

Audited Financial Statements of

# **School District No. 62 (Sooke)**

June 30, 2013, June 30, 2012 and July 1, 2011

# School District No. 62 (Sooke)

June 30, 2013, June 30, 2012 and July 1, 2011

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# School District No. 62 (Sooke)

## MANAGEMENT REPORT

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

The accompanying financial statements of School District No. 62 (Sooke) have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The 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.

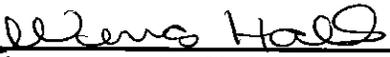
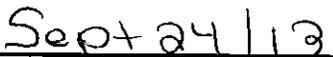
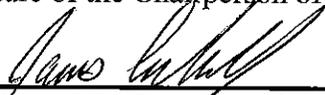
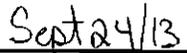
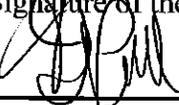
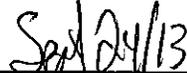
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 62 (Sooke) (called the "Board") is responsible for ensuring that management fulfills its responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and external audited financial statements yearly.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 62 (Sooke) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 62 (Sooke)

 Signature of the Chairperson of the Board of Education	 Date Signed
 Signature of the Superintendent	 Date Signed
 Signature of the Secretary Treasurer	 Date Signed



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education and  
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 62 (Sooke), which comprise the statements of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011, the statement of remeasurement gains and losses for the year ended June 30, 2013, the statements of operations, changes in net debt and cash flows for the years ended June 30, 2013 and June 30, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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



*Opinion*

In our opinion, the financial statements of School District No. 62 (Sooke) as at June 30, 2013, June 30, 2012 and July 1, 2011 and for the years ended June 30, 2013 and June 30, 2012 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

*Emphasis of Matter*

Without modifying our opinion, we draw attention to note 3 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.

*KPMG LLP*

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and extends to the right, ending under the 'P'.

Chartered Accountants

September 24, 2013  
Victoria, Canada

# School District No. 62 (Sooke)

Statement 1

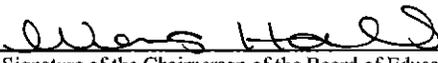
## Statement of Financial Position

As at June 30, 2013, June 30, 2012 and July 1, 2011

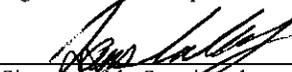
	June 30, 2013	June 30, 2012	July 1, 2011
	\$	\$	\$
<b>Financial Assets</b>			
Cash and Cash Equivalents	14,898,769	15,175,619	15,329,122
Accounts Receivable			
Due from Province - Ministry of Education	74,132	423,801	55,511
Due from Province - Other	8,891	86,607	100,508
Due from LEA/Direct Funding	385,879	54,458	67,088
Other (Note 4)	436,324	541,905	1,065,634
Portfolio Investments (Note 6)	63,491	62,736	
<b>Total Financial Assets</b>	<b>15,867,486</b>	<b>16,345,126</b>	<b>16,617,863</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities			
Other (Note 7)	5,992,510	5,543,830	6,564,297
Unearned Revenue (Note 8)	1,126,173	1,029,257	618,497
Deferred Revenue (Note 9)	1,091,603	1,097,899	1,281,560
Deferred Capital Revenue (Note 10)	103,148,677	104,046,856	102,940,568
Employee Future Benefits (Note 11)	2,511,087	3,730,311	3,631,371
Debt (Note 13)		3,000,000	3,000,000
<b>Total Liabilities</b>	<b>113,870,050</b>	<b>118,448,153</b>	<b>118,036,293</b>
<b>Net Financial Assets (Debt)</b>	<b>(98,002,564)</b>	<b>(102,103,027)</b>	<b>(101,418,430)</b>
<b>Non-Financial Assets</b>			
Tangible Capital Assets (Note 14)	136,664,282	136,773,171	135,760,084
Restricted Assets (Endowments) (Note 17)	642,839	642,839	609,285
Prepaid Expenses (Note 5)	2,871,241	2,798,969	2,815,255
<b>Total Non-Financial Assets</b>	<b>140,178,362</b>	<b>140,214,979</b>	<b>139,184,624</b>
<b>Accumulated Surplus (Deficit) (Note 24)</b>	<b>42,175,798</b>	<b>38,111,952</b>	<b>37,766,194</b>

Contractual Obligations and Contingencies (Note 20 & Note 22)

Approved by the Board

  
Signature of the Chairperson of the Board of Education

Sept 26/13  
Date Signed

  
Signature of the Superintendent

Sept 26/13  
Date Signed

  
Signature of the Secretary Treasurer

Sept 26/13  
Date Signed

# School District No. 62 (Sooke)

## Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Note 21)	2013 Actual	2012 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	81,097,121	84,596,932	80,608,526
Other		19,544	30,861
Municipal Grants Spent on Sites			7,012
Tuition	2,100,506	2,709,867	2,144,689
Other Revenue	3,375,409	3,503,961	3,519,687
Rentals and Leases	166,000	188,602	180,803
Investment Income	129,760	77,543	120,016
Amortization of Deferred Capital Revenue	3,600,000	4,032,063	3,503,058
Amortization of DCC for Prepaid Lease	61,477	61,477	61,477
<b>Total Revenue</b>	<b>90,530,273</b>	<b>95,189,989</b>	<b>90,176,129</b>
<b>Expenses</b>			
Instruction	73,255,270	72,723,957	71,914,892
District Administration	2,192,214	2,403,575	2,339,341
Operations and Maintenance	13,962,720	13,970,465	13,801,356
Transportation and Housing	1,902,569	2,028,146	1,808,336
<b>Total Expense</b>	<b>91,312,773</b>	<b>91,126,143</b>	<b>89,863,925</b>
<b>Surplus (Deficit) for the year, before endowment contributions</b>	<b>(782,500)</b>	<b>4,063,846</b>	<b>312,204</b>
<b>Endowment Contributions (Note 17)</b>			<b>33,554</b>
<b>Surplus (Deficit) for the year</b>	<b>(782,500)</b>	<b>4,063,846</b>	<b>345,758</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>38,111,952</b>	<b>37,766,194</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>42,175,798</b>	<b>38,111,952</b>

**School District No. 62 (Sooke)**

Statement 4

Statement of Changes in Net Financial Assets (Debt)  
Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Note 21)	2013 Actual	2012 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(782,500)</u>	<u>4,063,846</u>	<u>345,758</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(100,000)	(4,517,946)	(5,250,846)
Amortization of Tangible Capital Assets	4,420,000	4,626,835	4,237,759
From Deferred Capital Revenue	1,141,482		
<b>Total Effect of change in Tangible Capital Assets</b>	<u>5,461,482</u>	<u>108,889</u>	<u>(1,013,087)</u>
Acquisition of Prepaid Expenses		(284,087)	(150,339)
Use of Prepaid Expenses	61,477	211,815	166,625
Endowment Contributions (Note 17)			(33,554)
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>61,477</u>	<u>(72,272)</u>	<u>(17,268)</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>4,740,459</u>	<u>4,100,463</u>	<u>(684,597)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>4,100,463</u>	<u>(684,597)</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(102,103,027)</u>	<u>(101,418,430)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u>(98,002,564)</u>	<u>(102,103,027)</u>

