
Audited Financial Statements of

School District No. 35 (Langley)

June 30, 2015

School District No. 35 (Langley)

June 30, 2015

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School District No. 35 (Langley)

MANAGEMENT REPORT

Version: 5337-4591-2609

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 35 (Langley) 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. 35 (Langley) (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.

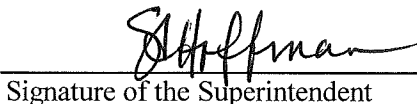
The external auditors', Office of the Auditor General, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors' have full and free access to financial management of School District No. 35 (Langley) 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. 35 (Langley)



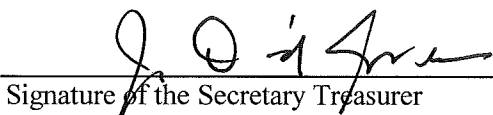
Signature of the Chairperson of the Board of Education

Sept 29, 2015
Date Signed



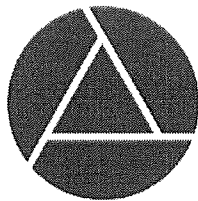
Signature of the Superintendent

SEPT 29, 2015
Date Signed



Signature of the Secretary Treasurer

Sept. 29, 2015
Date Signed



INDEPENDENT AUDITOR'S REPORT

*To the Board of Education of School District No. 35 (Langley), and
To the Minister of Education, Province of British Columbia*

I have audited the accompanying financial statements of School District No. 35 (Langley), 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

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

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

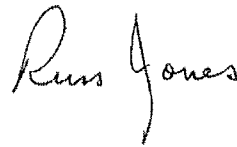
In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements of School District No. 35 (Langley) for the year ended June 30, 2015, are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Emphasis of Matter

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



Russ Jones, FCPA, FCA
Deputy Auditor General

Victoria, British Columbia
September 29, 2015



School District No. 35 (Langley)

Statement 1

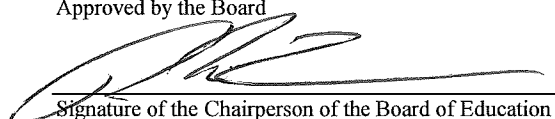
Statement of Financial Position

As at June 30, 2015

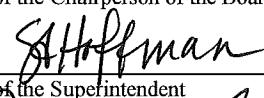
	2015 Actual \$	2014 Actual \$
Financial Assets		
Cash and Cash Equivalents	59,339,433	42,100,271
Accounts Receivable		
Due from Province - Ministry of Education	1,033,350	6,234,386
Other (Note 4)	969,600	845,618
Portfolio Investments (Note 5)	-	5,112,974
Total Financial Assets	61,342,383	54,293,249
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	-	4,521,269
Other (Note 6)	18,894,267	18,234,413
Unearned Revenue (Note 8)	10,207,091	7,823,692
Deferred Revenue (Note 9)	1,067,806	824,961
Deferred Capital Revenue (Note 10)	156,052,746	149,318,222
Employee Future Benefits (Note 11,12)	5,152,286	5,181,212
Capital Lease Obligations (Note 17)	454,659	726,030
Total Liabilities	191,828,855	186,629,799
Net Financial Assets (Debt)	(130,486,472)	(132,336,550)
Non-Financial Assets		
Tangible Capital Assets (Note 7)	214,369,255	215,844,577
Prepaid Expenses	755,490	600,962
Total Non-Financial Assets	215,124,745	216,445,539
Accumulated Surplus (Deficit) (Note 14)	84,638,273	84,108,989

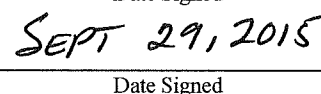
Contractual Obligations and Contingencies (Note 18,23)

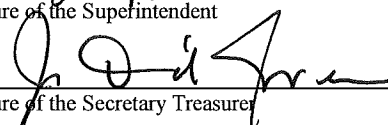
Approved by the Board

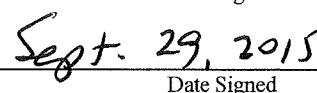

Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed

School District No. 35 (Langley)

Statement 2

Statement of Operations

Year Ended June 30, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	161,150,546	160,981,183	156,810,279
Other	555,340	526,115	612,074
Tuition	8,662,265	8,813,579	7,218,784
Other Revenue	7,242,151	7,190,354	7,096,104
Rentals and Leases	760,842	924,513	888,783
Investment Income	469,499	580,113	436,867
Amortization of Deferred Capital Revenue (Note 10)	6,398,658	6,379,868	5,723,403
Total Revenue	<u>185,239,301</u>	<u>185,395,725</u>	<u>178,786,294</u>
Expenses (Note 13)			
Instruction	151,963,836	149,056,207	142,991,434
District Administration	5,351,693	5,408,967	4,966,879
Operations and Maintenance	27,457,634	27,952,875	26,294,881
Transportation and Housing	2,371,387	2,373,743	2,357,148
Debt Services	74,649	74,649	74,587
Total Expense	<u>187,219,199</u>	<u>184,866,441</u>	<u>176,684,929</u>
Surplus (Deficit) for the year	<u>(1,979,898)</u>	<u>529,284</u>	<u>2,101,365</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		<u>84,108,989</u>	<u>82,007,624</u>
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>84,638,273</u></u>	<u><u>84,108,989</u></u>

School District No. 35 (Langley)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Surplus (Deficit) for the year	(1,979,898)	529,284	2,101,365
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 7)	(7,529,441)	(6,998,461)	(22,542,922)
Amortization of Tangible Capital Assets (Note 7)	8,478,758	8,473,783	7,713,993
Total Effect of change in Tangible Capital Assets	949,317	1,475,322	(14,828,929)
Acquisition of Prepaid Expenses		(755,490)	(565,399)
Use of Prepaid Expenses		600,962	547,963
Total Effect of change in Other Non-Financial Assets	-	(154,528)	(17,436)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(1,030,581)</u>	1,850,078	(12,745,000)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		1,850,078	(12,745,000)
Net Financial Assets (Debt), beginning of year		(132,336,550)	(119,591,550)
Net Financial Assets (Debt), end of year		<u>(130,486,472)</u>	<u>(132,336,550)</u>

