



**Surrey Schools**

LEADERSHIP IN LEARNING

Financial Statements  
School District No. 36 (Surrey)  
June 30, 2015

# School District No. 36 (Surrey)

June 30, 2015

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# School District No. 36 (Surrey)

## MANAGEMENT REPORT

Version: 7196-6451-4468

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

The accompanying financial statements of School District No. 36 (Surrey) 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.


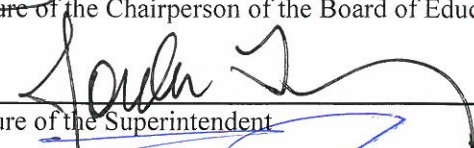
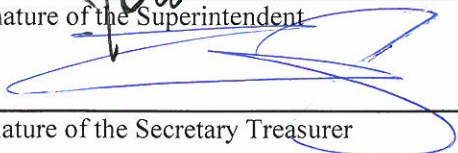
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 36 (Surrey) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors', Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors' have full and free access to financial management of School District No. 36 (Surrey) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 36 (Surrey)

	<i>2015/09/17</i>
Signature of the Chairperson of the Board of Education	Date Signed
	<i>2015/09/17</i>
Signature of the Superintendent	Date Signed
	<i>2015/09/17</i>
Signature of the Secretary Treasurer	Date Signed

# Independent Auditor's Report

Grant Thornton LLP  
Suite 1600, Grant Thornton Place  
333 Seymour Street  
Vancouver, BC  
V6B 0A4

T +1 604 687 2711  
F +1 604 685 6569  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Board of Education of *School District No. 36 (Surrey)* and  
the Minister of Education of the Province of British Columbia:

We have audited the accompanying financial statements of School District No. 36 (Surrey) (the "School District"), which comprise the statement of financial position as at June 30, 2015 and the statement of operations, statement of changes in net financial assets (debt), and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

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

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 School District'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 School District'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 the School District No. 36 (Surrey) for the year ended June 30, 2015 are prepared, in all material respects, in accordance with 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 describes 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 supplementary information included in Schedules 1 through 4 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

The financial statements of the School District for the year ended June 30, 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 18, 2014.

Vancouver, Canada  
September 17, 2015



Chartered Professional Accountants

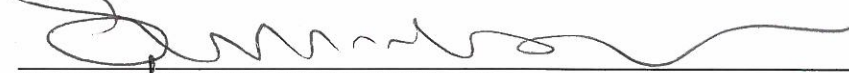
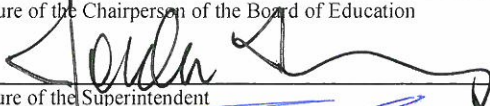
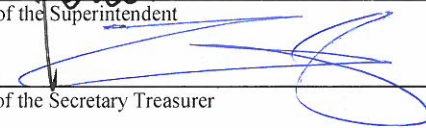
# School District No. 36 (Surrey)

Statement of Financial Position  
As at June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	136,399,781	137,572,325
Accounts Receivable		
Due from Province - Ministry of Education	2,246,148	5,139,381
Other (Note 4)	3,109,411	2,751,015
Portfolio Investments (Note 5)	43,963,421	33,456,449
<b>Total Financial Assets</b>	<u>185,718,761</u>	<u>178,919,170</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education		17,213,291
Other	9,162,081	7,659,142
Unearned Revenue (Note 6)	12,450,742	10,185,046
Deferred Revenue (Note 7)	9,691,516	6,375,880
Deferred Capital Revenue (Note 8)	550,484,156	556,272,733
Employee Future Benefits (Note 9)	16,733,167	16,991,683
Other Liabilities (Note 10)	46,098,877	34,520,420
<b>Total Liabilities</b>	<u>644,620,539</u>	<u>649,218,195</u>
<b>Net Financial Assets (Debt)</b>	<u>(458,901,778)</u>	<u>(470,299,025)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 12)	921,747,242	924,781,777
Prepaid Expenses	1,561,513	1,343,698
<b>Total Non-Financial Assets</b>	<u>923,308,755</u>	<u>926,125,475</u>
<b>Accumulated Surplus (Deficit)</b>	<u>464,406,977</u>	<u>455,826,450</u>

Contractual Obligations and Contingencies (Note 16,18)

Approved by the Board

	2015/09/17
Signature of the Chairperson of the Board of Education	Date Signed
	2015/09/17
Signature of the Superintendent	Date Signed
	2015/09/17
Signature of the Secretary Treasurer	Date Signed

# School District No. 36 (Surrey)

Statement of Operations  
Year Ended June 30, 2015

	2015 Budget (Note 21) \$	2015 Actual \$	2014 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	592,834,613	<b>592,771,829</b>	573,829,051
Other	477,927	<b>516,678</b>	2,792,275
Federal Grants	2,773,057	<b>2,249,488</b>	267,469
Tuition	12,074,200	<b>11,954,074</b>	11,660,045
Other Revenue	16,476,958	<b>17,687,816</b>	20,117,255
Rentals and Leases	2,190,550	<b>2,686,624</b>	2,054,787
Investment Income	1,709,500	<b>2,411,596</b>	1,556,733
Gain (Loss) on Disposal of Tangible Capital Assets		<b>(21,930)</b>	(89,436)
Amortization of Deferred Capital Revenue	20,800,000	<b>21,017,730</b>	21,011,415
<b>Total Revenue</b>	<b>649,336,805</b>	<b>651,273,905</b>	<b>633,199,594</b>
<b>Expenses</b>			
Instruction	562,999,668	<b>532,177,049</b>	516,595,017
District Administration	12,403,685	<b>12,227,053</b>	11,934,556
Operations and Maintenance	96,950,365	<b>93,420,287</b>	90,032,710
Transportation and Housing	5,276,604	<b>4,868,989</b>	4,772,709
<b>Total Expense</b>	<b>677,630,322</b>	<b>642,693,378</b>	<b>623,334,992</b>
<b>Surplus (Deficit) for the year</b>	<b>(28,293,517)</b>	<b>8,580,527</b>	<b>9,864,602</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>455,826,450</b>	<b>445,961,848</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>464,406,977</b>	<b>455,826,450</b>

# School District No. 36 (Surrey)

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

Year Ended June 30, 2015

	2015 Budget (Note 21) \$	2015 Actual \$	2014 Actual \$
<b>Surplus (Deficit) for the year</b>	<u>(28,293,517)</u>	<u>8,580,527</u>	<u>9,864,602</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(13,782,826)	(28,419,440)	(50,372,980)
Amortization of Tangible Capital Assets	31,000,000	31,008,327	29,936,909
Net carrying value of Tangible Capital Assets disposed of		445,648	94,108
<b>Total Effect of change in Tangible Capital Assets</b>	<u>17,217,174</u>	<u>3,034,535</u>	<u>(20,341,963)</u>
Acquisition of Prepaid Expenses		(1,530,722)	(1,343,698)
Use of Prepaid Expenses		1,312,907	1,329,494
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(217,815)</u>	<u>(14,204)</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(11,076,343)</u>	<u>11,397,247</u>	<u>(10,491,565)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>11,397,247</u>	<u>(10,491,565)</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(470,299,025)</u>	<u>(459,807,460)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u>(458,901,778)</u>	<u>(470,299,025)</u>



