u>2,577,314</u>	<u>888,326</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		64,199,924	63,311,598
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>66,777,238</u></u>	<u>64,199,924</u>

School District No. 42 (Maple Ridge-Pitt Meadows)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2014

	2014 Budget (Note 16) \$	2014 Actual \$	2013 Actual (Recast - Note 22) \$
Surplus (Deficit) for the year	(1,934,489)	2,577,314	888,326
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,205,398)	(4,620,550)	(4,842,386)
Amortization of Tangible Capital Assets	7,005,459	7,875,988	7,491,821
Total Effect of change in Tangible Capital Assets	3,800,061	3,255,438	2,649,435
Acquisition of Prepaid Expenses		(555,409)	(504,085)
Use of Prepaid Expenses		441,274	521,530
Acquisition of Supplies Inventory		10,751	(16,907)
Use of Supplies Inventory		(10,277)	19,314
Prior Period Adjustment- to Recognize EFB expnse and Cash Payments			55,800
Total Effect of change in Other Non-Financial Assets	-	(113,661)	75,652
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>1,865,572</u>	5,719,091	3,613,413
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		5,719,091	3,613,413
Net Financial Assets (Debt), beginning of year		(115,308,107)	(118,921,520)
Net Financial Assets (Debt), end of year		<u>(109,589,016)</u>	<u>(115,308,107)</u>

School District No. 42 (Maple Ridge-Pitt Meadows)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,577,314	888,326
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(91,183)	(60,987)
Supplies Inventories	474	2,406
Prepaid Expenses	(114,135)	17,446
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,438,818	985,303
Unearned Revenue	777,190	(1,273,444)
Deferred Revenue	(464,628)	258,960
Employee Future Benefits	247,644	110,647
Other Liabilities	-	23,861
Amortization of Tangible Capital Assets	7,875,988	7,491,821
Amortization of Deferred Capital Revenue	(5,272,333)	(5,592,046)
Total Operating Transactions	7,975,149	2,852,293
Capital Transactions		
Tangible Capital Assets Purchased	(3,922,191)	(4,411,818)
Tangible Capital Assets -WIP Purchased	(356,673)	(382,514)
Capital Lease Additions	(341,686)	(48,054)
Total Capital Transactions	(4,620,550)	(4,842,386)
Financing Transactions		
Capital Revenue Received	2,937,195	3,190,501
New Capital Lease Additions	341,686	48,054
Capital Lease Principal Payments	(318,399)	(240,567)
Total Financing Transactions	2,960,482	2,997,988
Investing Transactions		
Proceeds on Disposal of Portfolio Investments	-	83,256
Investments in Portfolio Investments	12,883,278	1,530,151
Total Investing Transactions	12,883,278	1,613,407
Net Increase (Decrease) in Cash and Cash Equivalents	19,198,359	2,621,302
Cash and Cash Equivalents, beginning of year	17,601,927	14,980,625
Cash and Cash Equivalents, end of year	36,800,286	17,601,927
Cash and Cash Equivalents, end of year, is made up of:		
Cash	4,712,398	12,076,814
Cash Equivalents	32,087,888	5,525,113
	36,800,286	17,601,927

Supplementary Cash Flow Information (Note 24)

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO 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. 42 (Maple Ridge – Pitt Meadows)", and operates as "School District No. 42 (Maple Ridge – Pitt Meadows)." 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 School District, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 42 is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follow:

a) **Basis of Accounting**

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

b) 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, accounts payable and accrued liabilities, capital lease obligations and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market, or items designated by management, 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. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. All financial instruments are recorded at cost or amortized cost.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

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.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

e) Portfolio Investments

The School District has investments in equity instruments with no maturity and term deposits, which have a maturity of greater than 3 months at the time of acquisition.

The term deposits and the pooled private equity fund investments (not quoted in an active market) are reported at 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.

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(o).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

h) Employee Future Benefits

i) Post-employment 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.

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

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

ii) **Pension Plans**

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.

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 Statement of Operations.

j) **Tangible Capital Assets**

Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.

Buildings that are demolished or destroyed are written-off.

Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

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

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

Several insurance policies, maintenance agreements and other payments paid in advance are included as a prepaid expense and stated at acquisition cost and are expensed over the periods expected to benefit from it.

m) Supplies Inventory

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

n) Internally restricted reserves

Certain amounts, as approved by the Board are segregated as reserves within the accumulated surplus for future operating and capital purposes. Transfers to and from these reserves are an adjustment to the respective funds when approved. Funds and reserves are disclosed on Schedules 2, 3 and 4.

o) Revenue Recognition

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

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

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

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

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

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

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

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

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

p) Expenses

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

Categories of Salaries

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenses 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.

