

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2009/2010

SCHOOL DISTRICT NUMBER 63	NAME OF SCHOOL DISTRICT Saanich	YEAR 2009/2010
OFFICE LOCATION 2125 Keating Cross Road		TELEPHONE NUMBER 250-652-7300
CITY/PROVINCE Saanichton BC		POSTAL CODE V8M 2A5
WEBSITE ADDRESS www.SD63.bc.ca		
NAME OF SUPERINTENDENT Keven Elder		NAME OF SECRETARY-TREASURER Joan Axford

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of Education of School District No. 63 (Saanich) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school district's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that the accounting records may be relied upon to properly reflect the school district's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

The Board's Responsibility

The ultimate responsibility for the financial statements lies with the Board. The Board has reviewed and approved the financial statements.

External Auditors

The Board appoints external auditors to audit the financial statements. The external auditors have full and free access to school district records, and present their report to the Board.

Declaration of Management and Board Chairperson

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position, revenue and expense, changes in fund balances, and cash flows for the year in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 63 (Saanich) for the year ended June 30, 2010.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION Original signed by Helen Parker	DATE SIGNED September 15, 2010
SIGNATURE OF SUPERINTENDENT Original signed by Keven Elder	DATE SIGNED September 16, 2010
SIGNATURE OF SECRETARY-TREASURER Original signed by Joan Axford	DATE SIGNED September 15, 2010



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AUDITORS' REPORT TO THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 63 (SAANICH)

We have audited the statement of financial position of School District No. 63 (Saanich) as at June 30, 2010 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the School District's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in Schedules A1 through C5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Chartered Accountants

Victoria, Canada

August 27, 2010

**SCHOOL DISTRICT No. 63 (SAANICH)
2009/2010 AUDITED FINANCIAL STATEMENTS**

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SCHOOL DISTRICT No. 63 (SAANICH)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2010

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 7,169,305	\$ 1,931,000	\$ 2,090,906	\$ 11,191,211	\$ 16,264,424
Short Term Investments	9,867,924			9,867,924	-
Accounts Receivable					
Due from Province - Ministry of Education	61,050			61,050	72,536
Due from Province - Other	17,870			17,870	-
Due from LEA/Direct Funding	1,409,058			1,409,058	1,287,176
Other Receivables (Note 3)	335,482			335,482	164,071
Interfund Loans			3,610,643		
Prepaid Expenses				-	606,586
	18,860,689	1,931,000	5,701,549	22,882,595	18,394,793
Investments (Note 4)	1,648,790			1,648,790	10,983,294
Capital Assets - Net (Note 5)			119,894,692	119,894,692	116,006,595
TOTAL ASSETS	\$ 20,509,479	\$ 1,931,000	\$ 125,596,241	\$ 144,426,077	\$ 145,384,682
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	5,459,346			5,459,346	5,541,602
Bank Loans - Current Portion (Note 7)				-	6,900,000
Interfund Loans	3,610,643				
	9,069,989	-	-	5,459,346	12,441,602
Deferred Revenue	1,742,227			1,742,227	5,300,511
Deferred Contributions					
Ministry of Education (Note 8)		961,825	1,494,542	2,456,367	2,983,307
Other (Note 8)		969,175		969,175	1,581,251
Accrued Employee Future Benefits (Note 9)	3,194,237			3,194,237	3,268,596
Deferred Capital Contributions (Note 8)			91,009,498	91,009,498	82,561,782
TOTAL LIABILITIES	14,006,453	1,931,000	92,504,040	104,830,850	108,137,049
Fund Balances					
Invested in Capital Assets			28,885,194	28,885,194	26,544,813
Internally Restricted (Note 11)	6,156,438		4,207,007	10,363,445	10,440,526
Unrestricted (Note 11)	346,588			346,588	262,294
TOTAL FUND BALANCES	6,503,026	-	33,092,201	39,595,227	37,247,633
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,509,479	\$ 1,931,000	\$ 125,596,241	\$ 144,426,077	\$ 145,384,682

> **Commitments and Contingencies (Note 15)**

> **Economic Dependence (Note 17)**

SCHOOL DISTRICT No. 63 (SAANICH)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2010

Statement 2

	OPERATING	SPECIAL	CAPITAL	TOTAL	TOTAL
	FUND	PURPOSE	FUND	2010	2009
	FUND	FUNDS	FUND	2010	2009
REVENUE					
Provincial Grants - Ministry of Education	\$ 63,425,060	\$ 1,475,954	\$ 294,700	\$ 65,195,714	\$ 64,139,720
Provincial Grants - Other	250,451			250,451	16,750
Other Revenue	5,913,324	2,594,354	28,046	8,535,724	7,986,608
Rentals and Leases	260,840			260,840	292,573
Investment Income	547,812		87,456	635,268	638,525
Amortization of Deferred Capital Contributions			2,964,363	2,964,363	2,807,942
Gain (Loss) on Disposal of Capital Assets			1,784,787	1,784,787	22,854
	<u>70,397,487</u>	<u>4,070,308</u>	<u>5,159,352</u>	<u>79,627,147</u>	<u>75,904,972</u>
EXPENSE					
Salaries					
Teachers	30,504,153			30,504,153	30,754,679
Principals and Vice Principals	3,660,977			3,660,977	3,627,239
Educational Assistants	4,312,422			4,312,422	4,153,626
Support Staff	6,988,731			6,988,731	6,699,442
Other Professionals	2,239,187			2,239,187	2,522,865
Substitutes	2,287,169			2,287,169	2,123,593
	49,992,639	-	-	49,992,639	49,881,444
Employee Benefits	11,967,603			11,967,603	11,327,877
Services and Supplies	8,427,432	2,712,655		11,140,087	12,521,009
Amortization of Capital Assets			3,884,524	3,884,524	3,702,206
Interest on Bank Loan			294,700	294,700	-
	<u>70,387,674</u>	<u>2,712,655</u>	<u>4,179,224</u>	<u>77,279,553</u>	<u>77,432,536</u>
NET REVENUE (EXPENSE)	\$ 9,813	\$ 1,357,653	\$ 980,128	\$ 2,347,594	\$ (1,527,564)