# School District No. 36 (Surrey)

Statement of Cash Flows  
Year Ended June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	8,580,527	9,864,602
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,534,837	(1,731,052)
Prepaid Expenses	(217,815)	(14,204)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(15,710,352)	10,241,538
Unearned Revenue	2,265,696	1,194,906
Deferred Revenue	3,315,636	(312,721)
Employee Future Benefits	(258,516)	(226,808)
Other Liabilities	11,578,457	(8,261,493)
Loss (Gain) on Disposal of Tangible Capital Assets	21,930	89,436
Amortization of Tangible Capital Assets	31,008,327	29,936,909
Amortization of Deferred Capital Revenue	(21,017,730)	(21,011,415)
Recognition of Deferred Capital Revenue Spent on Sites	(1,167,059)	(2,831,786)
District Portion of Proceeds on Disposal	423,718	4,672
<b>Total Operating Transactions</b>	<b>21,357,656</b>	<b>16,942,584</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(19,807,015)	(46,107,364)
Tangible Capital Assets -WIP Purchased	(8,612,425)	(4,265,616)
<b>Total Capital Transactions</b>	<b>(28,419,440)</b>	<b>(50,372,980)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	16,396,212	50,786,269
<b>Total Financing Transactions</b>	<b>16,396,212</b>	<b>50,786,269</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	(10,506,972)	(62,432)
<b>Total Investing Transactions</b>	<b>(10,506,972)</b>	<b>(62,432)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,172,544)</b>	<b>17,293,441</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>137,572,325</b>	<b>120,278,884</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>136,399,781</b>	<b>137,572,325</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	136,399,781	137,572,325
	<b>136,399,781</b>	<b>137,572,325</b>

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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### NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 36 (Surrey)", and operates as "School District No. 36 (Surrey)". A board of education ("the Board") is elected for a four-year term and governs the School District. The School District provides educational programs to students enrolled in its schools in the cities of Surrey and White Rock, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 36 (Surrey) is exempt from federal and provincial corporate income taxes.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Accounting

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

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(f) and 2(l), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction the contribution is subject to is met and 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. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability. The impact of these differences on the financial statements of the School District are as follows:

Year-ended June 30, 2014 – increase in annual surplus by \$26,630,347

June 30, 2014 – increase in accumulated surplus by \$532,180,995, a decrease in deferred revenue by \$3,649,044 and a decrease in deferred capital revenue by \$528,531,951.

Year-ended June 30, 2015 - decrease in annual surplus by \$2,472,941

June 30, 2015 - increase in accumulated surplus by \$527,019,640, a decrease in deferred revenue by \$5,632,976 and a decrease in deferred capital revenue by \$521,386,664.

#### b) Cash and Cash Equivalents

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

#### c) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts. (See Note 4)

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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

d) Portfolio Investments

The School District has investments in GIC's, term deposits and bonds, that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits and fixed income securities are reported at amortized cost.

The School District did not include a statement of re-measurement gains and losses as there were no re-measurement transactions to report.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. The loss is not reversed if there is a subsequent increase in value.

Detailed information regarding portfolio investments is disclosed in Note 5.

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes both government transfers and other 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(l).

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.

g) Employee Future Benefits

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

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

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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

g) Employee Future Benefits (cont'd)

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

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

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

h) Prepaid Expenses

Materials and supplies held in central stores for use within the district are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit.

i) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 14 – Interfund Transfers and Note 22 – Internally Restricted – Operating Fund).

j) Liability for Contaminated Sites

On July 1, 2014, the School District adopted PS3260 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 a site is not in productive use all the following criteria are met:

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

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

The standard was applied on a retroactive basis to July 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the School District.

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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### 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 Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

#### l) Revenue Recognition

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

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

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

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

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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

#### l) Revenue Recognition *(Continued)*

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 that are government transfers 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.

#### m) Expenditures

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

- 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.

#### n) Measurement Uncertainty

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

**School District No. 36 (Surrey)**  
**Notes to Financial Statements**  
Year Ended June 30, 2015

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

o) 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, and other liabilities. The School District does not have any derivatives.

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. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

**NOTE 3      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 4      ACCOUNTS RECEIVABLE – OTHER**

	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Due from Federal Government	\$ 973,745	\$ 345,170
Trade accounts receivable	283,458	969,551
Interest receivable	258,673	197,423
Payroll accounts receivable	129,916	92,923
Other accounts receivable	104,859	206,970
School site acquisition charges	1,358,760	938,978
	<u><b>\$ 3,109,411</b></u>	<u><b>\$ 2,751,015</b></u>

**School District No. 36 (Surrey)**  
**Notes to Financial Statements**  
Year Ended June 30, 2015

**NOTE 5 PORTFOLIO INVESTMENTS**

Investments consist of bank GIC, bank corporate, provincial and federal bonds.

	<b>June 30,2015</b>			<b>June 30,2014</b>		
	Effective Fair Value			Effective Fair Value		
	Yield	Cost	Fair Value	Yield	Cost	Fair Value
Bank term investments	1.94%	\$ 5,260,000	\$ 5,260,000	1.91%	\$ 6,618,909	\$ 6,621,735
Fixed income securities						
Bank corporate	2.72%	\$ 26,151,142	\$ 26,361,485	2.94%	\$ 14,042,045	\$ 14,088,800
Federal bonds	3.17%	5,149,468	5,128,802	3.24%	9,487,880	9,262,829
Provincial bonds	3.30%	7,402,811	7,698,527	4.02%	3,307,615	3,476,374
<b>Total Portfolio Investments</b>		<b>\$ 43,963,421</b>	<b>\$ 44,448,814</b>		<b>\$ 33,456,449</b>	<b>\$ 33,449,738</b>

**NOTE 6 UNEARNED REVENUE**

Unearned revenue as at June 30<sup>th</sup>, 2015

	<b>Balance, June 30, 2014</b>	<b>Increases to Unearned Revenue</b>	<b>Revenue recognized in the period</b>	<b>Balance, June 30, 2015</b>
	\$	\$	\$	\$
Tuition Fees	10,152,655	14,217,729	(11,954,074)	12,416,310
Investment Income	0	1,766,106	(1,766,106)	0
Rental/Lease of Facilities	32,391	2,688,665	(2,686,624)	34,432
<b>Total</b>	<b>10,185,046</b>	<b>18,672,500</b>	<b>(16,406,804)</b>	<b>12,450,742</b>

Unearned revenue as at June 30<sup>th</sup>, 2014

	<b>Balance, June 30, 2013</b>	<b>Increases to Unearned Revenue</b>	<b>Revenue recognized in the period</b>	<b>Balance, June 30, 2014</b>
	\$	\$	\$	\$
Tuition Fees	8,963,858	12,848,841	(11,660,044)	10,152,655
Investment Income	0	1,815,615	(1,815,615)	0
Rental/Lease of Facilities	26,282	2,060,896	(2,054,787)	32,391
<b>Total</b>	<b>8,990,140</b>	<b>16,725,352</b>	<b>(15,530,446)</b>	<b>10,185,046</b>