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

- 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.

q) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2014	June 30, 2013
Due from Federal Government	\$ 244,812	\$ 211,770
Due from Other Educational Institutions	64,856	133,073
Due from school parent advisory councils	23,351	8,586
Due from rental agreements	6,852	6,852
Other	178,996	389,441
	\$ 518,867	\$ 749,722

NOTE 4 PORTFOLIO INVESTMENTS

	June 30, 2014	June 30, 2013
Investments in the cost and amortized cost category -term deposits	406,927	13,307,991
	\$ 406,927	\$ 13,307,991
	Market Value	
	June 30, 2014	June 30, 2013
Investments in the fair value category:		
Fixed income fund	\$ 60,747	\$ 47,840
Canadian equity fund	30,627	26,497
U. S. equity fund	15,207	15,145
International equity fund	14,945	14,258
	\$ 121,526	\$ 103,740
TOTAL Portfolio Investments	\$ 528,453	\$ 13,411,731

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 4 **PORTFOLIO INVESTMENTS** *(Continued)*

Term deposits held within our portfolio investments are held with local banking institutions for a period not exceeding 1 year from the statement of financial position date and are earning average interest of 1.35% (2013 – 1.93%)

NOTE 5 **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER**

	June 30, 2014	June 30, 2013
Trade payables	\$ 4,228,017	\$ 3,366,818
Salaries and benefits payable	2,431,362	4,288,029
Accrued vacation pay	1,116,458	1,030,271
Other	2,180,465	1,590,962
	\$ 9,956,302	\$ 10,276,080

Included in Accounts Payable and Accrued Liabilities – Due to Province – Ministry of Education is \$2,758,596 related to operating grants repayable to the Province for savings in salaries and benefits due to job action, strike and lockouts in May and June 2014.

NOTE 6 **UNEARNED REVENUE**

	June 30, 2014	June 30, 2013
Balance, beginning of year	\$ 3,176,638	\$ 4,450,082
Tuition fees received	6,760,126	5,073,033
Tuition fees recognized as revenue	(5,982,936)	(6,346,477)
Balance, end of year	\$ 3,953,828	\$ 3,176,638

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.

	June 30, 2014	June 30, 2013
Balance, beginning of year	\$ 2,460,629	\$ 2,201,669
Grants received:		
Provincial grants	2,782,209	3,447,740
Other grants	4,314,944	4,328,421
Investment income	24,959	18,438
Subtotal	7,122,112	7,794,599
Revenue recognized	(7,556,036)	(7,535,639)
Transfer to MED restricted capital	(30,704)	-
Balance, end of year	\$ 1,996,001	\$ 2,460,629

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO 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.

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
<u>Deferred capital revenue subject to amortization</u>		
Balance, beginning of year	\$ 118,282,189	\$ 121,497,194
Transfers from deferred revenue – capital additions	2,481,461	2,377,041
Amortization of deferred capital revenue	(5,272,333)	(5,592,046)
Balance, end of year	<u>\$ 115,491,317</u>	<u>\$ 118,282,189</u>
 <u>Deferred capital revenue – Work in Progress</u>		
Work in Progress, beginning of year	\$ 382,514	\$ -
Transfer in from deferred revenue – work in progress	356,673	382,514
Transfer to spent deferred capital	(382,514)	-
Balance, end of year	<u>\$ 356,673</u>	<u>\$ 382,514</u>
 <u>Deferred capital revenue – Unspent portion</u>		
Unspent Deferred Capital, beginning of year	\$ 5,913,447	\$ 5,482,501
Provincial Grant – Ministry of Education	2,286,758	2,604,774
Other	542,800	516,619
Investment Income	76,933	69,108
Transfer from SPF – Building Envelope Design	30,704	-
Transfer to Deferred Capital Revenue – Capital Additions	(2,098,947)	(2,377,041)
Transfer to Deferred Capital Revenue – Work in Progress	(356,673)	(382,514)
Balance, end of year	<u>\$ 6,395,022</u>	<u>\$ 5,913,447</u>
Total deferred capital revenue balance, end of year	<u>\$ 122,243,012</u>	<u>\$ 124,578,150</u>

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.

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 9 EMPLOYEE FUTURE BENEFITS (Continued)

	June 30, 2014	June 30, 2013 Recast – Note 22
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 7,599,320	\$ 5,826,595
Service Cost	535,035	394,930
Interest Cost	233,339	252,833
Benefit Payments	(663,422)	(354,794)
Increase (Decrease) in obligation due to Plan Amendment	-	(18,569)
Actuarial (Gain) Loss	(180,006)	1,498,325
Accrued Benefit Obligation – March 31	<u>\$ 7,524,266</u>	<u>\$ 7,599,320</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 7,524,266	\$ 7,599,320
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(7,524,266)	(7,599,320)
Employer Contributions After Measurement Date	271,196	247,894
Benefits Expense After Measurement Date	(196,666)	(192,088)
Unamortized Net Actuarial Gain (Loss)	1,145,195	1,486,617
Accrued Benefit Asset (Liability) – June 30	<u>\$ (6,304,541)</u>	<u>\$ (6,056,897)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 6,056,897	\$ 5,754,157
Recognize Benefit Expense April 1 – June 30, 2012	-	161,941
Accrued Benefit Liability – July 1 (restated)	6,056,897	5,916,098
Net expense for Fiscal Year	934,362	657,896
Employer Contributions	(686,718)	(517,097)
Accrued Benefit Liability – June 30	<u>\$ 6,304,541</u>	<u>\$ 6,056,897</u>
Components of Net Benefit Expense		
Service Cost	\$ 535,078	\$ 429,955
Interest Cost	237,868	247,960
Immediate Recognition of Plan Amendment	-	(18,574)
Amortization of Net Actuarial (Gain) Loss	161,416	(1,445)
Net Benefit Expense	<u>\$ 934,362</u>	<u>\$ 657,896</u>

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

	June 30, 2014	June 30, 2013
Discount Rate – April 1	3.00%	4.25%
Discount Rate – March 31	3.25%	3.00%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9.2 years	9.2 years

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 10 DEBT

The School District has an approved line of credit of \$ 6.5 million with interest at the banks' prime rate plus 0.25%. The available borrowing consists of \$ 2.5 million of line of credit and \$ 4.0 million of additional funds for meeting current operating and debt service expenditures. As of June 30, 2014, the School District had nil borrowings (2013: \$ nil) under these facilities.