School District No. 35 (Langley)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2015

	2015 Actual \$	2014 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	529,284	2,101,365
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	5,077,054	(3,630,195)
Prepaid Expenses	(154,528)	(17,436)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(3,861,415)	3,320,203
Unearned Revenue	2,383,399	1,912,363
Deferred Revenue	242,845	(320,793)
Employee Future Benefits	(28,926)	(217,048)
Loss (Gain) on Disposal of Tangible Capital Assets		-
Amortization of Tangible Capital Assets (Note 7)	8,473,783	7,713,993
Amortization of Deferred Capital Revenue (Note 10)	(6,379,868)	(5,723,403)
Recognition of Deferred Capital Revenue Spent on Sites (Note 10)	(2,363)	
Total Operating Transactions	6,279,265	5,139,049
Capital Transactions		
Tangible Capital Assets Purchased	(1,622,951)	(1,910,576)
Tangible Capital Assets -WIP Purchased	(5,185,975)	(20,612,351)
Tangible Capital Assets Purchased - Restricted Capital	(189,535)	
Total Capital Transactions	(6,998,461)	(22,522,927)
Financing Transactions		
Capital Revenue Received	13,116,755	22,825,464
Capital Lease/Principal Repayment	(271,371)	(270,418)
Total Financing Transactions	12,845,384	22,555,046
Investing Transactions		
Investments in Portfolio Investments	5,112,974	(4,939,340)
Total Investing Transactions	5,112,974	(4,939,340)
Net Increase (Decrease) in Cash and Cash Equivalents	17,239,162	231,828
Cash and Cash Equivalents, beginning of year	42,100,271	41,868,443
Cash and Cash Equivalents, end of year	59,339,433	42,100,271
Cash and Cash Equivalents, end of year, is made up of:		
Cash	59,339,433	42,100,271
	59,339,433	42,100,271

School District No. 35 (Langley)

Notes to the Financial Statements

Year Ended June 30, 2015

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. 35 (Langley)" and operates as "School District No. 35 (Langley)". A Board of Education (Board) elected for a four year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 35 (Langley) is exempt from federal and provincial income taxes.

2. Adoption of new accounting policy

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

3. Summary of significant accounting policies and reporting practices

a) Basis of Accounting

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

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

As noted in Notes 3(g) and 3(k), 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 is as follows:

Year-ended June 30, 2014 – increase in annual surplus by \$15,861,160

June 30, 2014 – increase in accumulated surplus by \$145,015,174, decrease in deferred capital revenue by \$144,649,110 and decrease in deferred revenue by \$366,064.

Year-ended June 30, 2015 – increase in annual surplus by \$214,378

June 30, 2015 – increase in accumulated surplus by \$144,863,488 decrease in deferred capital revenue by \$144,292,465 and decrease in deferred revenue by \$571,023.

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

3. Summary of significant accounting policies and reporting practices (continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash in the bank and deposits in the Provincial Ministry of Finance Central Deposit Program which are readily convertible to cash and that are not subject to a significant risk of change in value. The deposits with the Ministry of Finance can be withdrawn from the program with three days of notice.

c) Portfolio Investments (See Note 5)

The School District had investments in term deposits and guaranteed investment certificates that had maturities of greater than 3 months at the time of acquisition. These investments have been reported at cost and are not subject to impairment.

d) Accounts Receivable (See Note 4)

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

e) Prepaid Expenses

Prepaid expenses include costs prepaid for insurance, equipment and software maintenance, and other fees. These prepaid expenses are stated at acquisition cost and are charged to expense over the future periods expected to benefit from them.

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 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 3 (k).

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

School District No. 35 (Langley)

Notes to the Financial Statements

Year Ended June 30, 2015

3. Summary of significant accounting policies and reporting practices (continued)

h) Tangible Capital Assets

Capital assets acquired or constructed are recorded at cost. Equipment under capital leases is initially recorded at an amount equal to the lesser of the fair value of the equipment and the net present value of the future lease payments.

Donated tangible capital assets are recorded at their fair market value on the date of donation, if available. Otherwise a nominal value is used.

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

Tangible capital assets that no longer contribute to the ability of the district to provide services are written-down to residual value and accounted for as expenses in the Statement of Operations.

Buildings that are demolished or destroyed are written-off.

The cost, less any residual value, of tangible capital assets (excluding sites) is amortized on a straight line basis over the estimated useful life of the asset. Estimated useful lives for the District's tangible capital assets, as determined by management, are as follows:

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

Amortization of tangible capital assets is taken at one-half the normal annual rate in the year of acquisition and in the year of disposal. Amortization of equipment under capital leases is taken monthly over the term of the leases.

i) 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 a tangible capital asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs. 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.

j) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 15 – Interfund Transfers and Note 14 – Accumulated Surplus – Operating Fund).

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

3. Summary of significant accounting policies and reporting practices (continued)

k) Revenue Recognition

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

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

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

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

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

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

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.

l) Expenditures

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

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

3. Summary of significant accounting policies and reporting practices (continued)

m) Financial Instruments (see Note 21)

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 current liabilities.

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.

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

n) 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. Benefits include vested sick leave, accumulating non-vested sick leave, retirement allowances, vacation pay and life insurance.

The School District accrues its obligations and related costs under employee future benefit plans. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, termination and retirement rates, and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains (losses) are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 9.3 years.

