

Audited Financial Statements of

School District No. 62 (Sooke)

June 30, 2014

School District No. 62 (Sooke)

June 30, 2014

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KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada

Telephone (250) 480-3500
Telefax (250) 480-3539
Internet www.kpmg.ca

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 statement of financial position as at June 30, 2014, the statements of operations, changes in net financial assets (debt) and cash flows for the year the ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of School District No. 62 (Sooke) as at and for the year ended June 30, 2014 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

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

Chartered Accountants

October 14, 2014
Victoria, Canada

School District No. 62 (Sooke)

Statement of Financial Position

As at June 30, 2014

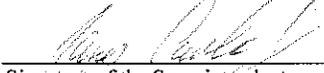
	2014 Actual	2013 Actual (Recast - Note 24)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	37,529,707	14,898,769
Accounts Receivable		
Due from Province - Ministry of Education	8,184,563	1,206,558
Due from Province - Other	70,532	8,891
Due from LEA/Direct Funding	376,623	385,879
Other (Note 3)	1,159,442	436,324
Portfolio Investments (Note 5)	126,145	63,491
Total Financial Assets	<u>47,447,012</u>	<u>16,999,912</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	2,081,540	
Other (Note 6)	13,622,846	7,124,936
Unearned Revenue (Note 7)	1,574,940	1,126,173
Deferred Revenue (Note 8)	1,222,199	1,091,603
Deferred Capital Revenue (Note 9)	150,165,199	104,281,103
Employee Future Benefits (Note 10)	2,723,158	2,601,907
Total Liabilities	<u>171,389,882</u>	<u>116,225,722</u>
Net Financial Assets (Debt)	<u>(123,942,870)</u>	<u>(99,225,810)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	165,154,812	137,796,708
Restricted Assets (Endowments) (Note 14)	642,839	642,839
Prepaid Expenses (Note 4)	2,733,800	2,871,241
Total Non-Financial Assets	<u>168,531,451</u>	<u>141,310,788</u>
Accumulated Surplus (Deficit) (Note 21)	<u>44,588,581</u>	<u>42,084,978</u>

Contractual Obligations and Contingencies (Note 17 & 19)

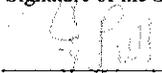
Approved by the Board


Signature of the Chairperson of the Board of Education

Oct 15/14
Date Signed


Signature of the Superintendent

Oct 15/14
Date Signed


Signature of the Secretary Treasurer

21/14
Date Signed

School District No. 62 (Sooke)

Statement 2

Statement of Operations
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 24)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	81,083,546	83,331,495	84,596,932
Other	90,000		19,544
Tuition	3,145,000	2,937,755	2,709,867
Other Revenue	3,313,770	3,575,907	3,503,961
Rentals and Leases	200,000	203,941	188,602
Investment Income	168,000	111,816	77,543
Gain (Loss) on Disposal of Tangible Capital Assets (Note 12)		(29,567)	
Amortization of Deferred Capital Revenue	4,000,000	3,755,465	4,032,063
Amortization DCR for Long Term Lease	61,477	61,477	61,477
Total Revenue	<u>92,061,793</u>	<u>93,948,289</u>	<u>95,189,989</u>
Expenses			
Instruction	74,849,100	73,145,095	72,699,752
District Administration	2,256,926	2,482,102	2,403,575
Operations and Maintenance	13,614,692	13,678,042	13,970,465
Transportation and Housing	1,883,075	2,139,447	2,028,146
Total Expense	<u>92,603,793</u>	<u>91,444,686</u>	<u>91,101,938</u>
Surplus (Deficit) for the year	<u>(542,000)</u>	<u>2,503,603</u>	<u>4,088,051</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		<u>42,084,978</u>	<u>37,996,927</u>
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>44,588,581</u></u>	<u><u>42,084,978</u></u>

School District No. 62 (Sooke)

Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 24)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(542,000)</u>	<u>2,503,603</u>	<u>4,088,051</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(38,169,582)	(35,187,936)	(5,650,372)
Amortization of Tangible Capital Assets	4,600,000	4,598,926	4,626,835
Net carrying value of Tangible Capital Assets disposed of		3,230,906	
Total Effect of change in Tangible Capital Assets	<u>(33,569,582)</u>	<u>(27,358,104)</u>	<u>(1,023,537)</u>
Acquisition of Prepaid Expenses		(208,123)	(284,087)
Use of Prepaid Expenses	61,477	345,564	211,815
Total Effect of change in Other Non-Financial Assets	<u>61,477</u>	<u>137,441</u>	<u>(72,272)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(34,050,105)</u>	<u>(24,717,060)</u>	2,992,242
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(24,717,060)</u>	2,992,242
Net Financial Assets (Debt), beginning of year		<u>(99,225,810)</u>	(102,218,052)
Net Financial Assets (Debt), end of year		<u>(123,942,870)</u>	<u>(99,225,810)</u>

School District No. 62 (Sooke)

