

Consolidated Audited Financial Statements of

School District No. 37 (Delta)

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

School District No. 37 (Delta)

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

Table of Contents

Management Report	1
Independent Auditor's Report	2-3
Consolidated Statement of Financial Position - Statement 1	4
Consolidated Statement of Operations - Statement 2	5
Consolidated Statement of Change in Net Financial Assets (Debt) - Statement 4	6
Consolidated Statement of Cash Flows - Statement 5	7
Notes to the Consolidated Financial Statements	8-35
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1	36
Schedule of Operating Operations - Schedule 2	37
Schedule 2A - Schedule of Operating Revenue by Source	38
Schedule 2B - Schedule of Operating Expense by Object	39
Schedule 2C - Operating Expense by Function, Program and Object	40
Schedule of Special Purpose Operations - Schedule 3	42
Schedule 3A - Changes in Special Purpose Funds and Expense by Object	43
Schedule of Capital Operations - Schedule 4	46
Schedule 4A - Tangible Capital Assets	47
Schedule 4B - Tangible Capital Assets - Work in Progress	48
Schedule 4C - Deferred Capital Revenue	49
Schedule 4D - Changes in Unspent Deferred Capital Revenue	50

School District No. 37 (Delta)

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements.

The accompanying consolidated financial statements of School District No. 37 (Delta) have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

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

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 37 (Delta) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board.

The external auditors, PricewaterhouseCoopers LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of School District No. 37 (Delta) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 37 (Delta)

Laura Dixon	Original Document Signed	9/24/2013
Signature of the Chairperson of the Board of Education		Date Signed
Dianne Turner	Original Document Signed	9/24/2013
Signature of the Superintendent		Date Signed
Joe Strain	Original Document Signed	9/24/2013
Signature of the Secretary Treasurer		Date Signed



September 24, 2013

Independent Auditor's Report

To the Board of Education of School District No. 37 - Delta

We have audited the statements of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011 and the statements of operations, remeasurement gains and losses, changes in net financial assets, and cash flows for the years ended June 30, 2013 and June 30, 2012, comprising Statements 1 to 5, of School District No. 37 - Delta. The attached supplementary information included in Schedules 1 through 4D is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other matter

The supplementary information included in Schedules 1 to 4D has not been audited.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of School District No. 37 - Delta as at June 30, 2013 and June 30, 2012 and July 1, 2011 and the results of its operations, its remeasurement gains and losses, changes in net financial assets and its cash flows for the years ended June 30, 2013 and June 30, 2012 in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Basis of accounting

Without modifying our opinion, we draw attention to note 3 of the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Accountants

School District No. 37 (Delta)

Consolidated Statement of Financial Position

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

	June 30, 2013	June 30, 2012 (Restated-Note 2)	July 1, 2011 (Restated-Note 2)
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	22,107,572	7,601,177	13,448,832
Accounts Receivable			
Due from Province - Ministry of Education	65,802	50,527	55,778
Due from Province - Other	34,644	124,394	151,885
Due from LEA/Direct Funding	229,672	194,882	187,875
Other (Note 4)	953,771	1,002,828	1,235,270
Portfolio Investments (Note 5)	16,388,469	25,318,051	14,697,940
Total Financial Assets	39,779,930	34,291,859	29,777,580
Liabilities			
Accounts Payable and Accrued Liabilities			
Due to Province - Other (Note 6)	1,801		
Other (Note 6)	9,759,971	9,167,103	9,488,810
Unearned Revenue (Note 7)	5,397,296	3,930,686	2,713,461
Deferred Revenue (Note 8)	1,844,354	1,727,209	2,738,582
Deferred Capital Revenue (Note 9)	79,540,621	76,392,267	77,516,189
Employee Future Benefits (Note 10)	3,658,340	3,313,918	3,290,630
Capital Lease Obligations (Note 11)	1,301,919	363,395	708,085
Other Liabilities	1,094,198	1,094,132	1,143,776
Total Liabilities	102,598,500	95,988,710	97,599,533
Net Financial Assets (Debt)	(62,818,570)	(61,696,851)	(67,821,953)
Non-Financial Assets			
Tangible Capital Assets (Note 12)	108,299,544	105,464,793	107,402,636
Prepaid Expenses	406,059	285,250	362,594
Supplies Inventory	26,167	77,561	18,919
Total Non-Financial Assets	108,731,770	105,827,604	107,784,149
Accumulated Surplus (Deficit)	45,913,200	44,130,753	39,962,196