SCHOOL DISTRICT No. 63 (SAANICH)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2010

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
FUND BALANCES, BEGINNING OF YEAR	\$ 7,642,462	\$ -	\$ 29,605,171	\$ 37,247,633	\$ 38,775,197
Changes for the Year					
Net Revenue (Expense) for the Year	9,813	1,357,653	980,128	2,347,594	(1,527,564)
Interfund Transfers					
Capital Assets Purchased (Note 12)	(1,089,249)	(1,357,653)	2,446,902	-	-
Local Capital (Note 12)	(60,000)		60,000	-	-
Net Changes for the Year	<u>(1,139,436)</u>	<u>-</u>	<u>3,487,030</u>	<u>2,347,594</u>	<u>(1,527,564)</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,503,026</u>	<u>\$ -</u>	<u>\$ 33,092,201</u>	<u>\$ 39,595,227</u>	<u>\$ 37,247,633</u>

SCHOOL DISTRICT No. 63 (SAANICH)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
CASH PROVIDED BY (USED FOR) OPERATIONS					
Net Revenue (Expense) for the Year	\$ 9,813	\$ 1,357,653	\$ 980,128	\$ 2,347,594	\$ (1,527,564)
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Short Term Investments	(9,867,924)			(9,867,924)	
Accounts Receivable	(299,677)			(299,677)	(18,231)
Interfund Loans	(4,062,739)		4,062,739	-	-
Prepaid Expenses	606,586			606,586	(23,359)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	(82,256)			(82,256)	(518,790)
Deferred Revenue	(58,284)		(3,500,000)	(3,558,284)	3,579,586
Deferred Contributions		(574,330)		(574,330)	(284,050)
Accrued Employee Future Benefits	(74,359)			(74,359)	(38,972)
Loss (Gain) on Disposal of Capital Assets			(1,784,787)	(1,784,787)	(22,854)
Items Not Involving Cash					
Amortization of Capital Assets			3,884,524	3,884,524	3,702,206
Amortization of Deferred Capital Contributions			(2,964,363)	(2,964,363)	(2,807,942)
Decrease in Deferred Contributions - Capital			(294,700)	(294,700)	-
Interfund Transfers	(1,149,249)	(1,357,653)	2,506,902	-	-
	<u>(14,978,089)</u>	<u>(574,330)</u>	<u>2,890,443</u>	<u>(12,661,976)</u>	<u>2,040,030</u>
FINANCING					
Bank Loan Received				-	6,900,000
Bank Loan Paid			(6,900,000)	(6,900,000)	-
Deferred Contributions Received - Capital			11,349,068	11,349,068	8,552,230
Proceeds from Disposal of Capital Assets			7,150,000	7,150,000	
MEd Restricted Portion of Proceeds on Disposal			(5,362,500)	(5,362,500)	-
	<u>-</u>	<u>-</u>	<u>6,236,568</u>	<u>6,236,568</u>	<u>15,452,230</u>
INVESTING					
Capital Assets Purchased - Operating			(1,089,249)	(1,089,249)	(415,249)
Capital Assets Purchased - Special Purpose			(1,357,653)	(1,357,653)	(957,985)
Capital Assets Purchased - Local Capital			(812,624)	(812,624)	(55,391)
Capital Assets Purchased - Deferred Contributions - Capital			(1,889,118)	(1,889,118)	(7,411,004)
Capital Assets Purchased - Local Capital - WIP			(3,729)	(3,729)	
Capital Assets Purchased - Bylaw - WIP			(2,829,936)	(2,829,936)	(336,850)
District Entered				-	(503,968)
Proceeds from Disposal of Capital Assets				-	22,854
Decrease (Increase) in Investments	9,334,504			9,334,504	(1,518,130)
	<u>9,334,504</u>	<u>-</u>	<u>(7,982,309)</u>	<u>1,352,195</u>	<u>(11,175,723)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (5,643,585)</u>	<u>\$ (574,330)</u>	<u>\$ 1,144,702</u>	<u>\$ (5,073,213)</u>	<u>\$ 6,316,537</u>

SCHOOL DISTRICT No. 63 (SAANICH)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
NET INCREASE (DECREASE) IN CASH	\$ (5,643,585)	\$ (574,330)	\$ 1,144,702	\$ (5,073,213)	\$ 6,316,537
Net Cash, Beginning of Year	12,812,890	2,505,330	946,204	16,264,424	9,947,887
NET CASH, END OF YEAR	\$ 7,169,305	\$ 1,931,000	\$ 2,090,906	\$ 11,191,211	\$ 16,264,424
Cash	\$ 7,169,305	\$ 1,931,000	\$ 2,090,906	\$ 11,191,211	\$ 16,264,424
NET CASH, END OF YEAR	\$ 7,169,305	\$ 1,931,000	\$ 2,090,906	\$ 11,191,211	\$ 16,264,424

School District No. 63 (Saanich)**NOTES TO AUDITED FINANCIAL STATEMENTS
YEAR ENDED 2009/2010****NOTE 1: AUTHORITY AND PURPOSE**

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 63 (Saanich)" and operates as "School District No. 63 (Saanich)." 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements were prepared in accordance with Canadian generally accepted accounting principles (GAAP) for not-for-profit organizations.

The deferral method of accounting for contributions, which includes government grants, is used. Results are reported in the operating fund, special purpose funds and capital fund. Revenues and expenses are recorded on a gross and accrual basis.