**School District No. 62 (Sooke)**

Statement 5

## Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	4,063,846	345,758
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	201,545	181,970
Prepaid Expenses	(133,749)	(45,191)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	448,680	(1,020,467)
Unearned Revenue	96,916	410,760
Deferred Revenue	(6,296)	(183,661)
Employee Future Benefits	(1,219,224)	98,940
Amortization of Tangible Capital Assets	4,626,835	4,237,759
Amortization of Deferred Capital Revenue	(4,032,063)	(3,503,058)
Recognition of Deferred Capital Revenue Spent on Sites	(1,319,108)	(89,738)
Deferred Contributions transferred to Revenue	(3,539,064)	(519,576)
<b>Total Operating Transactions</b>	<u>(811,682)</u>	<u>(86,504)</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(3,368,665)	(13,650,793)
Tangible Capital Assets -WIP Purchased	(1,149,281)	8,399,947
<b>Total Capital Transactions</b>	<u>(4,517,946)</u>	<u>(5,250,846)</u>
<b>Financing Transactions</b>		
Loan Payments	(3,000,000)	
Capital Revenue Received	8,053,533	5,345,428
Playground Reimbursement to PACs		(65,291)
<b>Total Financing Transactions</b>	<u>5,053,533</u>	<u>5,280,137</u>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	(755)	(62,736)
Transferred to Endowment Contributions		(33,554)
<b>Total Investing Transactions</b>	<u>(755)</u>	<u>(96,290)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(276,850)</u>	<u>(153,503)</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>15,175,619</u>	<u>15,329,122</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>14,898,769</u>	<u>15,175,619</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>14,898,769</u>	<u>15,175,619</u>
	<u>14,898,769</u>	<u>15,175,619</u>

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
JUNE 30, 2012**

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**NOTE 1**

**AUTHORITY AND PURPOSE**

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 62 (Sooke)", and operates as "School District No. 62 (Sooke)." A board of education ("Board") elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 62 (Sooke) is exempt from federal and provincial corporate income taxes.

**NOTE 2**

**ADOPTION OF NEW ACCOUNTING FRAMEWORK  
AND PRIOR PERIOD ADJUSTMENTS**

Commencing with the 2012/13 fiscal year, the School District has adopted accounting standards in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board as described in Note 3. Previously, the School District's financial statements were prepared in accordance with Part V of Canadian generally accepted accounting principles ('Part V Canadian GAAP').

Except for certain transitional elections disclosed below and the adoption of *Section PS 3450, Financial Instruments*, effective July 1, 2012, the School District has consistently applied the same accounting policies in its statement of financial position as at July 1, 2011, the date of transition to the framework, and throughout as if these policies had always been in effect.

These financial statements are the first financial statements for which the School District has applied these standards.

The School District has elected to use the following exemptions available as of July 1, 2011:

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and**  
**JUNE 30, 2012**

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- Retirement and post-employment benefits:
  - a. The School District has elected to delay the application of *Sections PS 3250 Retirement benefits and 3255, Post-employment benefits, compensated absences and termination benefits*, relative to the discount rate used until June 30, 2013 to coincide with the March 31, 2013 valuation.
  - b. The School District has elected to recognize all cumulative actuarial gains and losses at July 1, 2011 directly in accumulated surplus and
- Tangible capital asset impairment:
  - a. The School District has elected to apply the impairment provisions of *Section PS 3150, Tangible capital assets*, on a prospective basis from the date of transition.

Key adjustments on the School District's financial statements resulting from the adoption of these accounting standards are as follows:

- Previously, the School District was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. The new accounting framework requires that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the School District in return for the benefits. An adjustment was made to recognize a liability and an expense related to accumulated sick leave entitlements. The adjustment to the liability for employee future benefits at July 1, 2011 was \$267,623 resulting in a revised liability of \$3,631,371.
- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains relating to employee future benefits of \$46,388 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. An additional expense of \$314,011 was recognized in the 2011 fiscal year as a result of removing the amortization of those cumulative actuarial gains and losses
- An additional expense of \$9,312 was recognized in the 2012 fiscal year resulting in a revised liability for employee future benefits at June 30, 2012 of \$3,730,311 related to the accrual for accumulated sick leave entitlements, determined by an actuarial valuation.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
JUNE 30, 2012**

- School generated funds of a discretionary nature were identified and removed from deferred contributions which increased the surplus by \$179,184 at July 1, 2011. These amounts decreased the surplus by \$3,144 in 2012.

A prior period adjustment was made to the opening balance of 2012 related to school generated funds, increasing the surplus in the year by \$147,129. A second adjustment was made to remove the teacher's summer savings plan amount of \$292,440 from the statements as in substance they are trust funds administered by the district (see Note 18).

Endowments held by Edward Milne Community School were reclassified in 2012.

	<b>Part V Canadian GAAP July 1, 2011</b>	<b>Adjustment July 1, 2011</b>	<b>New accounting framework July 1, 2011</b>
Deferred Revenue (formerly Deferred Contributions)	\$5,003,602	(\$3,722,042)	\$1,281,560
Deferred Capital Revenue (formerly Deferred Capital Contributions)	99,397,710	3,542,858	102,940,568
Employee Future Benefits	3,363,748	267,623	3,631,371

	<b>Part V Canadian GAAP June 30, 2012</b>	<b>Adjustment June 30, 2012</b>	<b>New accounting framework June 30, 2012</b>
Deferred Revenue (formerly Deferred Contributions)	\$4,917,714	(\$3,819,815)	\$1,097,899
Deferred Capital Revenue (formerly Deferred Capital Contributions)	100,550,210	3,496,646	104,046,856
Employee Future Benefits	3,453,376	276,935	3,730,311

The impact of the conversion to accounting standards and prior period adjustments on the accumulated surplus at July 1, 2011 and the comparative annual surplus is presented below. These accounting changes have been applied retrospectively with restatement of prior periods.



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
JUNE 30, 2012**

<b>Accumulated surplus, Part V Canadian GAAP, July 1, 2011</b>	<b>\$ 37,854,633</b>
Adjustments to accumulated surplus:	
Prior period adjustment to school generated funds	
Add non-vested benefits to Employee Future Benefits	(314,011)
Recognize cumulative unamortized actuarial gain/loss on Employee Future Benefits	46,388
Reclassify Deferred Contributions	179,184
<b>Accumulated surplus, new accounting framework, July 1, 2011</b>	<b>\$ 37,766,194</b>
<b>Annual surplus, Part V Canadian GAAP, for the year ended June 30, 2012</b>	<b>\$ 87,793</b>
Adjustments to annual surplus for the year:	
Prior period adjustment to school generated funds	
Site purchases previously recorded as a direct increase to net assets	147,129
Employee Future Benefits amortization expense	89,738
Reclassify Deferred Contributions	(9,312)
Reclassification of School Endowments	(3,144)
<b>Annual surplus for the year as restated for the year ended June 30, 2012</b>	<b>345,758</b>
<b>Accumulated surplus, new accounting framework, June 30, 2012</b>	<b>\$ 38,111,952</b>

**NOTE 3**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

- a) ***Basis of Accounting***  
 The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget and Transparency and Accountability Act requires that the financial statements be

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and**  
**JUNE 30, 2012**

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prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

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

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

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

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

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

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

**b) *Basis of Consolidation***

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District has entered into trust activities with some employees; these are described in Note 18.