**School District No. 36 (Surrey)**  
**Notes to Financial Statements**  
Year Ended June 30, 2015

**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.

Deferred Revenue as at June 30<sup>th</sup>, 2015

	<b>Balance, June 30, 2014</b>	<b>Contributions received</b>	<b>Revenue recognized in the period</b>	<b>Balance, June 30, 2015</b>
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	2,455,790	21,843,625	(20,273,750)	4,025,665
Provincial Grants - Other	39,375	0	(2,625)	36,750
Other	3,880,715	16,962,322	(15,213,936)	5,629,101
Investment Income	0	9,906	(9,906)	0
<b>Total</b>	<b>6,375,880</b>	<b>38,815,853</b>	<b>(35,500,217)</b>	<b>9,691,516</b>

Deferred Revenue as at June 30<sup>th</sup>, 2014

	<b>Balance, June 30, 2013</b>	<b>Contributions received</b>	<b>Revenue recognized in the period</b>	<b>Balance, June 30, 2014</b>
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	2,081,345	13,983,666	(13,609,221)	2,455,790
Provincial Grants - Other	123,594	20,000	(104,219)	39,375
Federal Grants	254,163	5,042	(259,205)	0
Other	4,229,499	15,939,388	(16,288,172)	3,880,715
Investment Income	0	9,019	(9,019)	0
<b>Total</b>	<b>6,688,601</b>	<b>29,957,115</b>	<b>(30,269,836)</b>	<b>6,375,880</b>

**School District No. 36 (Surrey)**  
**Notes to Financial Statements**  
Year Ended June 30, 2015

**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.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Deferred Capital Revenue, (includes Work in progress), beginning of year, July 1st.	<u>556,272,733</u>	<u>529,329,665</u>
Increases:		
Provincial Grants - MOE	12,589,669	38,325,818
Local Government Site Fees	2,169,977	2,683,658
Investment Income	365,410	278,293
Sale of Capital Asset	1,271,156	9,498,500
	<u>16,396,212</u>	<u>50,786,269</u>
Decreases:		
Transfers to revenue - site purchases	1,167,059	2,831,786
Amortization of Deferred Capital Revenue	21,017,730	21,011,415
	<u>22,184,789</u>	<u>23,843,201</u>
Net Change for the year	<u>(5,788,577)</u>	<u>26,943,068</u>
Deferred Capital Revenue (includes Work in progress), end of year, June 30th.	<u><b>550,484,156</b></u>	<u><b>556,272,733</b></u>

Work in progress amount as of June 30, 2015 was \$1,692,470 (June 30, 2014: \$1,245,979).

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

### NOTE 9 EMPLOYEE FUTURE BENEFITS

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
	\$	\$
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	17,818,895	19,595,088
Service Cost	957,657	952,854
Interest Cost	570,294	570,358
Benefit Payments	(1,669,948)	(2,175,723)
Actuarial (Gain) Loss	91,115	(1,123,682)
Accrued Benefit Obligation – March 31	<u>17,768,013</u>	<u>17,818,895</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	17,768,013	17,818,895
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	<u>(17,768,013)</u>	<u>(17,818,895)</u>
Employer Contributions After Measurement Date	302,305	76,220
Benefits Expense After Measurement Date	(365,241)	(381,988)
Unamortized Net Actuarial (Gain) Loss	1,097,782	1,132,980
Accrued Benefit Asset (Liability) - June 30	<u>(16,733,167)</u>	<u>(16,991,683)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	16,991,683	17,218,491
Net Expense for Fiscal Year	1,637,517	1,761,965
Employer Contributions	(1,896,033)	(1,988,773)
Accrued Benefit Liability (Asset) - June 30	<u>16,733,167</u>	<u>16,991,683</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	984,224	954,055
Interest Cost	526,981	570,342
Amortization of Net Actuarial (Gain)/Loss	126,312	237,568
Net Benefit Expense (Income)	<u>1,637,517</u>	<u>1,761,965</u>

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

	<u>2015</u>	<u>2014</u>
Discount Rate – April 1	3.25%	3.00%
Discount Rate – March 31	2.25%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSLS – March 31	10.1 years	10.1 years

**School District No. 36 (Surrey)**  
**Notes to Financial Statements**  
Year Ended June 30, 2015

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**NOTE 10 OTHER LIABILITIES**

Vacation pay and banked overtime are recognized as an expense at the time the entitlement is earned through service.

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
	\$	\$
Salaries and Benefits Payable	39,085,836	27,924,699
Accrued Vacation Pay	7,013,041	6,595,721
	<u><b>46,098,877</b></u>	<u><b>34,520,420</b></u>

**NOTE 11 EMPLOYEE PENSION PLANS**

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

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

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

The School District's employer contributions to these plans in the fiscal year ended June 30, 2015 were \$57,905,125 (2014: \$55,781,598).

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

### NOTE 12 TANGIBLE CAPITAL ASSETS

June 30, 2015	Land \$	Building \$	Furniture and Equipment \$	Vehicles \$	Computer Software \$	Computer Hardware \$	2015 Total \$
Cost							
Beginning of year	260,026,320	1,020,314,525	35,367,397	6,521,321	3,100,015	7,939,843	1,333,269,421
Additions	2,610,804	20,638,086	2,401,512	599,588	945,940	1,223,510	28,419,440
Disposals	(445,648)	(1,239,808)					(1,685,456)
Deemed Disposals			(2,939,165)	(746,373)	(1,308,537)	(371,420)	(5,365,495)
Write Downs	0	0	0	0	0	0	0
Closing Balance	262,191,476	1,039,712,803	34,829,744	6,374,536	2,737,418	8,791,933	1,354,637,910
Accumulated Amortization							
Beginning Balance		382,240,262	16,723,642	3,571,482	1,976,194	3,976,064	408,487,644
Amortization		24,244,423	3,656,876	682,111	714,598	1,710,319	31,008,327
Disposals		(1,239,808)					(1,239,808)
Deemed Disposals			(2,939,165)	(746,373)	(1,308,537)	(371,420)	(5,365,495)
Write Downs		0	0	0	0	0	0
Closing Balance		405,244,877	17,441,353	3,507,220	1,382,255	5,314,963	432,890,668
Net Book Value	262,191,476	634,467,926	17,388,391	2,867,316	1,355,163	3,476,970	921,747,242

Cost at June 30<sup>th</sup>, 2015, includes work in progress on Buildings for \$11,632,062.

**School District No. 36 (Surrey)**  
**Notes to Financial Statements**  
Year Ended June 30, 2015

**NOTE 12 TANGIBLE CAPITAL ASSETS** *(Continued)*

<b>June 30, 2014</b>	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2014 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Beginning of year	256,625,371	979,582,506	34,061,906	6,302,227	2,750,798	8,654,338	1,287,977,146
Additions	3,490,385	41,714,001	3,622,999	334,960	850,165	360,470	50,372,980
Disposals	(89,436)	(981,982)					(1,071,418)
Deemed Disposals			(2,317,508)	(115,866)	(500,948)	(1,074,965)	(4,009,287)
Write Downs	0	0	0	0	0	0	0
Closing Balance	260,026,320	1,020,314,525	35,367,397	6,521,321	3,100,015	7,939,843	1,333,269,421
Accumulated Amortization							
Beginning Balance		359,917,066	15,453,809	3,040,377	1,654,542	3,471,538	383,537,332
Amortization		23,300,506	3,587,341	646,971	822,600	1,579,491	29,936,909
Disposals		(977,310)					(977,310)
Deemed Disposals			(2,317,508)	(115,866)	(500,948)	(1,074,965)	(4,009,287)
Write Downs		0	0	0	0	0	0
Closing Balance		382,240,262	16,723,642	3,571,482	1,976,194	3,976,064	408,487,644
Net Book Value	260,026,320	638,074,263	18,643,755	2,949,839	1,123,821	3,963,779	924,781,777

Cost at June 30<sup>th</sup>, 2014, includes work in progress on Buildings for \$4,265,616.