Statement 2 (Statement of Revenue and Expense), Statement 3 (Statement of Changes in Fund Balances) and Statement 4 (Statement of Cash Flows) present annual results of each fund, changes in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balances as at June 30. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

The resources and operations of the School District are segregated into various funds for accounting and financial reporting purposes based on the types of restrictions on the use of contributions by governments or other granting agencies and appropriations or other internal restrictions by the Board. While separate accounts are maintained for each fund, for financial reporting purposes funds with similar characteristics are grouped together as described below:

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
 - Contributions restricted in use by the *School Act* or Ministry of Education
 - Contributions restricted in use by other external bodies
 - Funds collected and used at the school level (i.e. school-generated funds)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

a) Fund Accounting (Continued)

- Capital fund reports assets, liabilities, revenues and expenses for capital purposes. Contributions of other funds used for capital purposes are transferred to the capital fund.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased.

c) Short Term Investments

Short term investments include securities with terms to maturity of less than one year.

d) Accounts Receivable

Accounts receivable are recorded net of allowance for doubtful accounts.

e) Prepaid Expenses

Payments for insurance, subscriptions and maintenance contracts for use within the district in a future period are included as a prepaid expense and stated at cost. Textbooks and other teaching supplies are expensed as purchased.

f) Capital Assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated 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. Work-in-Progress is not amortized until the asset is put into service.
- Sites and buildings that no longer contribute to the ability of the School District to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset. Estimated useful life is as follows:

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)g) Revenue Recognition

Unrestricted operating government grants are recognized as revenue when received or receivable. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services and products are reported as revenue when services are provided or products delivered.

Externally restricted contributions, grants, and donations are reported as revenue depending on the nature of restrictions imposed on the use of the funds by the contributors:

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is expended.
 - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
 - If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset.
 - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

h) Investment Income

Investment income, which is recorded on the accrual basis, includes interest income and realized and unrealized gains and losses.

i) Expenses

- Categories of Salaries
 - Principals, Vice Principals and Directors of Instruction employed under a school administrator contract are categorized as Principals and Vice Principals.
 - Superintendent, Assistant Superintendents, Secretary-Treasurer, Board of Education and other employees excluded from union contracts are categorized as Other Professionals.
- Allocation of Costs
 - Operating expenses are reported by function, program, and object. Whenever possible, expenses are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to regular 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)i) Expenses (Continued)

- 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 identification of program.

j) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and bank loan. It is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The School District has designated all of its cash and cash equivalents as held for trading and carries them at fair value with changes in fair value recognized in investment income. Investments are designated as held to maturity and carried at amortized cost. Accounts receivable are classified as loans and receivables; accounts payable and accrued liabilities and bank loan are classified as other liabilities, all of which are measured at amortized cost.

The School District has elected to continue to apply the financial instruments disclosure and presentation standards in accordance with Section 3861.

k) Use of Estimates

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

l) Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived assets and depreciated over the life of the asset. At this time the School District has determined that there are no significant asset retirement obligations.

m) Employee Future Benefits

The School District provides certain employment benefits including accumulated sick leave and retirement allowance for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs under employee future benefit plans. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on market rates at the measurement date.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

m) Employee Future Benefits (Continued)

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 10.4.

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use at June 30, 2013. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 has been adopted.

n) Changes in Accounting Standards

Effective July 1, 2009 the School District adopted changes to Section 1000, *Financial Statement Concepts*, Section 4400, *Financial Statement Presentation by Not-for-Profit Organizations*, and EIC-123, "Reporting Revenue Gross as a Principal Versus Net as an Agent", which clarifies that revenues and expenses must be recognized on a gross basis when a not-for-profit organization (NPO) is acting as a principal in the subject transactions and may only be reported on a net basis when acting as an agent.

Section 1000 has been amended to clarify the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching revenue and expense items. Section 4400 has been amended to clarify the different treatment accorded internal and external restrictions on net assets. In addition, NPOs are no longer required to report net assets invested in capital assets as a separate component of net assets. The Accounting Standards Board (AcSB) concluded that an amount shown as net assets invested in capital assets is consistent with, and should be treated in the same manner as other net asset amounts internally restricted by NPOs and reserves of profit-oriented enterprises.

Other changes adopted add improved guidance related to the application of the GAAP hierarchy and capital assets standards, and require NPOs to apply the same standards as profit-oriented enterprises with respect to interim financial statements and statements of cash flows.

The application of these changes had no impact on the School District's financial statements.

o) Future Accounting Changes

The School District is currently classified as a government not-for-profit organization. Under the direction of the Public Sector Accounting Standards Board (PSAB), the School District adheres to the standards for not-for-profit (NPO) organizations in the CICA Handbook. PSAB proposes to incorporate into the PSA Handbook the current NPO Sections (4400 Standards) of the CICA Handbook to deal with areas not currently addressed by the PSAB framework. PSAB has decided not to make any further substantive changes to the Sections at this time.

Notes to Audited Financial Statements: Year Ended 2009/2010**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)**o) Future Accounting Changes (Continued)

The exposure draft proposes to amend the Introduction so that the PSAB standards will be applicable to all government not-for-profit organizations for fiscal periods beginning on or after January 1, 2012. The School District intends to continue applying the existing NPO standards and is awaiting the finalization of the new standards. Once the new standards are finalized, the School District will determine the impact on the financial statements.

NOTE 3: ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2010</u>	<u>2009</u>
Due from Federal Government	\$129,654	\$125,051
Other	205,828	39,020
	<u>\$335,482</u>	<u>\$164,071</u>

NOTE 4: INVESTMENTS

Investments consist of guaranteed investment certificates bearing interest at rates of 4.4% to 4.9% maturing in October and December 2013.