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.

o) Measurement Uncertainty

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

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

4. Accounts receivable – other receivables

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Due from Federal Government	\$ 172,812	\$ 358,270
Other accounts receivable	790,295	530,974
Due from Langley School District Foundation	7,348	0
Allowance for doubtful accounts	(855)	(43,626)
	<u>\$ 969,600</u>	<u>\$ 845,618</u>

5. Portfolio Investments

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Investments in the cost and amortized cost category:		
Term deposits	\$ 0	\$ 112,974
Guaranteed Investment Certificate	0	5,000,000
	<u>\$ 0</u>	<u>\$ 5,112,974</u>

6. Accounts Payable and Accrued Liabilities - other

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Trade payables	\$ 2,964,776	\$ 5,452,102
Salaries and benefits payable	12,277,145	7,817,821
Accrued vacation pay	2,937,302	2,877,886
CUPE wage contingency (see Note 23)	0	1,367,151
Langley School District Foundation	0	6,469
Other	715,044	712,984
	<u>\$18,894,267</u>	<u>\$18,234,413</u>

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

7. Tangible Capital assets

June 30, 2015

Cost:	Balance at July 1, 2014	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2015
Sites	\$ 30,624,332	\$ 2,363	\$	\$	\$ 30,626,695
Buildings	291,565,693	333,483		25,405,224	317,304,400
Buildings – work in progress	22,435,112	3,085,812		(25,405,224)	115,700
Furniture & Equipment	8,420,701	2,721,406	95,383		11,046,724
Vehicles	2,581,368	263,641	529,321		2,315,688
Computer Software	362,629		6,780		355,849
Computer Hardware	499,874	591,756	22,178		1,069,452
Equipment under capital lease	1,322,038				1,322,038
Total	\$357,811,747	\$6,998,461	\$ 653,662	\$ 0	\$364,156,546

Accumulated Amortization:	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
Sites	\$	\$	\$	\$
Buildings	136,897,488	6,771,821		143,669,309
Furniture & Equipment	2,852,187	956,957	95,383	3,713,761
Vehicles	1,329,082	244,853	529,321	1,044,614
Computer Software	101,670	71,848	6,780	166,738
Computer Hardware	190,735	156,933	22,178	325,490
Equipment under capital lease	596,008	271,371		867,379
Total	\$141,967,170	\$8,473,783	\$ 653,662	\$149,787,291

June 30, 2014

Cost:	Balance at July 1, 2013	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2014
Sites	\$ 30,624,332	\$	\$	\$	\$ 30,624,332
Buildings	277,519,836	406,324		13,639,533	291,565,693
Buildings – work in progress	17,069,791	19,004,854		(13,639,533)	22,435,112
Furniture & Equipment	6,584,810	2,157,150	321,259		8,420,701
Vehicles	2,223,220	635,118	276,970		2,581,368
Computer Software	224,035	191,775	53,181		362,629
Computer Hardware	497,350	127,706	125,182		499,874
Equipment under capital lease	1,302,043	19,995			1,322,038
Total	\$336,045,417	\$22,542,922	\$ 776,592	\$ 0	\$357,811,747

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

7. Tangible Capital assets (continued)

	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Accumulated Amortization:				
Sites	\$	\$	\$	\$
Buildings	130,592,837	6,304,651		136,897,488
Furniture & Equipment	2,433,140	740,306	321,259	2,852,187
Vehicles	1,365,823	240,229	276,970	1,329,082
Computer Software	96,185	58,666	53,181	101,670
Computer Hardware	216,194	99,723	125,182	190,735
Equipment under capital lease	325,590	270,418		596,008
Total	\$135,029,769	\$7,713,993	\$ 776,592	\$141,967,170

Net Book Value

	June 30, 2015	June 30, 2014
Sites	\$ 30,626,695	\$ 30,624,332
Buildings	173,635,091	154,668,205
Buildings – work in progress	115,700	22,435,112
Furniture & Equipment	7,332,963	5,568,514
Vehicles	1,271,074	1,252,286
Computer Software	189,111	260,959
Computer Hardware	743,962	309,139
Equipment under capital lease	454,659	726,030
Total	\$214,369,255	\$215,844,577

Buildings – work in progress have not been amortized. Amortization of these assets will commence when the asset is put into service.

School District No. 35 (Langley)

Notes to the Financial Statements

Year Ended June 30, 2015

8. Unearned revenue

	June 30, 2015	June 30, 2014
Balance, Beginning of Year, July 1	\$ 7,823,692	\$ 5,911,329
Changes		
Increase:		
Tuition fees	10,095,939	7,675,594
Rentals	4,629	11,680
Transportation	103,738	136,323
Grants		
Other	2,785	96
	10,207,091	7,823,692
Decrease:		
Tuition fees	7,675,594	5,807,632
Rentals	11,680	4,180
Transportation	136,323	76,870
Grants		15,000
Other	96	7,647
	7,823,692	5,911,329
Balance, End of Year	\$ 10,207,091	\$ 7,823,692

9. Deferred revenue

Deferred revenue includes unspent amounts 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 below.

	June 30, 2015	June 30, 2014
Balance, Beginning of year, July 1	\$ 824,961	\$ 1,145,754
Changes for the year:		
Increase		
Receipts in the year		
Provincial Grants - MOE	6,756,163	5,002,092
Provincial Grants - Other	245,976	274,178
Other Revenue	5,834,674	5,548,324
	12,836,813	10,824,594
Decrease		
Transferred to Revenue	(12,593,968)	(11,145,387)
Balance End of Year	\$ 1,067,806	\$ 824,961

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

10. Deferred Capital Revenue

	June 30, 2015	June 30, 2014
Balance, Beginning of year	\$ 149,318,222	\$ 132,216,161
Increase		
Provincial Grants - MOE	12,612,204	22,849,124
Other Revenue	677,497	431,451
Investment Income	78,302	78,882
Transfer to income statement for AFG	(251,248)	(533,993)
Disposal proceeds		
	<u>13,116,755</u>	<u>22,825,464</u>
Decrease		
Amortization	(6,379,868)	(5,723,403)
Site Purchase	(2,363)	
	<u>(6,382,231)</u>	<u>(5,723,403)</u>
Balance End of Year	<u>\$ 156,052,746</u>	<u>\$ 149,318,222</u>

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.