NOTE 11 CAPITAL LEASE OBLIGATIONS

The School District currently has five capital leases that are held by the M.F.A. Leasing Corporation. The leases are for computers and multi business devices.

Repayments are due as follows:

	June 30, 2014
2015	\$ 302,810
2016	251,525
2017	176,539
2018	12,050
Total minimum lease payments	\$ 742,924
Less amounts representing interest at 2.0%	(20,079)
Present value of net minimum capital lease payments	\$ 722,845

For the year ended June 30, 2014, interest expense in capital lease obligations was \$ 27,532 (2013: \$ 16,405).

NOTE 12 TANGIBLE CAPITAL ASSETS

June 30, 2014

Cost:	Balance at July 1, 2013	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2014
Sites	\$ 29,183,232	\$ -	\$ -	\$ -	\$ 29,183,232
Buildings	250,591,426	2,638,630	-	382,514	253,612,570
Buildings – work in progress	382,514	356,673	-	(382,514)	356,673
Furniture & Equipment	10,324,947	283,157	1,643,266	-	8,964,838
Vehicles	360,349	112,622	17,450	-	455,521
Computer Software	305,591	180,678	108,769	-	377,500
Computer Hardware	2,365,407	707,104	295,294	-	2,777,217
Capital Leased Furniture & Equipment	2,163,845	(24,607)	-	-	2,139,238
Capital Leased Vehicles	114,999	-	-	-	114,999
Capital Leased Computer Hardware	226,451	366,293	-	-	592,744
Total	\$ 296,018,761	\$ 4,620,550	\$ 2,064,779	\$ 0	\$ 298,574,532

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

Accumulated Amortization:	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Buildings	\$ 108,467,544	\$ 5,798,763	\$ -	\$ 114,266,307
Furniture & Equipment	5,813,749	1,197,352	1,643,266	5,367,835
Vehicles	134,742	44,444	17,450	161,736
Computer Software	212,550	47,848	108,769	151,629
Computer Hardware	879,324	479,007	295,294	1,063,037
Capital Leased Furniture & Equipment	1,105,583	215,154	-	1,320,737
Capital Leased Vehicles	74,749	11,500	-	86,249
Capital Leased Computer Hardware	111,212	81,920	-	193,132
Total	\$ 116,799,453	\$ 7,875,988	\$ 2,064,779	\$ 122,610,662

June 30, 2013

Cost:	Balance at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 29,183,232	\$ -	\$ -	\$ -	\$ 29,183,232
Buildings	248,224,576	2,366,850	-	-	250,591,426
Buildings – work in progress	-	382,514	-	-	382,514
Furniture & Equipment	10,213,496	689,666	578,215	-	10,324,947
Vehicles	251,836	108,513	-	-	360,349
Computer Software	434,460	31,545	160,414	-	305,591
Computer Hardware	1,219,264	1,215,244	69,101	-	2,365,407
Capital Leased Furniture & Equipment	2,120,825	43,020	-	-	2,163,845
Capital Leased Vehicles	114,999	-	-	-	114,999
Capital Leased Computer Hardware	221,417	5,034	-	-	226,451
Total	\$ 291,984,105	\$ 4,842,386	\$ 807,730	\$ 0	\$ 296,018,761

Accumulated Amortization:	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Buildings	\$ 102,683,802	\$ 5,783,742	\$ -	\$ 108,467,544
Furniture & Equipment	5,432,708	959,256	578,215	5,813,749
Vehicles	106,900	27,842	-	134,742
Computer Software	281,197	91,767	160,414	212,550
Computer Hardware	589,731	358,694	69,101	879,324
Capital Leased Furniture & Equipment	891,350	214,233	-	1,105,583
Capital Leased Vehicles	63,249	11,500	-	74,749
Capital Leased Computer Hardware	66,425	44,787	-	111,212
Total	\$ 110,115,362	\$ 7,491,821	\$ 807,730	\$ 116,799,453

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

Net Book Value:	June 30, 2014	June 30, 2013
Sites	\$ 29,183,232	\$ 29,183,232
Buildings	139,346,263	142,123,882
Buildings – work in progress	356,673	382,514
Furniture & Equipment	3,597,003	4,511,198
Vehicles	293,785	225,607
Computer Software	225,871	93,041
Computer Hardware	1,714,180	1,486,083
Capital Leased Furniture & Equipment	818,501	1,058,262
Capital Leased Vehicles	28,750	40,250
Capital Leased Computer Hardware	399,612	115,239
Total	\$ 175,963,870	\$ 179,219,308

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. Defined contribution plan accounting is applied to the plans as the plans expose the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The School District paid \$ 11,706,751 for employer contributions to these plans in the year ended June 30, 2014 (2013: \$ 11,523,963).