Contractual Obligations and Contingencies (Note 17 & 19)

Approved by the Board

Laura Dixon	Original Document Signed	9/24/2013
Signature of the Chairperson of the Board of Education		Date Signed

Dianne Turner	Original Document Signed	9/24/2013
Signature of the Superintendent		Date Signed

Joe Strain	Original Document Signed	9/24/2013
Signature of the Secretary Treasurer		Date Signed

School District No. 37 (Delta)

Consolidated Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Note 18) \$	2013 Actual \$	2012 Actual (Restated-Note 2) \$
Revenues			
Provincial Grants			
Ministry of Education	136,751,983	137,537,634	136,462,384
Other	2,889,392	2,796,071	2,923,000
Federal Grants		50,485	36,261
Tuition	5,943,100	7,311,964	5,533,972
Other Revenue	6,774,473	7,402,847	7,816,371
Rentals and Leases	754,000	702,985	723,062
Investment Income (Note 25)	352,700	444,880	353,090
Gain (Loss) on Disposal of Tangible Capital Assets (Note 13)		300,000	
Amortization of Deferred Capital Revenue	3,129,843	3,129,843	3,115,960
Total Revenue	<u>156,595,491</u>	<u>159,676,709</u>	<u>156,964,100</u>
Expenses (Note 21)			
Instruction	133,533,970	132,187,069	127,050,357
District Administration	3,691,370	3,941,180	3,755,528
Operations and Maintenance	20,503,236	20,260,708	20,409,469
Transportation and Housing	1,564,093	1,482,641	1,544,032
Debt Services	28,907	22,664	36,157
Total Expense	<u>159,321,576</u>	<u>157,894,262</u>	<u>152,795,543</u>
Surplus (Deficit) for the year	<u>(2,726,085)</u>	<u>1,782,447</u>	<u>4,168,557</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		44,130,753	39,962,196
Accumulated Surplus (Deficit) from Operations, end of year		<u>45,913,200</u>	<u>44,130,753</u>

School District No. 37 (Delta)

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

	2013 Budget (Note 18) \$	2013 Actual \$	2012 Actual (Restated-Note 2) \$
Surplus (Deficit) for the year	<u>(2,726,085)</u>	<u>1,782,447</u>	<u>4,168,557</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(8,752,141)	(7,456,897)	(2,694,068)
Amortization of Tangible Capital Assets	4,622,146	4,622,146	4,631,911
Total Effect of change in Tangible Capital Assets	<u>(4,129,995)</u>	<u>(2,834,751)</u>	<u>1,937,843</u>
Acquisition of Prepaid Expenses		(762,678)	(482,699)
Use of Prepaid Expenses		641,869	560,043
Acquisition of Supplies Inventory		(26,167)	(77,561)
Use of Supplies Inventory		77,561	18,919
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(69,415)</u>	<u>18,702</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(6,856,080)</u>	<u>(1,121,719)</u>	<u>6,125,102</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(1,121,719)</u>	<u>6,125,102</u>
Net Financial Assets (Debt), beginning of year		<u>(61,696,851)</u>	<u>(67,821,953)</u>
Net Financial Assets (Debt), end of year		<u>(62,818,570)</u>	<u>(61,696,851)</u>

School District No. 37 (Delta)