NOTE 5: CAPITAL ASSETS

	<u>2010</u>		<u>2009</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$6,100,441	\$0	\$6,100,441	\$6,103,154
Buildings	150,903,246	44,424,548	106,478,698	105,078,486
Work-in-Progress	3,186,375	0	3,186,375	1,636,031
Furniture & Equipment	3,739,781	1,005,555	2,734,226	1,915,568
Vehicles	1,981,488	668,811	1,312,677	1,193,391
Computer Software	82,254	33,086	49,168	65,619
Computer Hardware	35,975	2,868	33,107	14,346
	<u>\$166,029,560</u>	<u>\$46,134,868</u>	<u>\$119,894,692</u>	<u>\$116,005,595</u>

Notes to Audited Financial Statements: Year Ended 2009/2010**NOTE 6: DISPOSAL OF SITE AND BUILDINGS**

The following site and buildings were disposed of during the year:

Legal Description	Reason	Year of Acquisition	Adjusted Carrying Value	Date of Sale	Proceeds of Sale	Allocation of Proceeds
Royal Oak Middle School PID: 027-856-089 Lot 2, Section 9, Lake District, Plan VIP86430	Surplus	1951	\$209,687	January 15, 2010	\$7,150,000	25% Local Capital 75% Restricted Capital

NOTE 7: BANK LOAN

The following loan approved under Section 144 of the School Act was repaid during the year:

Approval Dates	Year Borrowed	Interest Rate	Term	Amount Borrowed	Amount Paid	Balance O/S
June 2005 – March 2007	2009	5.9%	Due on demand	\$6,900,000	\$6,900,000	\$0

NOTE 8: DEFERRED CONTRIBUTIONS**Deferred Contributions – Ministry of Education**

Deferred Contributions - Ministry of Education recorded in the special purpose funds represent government grants for repairs and maintenance and minor renovations to existing buildings, special education equipment and provincial resource programs; recorded in the capital fund represent government grants for the seismic upgrades and major renovations of buildings and equipment and asset disposal proceeds restricted in use by the Ministry of Education.

Notes to Audited Financial Statements: Year Ended 2009/2010**NOTE 8: DEFERRED CONTRIBUTIONS (Continued)****Deferred Contributions – Ministry of Education (Continued)**

	2010			2009
	Special Purpose Funds	Capital Fund	Total	Total
Balance, beginning of year	\$ 1,659,079	\$ 1,324,228	\$ 2,983,307	\$ 2,983,307
Increases:				
Provincial grants - MEd	753,704	5,846,568	6,600,272	9,766,126
Investment income	24,996		24,996	25,362
Transfer from DC – other capital		875,000	875,000	
MEd restricted portion of proceeds on disposal of site and buildings		5,362,500	5,362,500	
Other				29,208
	<u>778,700</u>	<u>12,084,068</u>	<u>12,862,768</u>	<u>9,820,696</u>
Decreases:				
Transfers to revenue	1,475,954	294,700	1,770,654	1,479,478
Transfers to DCC - capital additions		1,888,318	1,888,318	6,111,823
Transfers to DCC - WIP		2,830,736	2,830,736	1,299,181
Transfers to DCC – repayment of bank loan		6,900,000	6,900,000	
	<u>1,475,954</u>	<u>11,913,754</u>	<u>13,389,708</u>	<u>8,890,482</u>
Balance, end of the year	\$ 961,825	\$ 1,494,542	\$ 2,456,367	\$ 2,983,307

Notes to Audited Financial Statements: Year Ended 2009/2010**NOTE 8: DEFERRED CONTRIBUTIONS (Continued)****Deferred Contributions – Other**

Deferred Contributions - Other recorded in the special purpose funds represent donations, funds generated by individual schools for extra-curricular activities and other miscellaneous sources; recorded in the capital fund represent contributions received from local government for capital projects.

	2010			2009
	Special Purpose Funds	Capital Fund	Total	Total
Balance, beginning of year	\$ 846,251	\$ 735,000	\$ 1,581,251	\$ 1,654,289
Increases:				
School generated funds	2,717,278		2,717,278	2,657,100
Local government grants		140,000	140,000	31,250
	2,717,278	140,000	2,857,278	2,688,350
Decreases:				
Transfers to revenue	2,594,354		2,594,354	2,761,388
Other transfers		875,000	875,000	
	2,594,354	875,000	3,469,354	2,761,388
Balance, end of the year	\$ 969,175	\$ 0	\$ 969,175	\$ 1,581,251

Deferred Capital Contributions

Deferred Capital Contributions represent the unamortized balance of externally restricted funding used to purchase capital assets. These contributions will be recognized as revenue in future periods on the same basis as the amortization of the related capital assets.

	2010	2009
Balance, beginning of year	\$ 82,561,782	\$ 77,958,720
Increase:		
Transfers from DC - capital additions	11,619,054	7,411,004
Decreases:		
Amortization	2,964,363	2,807,942
Revenue recognized on disposal of buildings	206,975	
	3,171,338	2,807,942
Balance, end of the year	\$ 91,009,498	\$ 82,561,782

Notes to Audited Financial Statements: Year Ended 2009/2010**NOTE 9: EMPLOYEE FUTURE BENEFITS**

The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits on Statement 1 (Statement of Financial Position).