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. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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.

	2015	2016	2017	2018	2019	Thereafter
Future operating lease payments	\$ 6,650	\$ -	\$ -	\$ -	\$ -	\$ -
MFA capital leases	302,809	251,525	176,539	60,494	12,050	-
Capital commitments	261,796	-	-	-	-	-
	\$ 571,255	\$ 251,525	\$ 176,539	\$ 60,494	\$ 12,050	\$ -

NOTE 16 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of the preliminary annual budget on May 8, 2013.

NOTE 17 CONTINGENCIES

In the normal course of business, lawsuits and claims have been brought against the School District. The School District contests these lawsuits and claims. Management believes that the results of any pending legal proceeding will not have a material effect on the financial position of the School District.

Included in Accounts Payable and Accrued Liabilities – Other is \$856,092 related to an Employee Support Grant payable to support staff union members which represents lost wages during job action contingent upon ratification of the collective agreement at the local level by November 30, 2014

NOTE 18 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of this liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2014, a liability is not reasonably determinable (2013: nil).

NOTE 19 EXPENSE BY OBJECT

	June 30, 2014	June 30, 2013
Salaries and benefits	\$ 110,658,150	\$ 114,790,420
Services and supplies	15,156,699	16,809,949
Interest	27,532	16,405
Amortization	7,875,988	7,491,821
	\$ 133,718,369	\$ 139,108,595

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 20 ACCUMULATED SURPLUS

	June 30, 2014	June 30, 2013
Operating Fund Accumulated Surplus		
Internally Restricted (appropriated) by the Board for:		
Targeted funding for aboriginal education	\$ 167,731	\$ 54,908
School budget balances	338,264	383,834
Personal professional development	201,838	147,677
Financial provisions	100,000	-
Funds required to complete projects in progress	688,131	421,024
Energy Efficiency Projects	269,888	-
Purchase order commitments	98,767	-
Use of contingency reserve to fund next year's budget	820,000	1,514,543
Total Internally Operating Restricted	2,684,619	2,521,986
 Unrestricted Operating Surplus (recast)	 -	 55,800
 Total Operating Fund Accumulated Surplus	 2,684,619	 2,577,786
 Special Purpose Fund Surplus	 -	 -
 Capital Fund Accumulated Surplus		
Contingency Reserve and Local Capital	4,699,568	1,767,075
Invested in Capital Assets	59,393,051	59,855,063
Total Capital Fund Accumulated Surplus	64,092,619	61,622,138
 Total Accumulated Surplus	 \$ 66,777,238	 \$ 64,199,924

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 RECAST OF JUNE 30, 2013 FINANCIAL STATEMENTS

The School District has made certain adjustments on a retrospective basis to the prior year financial statements to better reflect the employee future benefits liability as at June 30, 2013.

	As previously reported	Adjustment	Recast
Employee future benefits liability	\$ 6,112,697	\$ (55,800)	\$ 6,056,897
Accumulated surplus	64,144,124	55,800	64,199,924

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO 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 guaranteed investment certificates and 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.

c) Currency 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.

d) Interest rate risk :

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 guaranteed investment certificates and term deposits that have a maturity date of no more than 1 year.

e) 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.

SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

f) Fair value of financial instruments:

Public Sector Accounting Standards define the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The School District uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which the carrying amounts are included in the Statement of Financial Position under the following captions:

- (i) Cash and cash equivalents, accounts receivable, investments and accounts payables and accrued liabilities – the carrying amounts approximate fair value because of the short maturity of these instruments.

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The School District’s instruments are all considered to be level 1 financial instruments for which the fair value is determined based on quoted prices in active markets. Changes in financial instruments valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year there were no significant transfers of securities between different levels.

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

	June 30, 2014	June 30, 2013
Interest paid	\$ 27,532	\$ 16,405
Interest received	527,230	434,579
Assets acquired under capital lease	366,293	-
Adjustment to capital lease for PST	(24,607)	48,054

NOTE 25 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

School District No. 42 (Maple Ridge-Pitt Meadows)

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	2,577,786		61,622,138	64,199,924	63,255,798
Prior Period Adjustments					55,800
Accumulated Surplus (Deficit), beginning of year, as restated	2,577,786	-	61,622,138	64,199,924	63,311,598
Changes for the year					
Surplus (Deficit) for the year	4,473,213	735,288	(2,631,187)	2,577,314	888,326
Interfund Transfers					
Tangible Capital Assets Purchased	(1,087,956)	(735,288)	1,823,244	-	
Local Capital	(2,932,493)		2,932,493	-	
Other	(345,931)		345,931	-	
Net Changes for the year	106,833	-	2,470,481	2,577,314	888,326
Accumulated Surplus (Deficit), end of year - Statement 2	2,684,619	-	64,092,619	66,777,238	64,199,924