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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### NOTE 13 DISPOSAL OF SITES AND BUILDINGS

The School District sold the old Board Office on May 31, 2015. The Board Office was acquired in 1965 at an original cost \$562,998. The sale price was \$1,750,000. Of the proceeds \$1,694,875 were allocated 75% to Ministry of Education Restricted Capital within Deferred Capital Revenue and 25% to Local Capital Reserve.

### NOTE 14 INTERFUND TRANSFERS

The School District manages their accounts using three different funds – operating, special purpose and capital. Transfers between funds during the current year are as follows:

- Transfers of \$911,149 (2014: \$969,487) from the operating fund and \$319,013 (2014: \$349,546) from the special purpose fund, totalling \$1,230,162 (2014: \$1,319,033) to the capital fund, were made to purchase capital assets;
- Transfers of \$19,955,762 (2014: \$9,971,009) from the operating fund to the capital fund's local capital were made for the purchase of alternate program learning sites, furniture and equipment, vehicles and other infrastructure upgrades.

### 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.

### NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has a total of \$10,720,737 (2014: \$15,150,488) of contractual obligations at year end related to the construction or renovation of buildings, which are funded from deferred capital revenues of Ministry of Education Bylaw capital, Restricted Capital, Land Capital and Local Capital Reserve funds. Disclosure relates to the unperformed portion of the contracts.

<b>Contractual Commitment</b>	<b>Amount</b>
Resource Education Centre - CCDC Contract	\$2,195,672
Adams Road Elementary - CCDC Contract	3,192,520
Morgan Creek Elementary - CCDC Contract	1,028,246
Rosemary Heights Elementary - CCDC Contract	673,620
Fleetwood Park Secondary - CCDC Contract	450,432
Various Summer Site Improvements - Purchase Orders	2,950,418
Energy Projects - Purchase Orders	53,920
Various Renovation Projects - Purchase Orders	175,909
	<u><u>\$10,720,737</u></u>

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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### NOTE 17 OPERATING LEASE OBLIGATIONS

The School District has operating lease agreements for facilities that require payments over the next four fiscal years ending June 30 as follows:

2016	\$	729,137
2017		341,208
2018		207,674
2019		207,164

### NOTE 18 CONTINGENCIES

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

### NOTE 19 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The value of the liability for asbestos removal or disposal will be recognized in the period in which a reasonable estimate of fair value can be made. As at June 30, 2015 the liability is not reasonably determinable.

### NOTE 20 EXPENSE BY OBJECT

	<u>2015</u>	<u>2014</u>
Salaries and Benefits	\$ 538,607,940	\$ 522,323,587
Services and Supplies	73,077,111	71,074,496
Amortization	31,008,327	29,936,909
<b>Total</b>	<u><u>\$ 642,693,378</u></u>	<u><u>\$ 623,334,992</u></u>



# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

### NOTE 21 BUDGET FIGURES

Budget figures included in the financial statements are the School District's amended annual budget adopted by the Board of Education on February 12<sup>th</sup>, 2015 and reflect more current estimates on student FTE, revenues and expenditures.

	Original Budget \$	Amended Budget \$	Change \$
Statement 2			
Revenue			
Provincial Grants			
Ministry of Education	593,815,894	592,834,613	(981,281)
Other	320,000	477,927	157,927
Municipal Grants Spent on Sites	-	-	-
Federal Grants	-	2,773,057	2,773,057
Tuition	10,712,700	12,074,200	1,361,500
Other Revenues	16,804,430	16,476,958	(327,472)
Rental and Leases	2,083,500	2,190,550	107,050
Investment Income	1,700,000	1,709,500	9,500
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	-
Amortization of Deferred Capital Revenue	20,800,000	20,800,000	-
Total Revenue	<u>646,236,524</u>	<u>649,336,805</u>	<u>3,100,281</u>
Expenses			
Instruction	547,745,800	562,999,668	15,253,868
District Administration	11,751,704	12,403,685	651,981
Operations and Maintenance	94,493,433	96,950,365	2,456,932
Transportation and Housing	5,572,306	5,276,604	(295,702)
Total Expense	<u>659,563,243</u>	<u>677,630,322</u>	<u>18,067,079</u>
Net Revenue	<u>(13,326,719)</u>	<u>(28,293,517)</u>	<u>(14,966,798)</u>
Budgeted Allocation of Surplus (Deficit)	10,567,706	23,361,593	12,793,887
Budgeted Surplus (Deficit) for the Year	<u>(2,759,013)</u>	<u>(4,931,924)</u>	<u>(2,172,911)</u>
Statement 4			
Surplus (Deficit) for the year	<u>(13,326,719)</u>	<u>(28,293,517)</u>	<u>(14,966,798)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(28,147,737)	(13,782,826)	14,364,911
Amortization of Tangible Capital Assets	29,500,000	31,000,000	1,500,000
Net carrying value of Tangible Capital Assets disposed of	-	-	-
Total Effects of change in Tangible Assets	<u>1,352,263</u>	<u>17,217,174</u>	<u>15,864,911</u>
(Increase) Decrease in Net Financial Assets (Debt) before Net Remeasurment Gains (Losses)	<u>(11,974,456)</u>	<u>(11,076,343)</u>	<u>898,113</u>

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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**NOTE 21      BUDGET FIGURES** *(Continued)*

Statement 2

The significant changes between the original budget and amended were:

Revenues:

- Ministry Grants – Amended to reflect actual approved Capital Revenue draws and Operating grant allocations
- Federal Grants – Awarded two year contract for Settlement workers in schools
- Tuition – International student tuition higher than originally projected

Expenses:

- Instruction – Recognition of Board approved use of internally restricted funds from 2014
- Operations and Maintenance – Recognition of Board approved use of internally restricted funds from 2014

Budgeted Allocation of Surplus – Actual 2014 year end Surplus greater than anticipated

Statement 4

The significant changes between original budget and amended were:

- Subsequent approvals from Ministry of Education to draw on Deferred Capital revenues

**NOTE 22      INTERNALLY RESTRICTED – OPERATING FUND**

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts for 2015: \$15,476,788 (2014: \$22,073,876). The detail of the internal restricted items are as follows:

2015/2016 Operating Budget	\$ 8,689,623
Instructional and Safe Schools Initiatives	2,322,969
Education Administration	1,695,617
Net School Operating Surplus	1,087,777
Learning Resources	567,064
Aboriginal Education Targeted Funds	348,371
Technology	271,061
Business Development	239,600
Food Services	173,020
Minor Renovations	60,000
Physical Plant	21,686
<b>Total Internally Restricted Items</b>	<b><u>\$ 15,476,788</u></b>

# School District No. 36 (Surrey)

## Notes to Financial Statements

Year Ended June 30, 2015

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### 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 and cash equivalents, accounts receivable and portfolio 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 Canadian and British Columbia financial institutions and the School District invests solely in bank term investments and fixed income securities.