Statement of Cash Flows
Year Ended June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 24)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,503,603	4,088,051
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(7,753,508)	1,333,971
Prepaid Expenses	75,964	(133,749)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	8,579,450	(683,746)
Unearned Revenue	448,767	96,916
Deferred Revenue	130,596	(6,296)
Employee Future Benefits	121,250	(1,243,429)
Loss (Gain) on Disposal of Tangible Capital Assets	29,567	
Amortization of Tangible Capital Assets	4,598,926	4,626,835
Amortization of Deferred Capital Revenue	(3,755,465)	(4,032,063)
Recognition of Deferred Capital Revenue Spent on Sites	(4,096,798)	(1,319,108)
Deferred Capital Revenue transferred to Revenue	(719,689)	(3,539,064)
Total Operating Transactions	<u>162,663</u>	<u>(811,682)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(5,535,828)	(3,368,665)
Tangible Capital Assets -WIP Purchased	(29,652,108)	(2,281,707)
Total Capital Transactions	<u>(35,187,936)</u>	<u>(5,650,372)</u>
Financing Transactions		
Loan Payments		(3,000,000)
Capital Revenue Received	57,718,865	9,185,959
Total Financing Transactions	<u>57,718,865</u>	<u>6,185,959</u>
Investing Transactions		
Investments in Portfolio Investments	(62,654)	(755)
Total Investing Transactions	<u>(62,654)</u>	<u>(755)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>22,630,938</u>	<u>(276,850)</u>
Cash and Cash Equivalents, beginning of year	14,898,769	15,175,619
Cash and Cash Equivalents, end of year	<u>37,529,707</u>	<u>14,898,769</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	37,529,707	14,898,769
	<u>37,529,707</u>	<u>14,898,769</u>



NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

NOTE 1

AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 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

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 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.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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 15.

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.



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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 2 (l).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations.

h) ***Employee Future Benefits***

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

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

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



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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.

i) *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 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



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

j) *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. They are charged to expense over the periods expected to benefit from it.

k) *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.

l) *Revenue Recognition*

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

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

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

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized to income on the same basis as the related capital asset.

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 being performed is deferred and recognized when the fee is earned or the service performed.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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

m) *Expenditures*

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

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.

n) *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 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.

o) *Financial Instruments*

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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.

p) *Measurement Uncertainty*

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

NOTE 3

ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2014	2013 (recast)
Due from Federal Government	\$543,840	\$ 80,844
Due from Other School Districts	6,329	500
Due from Parent Advisory Committees	100,198	85,796
Due from CUPE	-	1,103
Due from Sooke Teacher Association	40,745	95,354
Due from Sooke Principals and Vice Principles Assn.	108	1,944
Due from EMCS Society	35,083	35,961
Due from Westshore Recreation Centre	25,177	-
Other	407,962	134,822
	<u>\$1,159,442</u>	<u>\$ 436,324</u>



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 4

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 \$2,525,677 (2013: \$2,587,153) of the prepaid expenses.

NOTE 5

PORTFOLIO INVESTMENTS

	<u>2014</u>	<u>2013</u>
Investments in the cost category:		
GIC's maturing in 2015 bearing interest at 1.50%	\$ 126,145	\$ 63,491
	<u>\$ 126,145</u>	<u>\$ 63,491</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 6

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2014	2013 (recast)
Trade payables	\$8,459,645	\$2,939,446
Salaries and benefits payable	2,920,172	3,418,354
Accrued vacation pay	893,183	757,049
Other	1,349,846	10,087
	<u>\$ 13,622,846</u>	<u>\$7,124,936</u>

Included in salaries and benefits payable is an Employee Support Grant payable to support staff union members for lost wages during job action contingent upon ratification of the collective agreement at the local level by November 30, 2014.

Accounts payable and accrued liabilities, Due to Province – Ministry of Education represents 80 percent of the savings in salaries due to job action in June 2014. This amount has been deducted from the July 2014 operating grant.

NOTE 7

UNEARNED REVENUE

	2014	2013
Balance, beginning of year	\$1,126,173	\$ 1,029,257
Increase:		
Tuition fees collected	3,267,332	2,802,731
Bus fees collected	124,609	222,093
Crossing guard fees collected	81,704	82,074
	<u>3,473,985</u>	<u>3,106,898</u>
Decrease:		
Tuition fees recognized	2,719,395	2,709,867
Bus fees recognized	224,119	216,041
Crossing guard revenue recognized	81,704	84,074
Net change for the year	<u>545,014</u>	<u>96,916</u>
Balance, end of year	<u>\$1,574,940</u>	<u>\$1,126,173</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 8

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.

	2014	2013
Balance, beginning of year	\$1,091,603	\$1,097,899
Increase:		
Provincial Grants- Ministry of Education	2,242,776	2,400,377
Provincial Grants- Other	37,500	75,044
Other Revenue	2,322,574	2,214,492
Investment Income	24,588	26,541
Decrease:		
Transfers to revenue	4,496,842	4,722,750
Net change for the year	130,596	(6,296)
Balance, end of year	<u>\$1,222,199</u>	<u>\$1,091,603</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 9