Consolidated Statement of Cash Flows
Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,782,447	4,168,557
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	88,742	258,177
Supplies Inventories	51,394	(58,642)
Prepaid Expenses	(120,809)	77,344
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	594,669	(321,709)
Unearned Revenue	1,466,610	1,217,225
Deferred Revenue	117,145	(1,011,373)
Employee Future Benefits	344,422	23,288
Other Liabilities	66	(49,644)
Loss (Gain) on Disposal of Tangible Capital Assets	(300,000)	
Amortization of Tangible Capital Assets	4,622,146	4,631,911
Amortization of Deferred Capital Revenue	(3,129,843)	(3,115,960)
Total Operating Transactions	5,516,989	5,819,174
Capital Transactions		
Tangible Capital Assets Purchased	(397,716)	(2,179,039)
Tangible Capital Assets -WIP Purchased	(5,868,069)	(485,899)
District Portion of Proceeds on Disposal	300,000	
Reimbursement from Deferred Capital Revenue	(50,000)	(53,300)
Total Capital Transactions	(6,015,785)	(2,718,238)
Financing Transactions		
Capital Revenue Received	6,328,197	2,045,342
Capital Lease Payment	(252,588)	(373,822)
Total Financing Transactions	6,075,609	1,671,520
Investing Transactions		
Investments in Portfolio Investments	8,929,582	(10,620,111)
Total Investing Transactions	8,929,582	(10,620,111)
Net Increase (Decrease) in Cash and Cash Equivalents	14,506,395	(5,847,655)
Cash and Cash Equivalents, beginning of year	7,601,177	13,448,832
Cash and Cash Equivalents, end of year	22,107,572	7,601,177
Cash and Cash Equivalents, end of year, is made up of:		
Cash	22,107,572	7,601,177
	<u>22,107,572</u>	<u>7,601,177</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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. 37 (Delta)", and operates as "School District No. 37 (Delta)." 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. 37 (Delta) is exempt from federal and provincial corporate income taxes.

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2012/13 fiscal year, the School District has adopted Canadian Public Sector Accounting ("PSA") standards without not-for-profit provisions except as described in Note 3 (a). These consolidated financial statements are the first consolidated financial statements for which the School District has applied PSA standards.

The School District has elected to use the following exemptions available as of July 1, 2011, the date of transition to the new accounting framework:

- Retirement and post-employment benefits:
 - a. The School District has elected to delay the application of *Sections PS 3250 and 3255* relative to the discount rate used until June 30, 2013 (to coincide with the March 31, 2013 valuation) or within three years of the transition date to PSA standards, whichever is sooner;
 - b. The School District has elected to recognize all cumulative actuarial gains and losses at July 1, 2011 directly in accumulated surplus; and
- Tangible capital asset impairment:
 - a. The School District has elected to apply *Section PS 3150* on a prospective basis from the date of transition.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS
(Continued)

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

- Previously, the School District was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. PSA standards require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the School District in return for the benefits. An adjustment was made to recognize a liability and an expense related to accumulated sick leave entitlements. The adjustment to the liability for employee future benefits at July 1, 2011 was \$537,843 resulting in a revised liability of \$3,290,630. An additional expense of \$27,875 was recognized in the 2012 fiscal year resulting in a revised liability for employee future benefits at June 30, 2012 of \$3,313,918 related to the accrual for accumulated sick leave entitlements, determined by an actuarial valuation.
- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains and losses relating to employee future benefits of \$85,766 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. An additional expense of \$85,766 was recognized in the 2012 fiscal year as a result of removing the amortization of those cumulative actuarial gains and losses.

	Previously stated July 1, 2011	Adjustment July 1, 2011	Restated July 1, 2011
	\$	\$	\$
Unearned Revenue (formerly Other Current Liabilities)	0	2,713,461	2,713,461
Deferred Revenue (formerly Deferred Contribution)	6,426,893	-3,688,311	2,738,582
Employee Future Benefits	2,667,021	623,609	3,290,630
Deferred Capital Revenue	76,344,036	1,172,153	77,516,189

	Previously stated June 30, 2012	Adjustment June 30, 2012	Restated June 30, 2012
	\$	\$	\$
Unearned Revenue (formerly Other Current Liabilities)	0	3,930,686	3,930,686
Deferred Revenue (formerly Deferred Contribution)	5,555,048	-3,827,837	1,727,211
Employee Future Benefits	2,718,184	595,734	3,313,918
Deferred Capital Revenue	75,081,349	1,310,918	76,392,267



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS
(Continued)