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. The investment objectives are on protecting investments rather than the potential for superior returns. The School District has very low tolerance for risk with investments and prefers a low degree of price volatility.

c) Liquidity risk

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

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

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

# School District No. 36 (Surrey)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	23,361,593		432,464,857	<b>455,826,450</b>	445,961,848
<b>Changes for the year</b>					
Surplus (Deficit) for the year	16,309,566	319,013	(8,048,052)	<b>8,580,527</b>	9,864,602
Interfund Transfers					
Tangible Capital Assets Purchased	(911,149)	(319,013)	1,230,162	-	
Local Capital	(19,955,762)		19,955,762	-	
<b>Net Changes for the year</b>	<b>(4,557,345)</b>	-	<b>13,137,872</b>	<b>8,580,527</b>	<b>9,864,602</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>18,804,248</b>	-	<b>445,602,729</b>	<b>464,406,977</b>	455,826,450

# School District No. 36 (Surrey)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2015

	2015 Budget (Note 21) \$	2015 Actual \$	2014 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	569,348,190	<b>571,331,020</b>	557,388,044
Other	438,552	<b>514,053</b>	2,688,056
Federal Grants	2,418,057	<b>2,249,488</b>	8,264
Tuition	12,074,200	<b>11,954,074</b>	11,660,045
Other Revenue	2,190,878	<b>2,312,048</b>	3,427,336
Rentals and Leases	2,190,550	<b>2,686,624</b>	2,054,787
Investment Income	1,200,000	<b>1,766,106</b>	911,751
<b>Total Revenue</b>	<b>589,860,427</b>	<b>592,813,413</b>	<b>578,138,283</b>
<b>Expenses</b>			
Instruction	528,728,255	<b>499,561,509</b>	487,669,697
District Administration	12,403,685	<b>12,227,053</b>	11,934,556
Operations and Maintenance	63,384,775	<b>59,846,296</b>	59,100,831
Transportation and Housing	5,276,604	<b>4,868,989</b>	4,772,709
<b>Total Expense</b>	<b>609,793,319</b>	<b>576,503,847</b>	<b>563,477,793</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(19,932,892)</b>	<b>16,309,566</b>	<b>14,660,490</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>23,361,593</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,193,451)	<b>(911,149)</b>	(969,487)
Local Capital	(2,235,250)	<b>(19,955,762)</b>	(9,971,009)
<b>Total Net Transfers</b>	<b>(3,428,701)</b>	<b>(20,866,911)</b>	<b>(10,940,496)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(4,557,345)</b>	<b>3,719,994</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>23,361,593</b>	<b>19,641,599</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>18,804,248</b>	<b>23,361,593</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 22)		<b>15,476,788</b>	22,073,876
Unrestricted		<b>3,327,460</b>	1,287,717
<b>Total Operating Surplus (Deficit), end of year</b>		<b>18,804,248</b>	<b>23,361,593</b>

**School District No. 36 (Surrey)**

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget (Note 21) \$	2015 Actual \$	2014 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	570,829,579	<b>569,680,671</b>	547,867,092
AANDC/LEA Recovery	(76,986)	<b>(41,784)</b>	(82,260)
Strike Savings Recovery	(20,600,332)	<b>(20,695,205)</b>	
Other Ministry of Education Grants			
Labour Settlement Funding	10,781,894	<b>10,781,894</b>	
Pay Equity	6,861,222	<b>6,861,224</b>	6,861,224
Education Guarantee	1,504,258	<b>3,779,895</b>	2,158,098
Carbon Tax Reimbursement		<b>463,472</b>	508,173
Other Miscellaneous	48,555	<b>500,853</b>	75,717
<b>Total Provincial Grants - Ministry of Education</b>	<b>569,348,190</b>	<b>571,331,020</b>	<b>557,388,044</b>
<b>Provincial Grants - Other</b>	<b>438,552</b>	<b>514,053</b>	<b>2,688,056</b>
<b>Federal Grants</b>	<b>2,418,057</b>	<b>2,249,488</b>	<b>8,264</b>
<b>Tuition</b>			
Summer School Fees			138,500
Continuing Education	1,414,200	<b>1,029,885</b>	1,416,974
Offshore Tuition Fees	10,660,000	<b>10,924,189</b>	10,104,571
<b>Total Tuition</b>	<b>12,074,200</b>	<b>11,954,074</b>	<b>11,660,045</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	76,986	<b>41,784</b>	72,552
Miscellaneous			
Teaching Kitchen	727,000	<b>716,921</b>	798,241
Energy Management	150,000	<b>97,544</b>	185,363
Worksafe BC	340,000	<b>362,721</b>	340,500
Other Miscellaneous	896,892	<b>1,093,078</b>	2,030,680
<b>Total Other Revenue</b>	<b>2,190,878</b>	<b>2,312,048</b>	<b>3,427,336</b>
<b>Rentals and Leases</b>	<b>2,190,550</b>	<b>2,686,624</b>	<b>2,054,787</b>
<b>Investment Income</b>	<b>1,200,000</b>	<b>1,766,106</b>	<b>911,751</b>
<b>Total Operating Revenue</b>	<b>589,860,427</b>	<b>592,813,413</b>	<b>578,138,283</b>

**School District No. 36 (Surrey)**

Schedule 2B (Unaudited)

## Schedule of Operating Expense by Object

Year Ended June 30, 2015

	2015 Budget (Note 21) \$	2015 Actual \$	2014 Actual \$
<b>Salaries</b>			
Teachers	276,618,629	<b>273,537,942</b>	267,200,760
Principals and Vice Principals	25,066,475	<b>25,196,597</b>	25,430,578
Educational Assistants	48,628,207	<b>45,753,286</b>	45,677,172
Support Staff	49,643,730	<b>48,799,476</b>	47,920,878
Other Professionals	8,169,060	<b>8,163,733</b>	8,308,704
Substitutes	19,916,125	<b>16,824,207</b>	17,171,163
<b>Total Salaries</b>	<b>428,042,226</b>	<b>418,275,241</b>	411,709,255
<b>Employee Benefits</b>	104,501,505	<b>104,604,698</b>	99,942,988
<b>Total Salaries and Benefits</b>	<b>532,543,731</b>	<b>522,879,939</b>	511,652,243
<b>Services and Supplies</b>			
Services	12,564,121	<b>12,366,023</b>	11,905,142
Student Transportation	4,749,504	<b>4,198,894</b>	4,027,610
Professional Development and Travel	1,863,706	<b>1,591,158</b>	1,808,951
Rentals and Leases	2,798,183	<b>2,524,053</b>	2,050,483
Dues and Fees	1,776,041	<b>1,735,183</b>	1,678,175
Insurance	1,615,670	<b>1,589,614</b>	1,506,263
Supplies	41,265,551	<b>20,641,166</b>	18,907,238
Utilities	10,616,812	<b>8,977,817</b>	9,941,688
<b>Total Services and Supplies</b>	<b>77,249,588</b>	<b>53,623,908</b>	51,825,550
<b>Total Operating Expense</b>	<b>609,793,319</b>	<b>576,503,847</b>	563,477,793