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>2014</u>	<u>2013 (recast)</u>
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 97,477,308	\$ 100,252,877
Increases:		
Transfer from deferred capital revenue – unspent	1,092,695	1,317,971
Decreases:		
Amortization of deferred capital revenue	(3,755,465)	(4,032,063)
Revenue Recognized on Disposal of Buildings	(3,201,340)	-
Amortization of long term lease	(61,477)	(61,477)
Net change for the year	<u>(5,925,587)</u>	<u>(2,775,569)</u>
Balance, end of year	<u>91,551,721</u>	<u>97,477,308</u>
 Deferred capital revenue – work in progress		
Balance, beginning of year	2,579,040	297,333
Increases:		
Transfer from deferred capital revenue - unspent	29,652,108	2,281,707
Decreases:		
Transfer to deferred capital revenue subject to amortization	-	-
Net change for the year	<u>29,652,108</u>	<u>2,281,707</u>
Balance, end of year	<u>32,231,148</u>	<u>2,579,040</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

	2014	2013 (recast)
Deferred capital revenue - unspent		
Balance, beginning of year	4,224,755	3,496,646
Increases:		
Provincial Grants – Ministry of Education	27,663,453	8,073,755
Investment income	158,668	80,275
Municipal funds received	247,454	249,458
PAC Donations	31,923	18,935
Ministry of Education Portion of Proceeds on Disposals	21,502,565	-
Other – receivable for New Belmont and Royal Bay	8,114,802	763,536
	<u>57,718,865</u>	<u>9,185,959</u>
Decreases:		
Site purchases	(4,096,798)	(1,319,108)
Expensed costs	(719,689)	(575,776)
Transferred to revenue – other	-	(2,963,288)
Transfer to deferred capital revenue subject to amortization	(1,092,695)	(1,317,971)
Transfer to deferred capital revenue – work in progress	(29,652,108)	(2,281,707)
	<u>(35,561,290)</u>	<u>(8,457,850)</u>
Net change for the year	22,157,575	728,109
Balance, end of year	<u>26,382,330</u>	<u>4,224,755</u>
 Total deferred capital revenue balance, end of year	 <u>\$ 150,165,199</u>	 <u>\$ 104,281,103</u>



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 10

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.

	<u>2014</u>	<u>2013 (recast)</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 3,331,784	\$ 3,847,161
Service Cost	261,034	292,988
Interest Cost	102,244	167,111
Benefit Payments	(322,414)	(565,704)
Decrease in obligation due to Plan Amendment	-	(1,090,470)
Actuarial (Gain) Loss	(102,136)	680,698
Accrued Benefit Obligation – March 31	<u>\$ 3,270,512</u>	<u>\$ 3,331,784</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 3,270,512	\$ 3,331,784
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(3,270,512)	(3,331,784)
Employer Contributions After Measurement Date	136,971	139,999
Benefits Expense After Measurement Date	(92,546)	(90,820)
Unamortized Net Actuarial Loss	502,929	680,698
Accrued Benefit Liability - June 30	<u>\$ (2,723,158)</u>	<u>\$ (2,601,907)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 2,601,907	\$ 3,730,311
Recognize Benefit Expense April 1 – June 30, 2012	-	115,025
Accrued Benefit Liability - July 1 (recast)	2,601,907	3,845,336
Net Expense for Fiscal Year	440,637	(568,011)
Employer Contributions	(319,386)	(675,418)
Accrued Benefit Liability - June 30	<u>\$ 2,723,158</u>	<u>\$ 2,601,907</u>



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

	2014	2013 (recast)
Components of Net Benefit Expense		
Service Cost	\$ 261,016	\$ 285,000
Interest Cost	103,988	150,894
Immediate Recognition of Plan Amendment	-	(1,090,470)
Amortization of Net Actuarial Loss	75,633	86,565
Net Benefit Expense (Income)	\$ 440,637	\$ (568,011)

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

	2014	2013
Discount Rate – April 1	3.00%	4.25%
Discount Rate – March 31	3.25%	3.00%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9 years	9 years

NOTE 11

TANGIBLE CAPITAL ASSETS

June 30, 2014

Cost:	Balance as at July 1, 2013	Additions	Disposals	Transfers (WIP)	Balance as at June 30, 2014
Sites	\$23,298,022	\$4,096,798	(29,567)	-	\$27,365,253
Buildings	170,282,544	756,217	(6,764,673)	-	164,274,088
Work in progress	2,579,040	29,652,108	-	-	32,231,148
Furniture & Equipment	3,413,226	130,747	-	-	3,543,973
Vehicles	2,913,164	289,728	(386,534)	-	2,816,358
Computer Software	175,292	13,764	-	-	189,056
Computer Hardware	781,553	248,574	-	-	1,032,127
Total	\$203,442,841	\$35,187,936	\$(7,180,774)	-	\$231,450,003

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

Accumulated Amortization:	Balance as at July 1, 2013	Additions	Disposals	Balance as at June 30, 2014
Sites	-	-	-	-
Buildings	\$63,052,451	\$3,774,918	(3,563,334)	\$63,264,035
Furniture & Equipment	1,330,814	341,323	-	1,672,137
Vehicles	1,144,766	291,316	(386,534)	1,049,548
Computer Software	38,753	35,058	-	73,811
Computer Hardware	79,349	156,311	-	235,660
Total	\$65,646,133	\$4,598,926	\$(3,949,868)	\$66,295,191

**June 30, 2013
(recast)**

Cost:	Balance as at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance as at June 30, 2013 (recast)
Sites	\$21,978,914	\$1,319,108	-	-	\$23,298,022
Buildings	169,766,074	516,470	-	-	170,282,544
Work in progress	297,333	2,281,707	-	-	2,579,040
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
Total	\$198,260,466	\$5,650,372	\$(467,997)	-	\$203,442,841