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
JUNE 30, 2012**

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c) ***Cash and Cash Equivalents***

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

d) ***Accounts Receivable***

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

e) ***Portfolio Investments***

The School District has investments in GIC's that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, are reported at cost.

f) ***Unearned Revenue***

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

g) ***Deferred Revenue and Deferred Capital Revenue***

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 3 (m).

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

h) ***Employee Future Benefits***

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and**  
**JUNE 30, 2012**

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salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing except as per the election described in Note 2.

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.

**j) *Tangible Capital Assets***

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.  
Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- 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

**NOTES TO FINANCIAL STATEMENTS**  
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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

**k) *Prepaid Expenses***

Payments for insurance, leases, subscriptions and maintenance contracts for use within the School District in the future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**l) *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.

**m) *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

**NOTES TO FINANCIAL STATEMENTS  
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- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

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

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.

**n) *Expenditures***

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

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

**o) *Endowment Contributions***

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of

**NOTES TO FINANCIAL STATEMENTS**  
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a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

**p) *Financial Instruments***

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdraft, accounts payable and accrued liabilities, and other 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.

**q) *Measurement Uncertainty***

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

**r) *Adoption of New Accounting Policy***

On July 1, 2012, the School District adopted PS3450, *Financial Instruments*. Recognition, de-recognition and measurement policies followed in the financial statements for periods prior to July 1, 2012 are not reversed; therefore, the financial statements of prior periods, including comparative information, have not been restated.

As at June 30, 2013, and for the year then ended, financial instruments are accounted for prospectively in accordance with the public sector accounting standards.

As at July 1, 2011, June 30, 2012 and for the year ended June 30, 2012, financial instruments were accounted for in accordance with Part V of the CICA Handbook. There were no changes

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
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in the recognition and measurement of financial instruments upon conversion to public sector accounting standards.

**NOTE 4**

**ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	June 30, 2013	June 30, 2012	July 1, 2011
Due from Federal Government	\$ 80,844	\$ 144,427	\$476,633
Due from Other School Districts	500	36,452	24,711
Due from Parent Advisory Committees	85,796	67,713	17,417
Due from CUPE	1,103	20,620	20,860
Due from Sooke Teacher Association	95,354	44,133	18,611
Due from Sooke Principals and Vice Principles Assn.	1,944	-	-
Due from EMCS Society	35,961	36,567	38,195
Due from Westshore Recreation Centre	-	33,300	21,433
Other	134,822	158,693	447,774
	<u>\$ 436,324</u>	<u>\$ 541,905</u>	<u>\$1,065,634</u>



**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5**

**PREPAID LEASE**

The School District prepaid a long-term lease to the Federal Government for the use of the John Stubbs Memorial School site for 50 years. This lease started on July 1, 2005 and ends on June 30, 2055.

This lease represents \$2,587,153 (2012: \$2,648,630) of the prepaid expenses.

**NOTE 6**

**PORTFOLIO INVESTMENTS**

	June 30, 2013	<b>Cost</b> June 30, 2012	July 1, 2011
Investments in the cost category:			
GIC's maturing in 2013 bearing interest at 1.20%	\$ 63,491	\$ 62,736	-
	<u>\$63,491</u>	<u>\$62,736</u>	<u>-</u>

**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7**

**ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	June 30, 2013	June 30, 2012	July 1, 2011
Trade payables	\$1,807,020	\$1,055,438	\$2,225,466
Salaries and benefits payable	3,418,354	3,719,972	3,564,313
Accrued vacation pay	757,049	765,436	764,885
Other	10,087	2,984	9,633
	<u>\$ 5,992,510</u>	<u>\$5,543,830</u>	<u>\$6,564,297</u>

**NOTE 8**

**UNEARNED REVENUE**

	June 30, 2013	June 30, 2012
Balance, beginning of year	\$1,029,257	\$ 618,497
Increase:		
Tuition fees collected	2,802,731	2,573,392
Bus fees collected	222,093	199,656
Crossing guard fees collected	82,074	79,041
	<u>3,106,898</u>	<u>2,852,089</u>
Decrease:		
Tuition fees recognized	2,709,867	2,144,689
Bus fees recognized	216,041	217,599
Crossing guard revenue recognized	84,074	79,041
Net changes for the year	<u>96,916</u>	<u>410,760</u>
Balance, end of year	<u>\$1,126,173</u>	<u>\$1,029,257</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and**  
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**NOTE 9**

**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.

	June 30, 2013	June 30, 2012
Balance, beginning of year	<u>\$1,097,899</u>	<u>\$1,281,560</u>
Increase:		
Provincial Grants- Ministry of Education	2,400,377	1,655,274
Provincial Grants- Other	75,044	98,667
Other Revenue	2,214,492	2,439,450
Investment Income	26,541	18,840
Decrease:		
Transfers to revenue	4,722,750	4,395,892
Net changes for the year	<u>(6,296)</u>	<u>(183,661)</u>
Balance, end of year	<u>\$1,091,603</u>	<u>\$1,097,899</u>

**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10**

**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.

	<u>2013</u>	<u>2012</u>
<b>Deferred capital revenue subject to amortization</b>		
Balance, beginning of year	\$ 100,252,877	\$ 90,700,430
Increases:		
Transfer from deferred capital revenue – work in progress	-	12,382,637
Transfer from deferred capital revenue – unspent	1,317,971	734,345
Decreases:		
Amortization of deferred capital revenue	(4,032,063)	(3,503,058)
Amortization of long term lease	(61,477)	(61,477)
Net change for the year	<u>(2,775,569)</u>	<u>9,552,447</u>
Balance, end of year	<u>97,477,308</u>	<u>100,252,877</u>
 <b>Deferred capital revenue – work in progress</b>		
Balance, beginning of year	297,333	8,697,280
Increases:		
Transfer from deferred capital revenue - unspent	1,149,281	3,982,690
Decreases:		
Transfer to deferred capital revenue subject to amortization	-	(12,382,637)
Net change for the year	<u>1,149,281</u>	<u>(8,399,947)</u>
Balance, end of year	<u>1,446,614</u>	<u>297,333</u>

**NOTES TO FINANCIAL STATEMENTS**  
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	<u>2013</u>	<u>2012</u>
<b>Deferred capital revenue - unspent</b>		
Balance, beginning of year	3,496,646	3,542,858
Increases:		
Provincial Grants – Ministry of Education	8,073,755	4,491,220
Investment income	80,275	43,361
Municipal funds received	249,458	427,003
PAC Donations	18,935	14,954
Other – receivable for New Belmont and Royal Bay	(368,890)	368,890
	<u>8,053,533</u>	<u>5,345,428</u>
Decreases:		
Site purchases	(1,319,108)	(89,738)
Expensed costs	(575,776)	(519,576)
Playground Reimbursement to PACs	-	(65,291)
Transferred to revenue – other	(2,963,288)	-
Transfer to deferred capital revenue subject to amortization	(1,317,971)	(734,345)
Transfer to deferred capital revenue – work in progress	(1,149,281)	(3,982,690)
	<u>(7,325,424)</u>	<u>(5,391,640)</u>
Net change for the year	<u>728,109</u>	<u>(46,212)</u>
Balance, end of year	<u>4,224,755</u>	<u>3,496,646</u>
 Total deferred capital revenue balance, end of year	 <u>\$ 103,148,677</u>	 <u>\$ 104,046,856</u>



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
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**NOTE 11**

**EMPLOYEE FUTURE BENEFITS**

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as *Unfunded Accrued Employee Future Benefits* and disclosed in Note 12.