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

Fiscal Year	2010	2009
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$2,811,111	\$2,938,877
Service Cost	207,017	229,323
Interest Cost	198,868	166,730
Benefit Payments	(552,722)	(263,986)
Actuarial Gain	36,083	(259,833)
Accrued Benefit Obligation – March 31	<u>\$2,700,357</u>	<u>\$2,811,111</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$2,700,357	\$2,811,111
Market Value of Plan Assets - March 31	0	0
Funded Status - Deficit	(2,700,357)	(2,811,111)
Employer Contributions After Measurement Date	121,125	231,358
Unamortized Net Actuarial Gain	(615,005)	(688,843)
Accrued Benefit Liability - June 30	<u>\$(3,194,237)</u>	<u>\$(3,268,596)</u>
Components of Net Benefit Expense		
Service Cost	\$207,017	\$229,323
Interest Cost	198,868	166,730
Amortization of Net Actuarial Gain	(37,753)	(13,788)
Net Benefit Expense	<u>\$368,132</u>	<u>\$382,265</u>

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

	2010	2009
Discount Rate - April 1	7.00%	5.50%
Discount Rate - March 31	5.00%	7.00%
Long Term Salary Growth - April 1	3.25%	3.25%
Long Term Salary Growth - March 31	2.50%	3.25%
EARSL - March 31	10.4	10.8

Notes to Audited Financial Statements: Year Ended 2009/2010**NOTE 10: EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for 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 defined. The Teachers' Pension Plan has about 48,000 active members from school districts, and approximately 27,000 retired members from school districts. The Municipal Plan has about 158,000 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 valuation of the Teachers' Plan as at December 31, 2008 indicated a \$291 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in late 2012. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The School District paid \$5,699,209 for employer contributions to these plans in the year ended June 30, 2010 (2009 - \$5,592,469).

NOTE 11: INTERNALLY RESTRICTED AND UNRESTRICTED FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:

2010/2011 Operating Budget	\$1,503,465	
Distributed Learning	1,800,423	
School Commitments	903,325	
District Program Commitments	1,236,650	
Grants	712,575	
Subtotal Internally Restricted Operating		\$6,156,438
Unrestricted Operating Surplus		346,588
Total Available for Future Operations		<u>\$6,503,026</u>

NOTE 12: INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). \$1,089,249 was transferred from the operating fund and \$1,357,653 from the special purpose funds to the capital fund for the purchase of capital assets. \$60,000 was transferred from the operating fund to the capital fund for future capital expenditures.

NOTE 13: RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

Notes to Audited Financial Statements: Year Ended 2009/2010**NOTE 14: BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 10, 2010.

NOTE 15: COMMITMENTS AND CONTINGENCIES

- (i) The District has issued a letter of credit in the amount of \$1,037,000 that is secured by a guaranteed investment certificate.
- (ii) The District has entered into contracts related to capital projects with a remaining cost of approximately \$18,754,266.
- (iii) The District, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.
- (iv) 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 estimated due to the unknown timelines.

NOTE 16: SUPPLEMENTARY CASH FLOW INFORMATION

	<u>2010</u>	<u>2009</u>
Interest paid on Bank Loan	<u>\$294,700</u>	<u>\$100,886</u>

NOTE 17: ECONOMIC DEPENDENCE

Operations for 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 in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of School District as a "going concern".

NOTE 18: CAPITAL DISCLOSURES

The School District receives its principal source of capital through funding received from the Province of British Columbia through the Ministry of Education. The School District defines capital to be fund balances.

NOTE 18: CAPITAL DISCLOSURES (Continued)

The School District's objectives when managing capital are to fund operations and capital asset additions. The School District manages the capital structure in conjunction with the Ministry of Education and makes adjustments based on available government funding and economic conditions. Budgets are developed and monitored to ensure capital is preserved in accordance with funding terms.

The School District is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purposes outlined in the funding letter. The School District has complied with the external restrictions on the funding provided.

NOTE 19: COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the presentation adopted in the current year.

SCHOOL DISTRICT No. 63 (SAANICH)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2010

Schedule A1

	2010		
	2010 ACTUAL	AMENDED ANNUAL BUDGET	2009 ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 63,425,060	\$ 62,735,955	\$ 62,643,542
Provincial Grants - Other	250,451	342,928	22,650
Other Revenue	5,913,324	5,290,716	5,225,220
Rentals and Leases	260,840	266,047	292,573
Investment Income	547,812	450,000	548,139
	<u>70,397,487</u>	<u>69,085,646</u>	<u>68,732,124</u>
EXPENSE			
Salaries			
Teachers	30,504,153	30,534,558	30,754,679
Principals and Vice Principals	3,660,977	3,630,110	3,627,239
Educational Assistants	4,312,422	4,123,166	4,153,626
Support Staff	6,988,731	7,062,422	6,699,442
Other Professionals	2,239,187	2,119,474	2,522,865
Substitutes	2,287,169	2,248,238	2,123,593
	<u>49,992,639</u>	<u>49,717,968</u>	<u>49,881,444</u>
Employee Benefits	11,967,603	12,973,890	11,327,877
Services and Supplies	8,427,432	8,675,254	9,564,178
	<u>70,387,674</u>	<u>71,367,112</u>	<u>70,773,499</u>
NET REVENUE (EXPENSE), FOR THE YEAR	9,813	(2,281,466)	(2,041,375)
INTERFUND TRANSFERS			
Capital Assets Purchased	(1,089,249)		(415,249)
Local Capital	(60,000)		(60,000)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		2,281,466	
SURPLUS (DEFICIT), FOR THE YEAR	<u>(1,139,436)</u>	<u>\$ -</u>	<u>(2,516,624)</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	7,642,462		10,159,086
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>\$ 6,503,026</u>		<u>\$ 7,642,462</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	6,156,438		
Unrestricted	346,588		
	<u>\$ 6,503,026</u>		

SCHOOL DISTRICT No. 63 (SAANICH)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2010