11. Employee future benefits

Benefits include vested sick leave, accumulating non-vested sick leave, retirement allowances, vacation pay and life insurance. The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. 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>2015</u>	<u>2014</u>
Reconciliation of accrued benefit obligation		
Accrued benefit obligation, April 1	\$ 5,185,506	\$ 5,568,080
Service cost	400,404	399,873
Interest cost	171,684	166,021
Benefit payments – April 1 to March 31	(541,865)	(398,934)
Plan Amendment Increase (Decrease) in Obligation	0	0
Actuarial (Gain) Loss	<u>270,453</u>	<u>(549,534)</u>
Accrued benefit obligation, March 31	<u>\$ 5,486,182</u>	<u>\$ 5,185,506</u>
Reconciliation of funded status at end of fiscal year		
Accrued Benefit Obligation – March 31	\$ 5,486,182	\$ 5,185,506
Market value of plan assets – March 31	<u>0</u>	<u>0</u>
Funded status – Surplus (Deficit)	\$ (5,486,182)	\$ (5,185,506)
Employer contributions after measurement date	55,340	132,250
Benefits Expense After Measurement Date	(144,697)	(143,022)
Unamortized net actuarial (gain) loss	<u>571,984</u>	<u>348,867</u>
Accrued benefit liability - June 30	<u>\$ (5,003,556)</u>	<u>\$ (4,847,411)</u>

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

11. Employee future benefits (continued)

Reconciliation of change in accrued benefit liability

Accrued benefit Liability – July 1	\$	4,847,411	\$	4,638,910
Net expense for fiscal year		621,099		673,868
Employers contributions		(464,955)		(465,367)
Accrued benefit liability - June 30	\$	<u>5,003,556</u>	\$	<u>4,847,411</u>

Components of net benefit expense

Service cost	\$	413,229	\$	400,006
Interest cost		160,534		167,437
Immediate Recognition of Plan Amendment		0		0
Amortization of net actuarial gain		<u>47,336</u>		<u>106,426</u>
Net benefit expense	\$	<u>621,099</u>	\$	<u>673,868</u>

The significant actuarial assumptions 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
EARSL – March 31	9.3 years	9.3 years

The employee future benefits liability of \$5,152,286 (2014 - \$5,181,212) identified on the statement of financial position includes the liability for the district's retirement plan for non-teaching employees (See Below), in addition to the vested and non-vested employee future benefits described above.

The total employee future benefits liability amount is comprised of:

	<u>2015</u>	<u>2014</u>
Vested and non-vested district benefits	\$ 5,003,556	\$ 4,847,412
Retirement plan for non-teaching employees (Note 12)	148,730	333,800
Total accrued benefit liability	<u>\$ 5,152,286</u>	<u>\$ 5,181,212</u>

School District No. 35 (Langley)

Notes to the Financial Statements

Year Ended June 30, 2015

12. Employee pension plans

a) Teachers' Pension Plan and Municipal Pension Plan

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 \$16,378,764 (2014 - \$15,550,774).

b) Retirement Plan for Non-Teaching Employees of School District No. 35 (Langley)

The Retirement Plan for Non-Teaching Employees of School District No. 35 (Langley) is a defined pension plan that has been effective since October 1, 1964. Effective January 1, 1991, new employees are not permitted to join the plan and are required to join the Municipal Pension Plan. The pension plan has 2 active members and 27 retired members. The plan provides benefits based on years of service and the average compensation of the year in which the member retires.

The Board has appointed a Retirement Committee consisting of management, union and plan members to be in charge of the general administration of the plan. The school district uses the services of outside firms to provide pension administration services and management of the pension plan including investment of the assets and administration of benefits.

An actuarial valuation is normally performed every three years to assess the financial position of the plan. The actuarial valuation conducted as at December 31, 2014 reported a going-concern surplus of \$848,000 (2011: \$436,000 deficit) and a solvency deficiency of \$195,000 (2011: \$1,198,000). The District has recognized the solvency deficiency as a liability in the financial statements as a component of the employee future benefits liability.

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

12. Employee pension plans (continued)

The District is required to make employer contributions equal to the current service cost retroactive to January 1, 2015 and to make special payments to fund the solvency deficiency either over two years or in a lump sum payment. The District has decided to make special payments to fund the solvency deficiency on a quarterly basis. The next actuarial valuation will be performed as at December 31, 2017.

For the fiscal year ended June 30, 2015, the school district has accrued service costs of \$17,400 (2014: \$29,300) and a liability of \$148,730 (2014: \$333,800).

13. Expense by object

	June 30, 2015	June 30, 2014
Salaries and benefits	\$154,643,275	\$147,964,262
Services and supplies	16,844,107	16,018,507
Interest	82,035	82,739
Amortization	8,473,783	7,713,993
Other	4,823,241	4,905,428
	<u>\$184,866,441</u>	<u>\$176,684,929</u>

14. Accumulated Surplus – Operating Fund

The School District attributes a portion of its overall accumulated surplus to an internal operating fund and internally restricts the balance for various purposes. The detail of the operating fund surplus is as follows:

	2015	2014
Restricted operating surplus		
Internally restricted (appropriated) by the Board	\$ 3,188,260	\$ 3,188,260
School generated funds	2,165,497	2,106,071
Aboriginal Education	-	10,600
District Initiative to support technology	750,000	750,000
District initiative in support of schools	874,388	493,946
Internally restricted surplus	6,978,145	6,548,877
Unrestricted operating surplus (deficit)	6,691,764	5,747,000
Total surplus (deficit)	<u>\$ 13,669,909</u>	<u>\$ 12,295,877</u>

15. Interfund transfers

The School District manages its accounts using three different funds – Operating, Special Purpose and Capital. Transfers between these funds during the year ended June 30, 2015, were as follows:

- A transfer in the amount of \$41,327 (2014: \$393,425) was made from the special purpose fund to the capital fund for payment of capital assets purchased.
 - A transfer in the amount of \$1,260,752 was made from the operating fund to the capital fund for payment of capital assets purchased (2014: \$1,119,116).
-

School District No. 35 (Langley)

Notes to the Financial Statements

Year Ended June 30, 2015

16. 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 generally considered to be in the normal course of operations and are recorded at the exchange amount. The cumulative total of transactions with related parties during the year was not material in amount.