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

Accumulated surplus as originally reported, July 1, 2011	\$38,069,644
Adjustments to accumulated surplus	
Add non-vested benefits to Employee Future Benefits	(537,843)
Recognize cumulative unamortized actuarial gain/loss on Employee Future Benefits	(85,766)
Reclassify Deferred Contributions	<u>2,516,161</u>
Accumulated surplus as restated, July 1, 2011	<u>\$39,962,196</u>
Annual surplus as originally reported for the year ended June 30, 2012	\$4,139,921
Adjustments to annual surplus for the year	
Employee Future Benefits amortization expense/revenue	27,875
Reclassify Deferred Contributions to revenue	<u>761</u>
Annual surplus for the year as restated for the year ended June 30, 2012	<u>4,168,557</u>
Accumulated surplus, end of year as restated, June 30, 2012	<u><u>\$44,130,753</u></u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

In September 2010, the Province of British Columbia Treasury Board (“Treasury Board”) provided directive through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sector to adopt PSA standards of the Canadian Institute of Chartered Accountants (“CICA”) without not-for-profit provisions from their first fiscal year commencing after January 1, 2012. In March 2011, PSAB released a new *Section PS 3410 “Government Transfers”*. In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Notes 3(g) and 3(o).

Detailed information on the impact of conversion to the new accounting framework is provided in Note 2.

As noted in notes 3 (g) and 3 (o), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

July 1, 2011 - increase in accumulated surplus and decrease in deferred contributions by \$77,516,189

Year-ended June 30, 2012 - decrease in annual surplus by (\$1,123,922)

June 30, 2012 - increase in accumulated surplus and decrease in deferred contributions by \$76,392,267

Year-ended June 30, 2013 – increase in annual surplus by \$3,148,354

June 30, 2013 – increase in accumulated surplus and decrease in deferred contributions by \$79,540,621



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

b) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Delta Global Campus Limited is 100 percent owned by the School District. In accordance with the BC School Act, the School District is the holder of the one (1) issued School District No. 37 Business Company common voting share. Delta Global Campus is reported in the special purpose fund and is accounted for using the consolidation method.

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

d) Accounts Receivable

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

e) Portfolio Investments

The School District has investments in term deposits and GIC's that have maturity dates of greater than 3 months at the time of acquisition. Term deposits and GIC's not quoted in an active market are reported at cost or amortized cost.

Detailed information regarding portfolio investments is disclosed in Note 5.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

f) Unearned Revenue

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

g) Deferred Revenue and Deferred Capital Revenue

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

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



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 except as per the election described in note 2.

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

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

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

i) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- 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 Consolidated Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

l) Prepaid Expenses

The following items are included as a prepaid expense and are stated at acquisition cost and are charged to expense over the periods expected to benefit from it:

- Insurance for fleet vehicles
- Annual software support agreements
- Prepaid memberships, subscriptions and registration fees
- Prepaid utility costs

m) Supplies Inventory

Supplies inventory held for consumption or use include materials and supplies for Facilities use and are recorded at the lower of historical cost and replacement cost.

n) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 15 – Interfund Transfers and Note 22 – Internally Restricted Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

o) Revenue Recognition

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

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

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

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

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

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

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

p) Expenditures

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

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees 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, 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.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

q) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, long term debt and other liabilities. All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

Recognition, derecognition and measurement policies followed in the financial statements for periods prior to July 1, 2012 are not reversed and, therefore, the financial statements of prior periods, including comparative information, have not been restated.

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

As at July 1, 2011, June 30, 2012 and for the year ended June 30, 2012, financial instruments were accounted for in accordance with Part V of the CICA Handbook. There were no changes in the recognition and measurement of financial instruments upon conversion to public sector accounting standards.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

r) Measurement Uncertainty

Preparation of consolidated financial statements in accordance with the basis of accounting described in note 3 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the consolidated 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, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

s) Future Change in Accounting Policies

There have been no changes identified for the year 2013-2014 at this time.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2013	June 30, 2012	July 1, 2011
Due from Federal Government	\$ 345,729	\$ 440,360	\$ 477,741
Other	608,042	562,468	757,529
	<u>\$ 953,771</u>	<u>\$1,002,828</u>	<u>\$1,235,270</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 5 PORTFOLIO INVESTMENTS

	June 30, 2013	Cost June 30, 2012	July 1, 2011
Investments in the cost and amortized cost category:			
GIC's	\$ 27,088	\$ 27,088	\$ 26,859
Term deposits	16,361,381	25,290,963	14,671,081
	\$16,388,469	\$25,318,051	\$14,697,940