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
Total	\$61,487,295	\$4,626,835	\$(467,997)	\$65,646,133

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

Net Book Value:	Net Book Value June 30, 2014	Net Book Value June 30, 2013 (recast)
Sites	\$27,365,253	\$23,298,022
Buildings	101,010,053	107,230,093
Work in progress	32,231,148	2,579,040
Furniture & Equipment	1,871,836	2,082,412
Vehicles	1,766,810	1,768,398
Computer Software	115,245	136,539
Computer Hardware	794,467	702,204
Total	\$165,154,812	\$137,796,708

Work in progress includes buildings and furniture & equipment that have not been amortized. Amortization of these assets will commence when the assets are put into service.

Interest capitalized for capital projects during 2014 was \$0 (2013: \$51,568).

Contributed tangible capital assets

Additions to *Computer hardware, Buildings and Furniture and Equipment* include the following contributed tangible capital assets:

	2014	2013
<i>Lakewood Parent Advisory Council</i>	\$ 24,835	-
<i>Colwood Parent Advisory Council</i>	1,108	-
<i>John Stubbs Parent Advisory Council</i>	5,980	\$ 14,651
<i>Wishart Parent Advisory Council</i>	-	5,221
Total	\$ 31,923	\$ 19,872



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 12

DISPOSAL OF SITES AND BUILDINGS

During the year, the School District disposed of the old Belmont Secondary School located on Jacklin Road. The net proceeds of the sale were \$23,250,000 which the District will use for the construction of the New Belmont Secondary School. A loss of \$29,567 was recorded on disposal.

The old School site is currently being leased for \$1,485,750 per annum by the District until the new school construction is completed and the school is available for use. The anticipated date of completion is August 2015.

NOTE 13

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 32,000 retired members from School Districts. The Municipal Pension Plan has about 179,000 active members, of which approximately 24,000 are from School Districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available later 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, plan assets and cost to individual employers participating in the Plan.

The School District paid \$7,746,506 (2013: \$7,421,332) for employer contributions to these plans in the year ended June 30, 2014.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 14

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 3.05% - Cal Meyer endowment
- GIC's maturing in 2015 bearing interest at 2.2% - Derochie endowment
- GIC's maturing in 2014 bearing interest at 1.55% - Sooke Women's Institute endowment
- GIC's maturing in 2014 bearing interest at 1.55% - 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	2013	Contributions	2014
Cal Meyer	\$609,285	-	\$609,285
Sooke Women's Institute	17,554	-	17,554
Derochie	10,000	-	10,000
STARR	6,000	-	6,000
Total	\$642,839	-	\$642,839

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 15

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, 2014, the District held the following funds in place, as directed by agreement with the employees:

	2014	2013
Deferred Salary Leave Plan	\$253,780	\$286,488
Teachers' Summer Savings Plan	390,812	362,127

NOTE 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 considered to be in the normal course of operations and are recorded at the exchange amount.



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 17

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 \$360,000.
- (c) The School District has entered into agreements for capital projects with future commitments of approximately \$45,731,639 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:

	2015	2016	2017	2018	2019
Rent Leases	\$1,880,742	\$374,237	\$372,350	\$184,593	\$ -
Vehicle Lease	12,712	12,712	5,297	-	-
Cell Phone	28,586	-	-	-	-
Copier Leases	98,239	95,036	60,058	29,656	-
Total	\$2,020,279	\$481,985	\$437,705	\$214,249	\$ -

NOTE 18

BUDGET FIGURES

Budget figures included in the 2014 financial statements were approved by the Board through the adoption of an annual budget on June 11, 2013.



**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 19

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, 2014, 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 20

EXPENSE BY OBJECT

	2014	2013 (recast)
Salaries and benefits	\$75,226,965	\$ 74,523,414
Services and supplies	11,618,795	11,890,212
Amortization	4,598,926	4,688,312
	<u>\$ 91,444,686</u>	<u>\$ 91,101,938</u>

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 21

ACCUMULATED SURPLUS

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

	2014	2013 (recast)
Invested in tangible capital assets	\$ 43,897,730	\$ 40,327,625
Operating surplus	48,012	1,110,969
Special purpose surplus	642,839	642,839
Local capital surplus	-	3,545
	<u>\$ 44,588,581</u>	<u>\$ 42,084,978</u>

NOTE 22

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
YEAR ENDED JUNE 30, 2014

NOTE 23

RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

c) Liquidity risk:

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

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

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

NOTE 24

COMPARATIVES

Certain 2013 comparative figures have been recast to record additional post employment benefit obligations and to record an understatement in work-in-progress for 2013 discovered in 2014.

Salaries and benefits were decreased from \$74,547,619 to \$74,523,414 and Accrued Employee Benefit Obligation from \$2,511,087 to \$2,601,907, resulting in a change to Accumulated Surplus from \$1,201,789 to \$1,110,969 at June 30, 2013 and a change to Accumulated Surplus from \$1,107,520 to \$992,495 at July 1, 2012.