School District No. 42 (Maple Ridge-Pitt Meadows)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget (Note 16) \$	2014 Actual \$	2013 Actual (Recast - Note 22) \$
Revenues			
Provincial Grants			
Ministry of Education	115,526,938	114,821,797	117,881,733
Other	359,663	458,144	449,281
Federal Grants		101,860	162,110
Tuition	6,816,825	6,638,819	6,988,534
Other Revenue	606,086	669,832	729,271
Rentals and Leases	319,080	351,524	311,274
Investment Income	324,570	425,338	347,033
Total Revenue	<u>123,953,162</u>	<u>123,467,314</u>	<u>126,869,236</u>
Expenses			
Instruction	106,076,499	101,318,588	106,429,579
District Administration	4,566,955	4,070,086	4,671,250
Operations and Maintenance	12,763,849	12,489,489	12,162,260
Transportation and Housing	1,177,780	1,115,938	1,202,648
Total Expense	<u>124,585,083</u>	<u>118,994,101</u>	<u>124,465,737</u>
Operating Surplus (Deficit) for the year	<u>(631,921)</u>	<u>4,473,213</u>	<u>2,403,499</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,514,543</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(632,623)	(1,087,956)	(1,633,770)
Local Capital		(2,932,493)	(1,766,034)
Other	(249,999)	(345,931)	(256,972)
Total Net Transfers	<u>(882,622)</u>	<u>(4,366,380)</u>	<u>(3,656,776)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>106,833</u>	<u>(1,253,277)</u>
Operating Surplus (Deficit), beginning of year		2,577,786	3,775,263
Prior Period Adjustments			
April - June 2012 EFB Expense Restatement			55,800
Operating Surplus (Deficit), beginning of year, as restated		<u>2,577,786</u>	<u>3,831,063</u>
Operating Surplus (Deficit), end of year		<u>2,684,619</u>	<u>2,577,786</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		2,684,619	2,577,786
Total Operating Surplus (Deficit), end of year		<u>2,684,619</u>	<u>2,577,786</u>

School District No. 42 (Maple Ridge-Pitt Meadows)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget (Note 16)	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	113,816,390	116,275,952	115,913,078
AANDC/LEA Recovery	(385,586)	(532,713)	(385,586)
Other Ministry of Education Grants			
Pay Equity	1,874,966	1,874,965	1,874,965
Adult Education Guarantee	129,500	169,449	322,427
Carbon Tax Rebate	75,000	102,868	89,346
FSA Marking	16,668	16,668	
Strike Savings Clawback		(3,085,392)	
Other			67,503
Total Provincial Grants - Ministry of Education	115,526,938	114,821,797	117,881,733
Provincial Grants - Other	359,663	458,144	449,281
Federal Grants		101,860	162,110
Tuition			
Summer School Fees	20,000	28,905	20,580
Continuing Education	852,955	570,175	533,609
Offshore Tuition Fees	5,863,870	5,982,936	6,346,477
Adult High School Completions/University Bridge	80,000	56,803	87,868
Total Tuition	6,816,825	6,638,819	6,988,534
Other Revenues			
LEA/Direct Funding from First Nations	385,586	366,980	446,029
Miscellaneous			
District Entered	220,500	302,852	283,242
Total Other Revenue	606,086	669,832	729,271
Rentals and Leases	319,080	351,524	311,274
Investment Income	324,570	425,338	347,033
Total Operating Revenue	123,953,162	123,467,314	126,869,236

School District No. 42 (Maple Ridge-Pitt Meadows)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2014

	2014 Budget (Note 16)	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Salaries			
Teachers	57,772,509	53,816,964	59,345,908
Principals and Vice Principals	5,540,818	5,514,924	5,671,476
Educational Assistants	9,072,287	9,478,249	8,952,176
Support Staff	10,367,884	10,404,378	10,360,870
Other Professionals	2,873,075	3,286,467	2,805,254
Substitutes	3,788,022	3,769,070	3,974,126
Total Salaries	89,414,595	86,270,052	91,109,810
Employee Benefits	22,551,706	21,948,604	21,159,125
Total Salaries and Benefits	111,966,301	108,218,656	112,268,935
Services and Supplies			
Services	4,293,132	3,542,054	4,543,573
Student Transportation	1,191,110	1,123,320	1,232,943
Professional Development and Travel	718,207	529,009	538,801
Rentals and Leases	66,253	53,810	52,863
Dues and Fees	246,216	235,881	237,777
Insurance	317,014	276,107	292,361
Supplies	3,321,824	2,656,089	3,109,445
Utilities	2,465,026	2,359,175	2,189,039
Total Services and Supplies	12,618,782	10,775,445	12,196,802
Total Operating Expense	124,585,083	118,994,101	124,465,737

School District No. 42 (Maple Ridge-Pitt Meadows)