# School District No. 36 (Surrey)

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

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	211,833,688	3,399,725		5,548,367	660,624	8,685,477	230,127,881
1.03 Career Programs	2,786,958	100,720		1,215,065		144,429	4,247,172
1.07 Library Services	5,925,079	136,375		590,204	83,409	235,633	6,970,700
1.08 Counselling	6,881,417	141,620				275,813	7,298,850
1.10 Special Education	30,365,236	2,200,363	42,406,981	417,037		4,743,570	80,133,187
1.30 English Language Learning	11,041,575		435,162			440,078	11,916,815
1.31 Aboriginal Education	602,135	117,100	1,810,896	79,040		128,920	2,738,091
1.41 School Administration	28,585	18,188,212		11,672,439		617,614	30,506,850
1.60 Summer School	85,002	51,337	32,373	78,632			247,344
1.61 Continuing Education	357,707	102,674		161,381			621,762
1.62 Off Shore Students	3,170,519	270,858	52,432	794,426	278,421	149,832	4,716,488
1.64 Other	195,972		995,758	128,105	141,088		1,460,923
<b>Total Function 1</b>	<b>273,273,873</b>	<b>24,708,984</b>	<b>45,733,602</b>	<b>20,684,696</b>	<b>1,163,542</b>	<b>15,421,366</b>	<b>380,986,063</b>
<b>4 District Administration</b>							
4.11 Educational Administration	142,112			129,453	1,316,745		1,588,310
4.40 School District Governance				103,987	335,905		439,892
4.41 Business Administration	21,294	487,613		2,720,299	2,844,240	60,076	6,133,522
<b>Total Function 4</b>	<b>163,406</b>	<b>487,613</b>	<b>-</b>	<b>2,953,739</b>	<b>4,496,890</b>	<b>60,076</b>	<b>8,161,724</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	100,663		19,684	1,011,496	1,236,702	7,770	2,376,315
5.50 Maintenance Operations				21,795,784	1,016,960	1,324,866	24,137,610
5.52 Maintenance of Grounds				1,927,086	90,681	5,509	2,023,276
5.56 Utilities							-
<b>Total Function 5</b>	<b>100,663</b>	<b>-</b>	<b>19,684</b>	<b>24,734,366</b>	<b>2,344,343</b>	<b>1,338,145</b>	<b>28,537,201</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				91,622	158,958		250,580
7.70 Student Transportation				335,053		4,620	339,673
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>426,675</b>	<b>158,958</b>	<b>4,620</b>	<b>590,253</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>273,537,942</b>	<b>25,196,597</b>	<b>45,753,286</b>	<b>48,799,476</b>	<b>8,163,733</b>	<b>16,824,207</b>	<b>418,275,241</b>



# School District No. 36 (Surrey)

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

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2015 Actual	2015 Budget (Note 21)	2014 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	230,127,881	57,212,810	287,340,691	11,696,666	299,037,357	321,003,637	286,770,365
1.03 Career Programs	4,247,172	1,082,973	5,330,145	1,033,280	6,363,425	7,012,757	6,432,336
1.07 Library Services	6,970,700	1,737,820	8,708,520	3,973,428	12,681,948	13,648,097	12,069,691
1.08 Counselling	7,298,850	1,851,829	9,150,679		9,150,679	9,168,204	8,703,787
1.10 Special Education	80,133,187	21,219,928	101,353,115	1,345,224	102,698,339	105,291,692	103,083,212
1.30 English Language Learning	11,916,815	3,031,735	14,948,550		14,948,550	15,100,961	14,383,112
1.31 Aboriginal Education	2,738,091	664,424	3,402,515	393,899	3,796,414	4,144,785	3,602,157
1.41 School Administration	30,506,850	7,420,877	37,927,727	1,147,029	39,074,756	40,198,304	39,355,476
1.60 Summer School	247,344	49,583	296,927	20,588	317,515	311,380	2,373,180
1.61 Continuing Education	621,762	85,594	707,356	288,109	995,465	1,470,607	1,297,235
1.62 Off Shore Students	4,716,488	1,145,022	5,861,510	2,561,676	8,423,186	9,101,025	7,298,819
1.64 Other	1,460,923	348,510	1,809,433	264,442	2,073,875	2,276,806	2,300,327
<b>Total Function 1</b>	<b>380,986,063</b>	<b>95,851,105</b>	<b>476,837,168</b>	<b>22,724,341</b>	<b>499,561,509</b>	<b>528,728,255</b>	<b>487,669,697</b>
<b>4 District Administration</b>							
4.11 Educational Administration	1,588,310	360,326	1,948,636	442,146	2,390,782	2,563,836	2,624,161
4.40 School District Governance	439,892	53,048	492,940	250,575	743,515	799,195	681,052
4.41 Business Administration	6,133,522	1,340,837	7,474,359	1,618,397	9,092,756	9,040,654	8,629,343
<b>Total Function 4</b>	<b>8,161,724</b>	<b>1,754,211</b>	<b>9,915,935</b>	<b>2,311,118</b>	<b>12,227,053</b>	<b>12,403,685</b>	<b>11,934,556</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	2,376,315	447,195	2,823,510	3,118,339	5,941,849	5,959,236	5,713,887
5.50 Maintenance Operations	24,137,610	5,925,872	30,063,482	11,358,576	41,422,058	43,166,529	40,064,995
5.52 Maintenance of Grounds	2,023,276	491,628	2,514,904	939,910	3,454,814	3,632,198	3,379,763
5.56 Utilities	-	-	-	9,027,575	9,027,575	10,626,812	9,942,186
<b>Total Function 5</b>	<b>28,537,201</b>	<b>6,864,695</b>	<b>35,401,896</b>	<b>24,444,400</b>	<b>59,846,296</b>	<b>63,384,775</b>	<b>59,100,831</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	250,580	49,489	300,069	1,108	301,177	309,022	276,828
7.70 Student Transportation	339,673	85,198	424,871	4,142,941	4,567,812	4,967,582	4,495,881
<b>Total Function 7</b>	<b>590,253</b>	<b>134,687</b>	<b>724,940</b>	<b>4,144,049</b>	<b>4,868,989</b>	<b>5,276,604</b>	<b>4,772,709</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>418,275,241</b>	<b>104,604,698</b>	<b>522,879,939</b>	<b>53,623,908</b>	<b>576,503,847</b>	<b>609,793,319</b>	<b>563,477,793</b>

# School District No. 36 (Surrey)

## Schedule of Special Purpose Operations

Year Ended June 30, 2015

Schedule 3 (Unaudited)

	2015 Budget (Note 21) \$	2015 Actual \$	2014 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	22,486,423	<b>20,273,750</b>	13,609,221
Other	39,375	<b>2,625</b>	104,219
Federal Grants	355,000		259,205
Other Revenue	14,286,080	<b>15,213,936</b>	16,288,172
Investment Income	9,500	<b>9,906</b>	9,019
<b>Total Revenue</b>	<b>37,176,378</b>	<b>35,500,217</b>	30,269,836
<b>Expenses</b>			
Instruction	34,271,413	<b>32,615,540</b>	28,925,320
Operations and Maintenance	2,565,590	<b>2,565,664</b>	994,970
<b>Total Expense</b>	<b>36,837,003</b>	<b>35,181,204</b>	29,920,290
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>339,375</b>	<b>319,013</b>	349,546
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(339,375)	<b>(319,013)</b>	(349,546)
<b>Total Net Transfers</b>	<b>(339,375)</b>	<b>(319,013)</b>	(349,546)
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	-
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	-