Schedule A2

	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 64,135,336	\$ 63,929,342	\$ 63,121,642
INAC/LEA Recovery	(2,235,296)	(2,192,000)	(2,192,000)
Other Ministry of Education Grants			
Pay equity	377,315	377,315	377,315
Labour Market Adjustments	-	63,648	444,806
Community link	138,443	31,089	370,350
FSA Contribution	13,769	13,769	11,400
Strong Start/Ready Set Learn	122,850	122,850	94,300
French Programs	163,936	145,257	147,923
Other	51,498		232,806
Education Guarrantee	642,209	209,685	
AVID	15,000	35,000	35,000
	<u>63,425,060</u>	<u>62,735,955</u>	<u>62,643,542</u>
PROVINCIAL GRANTS - OTHER	<u>250,451</u>	<u>342,928</u>	<u>22,650</u>
FEDERAL GRANTS			
OTHER REVENUE			
Offshore Tuition Fees	2,217,649	1,990,570	1,917,853
LEA/Direct Funding from First Nations	2,348,429	2,192,000	2,160,113
Miscellaneous			
Instructional careteria	185,555	68,000	139,953
Transportation	295,131	250,000	157,161
STA	-	25,900	
Miscellaneous	537,256	121,072	410,503
SIDES other revenue	292,704	618,000	387,519
Crossing Guards	36,600	25,174	52,118
	<u>5,913,324</u>	<u>5,290,716</u>	<u>5,225,220</u>
RENTALS AND LEASES	<u>260,840</u>	<u>266,047</u>	<u>292,573</u>
INVESTMENT INCOME	<u>547,812</u>	<u>450,000</u>	<u>548,139</u>
TOTAL OPERATING REVENUE	<u>\$ 70,397,487</u>	<u>\$ 69,085,646</u>	<u>\$ 68,732,124</u>

SCHOOL DISTRICT No. 63 (SAANICH)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A3

	2010	2010	2009
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
SALARIES			
Teachers	\$ 30,504,153	\$ 30,534,558	\$ 30,754,679
Principals and Vice Principals	3,660,977	3,630,110	3,627,239
Educational Assistants	4,312,422	4,123,166	4,153,626
Support Staff	6,988,731	7,062,422	6,699,442
Other Professionals	2,239,187	2,119,474	2,522,865
Substitutes	2,287,169	2,248,238	2,123,593
	<u>49,992,639</u>	<u>49,717,968</u>	<u>49,881,444</u>
EMPLOYEE BENEFITS	11,967,603	12,973,890	11,327,877
TOTAL SALARIES AND BENEFITS	<u>61,960,242</u>	<u>62,691,858</u>	<u>61,209,321</u>
SERVICES AND SUPPLIES			
Services	1,977,661	2,158,069	2,292,795
Student Transportation	44,197		95,496
Professional Development and Travel	563,896	430,676	626,719
Rentals and Leases	134,705	114,411	149,994
Dues and Fees	75,292	172,511	149,014
Insurance	136,474	188,384	168,165
Supplies	4,444,792	4,514,124	4,845,855
Bad Debts			31,887
Utilities	1,050,415	1,097,079	1,204,253
TOTAL SERVICES AND SUPPLIES	<u>8,427,432</u>	<u>8,675,254</u>	<u>9,564,178</u>
TOTAL OPERATING EXPENSE	<u><u>\$ 70,387,674</u></u>	<u><u>\$ 71,367,112</u></u>	<u><u>\$ 70,773,499</u></u>

SCHOOL DISTRICT No. 63 (SAANICH)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	\$ 22,094,625	\$ 1,798,794	\$ 513,364	\$ 516,502	\$ -	\$ 1,802,451	\$ 26,725,736
1.03 Career Programs	264,839	-	97,296	94,513	-	2,200	458,848
1.07 Library Services	678,261	-	16,796	225,821	-	-	920,878
1.08 Counselling	642,956	-	-	-	-	-	642,956
1.10 Special Education	3,317,233	74,213	3,289,195	118,286	762,193	25,562	7,586,682
1.30 English as a Second Language	265,506	-	-	-	-	-	265,506
1.31 Aboriginal Education	405,654	-	126,440	17,961	-	5,463	555,518
1.41 School Administration	-	1,571,752	-	950,083	-	3,198	2,525,033
1.62 Off Shore Students	348,935	-	73,915	-	-	2,071	424,921
1.64 Other	2,484,240	216,218	195,416	840,538	-	206,514	3,942,926
Total Function 1	30,502,249	3,660,977	4,312,422	2,763,704	762,193	2,047,459	44,049,004
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	-	-	-	41,201	460,790	-	501,991
4.40 School District Governance	-	-	-	-	75,356	-	75,356
4.41 Business Administration	-	-	-	384,079	544,675	1,233	929,987
Total Function 4	-	-	-	425,280	1,080,821	1,233	1,507,334
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	1,904	-	-	88,444	211,509	20,711	322,568
5.50 Maintenance Operations	-	-	-	2,733,160	105,072	213,137	3,051,369
5.52 Maintenance of Grounds	-	-	-	339,743	-	-	339,743
Total Function 5	1,904	-	-	3,161,347	316,581	233,848	3,713,680
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	-	-	-	-	79,592	-	79,592
7.70 Student Transportation	-	-	-	638,400	-	4,629	643,029
Total Function 7	-	-	-	638,400	79,592	4,629	722,621
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 30,504,153	\$ 3,660,977	\$ 4,312,422	\$ 6,988,731	\$ 2,239,187	\$ 2,287,169	\$ 49,992,639