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	39,774,104	1,139,365	589,432	477,169	1,651	2,309,875	44,291,596
1.03 Career Programs	1,122,362		416,128			66,729	1,605,219
1.07 Library Services	866,695			106,835		46,622	1,020,152
1.08 Counselling	1,223,569					61,800	1,285,369
1.10 Special Education	7,611,621	217,235	7,982,760	1,188,339	3,214	931,981	17,935,150
1.30 English Language Learning	956,511					23,667	980,178
1.31 Aboriginal Education	322,087	100,663	489,929	43,328		10,438	966,445
1.41 School Administration		3,832,477		2,072,540		48,229	5,953,246
1.60 Summer School	206,321	9,677		9,518		435	225,951
1.61 Continuing Education				93,180	297,648	1,179	392,007
1.62 Off Shore Students	1,733,694	97,490		421,269	266,703	8,787	2,527,943
1.64 Other							-
Total Function 1	53,816,964	5,396,907	9,478,249	4,412,178	569,216	3,509,742	77,183,256
4 District Administration							
4.11 Educational Administration				103,373	772,487	7,506	883,366
4.40 School District Governance					139,905		139,905
4.41 Business Administration		118,017		476,034	941,748	49,676	1,585,475
Total Function 4	-	118,017	-	579,407	1,854,140	57,182	2,608,746
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				217,584	551,359	25,163	794,106
5.50 Maintenance Operations				4,917,088	279,100	176,983	5,373,171
5.52 Maintenance of Grounds				278,121			278,121
5.56 Utilities							-
Total Function 5	-	-	-	5,412,793	830,459	202,146	6,445,398
7 Transportation and Housing							
7.41 Transportation and Housing Administration					32,652		32,652
7.70 Student Transportation							-
Total Function 7	-	-	-	-	32,652	-	32,652
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	53,816,964	5,514,924	9,478,249	10,404,378	3,286,467	3,769,070	86,270,052

School District No. 42 (Maple Ridge-Pitt Meadows)

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 (Note 16)	2013 Actual (Recast - Note 22)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	44,291,596	10,898,137	55,189,733	1,881,834	57,071,567	58,406,490	60,379,990
1.03 Career Programs	1,605,219	413,407	2,018,626	443,797	2,462,423	3,133,266	3,656,805
1.07 Library Services	1,020,152	256,787	1,276,939	111,224	1,388,163	1,368,889	1,532,902
1.08 Counselling	1,285,369	318,579	1,603,948	10,628	1,614,576	1,738,323	1,789,488
1.10 Special Education	17,935,150	4,764,750	22,699,900	283,965	22,983,865	23,487,810	22,922,809
1.30 English Language Learning	980,178	241,818	1,221,996	13,488	1,235,484	1,599,481	1,267,576
1.31 Aboriginal Education	966,445	218,499	1,184,944	57,637	1,242,581	1,358,668	1,369,892
1.41 School Administration	5,953,246	1,722,208	7,675,454	371,021	8,046,475	9,235,219	8,047,738
1.60 Summer School	225,951	45,157	271,108	17,836	288,944	258,815	235,161
1.61 Continuing Education	392,007	56,079	448,086	181,086	629,172	579,255	692,091
1.62 Off Shore Students	2,527,943	596,903	3,124,846	1,230,492	4,355,338	4,890,283	4,535,127
1.64 Other	-	-	-	-	-	20,000	-
Total Function 1	77,183,256	19,532,324	96,715,580	4,603,008	101,318,588	106,076,499	106,429,579
4 District Administration							
4.11 Educational Administration	883,366	298,554	1,181,920	94,489	1,276,409	1,305,814	1,181,218
4.40 School District Governance	139,905	2,470	142,375	101,854	244,229	286,335	228,877
4.41 Business Administration	1,585,475	443,978	2,029,453	519,995	2,549,448	2,974,806	3,261,155
Total Function 4	2,608,746	745,002	3,353,748	716,338	4,070,086	4,566,955	4,671,250
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	794,106	179,792	973,898	367,980	1,341,878	1,376,913	1,241,813
5.50 Maintenance Operations	5,373,171	1,422,517	6,795,688	1,499,745	8,295,433	8,286,767	8,205,089
5.52 Maintenance of Grounds	278,121	61,994	340,115	152,888	493,003	635,143	526,319
5.56 Utilities	-	-	-	2,359,175	2,359,175	2,465,026	2,189,039
Total Function 5	6,445,398	1,664,303	8,109,701	4,379,788	12,489,489	12,763,849	12,162,260
7 Transportation and Housing							
7.41 Transportation and Housing Administration	32,652	6,975	39,627	1,065	40,692	44,970	40,159
7.70 Student Transportation	-	-	-	1,075,246	1,075,246	1,132,810	1,162,489
Total Function 7	32,652	6,975	39,627	1,076,311	1,115,938	1,177,780	1,202,648
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	86,270,052	21,948,604	108,218,656	10,775,445	118,994,101	124,585,083	124,465,737

School District No. 42 (Maple Ridge-Pitt Meadows)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget (Note 16)	2014 Actual	2013 Actual (Recast - Note 22)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	3,184,641	3,240,850	3,188,903
Other	29,920		
Other Revenue	4,850,000	4,290,622	4,328,939
Investment Income		24,564	17,797
Total Revenue	<u>8,064,561</u>	<u>7,556,036</u>	<u>7,535,639</u>
Expenses			
Instruction	7,258,786	6,620,632	6,839,884
Operations and Maintenance	375,000	200,116	294,748
Total Expense	<u>7,633,786</u>	<u>6,820,748</u>	<u>7,134,632</u>
Special Purpose Surplus (Deficit) for the year	<u>430,775</u>	<u>735,288</u>	<u>401,007</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(430,775)	(735,288)	(401,007)
Total Net Transfers	<u>(430,775)</u>	<u>(735,288)</u>	<u>(401,007)</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. 42 (Maple Ridge-Pitt Meadows)