# School District No. 36 (Surrey)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	Adult Psychiatric Unit	School Meals
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		315,112	45,745	506,756	2,775,436	44,000	31,149	599	
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	2,563,090	11,397,093	148,816			736,000	247,450	140,280	2,136,000
Other				324,029	14,625,754				220,381
Investment Income	2,574			7,332					
	2,565,664	11,397,093	148,816	331,361	14,625,754	736,000	247,450	140,280	2,356,381
<b>Less:</b> Allocated to Revenue	2,565,664	11,662,031	127,204	399,035	13,130,186	741,112	212,368	119,402	2,356,381
<b>Deferred Revenue, end of year</b>	-	<b>50,174</b>	<b>67,357</b>	<b>439,082</b>	<b>4,271,004</b>	<b>38,888</b>	<b>66,231</b>	<b>21,477</b>	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	2,563,090	11,662,031	127,204			741,112	212,368	119,402	2,136,000
Provincial Grants - Other									
Other Revenue				391,703	13,130,186				220,381
Investment Income	2,574			7,332					
	2,565,664	11,662,031	127,204	399,035	13,130,186	741,112	212,368	119,402	2,356,381
<b>Expenses</b>									
Salaries									
Teachers		6,974,170					75,268	68,002	
Educational Assistants		1,854,862					207	15,255	
Support Staff	116,688	21,595				473,155	5,111		560,207
Other Professionals						53,716			68,907
Substitutes		416,778				7,463			36,168
	116,688	9,267,405	-	-	-	534,334	80,586	83,257	665,282
Employee Benefits	23,830	2,394,626				159,886	1,097	20,979	150,602
Services and Supplies	2,425,146		127,204	399,035	13,130,186	46,892	130,685	15,166	1,540,497
	2,565,664	11,662,031	127,204	399,035	13,130,186	741,112	212,368	119,402	2,356,381
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 36 (Surrey)

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

	Adolescent Day Treatment Program	Daughters & Sisters P.L.E.A. Program	Waypoint Substance House	French	Literacy Innovation	Community Link Community Schools	Intensive Core French	Community Link Innercity Schools	Donations
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	6,140		22,184	170,578	230,724	1,248,191	31,420	309,949	449,335
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	274,670	115,680	81,476	527,735		1,594,563	26,670	99,277	
Other				506		795,389			584,783
Investment Income									
	274,670	115,680	81,476	528,241	-	2,389,952	26,670	99,277	584,783
<b>Less:</b> Allocated to Revenue	259,992	87,251	75,707	582,895	4,927	2,330,067	24,191	96,042	452,853
<b>Deferred Revenue, end of year</b>	<b>20,818</b>	<b>28,429</b>	<b>27,953</b>	<b>115,924</b>	<b>225,797</b>	<b>1,308,076</b>	<b>33,899</b>	<b>313,184</b>	<b>581,265</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	259,992	87,251	75,707	582,389	4,927	1,534,678	24,191	96,042	
Provincial Grants - Other									
Other Revenue				506		795,389			452,853
Investment Income									
	259,992	87,251	75,707	582,895	4,927	2,330,067	24,191	96,042	452,853
<b>Expenses</b>									
Salaries									
Teachers	163,593	59,842	49,454	99,286	744	15,700	7,301		11,910
Educational Assistants	17,678					3,374			
Support Staff						1,130,533			
Other Professionals						232,109			
Substitutes									
	181,271	59,842	49,454	99,286	744	1,381,716	7,301	-	11,910
Employee Benefits	48,761	13,692	13,563	10,350		307,134		93	470
Services and Supplies	29,960	13,717	12,690	473,259	4,183	641,217	16,890	95,949	271,609
	259,992	87,251	75,707	582,895	4,927	2,330,067	24,191	96,042	283,989
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	168,864
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased									(168,864)
	-	-	-	-	-	-	-	-	(168,864)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 36 (Surrey)

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

Schedule 3A (Unaudited)

	PAC Contributions	Coyote Creek BEP	IPE	Attendance Support	TOTAL
	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	149,187	39,375			6,375,880
<b>Add:</b> Restricted Grants					
Provincial Grants - Ministry of Education			1,319,664	435,161	21,843,625
Other	411,480				16,962,322
Investment Income					9,906
	411,480	-	1,319,664	435,161	38,815,853
<b>Less:</b> Allocated to Revenue	222,918	2,625	21,862	25,504	35,500,217
<b>Deferred Revenue, end of year</b>	<b>337,749</b>	<b>36,750</b>	<b>1,297,802</b>	<b>409,657</b>	<b>9,691,516</b>
<b>Revenues</b>					
Provincial Grants - Ministry of Education			21,862	25,504	20,273,750
Provincial Grants - Other		2,625			2,625
Other Revenue	222,918				15,213,936
Investment Income					9,906
	222,918	2,625	21,862	25,504	35,500,217
<b>Expenses</b>					
Salaries					
Teachers					7,525,270
Educational Assistants					1,891,376
Support Staff					2,307,289
Other Professionals			13,119	20,934	388,785
Substitutes					460,409
	-	-	13,119	20,934	12,573,129
Employee Benefits			5,219	4,570	3,154,872
Services and Supplies	72,769	2,625	3,524		19,453,203
	72,769	2,625	21,862	25,504	35,181,204
<b>Net Revenue (Expense) before Interfund Transfers</b>	150,149	-	-	-	319,013
<b>Interfund Transfers</b>					
Tangible Capital Assets Purchased	(150,149)				(319,013)
	(150,149)	-	-	-	(319,013)
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 36 (Surrey)

## Schedule of Capital Operations

Year Ended June 30, 2015

Schedule 4 (Unaudited)

	2015	2015 Actual			2014
	Budget (Note 21)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	1,000,000	1,167,059		1,167,059	2,831,786
Other Revenue			161,832	161,832	401,747
Investment Income	500,000		635,584	635,584	635,963
Gain (Loss) on Disposal of Tangible Capital Assets		(21,930)		(21,930)	(89,436)
Amortization of Deferred Capital Revenue	20,800,000	21,017,730		21,017,730	21,011,415
<b>Total Revenue</b>	<b>22,300,000</b>	<b>22,162,859</b>	<b>797,416</b>	<b>22,960,275</b>	<b>24,791,475</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	31,000,000	31,008,327		31,008,327	29,936,909
<b>Total Expense</b>	<b>31,000,000</b>	<b>31,008,327</b>	<b>-</b>	<b>31,008,327</b>	<b>29,936,909</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(8,700,000)</b>	<b>(8,845,468)</b>	<b>797,416</b>	<b>(8,048,052)</b>	<b>(5,145,434)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	1,532,826	1,230,162		1,230,162	1,319,033
Local Capital	2,235,250		19,955,762	19,955,762	9,971,009
<b>Total Net Transfers</b>	<b>3,768,076</b>	<b>1,230,162</b>	<b>19,955,762</b>	<b>21,185,924</b>	<b>11,290,042</b>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(423,718)	423,718	-	
Tangible Capital Assets Purchased from Local Capital		5,229,821	(5,229,821)	-	
Tangible Capital Assets WIP Purchased from Local Capital		6,919,955	(6,919,955)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>11,726,058</b>	<b>(11,726,058)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(4,931,924)</b>	<b>4,110,752</b>	<b>9,027,120</b>	<b>13,137,872</b>	<b>6,144,608</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>396,249,827</b>	<b>36,215,030</b>	<b>432,464,857</b>	<b>426,320,249</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>400,360,579</b>	<b>45,242,150</b>	<b>445,602,729</b>	<b>432,464,857</b>