Work in progress was increased from \$1,446,614 to \$2,579,040, and Accounts Receivable, Due from Province – Ministry of Education, and Accounts Payable - Other were increased by \$1,132,426. Net Financial Assets, beginning of the year was increased from \$98,002,564 to \$99,134,990.

School District No. 62 (Sooke)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,110,969	642,839	40,331,170	42,084,978	38,111,952
Prior Period Adjustments					(115,025)
Accumulated Surplus (Deficit), beginning of year, as restated	1,110,969	642,839	40,331,170	42,084,978	37,996,927
Changes for the year					
Surplus (Deficit) for the year	(739,238)	19,071	3,223,770	2,503,603	4,088,051
Interfund Transfers	(323,719)	(19,071)	342,790	-	-
Tangible Capital Assets Purchased	(1,062,957)	-	3,566,560	2,503,603	4,088,051
Net Changes for the year	48,012	642,839	43,897,730	44,588,581	42,084,978

Accumulated Surplus (Deficit), end of year - Statement 2

School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 24)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	78,193,730	76,456,883	77,284,848
Tuition	3,145,000	2,937,755	2,709,867
Other Revenue	638,770	1,161,250	1,277,322
Rentals and Leases	200,000	203,941	188,602
Investment Income	150,000	87,756	50,734
Total Revenue	82,327,500	80,847,585	81,511,373
Expenses			
Instruction	69,913,052	68,827,324	68,362,889
District Administration	2,256,926	2,482,102	2,403,575
Operations and Maintenance	8,239,447	8,429,266	8,630,392
Transportation and Housing	1,883,075	1,848,131	1,781,162
Total Expense	82,292,500	81,586,823	81,178,018
Operating Surplus (Deficit) for the year	35,000	(739,238)	333,355
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(35,000)		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(323,719)	(214,881)
Total Net Transfers	-	(323,719)	(214,881)
Total Operating Surplus (Deficit), for the year	-	(1,062,957)	118,474
Operating Surplus (Deficit), beginning of year		1,110,969	1,107,520
Prior Period Adjustments			
April - June 2012 EFB Expense Restatement			(115,025)
Operating Surplus (Deficit), beginning of year, as restated		1,110,969	992,495
Operating Surplus (Deficit), end of year		48,012	1,110,969
Operating Surplus (Deficit), end of year			
Unrestricted		48,012	1,110,969
Total Operating Surplus (Deficit), end of year		48,012	1,110,969

School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 24)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	76,818,195	75,559,344	76,267,411
AANDC/LEA Recovery	(181,527)	(382,013)	(385,879)
Other Ministry of Education Grants			
Education Guarantee	474,010	221,220	375,671
Pay Equity Maintenance Grant	931,052	931,052	931,052
FSA Scoring Grant		13,769	13,982
Carbon Tax Rebate	60,000	75,476	82,611
French Monitor		19,035	
Increased Special Needs Count	92,000		
Critical Thinking		15,000	
Curriculum Redesign		4,000	
Total Provincial Grants - Ministry of Education	78,193,730	76,456,883	77,284,848
Tuition			
Continuing Education	100,000	112,829	115,784
Offshore Tuition Fees	3,045,000	2,824,926	2,594,083
Total Tuition	3,145,000	2,937,755	2,709,867
Other Revenues			
LEA/Direct Funding from First Nations	181,527	382,013	385,879
Miscellaneous			
Bus Pass Fees	200,003	224,119	216,041
Grants for Crossing Guards	85,800	81,704	84,074
BC Hydro Grant			95,518
Fortis BC Grant	45,000	60,000	
Miscellaneous	126,440	233,898	288,066
Reclassified from SGF Discretionary		179,516	207,744
Total Other Revenue	638,770	1,161,250	1,277,322
Rentals and Leases	200,000	203,941	188,602
Investment Income	150,000	87,756	50,734
Total Operating Revenue	82,327,500	80,847,585	81,511,373

School District No. 62 (Sooke)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 24)
	\$	\$	\$
Salaries			
Teachers	35,515,948	33,338,669	34,759,992
Principals and Vice Principals	5,979,890	5,915,441	6,116,749
Educational Assistants	4,577,011	5,293,698	4,838,829
Support Staff	8,973,129	8,964,194	8,580,788
Other Professionals	2,375,005	2,386,758	2,301,576
Substitutes	2,193,211	2,250,467	2,307,520
Total Salaries	59,614,194	58,149,227	58,905,454
Employee Benefits	15,093,246	15,239,999	13,622,919
Total Salaries and Benefits	74,707,440	73,389,226	72,528,373
Services and Supplies			
Services	2,405,555	3,037,521	3,048,457
Student Transportation	2,000	1,765	1,783
Professional Development and Travel	670,908	672,640	658,912
Rentals and Leases	377,500	390,411	378,981
Dues and Fees	179,033	159,031	185,352
Insurance	183,525	211,877	216,331
Supplies	2,163,539	2,282,000	2,613,179
Bad Debts		6,346	11,609
Utilities	1,603,000	1,436,006	1,535,041
Total Services and Supplies	7,585,060	8,197,597	8,649,645
Total Operating Expense	82,292,500	81,586,823	81,178,018

School District No. 62 (Sooke)
 Operating Expense by Function, Program and Object
 Year Ended June 30, 2014