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 3,847,161	\$ 3,343,568
Non-vested Benefit Obligation - July 1, 2011		314,011
Service Cost	292,988	273,022
Interest Cost	167,111	177,825
Benefit Payments	(565,704)	(347,830)
Decrease in obligation due to Plan Amendment	(1,090,470)	0
Actuarial Loss	680,698	86,565
Accrued Benefit Obligation – March 31	<u>\$ 3,331,784</u>	<u>\$ 3,847,161</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$ 3,331,784	\$ 3,847,161
Market Value of Plan Assets - March 31	0	0
Funded Status - Deficit	(3,331,784)	(3,847,161)
Employer Contributions After Measurement Date	139,999	30,285
Unamortized Net Actuarial Loss	680,698	86,565
Accrued Benefit Liability - June 30	<u>\$ (2,511,087)</u>	<u>\$ (3,730,311)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	\$ 3,730,311	\$ 3,363,748
Recognize Non-Vested Benefits - July 1, 2011	0	314,011
Recognize Unamortized Gains - July 1, 2011	0	(46,388)
Accrued Benefit Liability - July 1 (restated)	3,730,311	3,631,371
Net Expense for Fiscal Year	(543,806)	450,847
Employer Contributions	(675,418)	(351,907)
Accrued Benefit Liability - June 30	<u>\$ 2,511,087</u>	<u>\$ 3,730,311</u>



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
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	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 292,988	\$ 273,022
Interest Cost	167,111	177,825
Immediate Recognition of Plan Amendment	(1,090,470)	0
Amortization of Net Actuarial Loss	86,565	0
Net Benefit Expense (Income)	<u>\$ (543,806)</u>	<u>\$ 450,847</u>

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

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Discount Rate – April 1	4.25%	4.75%
Discount Rate – March 31	3.00%	4.25%
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 years	9 years

**NOTE 12**

**UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS**

The initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and the new accounting framework will be eliminated.

Unfunded liability, as at July 1, 2012 as previously reported	\$ 267,623
Reductions during the year	<u>(267,623)</u>
Unfunded liability, as at June 30, 2013	<u>\$ 0</u>

**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13**

**DEBT**

During the year a demand bank loan to Royal Bank of Canada was repaid through funding received from the Ministry of Education for a capital project.

**NOTE 14**

**TANGIBLE CAPITAL ASSETS**

**June 30, 2013**

Cost:	Balance as at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance as at June 30, 2013
Sites	\$21,978,914	\$1,319,108	-	-	\$23,298,022
Buildings	169,766,074	516,470	-	-	170,282,544
Work in progress	297,333	1,149,281	-	-	1,446,614
Furniture & Equipment	3,135,739	393,883	\$(116,396)	-	3,413,226
Vehicles	2,469,729	662,931	(219,496)	-	2,913,164
Computer Software	184,399		(9,107)	-	175,292
Computer Hardware	428,278	476,273	(122,998)	-	781,553
<b>Total</b>	<b>\$198,260,466</b>	<b>\$4,517,946</b>	<b>\$(467,997)</b>	-	<b>\$202,310,415</b>

Accumulated Amortization:	Balance as at July 1, 2012	Additions	Disposals	Balance as at June 30, 2013
Sites	-	-	-	-
Buildings	\$59,108,707	\$3,943,744	-	\$63,052,451
Furniture & Equipment	1,133,635	313,575	\$(116,396)	1,330,814
Vehicles	1,117,278	246,984	(219,496)	1,144,766
Computer Software	10,980	36,880	(9,107)	38,753
Computer Hardware	116,695	85,652	(122,998)	79,349
<b>Total</b>	<b>\$61,487,295</b>	<b>\$4,626,835</b>	<b>\$(467,997)</b>	<b>\$65,646,133</b>

**NOTES TO FINANCIAL STATEMENTS**  
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**June 30, 2012**

Cost:	Balance as at July 1, 2011	Additions	Disposals	Transfers (WIP)	Balance as at June 30, 2012
Sites	\$21,889,176	\$89,738	-	-	\$21,978,914
Buildings	157,027,092	573,724	-	\$12,165,258	169,766,074
work in progress	8,697,280	3,982,690	-	(12,382,637)	297,333
Furniture & Equipment	2,802,996	182,589	\$(67,225)	217,379	3,135,739
Vehicles	2,521,084	51,476	(102,831)	-	2,469,729
Computer Software	45,516	156,824	(17,941)	-	184,399
Computer Hardware	291,735	213,805	(77,262)	-	428,278
<b>Total</b>	<b>\$193,274,879</b>	<b>\$5,250,846</b>	<b>(265,259)</b>	<b>\$0</b>	<b>\$198,260,466</b>

Accumulated Amortization:	Balance as at July 1, 2011	Additions	Disposals	Balance as at June 30, 2012
Sites	-	-	-	-
Buildings	\$55,470,817	\$3,637,890	-	\$59,108,707
Furniture & Equipment	920,560	280,300	\$(67,225)	1,133,635
Vehicles	967,990	252,119	(102,831)	1,117,278
Computer Software	19,818	9,103	(17,941)	10,980
Computer Hardware	135,610	58,347	(77,262)	116,695
<b>Total</b>	<b>\$57,514,795</b>	<b>\$4,237,759</b>	<b>\$(265,259)</b>	<b>\$61,487,295</b>

**NOTES TO FINANCIAL STATEMENTS  
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Net Book Value:	Net Book Value June 30, 2013	Net Book Value June 30, 2012	Net Book Value July 1, 2011
Sites	\$23,298,022	\$21,978,914	\$21,889,176
Buildings	107,230,093	110,657,367	101,556,275
Buildings – work in progress	1,446,614	297,333	8,697,280
Furniture & Equipment	2,082,412	2,002,104	1,882,436
Vehicles	1,768,398	1,352,451	1,553,094
Computer Software	136,539	173,419	25,698
Computer Hardware	702,204	311,583	156,125
<b>Total</b>	<b>\$136,664,282</b>	<b>\$136,773,171</b>	<b>\$135,760,084</b>

- Contributed tangible capital assets

Additions to *Computer hardware* include the following contributed tangible capital assets:

	June 30, 2013	June 30, 2012
<i>John Stubbs Parent Advisory Council</i>	\$ 14,651	\$0
<i>Wishart Parent Advisory Council</i>	5,221	0
<b>Total</b>	<b>\$19,872</b>	<b>\$0</b>

- Buildings and Furniture and Equipment – work in progress having a value of \$1,446,614 (2012: \$297,333) have not been amortized. Amortization of these assets will commence when the asset is put into service.
- Interest capitalized for capital projects during 2013 was \$51,568 (2012: \$82,726).