The School District has an economic interest in the Langley School District Foundation (Foundation) which acts as a fundraising agency for the School District. The Foundation is a separate legal entity and is a registered charity under the provisions of the *Income Tax Act* of Canada. The Foundation has its own board of directors who approve grants to support various initiatives of the School District.

During the year, the School District received \$481,192 (2014: \$332,218) in contributions from the Foundation to support and promote programs not funded by the Ministry of Education. The School District made contributions to the Foundation to support its operations of \$4,000 (2014: \$4,000). The School District also has an amount receivable from the Foundation of \$7,348 (2014: \$0) – see Note 4, and a payables amount of \$0 (2014: \$6,469.13) – see Note 6.

17. Obligations under capital leases

The District entered into a capital lease during March 2012 to replace photocopier and printer equipment in schools and business offices. The lease expires at the end of February 2017. The minimum future lease payments for the years ended June 30 are as follows:

2016	\$ 346,020
2017	237,086
2018	
2019	
Thereafter	
Total minimum lease payments	<u>\$ 583,106</u>
Less amounts representing interest	<u>(128,447)</u>
Present value of net minimum capital lease payments	<u>\$ 454,659</u>

For the year ended June 30, 2015, the District recorded interest expense on the obligations under capital leases of \$ 74,649 (2014 - \$ 74,587).

18. Contractual Obligations

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2016	2017	Thereafter
Boiler upgrade at WGSS	\$ 14,412	\$0	\$0
Construction of Yorkson Area Middle School	70,485		
Various AFG projects	1,535,396		
Computer Lease	494,225	494,225	123,556
	<u>\$ 2,114,518</u>	<u>\$494,225</u>	<u>\$123,556</u>

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

19. Asset retirement obligations

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition or as a requirement of a disposal. The fair value of the 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, 2015, the liability is not reasonably determinable and the District has accordingly not made any provision in the financial statements to reflect future removal costs or reduced sale proceeds.

20. Budget Figures

Budget figures were approved by the Board of Education through the adoption of an annual amended budget bylaw on February 24, 2015.

Budget figures included in the financial statements reflect the amended planned budget approved by the Board. The District has elected to present the amended budget as it reflects a budget based on funding as a result of final enrollment numbers versus estimated enrollment projections.

	Original Budget	Amended Budget	Change
Revenues			
Provincial Grants			
Ministry of Education	\$ 161,845,018	\$ 161,150,546	\$ (694,472)
Other	491,659	555,340	63,681
Tuition	8,271,369	8,662,265	390,896
Other Revenue	7,127,718	7,242,151	114,433
Rentals and Leases	750,810	760,842	10,032
Investment Income	390,193	469,499	79,306
Amortization of Deferred Capital Revenue	6,404,341	6,398,658	(5,683)
Total Revenue	185,281,108	185,239,301	(41,807)
Expenses			
Instruction	153,656,599	151,963,836	(1,692,763)
District Administration	5,330,324	5,351,693	21,369
Operations and Maintenance	27,533,112	27,457,634	(75,478)
Transportation and Housing	2,333,230	2,371,387	38,157
Debt Services	74,649	74,649	-
Total Expense	188,927,914	187,219,199	(1,708,715)
			-
Net Revenue (Expense)	(3,646,806)	(1,979,898)	1,666,908
			-
Budgeted Allocation (Retirement) of Surplus (Deficit)	2,518,675	960,509	(1,558,166)
Budgeted Surplus (Deficit), for the year	\$ (1,128,131)	\$ (1,019,389)	\$ 108,742

Significant changes between the original and amended budgets are as follows:

- Ministry grants – reflect the impact of the strike recovery by the ministry that is partially offset by additional funding for the new teacher contract.
 - Tuition revenue – increased due to higher FTE of ISP students
 - Instruction expenses – impact of strike savings and a lower average teacher cost
-

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

21. Risk management

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

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

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

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

b) Market risk :

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

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

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

c) Liquidity risk

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

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

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

22. Economic dependence

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.

School District No. 35 (Langley)
Notes to the Financial Statements
Year Ended June 30, 2015

23. Contingencies

In 2014 the School District recorded a liability of \$1,367,151 to reflect a condition of a Provincial Framework Agreement that has been reached with support staff unions. The condition stated support staff will be compensated for lost wages resulting from not crossing lawful picket lines established by the British Columbia Teachers Federation (BCTF), provided that the agreement is ratified at the local level by November 30, 2014. The agreement was ratified and the liability was paid in the 2014-2015 fiscal year.

School District No. 35 (Langley)
Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2015

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	12,295,877		71,813,112	84,108,989	82,007,624
Changes for the year					
Surplus (Deficit) for the year	2,634,784	41,327	(2,146,827)	529,284	2,101,365
Interfund Transfers					
Tangible Capital Assets Purchased		(41,327)	41,327	-	-
Local Capital	(914,732)		914,732	-	-
Other	(346,020)		346,020	-	-
Net Changes for the year	1,374,032	-	(844,748)	529,284	2,101,365
Accumulated Surplus (Deficit), end of year - Statement 2	13,669,909	-	70,968,364	84,638,273	84,108,989

School District No. 35 (Langley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	154,024,362	154,159,518	151,099,170
Other	243,859	242,656	290,434
Tuition	8,662,265	8,813,579	7,218,784
Other Revenue	1,363,668	1,447,898	1,461,304
Rentals and Leases	760,842	924,513	888,783
Investment Income	450,000	560,740	407,874
Total Revenue	165,504,996	166,148,904	161,366,349
Expenses			
Instruction	139,675,484	137,278,141	132,465,531
District Administration	5,351,693	5,372,469	4,909,533
Operations and Maintenance	18,218,239	18,734,620	18,130,242
Transportation and Housing	2,128,069	2,128,890	2,116,919
Total Expense	165,373,485	163,514,120	157,622,225
Operating Surplus (Deficit) for the year	131,511	2,634,784	3,744,124
Budgeted Appropriation (Retirement) of Surplus (Deficit)	960,509		
Net Transfers (to) from other funds			
Local Capital	(746,000)	(914,732)	(774,111)
Other	(346,020)	(346,020)	(345,005)
Total Net Transfers	(1,092,020)	(1,260,752)	(1,119,116)
Total Operating Surplus (Deficit), for the year	-	1,374,032	2,625,008
Operating Surplus (Deficit), beginning of year		12,295,877	9,670,869
Operating Surplus (Deficit), end of year		13,669,909	12,295,877
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 14)		6,978,145	6,548,877
Unrestricted		6,691,764	5,747,000
Total Operating Surplus (Deficit), end of year		13,669,909	12,295,877