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	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
District Entered	531,932	-	54,939	154,105	1,415,651	50,221	87,445	16,775	20,557
Deferred Revenue, beginning of year, as restated	531,932	-	54,939	154,105	1,415,651	50,221	87,445	16,775	20,557
Add: Restricted Grants									
Provincial Grants - Ministry of Education	217,954	1,465,601	20,357			256,000	49,000	239,405	533,892
Other				26,133	4,029,603			3,875	
Investment Income		510	333	18,428		783	925	2,002	
	217,954	1,466,111	20,690	44,561	4,029,603	256,783	49,925	245,282	533,892
Less: Allocated to Revenue	749,886	1,426,378	49,664	22,716	4,028,701	257,998	70,368	122,698	554,449
Transfer to MOE Restricted Capital 4D									
Deferred Revenue, end of year	-	39,733	25,965	175,950	1,416,553	49,006	67,002	139,359	-
Revenues									
Provincial Grants - Ministry of Education	749,886	1,425,868	49,331			257,215	69,443	116,821	554,449
Other Revenue				4,288	4,028,701			3,875	
Investment Income		510	333	18,428		783	925	2,002	
	749,886	1,426,378	49,664	22,716	4,028,701	257,998	70,368	122,698	554,449
Expenses									
Salaries									
Teachers		949,655					29,974	31,891	29,600
Educational Assistants		203,763			32,407	174,189	5,841		475,156
Support Staff	74,913				16,217	9,786			
Substitutes		14,313			8,749		5,622	7,558	
	74,913	1,167,731	-	-	57,373	183,975	41,437	39,449	504,756
Employee Benefits	19,057	258,647			8,003	55,581	9,577	9,042	
Services and Supplies	106,146		40,321	22,716	3,917,708	18,442	17,622	42,936	49,693
	200,116	1,426,378	40,321	22,716	3,983,084	257,998	68,636	91,427	554,449
Net Revenue (Expense) before Interfund Transfers	549,770	-	9,343	-	45,617	-	1,732	31,271	-
Interfund Transfers									
Tangible Capital Assets Purchased	(549,770)		(9,343)		(45,617)		(1,732)	(31,271)	-
	(549,770)	-	(9,343)	-	(45,617)	-	(1,732)	(31,271)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 42 (Maple Ridge-Pitt Meadows)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2014

	Youth Education Suppor Fund	Literacy Initiative	Building Envelope Design	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year				-
District Entered	79,086	19,609	30,309	2,460,629
Deferred Revenue, beginning of year, as restated	<u>79,086</u>	<u>19,609</u>	<u>30,309</u>	<u>2,460,629</u>
Add: Restricted Grants				
Provincial Grants - Ministry of Education				2,782,209
Other	255,333			4,314,944
Investment Income	1,560	23	395	24,959
	<u>256,893</u>	<u>23</u>	<u>395</u>	<u>7,122,112</u>
Less: Allocated to Revenue	255,318	17,860	-	7,556,036
Transfer to MOE Restricted Capital 4D			30,704	30,704
Deferred Revenue, end of year	<u>80,661</u>	<u>1,772</u>	<u>-</u>	<u>1,996,001</u>
Revenues				
Provincial Grants - Ministry of Education		17,837		3,240,850
Other Revenue	253,758			4,290,622
Investment Income	1,560	23		24,564
	<u>255,318</u>	<u>17,860</u>	<u>-</u>	<u>7,556,036</u>
Expenses				
Salaries				
Teachers				1,041,120
Educational Assistants				891,356
Support Staff				100,916
Substitutes		8,416		44,658
	-	8,416	-	2,078,050
Employee Benefits		1,537		361,444
Services and Supplies	157,763	7,907		4,381,254
	<u>157,763</u>	<u>17,860</u>	<u>-</u>	<u>6,820,748</u>
Net Revenue (Expense) before Interfund Transfers	<u>97,555</u>	<u>-</u>	<u>-</u>	<u>735,288</u>
Interfund Transfers				
Tangible Capital Assets Purchased	(97,555)			(735,288)
	<u>(97,555)</u>	<u>-</u>	<u>-</u>	<u>(735,288)</u>
Net Revenue (Expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

School District No. 42 (Maple Ridge-Pitt Meadows)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2014

	2014	2014 Actual			2013
	Budget (Note 16)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Recast - Note 22)
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Amortization of Deferred Capital Revenue	5,282,851	5,272,333		5,272,333	5,592,046
Total Revenue	<u>5,282,851</u>	<u>5,272,333</u>	<u>-</u>	<u>5,272,333</u>	<u>5,592,046</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,005,459	7,875,988		7,875,988	7,491,821
Debt services					
Capital Lease Interest	10,735		27,532	27,532	16,405
Total Expense	<u>7,016,194</u>	<u>7,875,988</u>	<u>27,532</u>	<u>7,903,520</u>	<u>7,508,226</u>
Capital Surplus (Deficit) for the year	<u>(1,733,343)</u>	<u>(2,603,655)</u>	<u>(27,532)</u>	<u>(2,631,187)</u>	<u>(1,916,180)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,063,398	1,823,244		1,823,244	2,034,777
Local Capital			2,932,493	2,932,493	1,766,034
Capital Lease Payment	249,999		345,931	345,931	256,972
Total Net Transfers	<u>1,313,397</u>	<u>1,823,244</u>	<u>3,278,424</u>	<u>5,101,668</u>	<u>4,057,783</u>
Other Adjustments to Fund Balances					
Principal Payment					
Capital Lease		318,399	(318,399)	-	
Total Other Adjustments to Fund Balances		<u>318,399</u>	<u>(318,399)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(419,946)</u>	<u>(462,012)</u>	<u>2,932,493</u>	<u>2,470,481</u>	<u>2,141,603</u>
Capital Surplus (Deficit), beginning of year		<u>59,855,063</u>	<u>1,767,075</u>	<u>61,622,138</u>	<u>59,480,535</u>
Capital Surplus (Deficit), end of year		<u>59,393,051</u>	<u>4,699,568</u>	<u>64,092,619</u>	<u>61,622,138</u>