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2013	June 30, 2012	July 1, 2011
Due to Province - Other	\$ 1,801	\$	\$
Trade & Accrued payables	2,659,265	1,622,431	2,194,527
Wages payable	1,487,465	1,459,253	1,270,567
Payroll Deductions payable	4,778,565	5,111,139	5,005,608
Other	834,676	974,280	1,018,108
	\$9,761,772	\$9,167,103	\$9,488,810

NOTE 7 UNEARNED REVENUE

	June 30, 2013	June 30, 2012
Balance, beginning of year	\$3,930,686	\$2,713,461
Changes for the year:		
Increase:		
Tuition fees	8,635,193	6,702,145
Rental/Lease of facilities	711,254	673,574
	9,346,447	7,375,719
Decrease:		
Tuition fees	(7,176,773)	(5,455,312)
Rental/Lease of facilities	(703,064)	(703,182)
Net changes for the year	1,446,610	1,217,225
Balance, end of year	\$5,397,296	\$3,930,686



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

Detailed information about the changes in deferred revenue for restated years and about deferred revenues for the year ended June 30, 2013 is provided below. In years prior to 2013, deferred revenue was disclosed by funding source. The information provided shows the changes to deferred contributions i) by funding source and ii) in total. Deferred revenue for 2013 is shown under iii).

i) Changes in deferred revenue by funding source for June 30, 2012

DEFERRED REVENUE - MINISTRY OF EDUCATION	Previously stated Jun 30, 2012	Adjustment Jun 30, 2012	Restated Jun 30, 2012
Balance, beginning of year	2,766,906	(1,555,658)	1,211,248
Changes for the year:			
Increase:			
<i>Provincial Grants</i>	5,653,678	(1,862,206)	3,791,472
<i>Investment Income</i>	6,107	-	6,107
<i>Other</i>	3	-	3
	5,659,788	(1,862,206)	3,797,582
Decrease:			
<i>Transfer to Revenue</i>	(6,404,480)	1,805,934	(4,598,546)
Net changes for the year	(744,692)	(56,272)	(800,964)
Balance, end of year	2,022,214	(1,611,930)	410,284

DEFERRED REVENUE - PROVINCE - OTHER	Previously stated Jun 30, 2012	Adjustment Jun 30, 2012	Restated Jun 30, 2012
Balance, beginning of year	122,909	-	122,909
Changes for the year:			
Increase:			
<i>Provincial Grants - Other</i>	267,482	-	267,482
<i>Investment Income</i>	-	-	-
<i>Other</i>	-	-	-
	267,482	-	267,482
Decrease:			
<i>Transfer to Revenue</i>	(253,048)	-	(253,048)
Net changes for the year	14,434	-	14,434
Balance, end of year	137,343	-	137,343



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 8 DEFERRED REVENUE (Continued)

DEFERRED REVENUE - OTHER	Previously stated Jun 30, 2012	Adjustment Jun 30, 2012	Restated Jun 30, 2012
Balance, beginning of year	3,537,078	(2,132,653)	1,404,425
Changes for the year:			
Increase:			
<i>Federal Grants</i>	36,005	-	36,005
<i>Investment Income</i>	6,374	-	6,374
<i>Other</i>	6,008,958	(4,409,886)	1,599,072
	<u>6,051,337</u>	<u>(4,409,886)</u>	<u>1,641,451</u>
Decrease:			
<i>Transfer to Revenue</i>	(6,065,628)	4,199,334	(1,866,294)
<i>Transfer to DCC - Cap Additions</i>	(102,289)	102,289	-
<i>Other</i>	(25,007)	25,007	-
	<u>(141,587)</u>	<u>(83,256)</u>	<u>(224,843)</u>
Net changes for the year	<u>(141,587)</u>	<u>(83,256)</u>	<u>(224,843)</u>
Balance, end of year	<u>3,395,491</u>	<u>(2,215,909)</u>	<u>1,179,582</u>