School District No. 35 (Langley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	155,141,600	149,882,773	150,263,611
AANDC/LEA Recovery	(143,468)	(149,706)	(161,878)
Strike Savings Recovery	(5,705,980)		
Other Ministry of Education Grants			
Labour Settlement Funding	3,200,509	3,200,509	
Pay Equity	551,875	551,875	551,875
Education Guarantee	315,986	492,146	254,309
Other Ministry of Education Grants			18,842
Carbon Tax	145,000	163,079	172,411
FSA	15,600	15,600	
Provincial Exam Marking	3,240	3,242	
Anticipated Enrolment Growth	500,000		
Total Provincial Grants - Ministry of Education	154,024,362	154,159,518	151,099,170
Provincial Grants - Other	243,859	242,656	290,434
Tuition			
Summer School Fees	-	-	139,375
Continuing Education	78,500	84,127	110,577
Offshore Tuition Fees	8,583,765	8,729,452	6,968,832
Total Tuition	8,662,265	8,813,579	7,218,784
Other Revenues			
LEA/Direct Funding from First Nations	143,468	149,706	161,878
Miscellaneous			
Other Miscellaneous Revenue	325,000	465,417	979,849
Transportation	260,000	258,728	195,570
BC Hydro Grant	46,200	87,500	75,500
School Generated Funds	-	59,426	48,507
Salary Recoveries	589,000	427,121	
Total Other Revenue	1,363,668	1,447,898	1,461,304
Rentals and Leases	760,842	924,513	888,783
Investment Income	450,000	560,740	407,874
Total Operating Revenue	165,504,996	166,148,904	161,366,349

School District No. 35 (Langley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Salaries			
Teachers	74,181,989	72,476,269	70,341,174
Principals and Vice Principals	8,910,879	8,934,156	8,964,714
Educational Assistants	13,649,549	13,208,725	12,195,770
Support Staff	14,212,937	14,176,277	13,468,127
Other Professionals	3,506,598	3,583,209	3,518,928
Substitutes	5,582,714	6,476,510	6,000,474
Total Salaries	120,044,666	118,855,146	114,489,187
Employee Benefits	29,895,704	29,755,014	28,872,363
Total Salaries and Benefits	149,940,370	148,610,160	143,361,550
Services and Supplies			
Services	3,525,367	3,407,564	3,135,382
Student Transportation	80,871	95,572	80,200
Professional Development and Travel	1,148,796	1,010,015	1,034,978
Rentals and Leases	10,900	6,245	6,133
Dues and Fees	624,780	619,373	496,399
Insurance	482,200	474,016	505,098
Interest	-	7,386	8,152
Supplies	6,607,201	6,665,769	6,211,713
Utilities	2,951,000	2,660,779	2,746,516
Bad Debts	2,000	(42,759)	36,104
Total Services and Supplies	15,433,115	14,903,960	14,260,675
Total Operating Expense	165,373,485	163,514,120	157,622,225

School District No. 35 (Langley)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	57,662,030	1,794,703	228,663	1,059,672	43,299	4,257,676	65,046,043
1.03 Career Programs	315,245		160,731	36,079		795	512,850
1.07 Library Services	478,039		502,003	42,600		20,468	1,043,110
1.08 Counselling	2,517,588	111,147		40,426		11,834	2,680,995
1.10 Special Education	8,925,856	202,776	10,999,848	73,751	(7,970)	796,421	20,990,682
1.30 English Language Learning	1,063,408	77,177	81,971			34,570	1,257,126
1.31 Aboriginal Education	401,589	108,818	851,364	97,149		15,647	1,474,567
1.41 School Administration		6,142,785		2,388,093	73,823	130,327	8,735,028
1.60 Summer School		19,036		7,112		3,040	29,188
1.61 Continuing Education							-
1.62 Off Shore Students	1,112,514	257,358	291,736	145,871	389,869	45,875	2,243,223
1.64 Other							-
Total Function 1	72,476,269	8,713,800	13,116,316	3,890,753	499,021	5,316,653	104,012,812
4 District Administration							
4.11 Educational Administration		100,558			634,127	1,770	736,455
4.40 School District Governance					149,746		149,746
4.41 Business Administration		119,798		865,543	1,297,526	107,117	2,389,984
Total Function 4	-	220,356	-	865,543	2,081,399	108,887	3,276,185
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				89,792	667,940	20,920	778,652
5.50 Maintenance Operations				7,983,401	262,939	829,214	9,075,554
5.52 Maintenance of Grounds				397,863		72,464	470,327
5.56 Utilities							-
Total Function 5	-	-	-	8,471,056	930,879	922,598	10,324,533
7 Transportation and Housing							
7.41 Transportation and Housing Administration				95,852	71,910	8,090	175,852
7.70 Student Transportation			92,409	853,073		120,282	1,065,764
Total Function 7	-	-	92,409	948,925	71,910	128,372	1,241,616
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	72,476,269	8,934,156	13,208,725	14,176,277	3,583,209	6,476,510	118,855,146

School District No. 35 (Langley)