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	28,252,023	212,497	85,156	1,014,944	262,589	1,584,956	31,412,165
1.03 Career Programs	39,939			88,785		3,466	132,190
1.07 Library Services	546,203			212,643		1,704	760,550
1.08 Counselling	1,176,818					1,664	1,178,482
1.10 Special Education	2,202,553	204,944	4,832,326	58,662	619,320	281,702	8,199,507
1.30 English Language Learning	328,881			33,369			362,250
1.31 Aboriginal Education	257,203	106,581	369,294	45,704	21,133		799,915
1.41 School Administration		5,215,768	6,922	1,930,968	78,429		7,225,165
1.61 Continuing Education				77,229	5,312		89,463
1.62 Off Shore Students	535,049	175,651		125,826	1,607		839,463
1.64 Other							
Total Function 1	33,338,669	5,915,441	5,293,698	3,588,130	883,516	1,979,696	50,999,150
4 District Administration							
4.11 Educational Administration					212,571	2,851	215,422
4.40 School District Governance					73,000		73,000
4.41 Business Administration				333,722	921,647	44,822	1,300,191
Total Function 4	-	-	-	333,722	1,207,218	47,673	1,588,613
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				98,042	217,792	189	316,023
5.50 Maintenance Operations				3,495,153		148,118	3,643,271
5.52 Maintenance of Grounds				421,051			421,051
5.56 Utilities							
Total Function 5	-	-	-	4,014,246	217,792	148,307	4,380,345
7 Transportation and Housing							
7.41 Transportation and Housing Administration				53,856	78,232	1,922	134,010
7.70 Student Transportation				974,240		72,869	1,047,109
Total Function 7	-	-	-	1,028,096	78,232	74,791	1,181,119
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	33,338,669	5,915,441	5,293,698	8,964,194	2,386,758	2,250,467	58,149,227

School District No. 62 (Sooke)
 Operating Expense by Function, Program and Object
 Year Ended June 30, 2014

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2014 Actual	2014 Budget	2013 Actual
	\$	\$	\$	\$	\$	\$	\$
I Instruction							
1.02 Regular Instruction	31,412,165	8,422,001	39,834,166	1,689,061	41,523,227	43,219,525	44,127,703
1.03 Career Programs	132,190	33,746	165,936	71,950	237,886	251,398	242,365
1.07 Library Services	760,550	209,130	969,680	40,412	1,010,092	1,053,027	1,101,810
1.08 Counselling	1,178,482	304,499	1,482,981	7,848	1,490,829	1,567,785	1,587,360
1.10 Special Education	8,199,507	2,287,086	10,486,593	376,835	10,863,428	10,552,255	10,354,053
1.30 English Language Learning	362,250	91,686	453,936	12,958	466,894	538,069	520,606
1.31 Aboriginal Education	799,915	211,008	1,010,923	230,936	1,241,859	1,143,760	1,117,062
1.41 School Administration	7,225,165	1,778,683	9,003,848	301,763	9,305,611	8,945,160	6,901,512
1.61 Continuing Education	89,463	15,916	105,379	326,508	431,887	457,544	363,464
1.62 Off Shore Students	839,463	209,197	1,048,660	1,206,951	2,255,611	2,176,593	2,009,274
1.64 Other	-	-	-	-	-	7,936	37,680
Total Function 1	50,999,150	13,562,952	64,562,102	4,265,222	68,827,324	69,913,052	68,362,889
4 District Administration							
4.11 Educational Administration	215,422	46,942	262,364	22,609	284,973	283,246	247,516
4.40 School District Governance	73,000	1,006	74,006	96,628	170,634	137,268	160,079
4.41 Business Administration	1,300,191	272,534	1,572,725	453,770	2,026,495	1,836,412	1,995,980
Total Function 4	1,588,613	320,482	1,909,095	573,007	2,482,102	2,256,926	2,403,575
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	316,023	53,191	369,214	190,895	560,109	493,526	539,240
5.50 Maintenance Operations	3,643,271	923,473	4,566,744	1,227,743	5,794,487	5,515,493	5,945,459
5.52 Maintenance of Grounds	421,051	90,484	511,535	128,549	640,084	627,428	611,831
5.56 Utilities	-	-	-	1,434,586	1,434,586	1,603,000	1,533,862
Total Function 5	4,380,345	1,067,148	5,447,493	2,981,773	8,429,266	8,239,447	8,630,392
7 Transportation and Housing							
7.41 Transportation and Housing Administration	134,010	28,365	162,375	5,264	167,639	173,776	119,676
7.70 Student Transportation	1,047,109	261,052	1,308,161	372,331	1,680,492	1,709,299	1,661,486
Total Function 7	1,181,119	289,417	1,470,536	377,595	1,848,131	1,883,075	1,781,162
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	58,149,227	15,239,999	73,389,226	8,197,597	81,586,823	82,292,500	81,178,018