# School District No. 36 (Surrey)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2015

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	260,026,320	1,016,048,909	35,367,397	6,521,321	3,100,015	7,939,843	<b>1,329,003,805</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	1,153,927	9,352,620	288,802	113,939		223,148	<b>11,132,436</b>
Deferred Capital Revenue - Other	13,132	2,202,665	(1,201)				<b>2,214,596</b>
Operating Fund					751,390	159,759	<b>911,149</b>
Special Purpose Funds	319,013						<b>319,013</b>
Local Capital	1,124,732	470,376	2,113,911	485,649	194,550	840,603	<b>5,229,821</b>
Transferred from Work in Progress		1,245,979					<b>1,245,979</b>
	<u>2,610,804</u>	<u>13,271,640</u>	<u>2,401,512</u>	<u>599,588</u>	<u>945,940</u>	<u>1,223,510</u>	<b><u>21,052,994</u></b>
Decrease:							
Disposed of	445,648	1,239,808					<b>1,685,456</b>
Deemed Disposals			2,939,165	746,373	1,308,537	371,420	<b>5,365,495</b>
	<u>445,648</u>	<u>1,239,808</u>	<u>2,939,165</u>	<u>746,373</u>	<u>1,308,537</u>	<u>371,420</u>	<b><u>7,050,951</u></b>
<b>Cost, end of year</b>	262,191,476	1,028,080,741	34,829,744	6,374,536	2,737,418	8,791,933	<b>1,343,005,848</b>
<b>Work in Progress, end of year</b>		11,632,062					<b>11,632,062</b>
<b>Cost and Work in Progress, end of year</b>	<u>262,191,476</u>	<u>1,039,712,803</u>	<u>34,829,744</u>	<u>6,374,536</u>	<u>2,737,418</u>	<u>8,791,933</u>	<b><u>1,354,637,910</u></b>
<b>Accumulated Amortization, beginning of year</b>		382,240,262	16,723,642	3,571,482	1,976,194	3,976,064	<b>408,487,644</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		24,244,423	3,656,876	682,111	714,598	1,710,319	<b>31,008,327</b>
Decrease:							
Disposed of		1,239,808					<b>1,239,808</b>
Deemed Disposals			2,939,165	746,373	1,308,537	371,420	<b>5,365,495</b>
		<u>1,239,808</u>	<u>2,939,165</u>	<u>746,373</u>	<u>1,308,537</u>	<u>371,420</u>	<b><u>6,605,303</u></b>
<b>Accumulated Amortization, end of year</b>		<u>405,244,877</u>	<u>17,441,353</u>	<u>3,507,220</u>	<u>1,382,255</u>	<u>5,314,963</u>	<b><u>432,890,668</u></b>
<b>Tangible Capital Assets - Net</b>	<u>262,191,476</u>	<u>634,467,926</u>	<u>17,388,391</u>	<u>2,867,316</u>	<u>1,355,163</u>	<u>3,476,970</u>	<b><u>921,747,242</u></b>

**School District No. 36 (Surrey)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2015

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
<b>Work in Progress, beginning of year</b>	\$ 4,265,616	\$	\$	\$	\$ 4,265,616
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	853,463				853,463
Deferred Capital Revenue - Other	839,007				839,007
Local Capital	6,919,955				6,919,955
	<u>8,612,425</u>	-	-	-	<u>8,612,425</u>
Decrease:					
Transferred to Tangible Capital Assets	1,245,979				1,245,979
	<u>1,245,979</u>	-	-	-	<u>1,245,979</u>
<b>Net Changes for the Year</b>	<u>7,366,446</u>	-	-	-	<u>7,366,446</u>
<b>Work in Progress, end of year</b>	<u><b>11,632,062</b></u>	-	-	-	<u><b>11,632,062</b></u>



# School District No. 36 (Surrey)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	517,314,129	9,971,843		527,285,972
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	9,978,509	2,201,464		12,179,973
Transferred from Work in Progress	926,417	319,562		1,245,979
	<u>10,904,926</u>	<u>2,521,026</u>	-	<u>13,425,952</u>
Decrease:				
Amortization of Deferred Capital Revenue	20,786,886	230,844		21,017,730
	<u>20,786,886</u>	<u>230,844</u>	-	<u>21,017,730</u>
<b>Net Changes for the Year</b>	<u>(9,881,960)</u>	<u>2,290,182</u>	-	<u>(7,591,778)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>507,432,169</u>	<u>12,262,025</u>	-	<u>519,694,194</u>
<b>Work in Progress, beginning of year</b>	926,417	319,562		1,245,979
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	853,463	839,007		1,692,470
	<u>853,463</u>	<u>839,007</u>	-	<u>1,692,470</u>
Decrease				
Transferred to Deferred Capital Revenue	926,417	319,562		1,245,979
	<u>926,417</u>	<u>319,562</u>	-	<u>1,245,979</u>
<b>Net Changes for the Year</b>	<u>(72,954)</u>	<u>519,445</u>	-	<u>446,491</u>
<b>Work in Progress, end of year</b>	<u>853,463</u>	<u>839,007</u>	-	<u>1,692,470</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>508,285,632</u>	<u>13,101,032</u>	-	<u>521,386,664</u>

**School District No. 36 (Surrey)**

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

	<b>Bylaw Capital</b>	<b>MEd Restricted Capital</b>	<b>Other Provincial Capital</b>	<b>Land Capital</b>	<b>Other Capital</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	6,618,360	17,316,758		3,805,664		<b>27,740,782</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	12,589,669					<b>12,589,669</b>
Investment Income		281,751		83,659		<b>365,410</b>
Sale of Capital Assets		1,271,156				<b>1,271,156</b>
Local Government Site Fees				2,169,977		<b>2,169,977</b>
	12,589,669	1,552,907	-	2,253,636	-	<b>16,396,212</b>
Decrease:						
Transferred to DCR - Capital Additions	9,978,509	2,201,464				<b>12,179,973</b>
Transferred to DCR - Work in Progress	853,463	839,007				<b>1,692,470</b>
Transferred to Revenue - Site Purchases	1,153,927	13,132				<b>1,167,059</b>
	11,985,899	3,053,603	-	-	-	<b>15,039,502</b>
<b>Net Changes for the Year</b>	603,770	(1,500,696)	-	2,253,636	-	<b>1,356,710</b>
<b>Balance, end of year</b>	<b>7,222,130</b>	<b>15,816,062</b>	<b>-</b>	<b>6,059,300</b>	<b>-</b>	<b>29,097,492</b>