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 \$	2014 Actual \$
1 Instruction							
1.02 Regular Instruction	65,046,043	17,108,690	82,154,733	3,772,549	85,927,282	87,800,692	82,463,509
1.03 Career Programs	512,850	129,256	642,106	120,977	763,083	772,778	582,933
1.07 Library Services	1,043,110	237,396	1,280,506	103,143	1,383,649	1,499,929	1,371,993
1.08 Counselling	2,680,995	614,930	3,295,925	55,573	3,351,498	3,144,370	3,522,070
1.10 Special Education	20,990,682	5,129,469	26,120,151	312,681	26,432,832	26,767,898	25,452,140
1.30 English Language Learning	1,257,126	297,179	1,554,305	57,781	1,612,086	1,688,387	1,432,794
1.31 Aboriginal Education	1,474,567	351,550	1,826,117	328,449	2,154,566	2,180,263	2,022,880
1.41 School Administration	8,735,028	2,082,284	10,817,312	391,941	11,209,253	11,414,599	11,126,239
1.60 Summer School	29,188	4,707	33,895	5,423	39,318	23,935	768,762
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 Off Shore Students	2,243,223	524,387	2,767,610	1,636,964	4,404,574	4,367,633	3,719,211
1.64 Other	-	-	-	-	-	15,000	3,000
Total Function 1	104,012,812	26,479,848	130,492,660	6,785,481	137,278,141	139,675,484	132,465,531
4 District Administration							
4.11 Educational Administration	736,455	181,671	918,126	231,556	1,149,682	1,099,951	1,408,045
4.40 School District Governance	149,746	4,117	153,863	111,052	264,915	337,714	247,842
4.41 Business Administration	2,389,984	517,212	2,907,196	1,050,676	3,957,872	3,914,028	3,253,646
Total Function 4	3,276,185	703,000	3,979,185	1,393,284	5,372,469	5,351,693	4,909,533
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	778,652	152,903	931,555	441,605	1,373,160	1,387,875	1,423,589
5.50 Maintenance Operations	9,075,554	2,028,337	11,103,891	2,849,886	13,953,777	13,227,161	13,329,199
5.52 Maintenance of Grounds	470,327	106,813	577,140	174,569	751,709	660,203	638,164
5.56 Utilities	-	-	-	2,655,974	2,655,974	2,943,000	2,739,290
Total Function 5	10,324,533	2,288,053	12,612,586	6,122,034	18,734,620	18,218,239	18,130,242
7 Transportation and Housing							
7.41 Transportation and Housing Administration	175,852	41,784	217,636	4,697	222,333	222,877	213,080
7.70 Student Transportation	1,065,764	242,329	1,308,093	598,464	1,906,557	1,905,192	1,903,839
Total Function 7	1,241,616	284,113	1,525,729	603,161	2,128,890	2,128,069	2,116,919
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	118,855,146	29,755,014	148,610,160	14,903,960	163,514,120	165,373,485	157,622,225

School District No. 35 (Langley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	6,860,306	6,568,053	5,177,116
Other	311,481	283,459	321,640
Other Revenue	5,878,483	5,742,456	5,634,800
Total Revenue	<u>13,050,270</u>	<u>12,593,968</u>	<u>11,133,556</u>
Expenses			
Instruction	12,288,352	11,778,066	10,525,903
District Administration		36,498	57,346
Operations and Maintenance	738,077	738,077	156,882
Total Expense	<u>13,026,429</u>	<u>12,552,641</u>	<u>10,740,131</u>
Special Purpose Surplus (Deficit) for the year	<u>23,841</u>	<u>41,327</u>	<u>393,425</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(23,841)	(41,327)	(393,425)
Total Net Transfers	<u>(23,841)</u>	<u>(41,327)</u>	<u>(393,425)</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. 35 (Langley)

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

Deferred Revenue, beginning of year

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

Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Provincial Grants - Other
Other Revenue

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Substitutes
Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Transportation for Deaf and Hard of Hearing	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community-LINK
\$	\$	\$	\$	\$	\$	\$	\$	\$
-	34,791	149,641	236	339,051	15,634	56,375	119,846	45,012
738,077	3,104,739	46,453	234,781		288,000	71,050	210,848	1,940,486
738,077	3,104,739	46,453	234,781	5,834,674	288,000	71,050	210,848	1,940,486
738,077	3,105,748	41,327	235,017	5,742,456	302,421	84,185	265,180	1,796,098
-	33,782	154,767	-	431,269	1,213	43,240	65,514	189,400
738,077	3,105,748	41,327	235,017	5,742,456	302,421	84,185	265,180	1,796,098
738,077	3,105,748	41,327	235,017	5,742,456	302,421	84,185	265,180	1,796,098
433,135	2,056,436		74,197		22,933	29,990	33,164	191,338
433,135	353,535		17,204		192,487	6,712	11,743	1,071,335
73,605	104		29		1,012	9,299		9,299
231,337	104,156				1,497	6,712		16,729
433,135	2,514,231	-	159,685	-	217,929	36,702	44,907	1,288,701
73,605	591,517	37,008	37,008		62,733	6,614	9,653	333,594
231,337	38,324	38,324		5,742,456	21,759	40,869	210,620	173,803
738,077	3,105,748	-	235,017	5,742,456	302,421	84,185	265,180	1,796,098
-	-	41,327	-	-	-	-	-	-
-	-	(41,327)	-	-	-	-	-	-
-	-	(41,327)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 35 (Langley)

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

Deferred Revenue, beginning of year

Service Delivery	SWIS	TOTAL
Transformation		
\$	\$	\$
-	64,375	824,961

Add: Restricted Grants

Provincial Grants - Ministry of Education
Provincial Grants - Other
Other

121,729	245,976	6,756,163
		245,976
		5,834,674

Less: Allocated to Revenue

-	283,459	12,593,968
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Deferred Revenue, end of year

121,729	26,892	1,067,806
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Revenues

Provincial Grants - Ministry of Education
Provincial Grants - Other
Other Revenue

-	283,459	6,568,053
		283,459
		5,742,456
-	283,459	12,593,968

Expenses

Salaries

Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Substitutes

(867)	2,407,191
19,294	36,498
146,049	1,831,661
12,280	455,859
1,042	141,879

Employee Benefits
Services and Supplies

-	177,798	4,873,088
	45,303	1,160,027
	60,358	6,519,526
-	283,459	12,552,641

Net Revenue (Expense) before Interfund Transfers

-	-	41,327
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Interfund Transfers

Tangible Capital Assets Purchased

-	-	(41,327)
		(41,327)