School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 24)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,532,932	2,058,125	2,453,912
Other	90,000		19,544
Other Revenue	2,675,000	2,414,657	2,226,639
Investment Income	18,000	24,060	22,655
Total Revenue	<u>5,315,932</u>	<u>4,496,842</u>	<u>4,722,750</u>
Expenses			
Instruction	4,936,048	4,317,771	4,336,863
Operations and Maintenance	356,884	160,000	322,969
Total Expense	<u>5,292,932</u>	<u>4,477,771</u>	<u>4,659,832</u>
Special Purpose Surplus (Deficit) for the year	<u>23,000</u>	<u>19,071</u>	<u>62,918</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(23,000)	(19,071)	(62,918)
Total Net Transfers	<u>(23,000)</u>	<u>(19,071)</u>	<u>(62,918)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		642,839	642,839
Special Purpose Surplus (Deficit), end of year		<u>642,839</u>	<u>642,839</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		642,839	642,839
Total Special Purpose Surplus (Deficit), end of year		<u>642,839</u>	<u>642,839</u>

School District No. 62 (Sooke)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2014

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community-LINK	Nature K
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
Add: Restricted Grants									
Provincial Grants - Ministry of Education	141,856	912,478	11,605		192,000	44,100	186,006	744,731	
Provincial Grants - Other	18,144								
Investment Income			77	2,245,796	1,642	517	1,113	31,045	27,589
Less: Allocated to Revenue	160,000	912,478	11,682	2,246,004	193,642	44,617	187,119	776,968	27,846
Deferred Revenue, end of year	160,000	896,603	7,830	2,206,121	175,758	40,662	140,044	687,758	47,288
	-	55,170	7,099	757,309	119,147	36,705	98,317	122,197	7,539
Revenues									
Provincial Grants - Ministry of Education	141,856	896,603	7,753		174,116	40,145	138,931	655,521	
Other Revenue	18,144			2,205,913				31,045	47,031
Investment Income			77	208	1,642	517	1,113	1,192	257
	160,000	896,603	7,830	2,206,121	175,758	40,662	140,044	687,758	47,288
Expenses									
Salaries									
Teachers		535,695		52,853			60,755		
Principals and Vice Principals								31,368	
Educational Assistants		189,333		57				3,663	26,551
Support Staff	77,223			26,966	117,764	1,567		127,460	
Other Professionals	19,306							66,647	
Substitutes		4,038		29,248	528	10,887	5,352	2,212	3,291
Employee Benefits	96,529	729,066		109,124	118,292	12,454	66,107	231,350	29,842
Services and Supplies	20,465	167,537		25,256	37,553	2,976	17,926	50,471	6,448
	43,006		7,830	2,052,670	19,913	25,232	56,011	405,937	10,998
	160,000	896,603	7,830	2,187,050	175,758	40,662	140,044	687,758	47,288
Net Revenue (Expense) before Interfund Transfers	-	-	-	19,071	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(19,071)					
	-	-	-	(19,071)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2014

	ACE-IT	Sooke Endowments	Quality Teaching	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year	82,524	3,888		1,091,603
Add: Restricted Grants				
Provincial Grants - Ministry of Education			10,000	2,242,776
Provincial Grants - Other	37,500			37,500
Other				2,322,574
Investment Income	619	18,963		24,588
	38,119	18,963	10,000	4,627,458
Less: Allocated to Revenue	113,143	18,435	3,200	4,496,842
Deferred Revenue, end of year	7,500	4,416	6,800	1,222,199
Revenues				
Provincial Grants - Ministry of Education			3,200	2,058,125
Other Revenue	112,524			2,414,657
Investment Income	619	18,435		24,060
	113,143	18,435	3,200	4,496,842
Expenses				
Salaries				
Teachers				649,303
Principals and Vice Principals				124,874
Educational Assistants	93,506			219,604
Support Staff				350,980
Other Professionals				85,953
Substitutes			2,657	58,215
Employee Benefits	93,506	-	2,657	1,488,927
Services and Supplies	19,637	18,435	543	348,812
	113,143	18,435	3,200	2,640,032
	-	-	-	4,477,771
Net Revenue (Expense) before Interfund Transfers				19,071
Interfund Transfers				
Tangible Capital Assets Purchased				(19,071)
	-	-	-	(19,071)
Net Revenue (Expense)				-

School District No. 62 (Sooke)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual			2013 Actual (Recast - Note 24)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	356,884	4,816,487		4,816,487	4,858,172
Investment Income				-	4,154
Gain (Loss) on Disposal of Tangible Capital Assets		(29,567)		(29,567)	
Amortization of Deferred Capital Revenue	4,000,000	3,755,465		3,755,465	4,032,063
Amortization of Prepaid Lease	61,477	61,477		61,477	61,477
Total Revenue	4,418,361	8,603,862	-	8,603,862	8,955,866
Expenses					
Operations and Maintenance	418,361	781,166		781,166	637,253
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,600,000	4,307,610		4,307,610	4,379,851
Transportation and Housing		291,316		291,316	246,984
Total Expense	5,018,361	5,380,092	-	5,380,092	5,264,088
Capital Surplus (Deficit) for the year	(600,000)	3,223,770	-	3,223,770	3,691,778
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	23,000	342,790		342,790	277,799
Total Net Transfers	23,000	342,790	-	342,790	277,799
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		3,545	(3,545)	-	
Total Other Adjustments to Fund Balances		3,545	(3,545)	-	
Total Capital Surplus (Deficit) for the year	(577,000)	3,570,105	(3,545)	3,566,560	3,969,577
Capital Surplus (Deficit), beginning of year		40,327,625	3,545	40,331,170	36,361,593
Capital Surplus (Deficit), end of year		43,897,730	-	43,897,730	40,331,170