SCHOOL DISTRICT No. 63 (SAANICH)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 26,725,736	\$ 6,766,517	\$ 33,492,253	\$ 2,476,009	\$ 35,968,262	\$ 35,687,346	\$ 34,791,090
1.03 Career Programs	458,848	114,265	573,113	152,970	726,083	669,513	665,030
1.07 Library Services	920,878	227,701	1,148,579	72,355	1,220,934	1,154,652	1,366,540
1.08 Counselling	642,956	139,391	782,347	5,713	788,060	744,732	875,954
1.10 Special Education	7,586,682	1,798,576	9,385,258	430,338	9,815,596	10,305,993	9,842,674
1.30 English as a Second Language	265,506	65,125	330,631	3,834	334,465	310,204	242,655
1.31 Aboriginal Education	555,518	121,983	677,501	26,063	703,564	735,965	680,990
1.41 School Administration	2,525,033	497,509	3,022,542	47,471	3,070,013	3,359,403	4,897,921
1.62 Off Shore Students	424,921	98,578	523,499	392,239	915,738	1,632,968	954,396
1.64 Other	3,942,926	859,197	4,802,123	1,673,418	6,475,541	6,413,080	6,062,499
Total Function 1	44,049,004	10,688,842	54,737,846	5,280,410	60,018,256	61,013,856	60,379,749
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	501,991	82,792	584,783	63,246	648,029	671,619	635,697
4.40 School District Governance	75,356	982	76,338	79,055	155,393	166,161	166,999
4.41 Business Administration	929,987	198,184	1,128,171	348,737	1,476,908	1,446,638	1,497,208
Total Function 4	1,507,334	281,958	1,789,292	491,038	2,280,330	2,284,418	2,299,904
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	322,568	48,132	370,700	292,349	663,049	569,870	623,066
5.50 Maintenance Operations	3,051,369	692,334	3,743,703	883,902	4,627,605	4,523,607	4,421,427
5.52 Maintenance of Grounds	339,743	81,969	421,712	89,562	511,274	580,279	649,185
5.56 Utilities	-	-	-	1,059,677	1,059,677	1,153,639	1,204,253
Total Function 5	3,713,680	822,435	4,536,115	2,325,490	6,861,605	6,827,395	6,897,931
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	79,592	14,653	94,245	1,110	95,355	104,057	93,996
7.70 Student Transportation	643,029	159,715	802,744	329,384	1,132,128	1,137,386	1,101,919
Total Function 7	722,621	174,368	896,989	330,494	1,227,483	1,241,443	1,195,915
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 49,992,639	\$ 11,967,603	\$ 61,960,242	\$ 8,427,432	\$ 70,387,674	\$ 71,367,112	\$ 70,773,499

**SCHOOL DISTRICT No. 63 (SAANICH)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010**

Schedule A5

BALANCE, BEGINNING OF YEAR

Changes for the Year

Increase:

-

Decrease:

-

Net Changes for the Year

-

BALANCE, END OF YEAR

\$

-

**SCHOOL DISTRICT No. 63 (SAANICH)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2010**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 1,659,079	\$ 33,134	\$ 813,117		\$ 2,505,330
Add: Contributions Received					
Provincial Grants - Ministry of Education	753,704				753,704
Other			2,717,278		2,717,278
Investment Income	24,996				24,996
	778,700	-	2,717,278	-	3,495,978
Less: Allocated to Revenue	1,475,954		2,594,354		4,070,308
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 961,825	\$ 33,134	\$ 936,041	\$ -	\$ 1,931,000
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 1,475,954				\$ 1,475,954
Other Revenue			2,594,354		2,594,354
	1,475,954	-	2,594,354	-	4,070,308
EXPENSE					
Salaries					
	-	-	-	-	-
Services and Supplies	120,724		2,591,931		2,712,655
	120,724	-	2,591,931	-	2,712,655
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	1,355,230	-	2,423	-	1,357,653
INTERFUND TRANSFERS					
Capital Assets Purchased	(1,355,230)		(2,423)		(1,357,653)
	(1,355,230)	-	(2,423)	-	(1,357,653)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 63 (SAANICH)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 1,597,867	\$ 61,212	\$ 1,659,079
Add: Contributions Received			
Provincial Grants - Ministry of Education	732,170	21,534	753,704
Investment Income	24,996		24,996
	757,166	21,534	778,700
Less: Allocated to Revenue	1,441,187	34,767	1,475,954
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 913,846	\$ 47,979	\$ 961,825
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	\$ 1,441,187	\$ 34,767	\$ 1,475,954
	1,441,187	34,767	1,475,954
EXPENSE			
Salaries			
	-	-	-
Services and Supplies	85,957	34,767	120,724
	85,957	34,767	120,724
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	1,355,230	-	1,355,230
INTERFUND TRANSFERS			
Capital Assets Purchased	(1,355,230)		(1,355,230)
	(1,355,230)	-	(1,355,230)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -

**SCHOOL DISTRICT No. 63 (SAANICH)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010**

Schedule B3

	Community Mobilization	Community Access	Regional Implementation	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 12,529	\$ 13,801	\$ 6,804	\$ 33,134
Add: Contributions Received	-	-	-	-
	-	-	-	-
Less: Allocated to Revenue	-	-	-	-
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 12,529	\$ 13,801	\$ 6,804	\$ 33,134
REVENUE AND EXPENSE				
REVENUE				
	-	-	-	-
EXPENSE				
Salaries				
	-	-	-	-
	-	-	-	-
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-	-
INTERFUND TRANSFERS				
	-	-	-	-
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 63 (SAANICH)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2010

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	\$ 6,103,154	\$ 147,146,658	\$ 2,672,422	\$ 1,765,583	\$ 82,254	\$ 14,345	\$ 157,784,416
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		1,168,554		259,063			1,427,617
Deferred Contributions - Other		460,701					460,701
Operating Fund		759,985	270,853	36,781		21,630	1,089,249
Special Purpose Funds		1,355,230	2,423				1,357,653
Local Capital			812,624				812,624
Transferred from Work in Progress		1,284,121					1,284,121
	-	5,028,591	1,085,900	295,844	-	21,630	6,431,965
Decrease:							
Disposed of	2,713	1,272,003					1,274,716
Deemed Disposals			18,541	79,939			98,480
	2,713	1,272,003	18,541	79,939	-	-	1,373,196
COST, END OF YEAR	6,100,441	150,903,246	3,739,781	1,981,488	82,254	35,975	162,843,185
WORK IN PROGRESS, END OF YEAR		3,186,375					3,186,375
COST AND WORK IN PROGRESS, END OF YEAR	\$ 6,100,441	\$ 154,089,621	\$ 3,739,781	\$ 1,981,488	\$ 82,254	\$ 35,975	\$ 166,029,560
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		\$ 42,068,172	\$ 756,854	\$ 572,192	\$ 16,635	\$ (1)	\$ 43,413,852
Changes for the Year							
Increase: Amortization for the Year		3,421,404	267,242	176,558	16,451	2,869	3,884,524
Decrease:							
Disposed of		1,065,028					1,065,028
Deemed Disposals			18,541	79,939			98,480
	-	1,065,028	18,541	79,939	-	-	1,163,508
ACCUMULATED AMORTIZATION, END OF YEAR	\$ -	\$ 44,424,548	\$ 1,005,555	\$ 668,811	\$ 33,086	\$ 2,868	\$ 46,134,868
CAPITAL ASSETS - NET	\$ 6,100,441	\$ 109,665,073	\$ 2,734,226	\$ 1,312,677	\$ 49,168	\$ 33,107	\$ 119,894,692