**NOTE 15**

**DISPOSAL OF SITES AND BUILDINGS**

The Glen Lake School was demolished during the year to ready the site for the new Belmont High School. There was no loss recognized on demolition as the school was fully amortized.



**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 16**

**EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The Board of Trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 46,000 active members from School Districts, and approximately 31,000 retired members from School Districts. The Municipal Pension Plan has about 178,000 active members, of which approximately 23,000 are from School Districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2009 indicated a \$1,024 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available later in 2013. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan. The School District paid \$7,421,332 (2012: \$7,176,775) for employer contributions to these plans in the year ended June 30, 2013.

**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 17**

**RESTRICTED ASSETS - ENDOWMENT FUNDS**

Donors have provided endowment contributions which have been invested in GIC's as follows:

- GIC's maturing in 2016 bearing interest at 2.8% - Cal Meyer endowment
- GIC's maturing in 2015 bearing interest at 2.2% - Derochie endowment
- GIC's maturing in 2013 bearing interest at 1.75% - Sooke Women's Institute endowment
- GIC's maturing in 2013 bearing interest at 1.75% - STARR endowment

All of the endowments were established to provide scholarships and bursaries for one or more deserving graduate or undergraduate students in full time attendance at Edward Milne Community School.

Donors have placed restrictions on their contributions to the endowment funds of the School District. One restriction is that the original contribution should not be spent. Another restriction is that any investment income of the endowment fund that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	Balance July 1, 2011 \$	Contributions June 30, 2012 \$	Balance June 30, 2012 \$	Contributions June 30, 2013 \$	Balance June 30, 2013 \$
Cal Meyer	609,285	-	609,285	-	609,285
Sooke	-	17,554	17,554	-	17,554
Women's Institute					
Derochie	-	10,000	10,000	-	10,000
STARR	-	6,000	6,000	-	6,000
<b>Total</b>	<b>\$609,285</b>	<b>\$33,554</b>	<b>\$642,839</b>	<b>\$-</b>	<b>\$642,839</b>

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 18**

**TRUSTS UNDER ADMINISTRATION**

The School District is in a trustee relationship with employees under the deferred salary leave plan and the teachers' summer savings plan.

As at June 30, 2013, the District held the following funds in place, as directed by agreement with the employees:

	<b>June 30, 2013</b>	<b>June 30, 2012</b>
Deferred Salary Leave Plan	\$286,488	\$385,434
Teachers' Summer Savings Plan	362,127	292,440

**NOTE 19**

**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.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and**  
**JUNE 30, 2012**

**NOTE 20**

**COMMITMENTS**

- (a) The School District has an unutilized line of credit in the amount of \$1,000,000.
- (b) The School District has entered into contracts related to facilities projects with a remaining cost of approximately \$404,000.
- (c) The School District has entered into agreements for capital projects with future commitments of approximately \$76,000,000 for the design and building of two new high schools and a seismic upgrade at an elementary school.
- (d) The School District has entered into various operating leases for premises, equipment and cell phones. Estimated commitments under these leases in each of the next five years are as follows:

	2014	2015	2016	2017	2018
Rent Leases	\$394,992	\$394,992	\$374,237	\$184,593	\$-
Vehicle Lease	12,717	12,712	12,712	5,297	-
Cell Phone	34,302	27,486	-	-	-
Contracts					
Copier Leases	<u>98,423</u>	<u>73,598</u>	<u>66,501</u>	<u>42,215</u>	-
<b>Total</b>	<b>\$540,434</b>	<b>\$508,788</b>	<b>\$453,450</b>	<b>\$232,105</b>	<b>-</b>

**NOTE 21**

**BUDGET FIGURES**

Budget figures included in the 2013 financial statements were approved by the Board through the adoption of an annual budget on August 28, 2012.



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
JUNE 30, 2012**

**NOTE 22**

**CONTINGENCIES**

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2013, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

Certain Schools in the School District contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of future removal costs cannot be reasonably determined due to unknown timelines.

**NOTE 23**

**EXPENSE BY OBJECT**

	June 30, 2013	June 30, 2012
Salaries and benefits	\$ 74,547,619	\$ 73,300,497
Services and supplies	11,890,212	12,264,192
Amortization	4,688,312	4,299,236
	<u>\$ 91,126,143</u>	<u>\$ 89,863,925</u>

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and  
JUNE 30, 2012**

**NOTE 24**

**ACCUMULATED SURPLUS**

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	<b>2013</b>	<b>2012</b>
Invested in tangible capital assets	\$ 40,327,625	\$ 35,908,415
Operating surplus	1,201,789	1,107,520
Special purpose surplus	642,839	642,839
Local capital surplus	3,545	453,178
	<u>\$ 42,175,798</u>	<u>38,111,952</u>

The operating surplus has been internally restricted (appropriated) by the Board for:

<i>Contractual Professional Development</i>	\$86,649	
<i>School generated funds</i>	<u>163,224</u>	
	249,873	
Subtotal Internally Restricted		<u>249,873</u>
Unrestricted Operating Surplus (Deficit)		<u>951,916</u>
Total Available for Future Operations		<u>\$1,201,789</u>

**NOTE 25**

**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.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and**  
**JUNE 30, 2012**

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**NOTE 26**

**RISK MANAGEMENT**

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

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

**a) Credit risk:**

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

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

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

**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.

**i. Currency risk:**

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

**ii. Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and**  
**JUNE 30, 2012**

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to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in Guaranteed Investment Certificates that have a fixed maturity.

**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. 62 (Sooke)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Years Ending June 30, 2013 and June 30, 2012

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2013 Actual	2012 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	1,107,520	642,839	36,361,593	38,111,952	37,854,633
Change in Accounting Policies/Prior Period Adjustments					(314,011)
Add non-vested benefits to Employee Future Benefits					46,388
Recognize unamortized gain (loss) on Employee Future Benefits					179,184
Reclassify Deferred Contributions					
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>1,107,520</b>	<b>642,839</b>	<b>36,361,593</b>	<b>38,111,952</b>	<b>37,766,194</b>
<b>Changes for the year</b>					
Surplus (Deficit) for the year	309,150	62,918	3,691,778	4,063,846	345,758
Interfund Transfers					
Tangible Capital Assets Purchased	(214,881)	(62,918)	277,799	-	(172,578)
Local Capital					172,578
<b>Net Changes for the year</b>	<b>94,269</b>	<b>-</b>	<b>3,969,577</b>	<b>4,063,846</b>	<b>345,758</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>1,201,789</b>	<b>642,839</b>	<b>40,331,170</b>	<b>42,175,798</b>	<b>38,111,952</b>