ii) Changes in total deferred revenues for June 30, 2012

DEFERRED REVENUE TOTAL	Previously stated Jun 30, 2012	Adjustment Jun 30, 2012	Restated Jun 30, 2012
Balance, beginning of year	6,426,893	(3,688,311)	2,738,582
Changes for the year:			
Increase:			
<i>Provincial Grants</i>	5,653,678	(1,862,206)	3,791,472
<i>Provincial Grants - Other</i>	267,482	-	267,482
<i>Federal Grants</i>	36,005	-	36,005
<i>Investment Income</i>	12,481	-	12,481
<i>Other</i>	6,008,961	(4,409,887)	1,599,074
	<u>11,978,607</u>	<u>(6,272,093)</u>	<u>5,706,514</u>
Decrease:			
<i>Transfer to Revenue</i>	(12,723,156)	6,005,269	(6,717,887)
<i>Transfer to DCC - Cap Additions</i>	(102,289)	102,289	-
<i>Other</i>	(25,007)	25,007	-
	<u>(871,845)</u>	<u>(139,528)</u>	<u>(1,011,373)</u>
Net changes for the year	<u>(871,845)</u>	<u>(139,528)</u>	<u>(1,011,373)</u>
Balance, end of year	<u>5,555,048</u>	<u>(3,827,839)</u>	<u>1,727,209</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 8 DEFERRED REVENUE *(Continued)*

iii) Deferred revenue for June 30, 2013

DEFERRED REVENUE

TOTAL	<u>Jun 30, 2013</u>
Balance, beginning of year	1,727,209
Changes for the year:	
Increase:	
<i>Provincial Grants</i>	5,978,991
<i>Provincial Grants - Other</i>	475,350
<i>Federal Grants</i>	54,000
<i>Investment Income</i>	8,860
<i>Other</i>	<u>2,101,697</u>
	<u>8,618,898</u>
Decrease:	
<i>Transfer to Revenue</i>	(8,463,349)
<i>Transfer to DCC - Cap Additions</i>	(37,527)
<i>Other</i>	<u>(877)</u>
Net changes for the year	<u>117,145</u>
Balance, end of year	<u>1,844,354</u>

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.

Detailed information about the changes in deferred capital revenue for restated years and about deferred capital revenues for the year ended 2013 year is provided below.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 9 DEFERRED CAPITAL REVENUE (Continued)

i) Changes in deferred capital revenue for June 30, 2012

DEFERRED CAPITAL REVENUE	Previously stated 30-Jun-12	Adjustment 30-Jun-12	Restated 30-Jun-12
Balance, beginning of year	76,344,036	1,172,153	77,516,189
Changes for the year:			
Increase:			
<i>Transfer to DCR - Cap Additions</i>	102,289	-	102,289
<i>Other - Trsf fr. DCR WIP</i>	1,750,984	-	1,750,984
<i>Provincial Grants</i>	-	1,917,553	1,917,553
<i>Provincially Restrictred Capital</i>	-	-	-
<i>Other Provincial Capital</i>	-	-	-
<i>Other Capital</i>	-	127,785	127,785
	<u>1,853,273</u>	<u>2,045,338</u>	<u>3,898,611</u>
Decrease:			
<i>Amortization</i>	(3,115,960)	-	(3,115,960)
<i>Transfer to DCR - Cap Additions</i>	-	(102,289)	(102,289)
<i>Transfer to DCR - WIP</i>	-	(1,750,984)	(1,750,984)
<i>Other</i>	-	(53,300)	(53,300)
Net changes for the year	<u>(1,262,687)</u>	<u>138,765</u>	<u>(1,123,922)</u>
Balance, end of year	<u>75,081,349</u>	<u>1,310,918</u>	<u>76,392,267</u>

ii) Deferred capital revenue for June 30, 2013

DEFERRED CAPITAL REVENUE	<u>Jun 30, 2013</u>
Balance, beginning of year	76,392,267
Changes for the year:	
Increase:	
<i>Transfer to DCR - Cap Additions</i>	54,766
<i>Other - Trsf fr. DCR WIP</i>	4,538,374
<i>Provincial Grants</i>	4,834,540
<i>Provincially Restrictred Capital</i>	1,288,200
<i>Other Provincial Capital</i>	-
<i>Other Capital</i>	205,457
	<u>10,921,337</u>
Decrease:	
<i>Amortization</i>	(3,129,843)
<i>Transfer to DCR - Cap Additions</i>	(54,766)
<i>Transfer to DCR - WIP</i>	(4,538,374)
<i>Other</i>	(50,000)
Net changes for the year	<u>3,148,354</u>
Balance, end of year	<u>79,540,621</u>



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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.