School District No. 42 (Maple Ridge-Pitt Meadows)

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	29,183,232	250,591,426	12,488,792	475,348	305,591	2,591,858	295,636,247
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,088,859	10,088				2,098,947
Operating Fund			212,006	112,622	180,678	582,650	1,087,956
Special Purpose Funds		549,771	61,063			124,454	735,288
Capital Lease			(24,607)			366,293	341,686
Transferred from Work in Progress		382,514					382,514
	-	3,021,144	258,550	112,622	180,678	1,073,397	4,646,391
Decrease:							
Deemed Disposals			1,643,266	17,450	108,769	295,294	2,064,779
	-	-	1,643,266	17,450	108,769	295,294	2,064,779
Cost, end of year	29,183,232	253,612,570	11,104,076	570,520	377,500	3,369,961	298,217,859
Work in Progress, end of year		356,673					356,673
Cost and Work in Progress, end of year	29,183,232	253,969,243	11,104,076	570,520	377,500	3,369,961	298,574,532
Accumulated Amortization, beginning of year		108,467,544	6,919,332	209,491	212,550	990,536	116,799,453
Changes for the Year							
Increase: Amortization for the Year		5,798,763	1,412,506	55,944	47,848	560,927	7,875,988
Decrease:							
Deemed Disposals			1,643,266	17,450	108,769	295,294	2,064,779
		-	1,643,266	17,450	108,769	295,294	2,064,779
Accumulated Amortization, end of year		114,266,307	6,688,572	247,985	151,629	1,256,169	122,610,662
Tangible Capital Assets - Net	29,183,232	139,702,936	4,415,504	322,535	225,871	2,113,792	175,963,870

School District No. 42 (Maple Ridge-Pitt Meadows)

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	\$ 382,514	\$	\$	\$	\$ 382,514
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	356,673				356,673
	<u>356,673</u>	-	-	-	<u>356,673</u>
Decrease:					
Transferred to Tangible Capital Assets	382,514				382,514
	<u>382,514</u>	-	-	-	<u>382,514</u>
Net Changes for the Year	<u>(25,841)</u>	-	-	-	<u>(25,841)</u>
Work in Progress, end of year	<u><u>356,673</u></u>	-	-	-	<u><u>356,673</u></u>

School District No. 42 (Maple Ridge-Pitt Meadows)

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	116,139,096	828,276	1,314,817	118,282,189
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,098,947			2,098,947
Transferred from Work in Progress	382,514			382,514
	<u>2,481,461</u>	-	-	<u>2,481,461</u>
Decrease:				
Amortization of Deferred Capital Revenue	4,947,317	39,385	285,631	5,272,333
	<u>4,947,317</u>	<u>39,385</u>	<u>285,631</u>	<u>5,272,333</u>
Net Changes for the Year	<u>(2,465,856)</u>	<u>(39,385)</u>	<u>(285,631)</u>	<u>(2,790,872)</u>
Deferred Capital Revenue, end of year	<u>113,673,240</u>	<u>788,891</u>	<u>1,029,186</u>	<u>115,491,317</u>
Work in Progress, beginning of year	382,514			382,514
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	356,673			356,673
	<u>356,673</u>	-	-	<u>356,673</u>
Decrease				
Transferred to Deferred Capital Revenue	382,514			382,514
	<u>382,514</u>	-	-	<u>382,514</u>
Net Changes for the Year	<u>(25,841)</u>	-	-	<u>(25,841)</u>
Work in Progress, end of year	<u>356,673</u>	-	-	<u>356,673</u>
Total Deferred Capital Revenue, end of year	<u>114,029,913</u>	<u>788,891</u>	<u>1,029,186</u>	<u>115,847,990</u>

School District No. 42 (Maple Ridge-Pitt Meadows)

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	538,198	1,402,236		3,973,013		5,913,447
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,286,758					2,286,758
Provincial Grants - Other				542,800		542,800
Investment Income		18,227		58,706		76,933
Transfer funds from SPF - Building Envelope Design		30,704				30,704
	<u>2,286,758</u>	<u>48,931</u>	<u>-</u>	<u>601,506</u>	<u>-</u>	<u>2,937,195</u>
Decrease:						
Transferred to DCR - Capital Additions	2,098,947					2,098,947
Transferred to DCR - Work in Progress	356,673					356,673
	<u>2,455,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,455,620</u>
Net Changes for the Year	<u>(168,862)</u>	<u>48,931</u>	<u>-</u>	<u>601,506</u>	<u>-</u>	<u>481,575</u>
Balance, end of year	<u>369,336</u>	<u>1,451,167</u>	<u>-</u>	<u>4,574,519</u>	<u>-</u>	<u>6,395,022</u>