# School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	77,983,095	77,284,848	78,218,465
Tuition	2,100,506	2,709,867	2,144,689
Other Revenue	840,409	1,277,322	1,174,363
Rentals and Leases	166,000	188,602	180,803
Investment Income	100,000	50,734	93,655
<b>Total Revenue</b>	<b>81,190,010</b>	<b>81,511,373</b>	<b>81,811,975</b>
<b>Expenses</b>			
Instruction	68,535,963	68,387,094	68,403,900
District Administration	2,192,214	2,403,575	2,339,341
Operations and Maintenance	8,524,264	8,630,392	8,299,129
Transportation and Housing	1,902,569	1,781,162	1,808,336
<b>Total Expense</b>	<b>81,155,010</b>	<b>81,202,223</b>	<b>80,850,706</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>35,000</b>	<b>309,150</b>	<b>961,269</b>
<b>Budgeted Reduction of Unfunded Accrued Employee Future Benefits</b>	<b>(35,000)</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(214,881)	(157,228)
Other			(28,202)
<b>Total Net Transfers</b>	<b>-</b>	<b>(214,881)</b>	<b>(185,430)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>94,269</b>	<b>775,839</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>1,107,520</b>	<b>420,120</b>
Change in Accounting Policies/Prior Period Adjustments			
Add non-vested benefits to Employee Future Benefits			(314,011)
Recognize unamortized gain (loss) on Employee Future Benefits			46,388
Reclassify Deferred Contributions			179,184
<b>Operating Surplus (Deficit), beginning of year, as restated</b>		<b>1,107,520</b>	<b>331,681</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>1,201,789</b>	<b>1,107,520</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted			453,178
Unrestricted		1,201,789	654,342
<b>Total Operating Surplus (Deficit), end of year</b>		<b>1,201,789</b>	<b>1,107,520</b>

# School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source  
Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	76,899,702	76,267,411	76,899,862
AANDC/LEA Recovery	(381,669)	(385,879)	(181,527)
Other Ministry of Education Grants			
Education Guarantee	474,010	375,671	453,797
Pay Equity Maintenance Grant	931,052	931,052	931,052
FSA Scoring Grant		13,982	13,769
Carbon Tax Rebate	60,000	82,611	60,784
French Monitor			21,297
AVID			19,431
<b>Total Provincial Grants - Ministry of Education</b>	<b>77,983,095</b>	<b>77,284,848</b>	<b>78,218,465</b>
<b>Tuition</b>			
Continuing Education	100,000	115,784	219,962
Offshore Tuition Fees	2,000,506	2,594,083	1,924,727
<b>Total Tuition</b>	<b>2,100,506</b>	<b>2,709,867</b>	<b>2,144,689</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	381,669	385,879	181,527
Miscellaneous			
Bus Pass Fees	200,000	216,041	217,599
Grants for Crossing Guards	85,800	84,074	79,041
BC Hydro Grant	44,000	95,518	89,600
Miscellaneous	128,940	288,066	382,850
BCPSEA LMA			117,034
Reclassified from SGF Discretionary		207,744	106,712
<b>Total Other Revenue</b>	<b>840,409</b>	<b>1,277,322</b>	<b>1,174,363</b>
<b>Rentals and Leases</b>	<b>166,000</b>	<b>188,602</b>	<b>180,803</b>
<b>Investment Income</b>	<b>100,000</b>	<b>50,734</b>	<b>93,655</b>
<b>Total Operating Revenue</b>	<b>81,190,010</b>	<b>81,511,373</b>	<b>81,811,975</b>

**School District No. 62 (Sooke)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	34,690,000	34,759,992	34,066,524
Principals and Vice Principals	6,170,383	6,116,749	6,068,166
Educational Assistants	4,963,971	4,838,829	4,933,650
Support Staff	8,324,477	8,580,788	8,402,171
Other Professionals	2,511,689	2,301,576	2,287,069
Substitutes	2,278,670	2,307,520	2,364,840
<b>Total Salaries</b>	<b>58,939,190</b>	<b>58,905,454</b>	<b>58,122,420</b>
<b>Employee Benefits</b>	<b>14,095,507</b>	<b>13,647,124</b>	<b>14,463,732</b>
<b>Total Salaries and Benefits</b>	<b>73,034,697</b>	<b>72,552,578</b>	<b>72,586,152</b>
<b>Services and Supplies</b>			
Services	2,170,355	3,048,457	2,565,765
Student Transportation	6,000	1,783	1,991
Professional Development and Travel	743,462	658,912	719,767
Rentals and Leases	392,500	378,981	384,031
Dues and Fees	169,333	185,352	165,897
Insurance	184,525	216,331	167,755
Supplies	2,851,138	2,613,179	2,747,464
Bad Debts		11,609	8,609
Utilities	1,603,000	1,535,041	1,503,275
<b>Total Services and Supplies</b>	<b>8,120,313</b>	<b>8,649,645</b>	<b>8,264,554</b>
<b>Total Operating Expense</b>	<b>81,155,010</b>	<b>81,202,223</b>	<b>80,850,706</b>

# School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2013

	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	29,442,013	2,007,030	86,666	1,050,706	321,728	1,660,865	34,569,008
1.03 Career Programs	42,965			115,358		3,884	162,207
1.07 Library Services	608,921			204,427		5,197	818,545
1.08 Counselling	1,258,673					1,322	1,259,995
1.10 Special Education	2,439,731	202,776	4,411,875	42,185	591,913	283,504	7,971,984
1.30 English Language Learning	334,156	36,328		35,700			406,184
1.31 Aboriginal Education	251,849	106,173	340,288	48,928	12,193		759,431
1.41 School Administration		3,509,963		1,734,344	70,730		5,315,037
1.61 Continuing Education				61,023		5,357	66,380
1.62 Off Shore Students	381,684	195,104		113,238	29,579	9,966	699,992
1.64 Other					530		30,109
<b>Total Function 1</b>	<b>34,759,992</b>	<b>6,057,374</b>	<b>4,838,829</b>	<b>3,405,909</b>	<b>943,220</b>	<b>2,053,548</b>	<b>52,058,872</b>
<b>4 District Administration</b>							
4.11 Educational Administration					173,301	5,648	178,949
4.40 School District Governance					81,356		81,356
4.41 Business Administration		59,375		317,705	842,059	32,963	1,252,102
<b>Total Function 4</b>	<b>-</b>	<b>59,375</b>	<b>-</b>	<b>317,705</b>	<b>1,096,716</b>	<b>38,611</b>	<b>1,512,407</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				53,317	223,815	1,585	278,717
5.50 Maintenance Operations				3,394,513		156,528	3,551,041
5.52 Maintenance of Grounds				364,232			364,232
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,812,062</b>	<b>223,815</b>	<b>158,113</b>	<b>4,193,990</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				52,265	37,825	982	91,072
7.70 Student Transportation				992,847		56,266	1,049,113
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,045,112</b>	<b>37,825</b>	<b>57,248</b>	<b>1,140,185</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>34,759,992</b>	<b>6,116,749</b>	<b>4,838,829</b>	<b>8,580,788</b>	<b>2,301,576</b>	<b>2,307,520</b>	<b>58,905,454</b>