	June 30, 2013	June 30, 2012
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$3,499,349	\$2,908,628
Non-vested Benefit Obligation – July 1, 2011	█	537,843
Service Cost	273,517	256,265
Interest Cost	151,147	164,938
Benefit Payments	(295,689)	(409,398)
Increase in obligation due to Plan Amendment	192,374	0
Actuarial Loss	782,334	41,073
Accrued Benefit Obligation – March 31	\$4,603,032	\$3,499,349
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$4,603,032	\$3,499,349
Market Value of Plan Assets – March 31	0	0
Funded Status – Deficit	(4,603,032)	(3,499,349)
Employer Contributions After Measurement Date	126,419	144,358
Unamortized Net Actuarial Loss	818,273	41,073
Accrued Benefit Liability – June 30	\$(3,658,340)	\$(3,313,918)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$3,313,918	\$2,667,021
Recognize Non-Vested Benefits – July 1, 2011	█	537,843
Recognize Unamortized Losses – July 1, 2011	█	85,766
Accrued Benefit Liability – July 1 (restated)	3,313,918	3,290,630
Net expense for Fiscal Year	622,172	421,203
Employer Contributions	(277,750)	(397,915)
Accrued Benefit Liability – June 30	\$3,658,340	\$3,313,918



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 10 EMPLOYEE FUTURE BENEFITS *(Continued)*

	June 30, 2013	June 30, 2012
Components of Net Benefit Expense		
Service Cost	\$273,517	\$256,265
Interest Cost	151,147	164,938
Immediate Recognition of Plan Amendment	192,374	0
Amortization of Net Actuarial (Gain)/Loss	5,134	0
Net Benefit Expense (Income)	\$622,172	\$421,203

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

	June 30, 2013	June 30, 2012
Discount Rate – April 1	4.25%	4.75%
Discount Rate – March 31	3.00%	4.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	8.6	8

NOTE 11 CAPITAL LEASE OBLIGATIONS

The District has nine (9) leases (with terms ranging from 1 month to 4 years, 8 months) for maintenance fleet vehicles and equipment. These leases bear interest rates averaging 4.95% with monthly principal and interest payments of \$26,588. The leases are secured with the vehicles and equipment and have a \$1 purchase option at the termination of the lease.

Repayments are due as follows:

	June 30, 2013
2013/2014	\$ 349,110
2014/2015	323,546
2015/2016	307,273
2016/2017	258,150
2017/2018	147,382
Thereafter	0
Total minimum lease payments	\$ 1,385,461
Less amounts representing interest	(83,542)
Present value of net minimum capital lease payments	\$ 1,301,919

Total interest on leases was \$22,664 for the year ended June 30, 2013 (\$36,157 for the year ended June 30, 2012)

SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 12 TANGIBLE CAPITAL ASSETS

June 30, 2013

Cost:	Balance at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 10,718,525	\$ -	\$ -	\$ -	\$ 10,718,525
Buildings	172,108,377	-	-	2,677,070	174,785,447
Buildings – work in progress	280,772	4,629,785	-	(2,677,070)	2,233,487
Furniture & Equipment	2,870,332	270,408	433,832	4,450	2,711,358
Furniture & Equipment under capital lease	1,699,871	1,186,959	-	-	2,886,830
Furniture & Equipment – work in progress	-	71,808	-	(4,450)	67,358
Vehicles	456,073	93,814	36,934	-	512,953
Vehicles under capital lease	702,090	4,153	-	-	706,243
Computer Software	70,138	33,494	12,214	20,437	111,855
Computer Software – work in progress	95,833	124,938	-	(20,437)	200,334
Computer Hardware	2,661,889	-	195,550	24,196	2,490,535
Computer Hardware – work in progress	12,848	1,041,538	-	(24,196)	1,030,190
Total	\$191,676,748	\$7,456,897	\$ 678,530	\$ -	\$198,455,115