SCHOOL DISTRICT No. 63 (SAANICH)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2010

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 1,636,031	\$ -	\$ -	\$ -	\$ 1,636,031
Changes for the Year					
Increase					
Deferred Contributions - Bylaw	2,830,736				2,830,736
Local Capital	3,729				3,729
	<u>2,834,465</u>	-	-	-	<u>2,834,465</u>
Decrease					
Transferred to Capital Assets	1,284,121				1,284,121
	<u>1,284,121</u>	-	-	-	<u>1,284,121</u>
Net Changes for the Year	<u>1,550,344</u>	-	-	-	<u>1,550,344</u>
WORK IN PROGRESS, END OF YEAR	<u>\$ 3,186,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,186,375</u>

SCHOOL DISTRICT No. 63 (SAANICH)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$ 80,376,622	\$ 885,979	\$ -	\$ 81,262,601
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Capital Additions	1,427,617	460,701		1,888,318
Transferred from Work in Progress	946,471			946,471
Transfer Other Capital Contributions to DCC	(875,000)		875,000	-
Repayment of Bank Loan	2,123,524	4,776,476		6,900,000
	<u>3,622,612</u>	<u>5,237,177</u>	<u>875,000</u>	<u>9,734,789</u>
Decrease				
Amortization of Deferred Capital Contributions	2,941,704	22,659		2,964,363
Revenue Recognized on Disposal of Buildings	206,975			206,975
	<u>3,148,679</u>	<u>22,659</u>	<u>-</u>	<u>3,171,338</u>
Net Changes for the Year	<u>473,933</u>	<u>5,214,518</u>	<u>875,000</u>	<u>6,563,451</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 80,850,555</u>	<u>\$ 6,100,497</u>	<u>\$ 875,000</u>	<u>\$ 87,826,052</u>
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 1,299,181	\$ -	\$ -	\$ 1,299,181
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Work in Progress	2,830,736			2,830,736
	<u>2,830,736</u>	<u>-</u>	<u>-</u>	<u>2,830,736</u>
Decrease				
Transferred to Deferred Capital Contributions	946,471			946,471
	<u>946,471</u>	<u>-</u>	<u>-</u>	<u>946,471</u>
Net Changes for the Year	<u>1,884,265</u>	<u>-</u>	<u>-</u>	<u>1,884,265</u>
WORK IN PROGRESS, END OF YEAR	<u>\$ 3,183,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,183,446</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 84,034,001</u>	<u>\$ 6,100,497</u>	<u>\$ 875,000</u>	<u>\$ 91,009,498</u>

**SCHOOL DISTRICT No. 63 (SAANICH)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010**

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	\$ 1,129,485	\$ 194,743	\$ -	\$ -	\$ 735,000	\$ 2,059,228
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	5,846,568					5,846,568
Other					140,000	140,000
MEd Restricted Portion of Proceeds on Disposal		5,362,500				5,362,500
	<u>5,846,568</u>	<u>5,362,500</u>	<u>-</u>	<u>-</u>	<u>140,000</u>	<u>11,349,068</u>
Decrease:						
Transferred to DCC - Capital Additions	1,427,617	460,701				1,888,318
Transferred to DCC - Work in Progress	2,830,736					2,830,736
Repayment of Bank Loan	2,123,524	4,776,476				6,900,000
Transfer Other Capital Contributions to DCC	(875,000)				875,000	-
Interest on Bank Loan	294,700					294,700
	<u>5,801,577</u>	<u>5,237,177</u>	<u>-</u>	<u>-</u>	<u>875,000</u>	<u>11,913,754</u>
Net Changes for the Year	<u>44,991</u>	<u>125,323</u>	<u>-</u>	<u>-</u>	<u>(735,000)</u>	<u>(564,686)</u>
BALANCE, END OF YEAR	<u>\$ 1,174,476</u>	<u>\$ 320,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,494,542</u>

SCHOOL DISTRICT No. 63 (SAANICH)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2010

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 26,544,813	\$ 3,060,358	\$ 29,605,171
Changes for the Year			
Investment Income		87,456	87,456
Gain (Loss) on Disposal of Capital Assets	1,784,787		1,784,787
District Portion of Proceeds on Disposal	(1,787,500)	1,787,500	-
Amortization of Deferred Capital Contributions	2,964,363		2,964,363
Capital Assets Purchased from Local Capital	812,624	(812,624)	-
Interfund Transfers - Capital Assets Purchased	2,446,902		2,446,902
Interfund Transfers - Capital Assets WIP	3,729	(3,729)	-
Interfund Transfers - Local Capital		60,000	60,000
Amortization of Capital Assets	(3,884,524)		(3,884,524)
Proceeds on Disposal of Equipment		28,046	28,046
Net Changes for the Year	2,340,381	1,146,649	3,487,030
BALANCE, END OF YEAR	\$ 28,885,194	\$ 4,207,007	\$ 33,092,201