# School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2013

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2013 Actual	2013 Budget	2012 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	34,569,008	7,804,707	42,373,715	1,778,193	44,151,908	44,549,983	44,182,238
1.03 Career Programs	162,207	43,100	205,307	37,058	242,365	250,779	222,747
1.07 Library Services	818,545	216,746	1,035,291	66,519	1,101,810	1,089,134	1,099,399
1.08 Counselling	1,259,995	320,230	1,580,225	7,135	1,587,360	1,554,178	1,433,674
1.10 Special Education	7,971,984	2,003,436	9,975,420	378,633	10,354,053	10,560,806	10,907,976
1.30 English Language Learning	406,184	92,817	499,001	21,605	520,606	547,480	500,708
1.31 Aboriginal Education	759,431	185,294	944,725	172,337	1,117,062	1,102,061	1,100,491
1.41 School Administration	5,315,037	1,258,659	6,573,696	327,816	6,901,512	6,711,885	6,716,366
1.61 Continuing Education	66,380	11,309	77,689	285,775	363,464	510,999	778,999
1.62 Off Shore Students	699,992	165,996	865,988	1,143,286	2,009,274	1,587,345	1,365,687
1.64 Other	30,109	5,882	35,991	1,689	37,680	71,373	95,615
<b>Total Function 1</b>	<b>52,058,872</b>	<b>12,108,176</b>	<b>64,167,048</b>	<b>4,220,046</b>	<b>68,387,094</b>	<b>68,535,963</b>	<b>68,403,900</b>
<b>4 District Administration</b>							
4.11 Educational Administration	178,949	46,500	225,449	22,067	247,516	282,058	277,085
4.40 School District Governance	81,356	3,894	85,250	74,829	160,079	166,395	191,047
4.41 Business Administration	1,252,102	225,765	1,477,867	518,113	1,995,980	1,743,761	1,871,209
<b>Total Function 4</b>	<b>1,512,407</b>	<b>276,159</b>	<b>1,788,566</b>	<b>615,009</b>	<b>2,403,575</b>	<b>2,192,214</b>	<b>2,339,341</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	278,717	60,056	338,773	200,467	539,240	501,985	511,976
5.50 Maintenance Operations	3,551,041	841,779	4,392,820	1,552,639	5,945,459	5,797,765	5,696,291
5.52 Maintenance of Grounds	364,232	90,091	454,323	157,508	611,831	621,514	588,356
5.56 Utilities	-	-	-	1,533,862	1,533,862	1,603,000	1,502,506
<b>Total Function 5</b>	<b>4,193,990</b>	<b>991,926</b>	<b>5,185,916</b>	<b>3,444,476</b>	<b>8,630,392</b>	<b>8,524,264</b>	<b>8,299,129</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	91,072	21,239	112,311	7,365	119,676	166,119	74,716
7.70 Student Transportation	1,049,113	249,624	1,298,737	362,749	1,661,486	1,736,450	1,733,620
<b>Total Function 7</b>	<b>1,140,185</b>	<b>270,863</b>	<b>1,411,048</b>	<b>370,114</b>	<b>1,781,162</b>	<b>1,902,569</b>	<b>1,808,336</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>58,905,454</b>	<b>13,647,124</b>	<b>72,552,578</b>	<b>8,649,645</b>	<b>81,202,223</b>	<b>81,155,010</b>	<b>80,850,706</b>

# School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations  
 Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	2,565,242	2,453,912	1,787,759
Other		19,544	30,861
Other Revenue	2,535,000	2,226,639	2,345,324
Investment Income	27,260	22,655	17,611
<b>Total Revenue</b>	<b>5,127,502</b>	<b>4,722,750</b>	<b>4,181,555</b>
<b>Expenses</b>			
Instruction	4,719,307	4,336,863	3,510,992
Operations and Maintenance	408,195	322,969	683,415
<b>Total Expense</b>	<b>5,127,502</b>	<b>4,659,832</b>	<b>4,194,407</b>
<b>Special Purpose Surplus (Deficit) for the year, before endowment contributions</b>	<b>-</b>	<b>62,918</b>	<b>(12,852)</b>
<b>Endowment Contributions</b>			33,554
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>62,918</b>	<b>20,702</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(62,918)	(15,350)
Other			28,202
<b>Total Net Transfers</b>	<b>-</b>	<b>(62,918)</b>	<b>12,852</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>33,554</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		642,839	609,285
<b>Special Purpose Surplus (Deficit), end of year</b>		642,839	642,839
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		642,839	642,839
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<b>642,839</b>	<b>642,839</b>

# School District No. 62 (Sooke)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2013

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	99,340		19,017	1,052,381	85,301	31,509
Transfer (to) from Operating Surplus - as at July 1, 2011				(179,184)		
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012				3,144		
Prior Period Adjustment - Transfer to Optig Fund				(147,129)		
Deferred Revenue, beginning of year, as restated	99,340	-	19,017	729,212	85,301	31,509
<b>Add:</b> Restricted Grants						
Provincial Grants - Ministry of Education	223,629	988,117	20,475		192,000	44,100
Provincial Grants - Other				2,138,115		
Other			166	1,131	1,388	478
Investment Income						
Less: Allocated to Revenue	223,629	988,117	20,641	2,139,246	193,388	44,578
Deferred Revenue, end of year	322,969	948,822	36,411	2,151,032	177,426	43,337
	-	39,295	3,247	717,426	101,263	32,750
<b>Revenues</b>						
Provincial Grants - Ministry of Education	322,969	948,822	36,243		176,038	42,859
Provincial Grants - Other				2,149,901		
Other Revenue			168	1,131	1,388	478
Investment Income						
<b>Expenses</b>						
Salaries						
Teachers		580,898		65,095		
Principals and Vice Principals						
Educational Assistants		138,051				
Support Staff	212,206			32,392	115,138	
Other Professionals	64,885					
Substitutes		44,913		29,109	2,443	9,890
Employee Benefits	277,091	763,842	-	126,596	117,581	9,890
Services and Supplies	59,127	180,938		29,140	37,927	2,071
	(13,249)	4,042	7,426	1,961,363	21,918	31,376
	322,969	948,822	7,426	2,117,099	177,426	43,337
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	28,985	33,933	-	-
<b>Interfund Transfers</b>						
Tangible Capital Assets Purchased			(28,985)	(33,933)		
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-

# School District No. 62 (Sooke)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2013

	OLEP	Community- LINK	NatureK	ACE-IT	Sooke Endowments	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	15,300	24,303	26,111	67,806	-	1,421,068
Transfer (to) from Operating Surplus - as at July 1, 2011						(179,184)
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012						3,144
Prior Period Adjustment - Transfer to Optg Fund						(147,129)
Deferred Revenue, beginning of year, as restated	15,300	24,303	26,111	67,806	-	1,097,899
<b>Add:</b> Restricted Grants						
Provincial Grants - Ministry of Education	180,990	744,731	6,335			2,400,377
Provincial Grants - Other		4,544		70,500		75,044
Other		25,461	50,916			2,214,492
Investment Income	495	427	389	1,119	20,948	26,541
Less: Allocated to Revenue	181,485	775,163	57,640	71,619	20,948	4,716,454
Deferred Revenue, end of year	145,543	766,479	56,770	56,901	17,060	4,722,750
	<b>51,242</b>	<b>32,987</b>	<b>26,981</b>	<b>82,524</b>	<b>3,888</b>	<b>1,091,603</b>
<b>Revenues</b>						
Provincial Grants - Ministry of Education	145,048	734,816	6,335	40,782		2,453,912
Provincial Grants - Other		4,544		15,000		19,544
Other Revenue		26,692	50,046			2,226,639
Investment Income	495	427	389	1,119	17,060	22,655
	145,543	766,479	56,770	56,901	17,060	4,722,750
<b>Expenses</b>						
Salaries						
Teachers	69,356					715,349
Principals and Vice Principals		14,306				14,306
Educational Assistants		3,127	25,946			167,104
Support Staff		124,169				483,905
Other Professionals		64,477				129,362
Substitutes	8,661	2,477	4,201			101,694
Employee Benefits	78,017	208,556	30,147	-	-	1,611,720
Services and Supplies	18,938	49,445	5,735			383,321
	48,588	508,478	20,888	56,901	17,060	2,664,791
	145,543	766,479	56,770	56,901	17,060	4,659,852
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	62,918
<b>Interfund Transfers</b>						
Tangible Capital Assets Purchased						(62,918)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-