Net Revenue (Expense)

-	-	-
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School District No. 35 (Langley)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2015

	2015	2015 Actual			2014
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	265,878	253,612		253,612	533,993
Investment Income	19,499		19,373	19,373	28,993
Amortization of Deferred Capital Revenue	6,398,658	6,379,868		6,379,868	5,723,403
Total Revenue	6,684,035	6,633,480	19,373	6,652,853	6,286,389
Expenses					
Operations and Maintenance	265,878	251,248		251,248	533,993
Amortization of Tangible Capital Assets					
Operations and Maintenance	8,235,440	8,228,930		8,228,930	7,473,764
Transportation and Housing	243,318	244,853		244,853	240,229
Debt services					
Capital Lease Interest	74,649		74,649	74,649	74,587
Total Expense	8,819,285	8,725,031	74,649	8,799,680	8,322,573
Capital Surplus (Deficit) for the year	(2,135,250)	(2,091,551)	(55,276)	(2,146,827)	(2,036,184)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	23,841	41,327		41,327	393,425
Local Capital	746,000		914,732	914,732	774,111
Capital Lease Payment	346,020		346,020	346,020	345,005
Total Net Transfers	1,115,861	41,327	1,260,752	1,302,079	1,512,541
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		931,548	(931,548)	-	
Principal Payment					
Capital Lease		271,371	(271,371)	-	
Total Other Adjustments to Fund Balances		1,202,919	(1,202,919)	-	
Total Capital Surplus (Deficit) for the year	(1,019,389)	(847,305)	2,557	(844,748)	(523,643)
Capital Surplus (Deficit), beginning of year		70,713,066	1,100,046	71,813,112	72,336,755
Capital Surplus (Deficit), end of year		69,865,761	1,102,603	70,968,364	71,813,112

School District No. 35 (Langley)

Tangible Capital Assets
Year Ended June 30, 2015

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	30,624,332	291,565,693	9,643,314	2,581,368	362,629	499,874	335,277,210
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	2,363			232,945			235,308
Deferred Capital Revenue - Other		140,900	273,868				414,768
Special Purpose Funds			38,089			3,238	41,327
Local Capital		3,048	309,286	30,696		588,518	931,548
Deferred Capital Revenue - MoE Restricted		189,535					189,535
Transferred from Work in Progress		25,405,224	1,970,731				27,375,955
	2,363	25,738,707	2,591,974	263,641	-	591,756	29,188,441
Decrease:							
Deemed Disposals			95,383	529,321	6,780	22,178	653,662
	-	-	95,383	529,321	6,780	22,178	653,662
Cost, end of year	30,626,695	317,304,400	12,139,905	2,315,688	355,849	1,069,452	363,811,989
Work in Progress, end of year		115,700	228,857				344,557
Cost and Work in Progress, end of year	30,626,695	317,420,100	12,368,762	2,315,688	355,849	1,069,452	364,156,546
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals		136,897,488	3,448,195	1,329,082	101,670	190,735	141,967,170
		6,771,821	1,228,328	244,853	71,848	156,933	8,473,783
			95,383	529,321	6,780	22,178	653,662
		-	95,383	529,321	6,780	22,178	653,662
Accumulated Amortization, end of year		143,669,309	4,581,140	1,044,614	166,738	325,490	149,787,291
Tangible Capital Assets - Net	30,626,695	173,750,791	7,787,622	1,271,074	189,111	743,962	214,369,255

School District No. 35 (Langley)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2015

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	22,435,112	99,425	-	-	22,534,537
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	3,085,812	2,100,163			5,185,975
	3,085,812	2,100,163	-	-	5,185,975
Decrease:					
Transferred to Tangible Capital Assets	25,405,224	1,970,731			27,375,955
	25,405,224	1,970,731	-	-	27,375,955
Net Changes for the Year	(22,319,412)	129,432	-	-	(22,189,980)
Work in Progress, end of year	115,700	228,857	-	-	344,557

School District No. 35 (Langley)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	120,554,075	460,000	1,100,498	122,114,573
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	232,945		414,768	647,713
Transferred from Work in Progress	27,375,956			27,375,956
Transferred from Deferred Revenue - Yorkson Creek Bylaw project		189,535		189,535
	27,608,901	189,535	414,768	28,213,204
Decrease:				
Amortization of Deferred Capital Revenue	6,193,029	16,744	170,095	6,379,868
	6,193,029	16,744	170,095	6,379,868
Net Changes for the Year	21,415,872	172,791	244,673	21,833,336
Deferred Capital Revenue, end of year	141,969,947	632,791	1,345,171	143,947,909
Work in Progress, beginning of year	22,534,537			22,534,537
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	5,185,975			5,185,975
	5,185,975	-	-	5,185,975
Decrease				
Transferred to Deferred Capital Revenue	27,375,956			27,375,956
	27,375,956	-	-	27,375,956
Net Changes for the Year	(22,189,981)	-	-	(22,189,981)
Work in Progress, end of year	344,556	-	-	344,556
Total Deferred Capital Revenue, end of year	142,314,503	632,791	1,345,171	144,292,465

School District No. 35 (Langley)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2015

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	(1,572,762)	3,960,289	-	2,281,585	-	4,669,112
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	12,612,204					12,612,204
Other				262,729	414,768	677,497
Investment Income		48,542		29,760		78,302
Transfer of unspent Bylaw projects	(311,092)	311,092				-
Reclassify revenue for AFG expense projects	(251,248)					(251,248)
	12,049,864	359,634	-	292,489	414,768	13,116,755
Decrease:						
Transferred to DCR - Capital Additions	232,945				414,768	647,713
Transferred to DCR - Work in Progress	5,185,975					5,185,975
Transferred to Revenue - Site Purchases	2,363					2,363
Transferred to DCR - Yorkson Creek Bylaw project	5,421,283	189,535		-	414,768	6,025,586
	6,628,581	170,099	-	292,489	-	7,091,169
Net Changes for the Year						
	5,055,819	4,130,388	-	2,574,074	-	11,760,281
Balance, end of year						