School District No. 62 (Sooke)

Tangible Capital Assets
Year Ended June 30, 2014

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	23,298,022	170,282,544	3,413,226	2,913,164	175,292	781,553	200,863,801
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	4,096,798	645,800	14,827	289,728			5,047,153
Deferred Capital Revenue - Other		110,417	24,835			7,088	142,340
Operating Fund			70,366		13,764	239,589	323,719
Special Purpose Funds			19,071				19,071
Local Capital			1,648			1,897	3,545
Decrease:							
Disposed of	29,567	6,764,673					6,794,240
Deemed Disposals				386,534			386,534
Cost, end of year	29,567	6,764,673	-	386,534	-	-	7,180,774
Work in Progress, end of year	27,365,253	164,274,088	3,543,973	2,816,358	189,056	1,030,127	199,218,855
Cost and Work in Progress, end of year	27,365,253	32,187,193	43,955				32,231,148
	27,365,253	196,461,281	3,587,928	2,816,358	189,056	1,030,127	231,450,003
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		63,052,451	1,330,814	1,144,766	38,753	79,349	65,646,133
Decrease:							
Disposed of		3,774,918	341,323	291,316	35,058	156,311	4,598,926
Deemed Disposals		3,563,334					3,563,334
Accumulated Amortization, end of year		3,563,334	-	386,534			386,534
		63,264,035	1,672,137	1,049,548	73,811	235,660	66,295,191
Tangible Capital Assets - Net	27,365,253	133,197,246	1,915,791	1,766,810	115,245	794,467	165,154,812

School District No. 62 (Sooke)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2014

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	1,443,627	2,987			1,446,614
Prior Period Adjustments					
District Entered	1,132,426				1,132,426
Work in Progress, beginning of year, as restated	<u>2,576,053</u>	<u>2,987</u>	-	-	<u>2,579,040</u>
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	29,447,090	40,968			29,488,058
Deferred Capital Revenue - Other	164,050				164,050
	<u>29,611,140</u>	<u>40,968</u>	-	-	<u>29,652,108</u>
Net Changes for the Year	<u>29,611,140</u>	<u>40,968</u>	-	-	<u>29,652,108</u>
Work in Progress, end of year	<u><u>32,187,193</u></u>	<u><u>43,955</u></u>	-	-	<u><u>32,231,148</u></u>

School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2014

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	96,012,631	438,622	1,026,055	97,477,308
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	950,355	110,417	31,923	1,092,695
	<u>950,355</u>	<u>110,417</u>	<u>31,923</u>	<u>1,092,695</u>
Decrease:				
Amortization of Deferred Capital Revenue	3,637,110	12,100	106,255	3,755,465
Revenue Recognized on Disposal of Buildings	3,201,340			3,201,340
Amortization of Long Term Lease	61,477			61,477
	<u>6,899,927</u>	<u>12,100</u>	<u>106,255</u>	<u>7,018,282</u>
Net Changes for the Year	<u>(5,949,572)</u>	<u>98,317</u>	<u>(74,332)</u>	<u>(5,925,587)</u>
Deferred Capital Revenue, end of year	<u>90,063,059</u>	<u>536,939</u>	<u>951,723</u>	<u>91,551,721</u>
Work in Progress, beginning of year	1,446,614			1,446,614
Prior Period Adjustments				
Restatement of Capital Expenditures	1,132,426			1,132,426
Work in Progress, beginning of year, as restated	<u>2,579,040</u>	-	-	<u>2,579,040</u>
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	29,488,058	164,050		29,652,108
	<u>29,488,058</u>	<u>164,050</u>	-	<u>29,652,108</u>
Net Changes for the Year	<u>29,488,058</u>	<u>164,050</u>	-	<u>29,652,108</u>
Work in Progress, end of year	<u>32,067,098</u>	<u>164,050</u>	-	<u>32,231,148</u>
Total Deferred Capital Revenue, end of year	<u>122,130,157</u>	<u>700,989</u>	<u>951,723</u>	<u>123,782,869</u>

School District No. 62 (Sooke)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2014

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	628,206	558,340		3,038,209		4,224,755
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education Investment Income	27,663,453	111,239		47,429		27,663,453
MEd Restricted Portion of Proceeds on Disposal Receivable from Ministry of Education - COA Draws	8,114,802	21,502,565				21,502,565
Transferred from Bylaw Capital to Ministry Restricted Capital Municipal Funds Received	(143,103)	143,103				8,114,802
PAC Donations				247,454	31,923	247,454
	35,635,152	21,756,907	-	294,883	31,923	57,718,865
Decrease:						
Transferred to DCR - Capital Additions	950,355	110,417			31,923	1,092,695
Transferred to DCR - Work in Progress	29,488,058	164,050				29,652,108
Transferred to Revenue - Site Purchases	4,096,798					4,096,798
Expensed Costs	719,689					719,689
	35,254,900	274,467	-	-	31,923	35,561,290
Net Changes for the Year	380,252	21,482,440	-	294,883	-	22,157,575
Balance, end of year	1,008,458	22,040,780	-	3,333,092	-	26,382,330