# School District No. 62 (Sooke)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual			2012 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	548,784	4,858,172		4,858,172	602,302
Municipal Grants Spent on Sites				-	7,012
Investment Income	2,500		4,154	4,154	8,750
Amortization of Deferred Capital Revenue	3,600,000	4,032,063		4,032,063	3,503,058
Amortization of Prepaid Lease	61,477	61,477		61,477	61,477
<b>Total Revenue</b>	<b>4,212,761</b>	<b>8,951,712</b>	<b>4,154</b>	<b>8,955,866</b>	<b>4,182,599</b>
<b>Expenses</b>					
Operations and Maintenance	610,261	637,253		637,253	581,053
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,420,000	4,379,851		4,379,851	4,237,759
Transportation and Housing		246,984		246,984	
<b>Total Expense</b>	<b>5,030,261</b>	<b>5,264,088</b>	<b>-</b>	<b>5,264,088</b>	<b>4,818,812</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(817,500)</b>	<b>3,687,624</b>	<b>4,154</b>	<b>3,691,778</b>	<b>(636,213)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased		277,799		277,799	
Local Capital				-	172,578
<b>Total Net Transfers</b>	<b>-</b>	<b>277,799</b>	<b>-</b>	<b>277,799</b>	<b>172,578</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		453,787	(453,787)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>453,787</b>	<b>(453,787)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(817,500)</b>	<b>4,419,210</b>	<b>(449,633)</b>	<b>3,969,577</b>	<b>(463,635)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>35,908,415</b>	<b>453,178</b>	<b>36,361,593</b>	<b>36,825,228</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>40,327,625</b>	<b>3,545</b>	<b>40,331,170</b>	<b>36,361,593</b>

# School District No. 62 (Sooke)

Tangible Capital Assets

Year Ended June 30, 2013

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	21,978,914	169,766,074	3,135,739	2,469,729	184,399	428,278	197,963,133
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	1,319,108	516,470	159,701	621,928		19,872	2,617,207
Deferred Capital Revenue - Other						53,500	214,881
Operating Fund			120,378	41,003			62,918
Special Purpose Funds			62,918				453,787
Local Capital			50,886			402,901	3,368,665
	1,319,108	516,470	393,883	662,931	-	476,273	
Decrease:							
Deemed Disposals			116,396	219,496	9,107	122,998	467,997
	-	-	116,396	219,496	9,107	122,998	467,997
Cost, end of year	23,298,022	170,282,544	3,413,226	2,913,164	175,292	781,553	200,863,801
Work in Progress, end of year		1,443,627	2,987				1,446,614
Cost and Work in Progress, end of year	23,298,022	171,726,171	3,416,213	2,913,164	175,292	781,553	202,310,415
Accumulated Amortization, beginning of year		59,108,707	1,133,635	1,117,278	10,980	116,695	61,487,295
<b>Changes for the Year</b>							
Increase: Amortization for the Year		3,943,744	313,575	246,984	36,880	85,652	4,626,835
Decrease:							
Deemed Disposals			116,396	219,496	9,107	122,998	467,997
			116,396	219,496	9,107	122,998	467,997
Accumulated Amortization, end of year		63,052,451	1,330,814	1,144,766	38,733	79,349	65,646,133
<b>Tangible Capital Assets - Net</b>	23,298,022	108,673,720	2,085,399	1,768,398	136,559	702,204	136,664,282

**School District No. 62 (Sooke)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress  
Year Ended June 30, 2013

	<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>	297,333				297,333
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	1,146,294	2,987			1,149,281
	<u>1,146,294</u>	<u>2,987</u>	-	-	<u>1,149,281</u>
<b>Net Changes for the Year</b>	<u>1,146,294</u>	<u>2,987</u>	-	-	<u>1,149,281</u>
<b>Work in Progress, end of year</b>	<u>1,443,627</u>	<u>2,987</u>	-	-	<u>1,446,614</u>

**School District No. 62 (Sooke)**

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	98,688,182	450,722	1,113,973	100,252,877
<b>Changes for the Year</b>				
<b>Increase:</b>				
Transferred from Deferred Revenue - Capital Additions	1,298,099		19,872	1,317,971
	<u>1,298,099</u>	-	<u>19,872</u>	<u>1,317,971</u>
<b>Decrease:</b>				
Amortization of Deferred Capital Revenue	3,912,173	12,100	107,790	4,032,063
Amortization of Long Term Lease	61,477			61,477
	<u>3,973,650</u>	<u>12,100</u>	<u>107,790</u>	<u>4,093,540</u>
<b>Net Changes for the Year</b>	<u>(2,675,551)</u>	<u>(12,100)</u>	<u>(87,918)</u>	<u>(2,775,569)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>96,012,631</u>	<u>438,622</u>	<u>1,026,055</u>	<u>97,477,308</u>
<b>Work in Progress, beginning of year</b>	297,333			297,333
<b>Changes for the Year</b>				
<b>Increase</b>				
Transferred from Deferred Revenue - Work in Progress	1,149,281			1,149,281
	<u>1,149,281</u>	-	-	<u>1,149,281</u>
<b>Net Changes for the Year</b>	<u>1,149,281</u>	-	-	<u>1,149,281</u>
<b>Work in Progress, end of year</b>	<u>1,446,614</u>	-	-	<u>1,446,614</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>97,459,245</u>	<u>438,622</u>	<u>1,026,055</u>	<u>98,923,922</u>

**School District No. 62 (Sooke)**

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2013

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	199,925	550,089		2,745,695	937	3,496,646
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	8,073,755					8,073,755
Investment Income	28,968	8,251		43,056		80,275
Reversal of 2011-12 Receivable for New Belmont & Royal Bay funding	(368,890)					(368,890)
Municipal Funds Received				249,458		249,458
PAC Donations	7,733,833	8,251	-	292,514	18,935	8,053,533
Decrease:						
Transferred to DCR - Capital Additions	1,298,099				19,872	1,317,971
Transferred to DCR - Work in Progress	1,149,281					1,149,281
Transferred to Revenue - Site Purchases	1,319,108					1,319,108
Expensed Costs	575,776					575,776
Transferred to Revenue - Other	2,963,288					2,963,288
	7,305,552	-	-	-	19,872	7,325,424
<b>Net Changes for the Year</b>	428,281	8,251	-	292,514	(937)	728,109
<b>Balance, end of year</b>	<b>628,206</b>	<b>558,340</b>	<b>-</b>	<b>3,038,209</b>	<b>-</b>	<b>4,224,755</b>