Accumulated Amortization:	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Buildings	\$82,257,040	\$ 3,502,908	\$ -	\$85,759,948
Furniture & Equipment	1,458,098	287,029	433,832	1,311,295
Furniture & Equipment under capital lease	1,106,887	169,987	-	1,276,874
Vehicles	130,773	45,607	36,934	139,446
Vehicles under capital lease	203,253	70,209	-	273,462
Computer Software	30,476	14,028	12,214	32,290
Computer Hardware	1,025,428	532,378	195,550	1,362,256
Total	\$86,211,955	\$ 4,622,146	\$ 678,530	\$90,155,571



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2012

Cost:	Balance at July 1, 2011	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2012
Sites	\$ 10,718,525	\$ -	\$ -	\$ -	\$ 10,718,525
Buildings	169,981,397	-	-	2,126,980	172,108,377
Buildings – work in progress	271,051	2,136,701	-	(2,126,980)	280,772
Furniture & Equipment	3,318,694	211,696	660,058	-	2,870,332
Furniture & Equipment under capital lease	1,670,739	29,132	-	-	1,699,871
Vehicles	332,472	123,601	-	-	456,073
Vehicles under capital lease	702,090	-	-	-	702,090
Computer Software	113,164	-	43,026	-	70,138
Computer Software – work in progress	19,684	76,149	-	-	95,833
Computer Hardware	2,631,694	92,757	86,594	24,032	2,661,889
Computer Hardware – work in progress	12,848	24,032	-	(24,032)	12,848
Total	\$189,772,358	\$2,694,068	\$ 789,678	\$ -	\$191,676,748

Accumulated Amortization:	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Buildings	\$ 78,776,501	\$ 3,480,539	\$ -	\$ 82,257,040
Furniture & Equipment	1,786,286	331,870	660,058	1,458,098
Furniture & Equipment under capital lease	939,813	167,074	-	1,106,887
Vehicles	97,526	33,247	-	130,773
Vehicles under capital lease	133,044	70,209	-	203,253
Computer Software	50,869	22,633	43,026	30,476
Computer Hardware	585,683	526,339	86,594	1,025,428
Total	\$ 82,369,722	\$ 4,631,911	\$ 789,678	\$ 86,211,955

Net Book Value:

	Net Book Value June 30, 2013	Net Book Value June 30, 2012	Net Book Value July 1, 2011
Sites	\$ 10,718,525	\$ 10,718,525	\$ 10,718,525
Buildings	89,025,499	89,851,337	91,204,896
Buildings – work in progress	2,233,487	280,772	271,051
Furniture & Equipment	1,400,063	1,412,234	1,532,408
Furniture & Equipment under capital lease	1,609,956	592,984	730,926
Furniture & Equipment – work in progress	67,358	-	-
Vehicles	373,507	325,300	234,946
Vehicles under capital lease	432,781	498,837	569,046
Computer Software	79,565	39,662	62,295
Computer Software – work in progress	200,334	95,833	19,684
Computer Hardware	1,128,279	1,636,461	2,046,011
Computer Hardware – work in progress	1,030,190	12,848	12,848
Total	\$ 108,299,544	\$ 105,464,793	\$ 107,402,636

- Work in progress amounts have not been amortized. Amortization of these assets will commence when the asset is put into service.

NOTE 13 DISPOSAL OF SITES AND BUILDINGS

Land Exchange with the Corporation of Delta

On May 24, 2013, the Board of Education of School District No. 37 (Delta) and The Corporation of Delta completed a property deal which consisted of:

- a) The exchange of “like for like” lands netting out to zero net property gain or loss for either party, effectively cleaning-up all known historical property and maintenance boundaries. A total of three Board-owned properties (or portions thereof) were exchanged for five Corporation-owned properties (or portions thereof).
- b) The Corporation acquiring the 8.093 hectare (20 acre) Tsawwassen School Reserve (5491 - 18 Avenue), not including the residential lot to be subdivided and retained by the Board for future development, and amalgamating the site with its surrounding park reserve used for agricultural purposes; and the Board acquiring the 0.338 hectare (0.83 acre) East Delta School Reserve site (4900 - 96 Street) for possible future amalgamation with the Board-owned site to the north and redevelopment.

In consideration for the net property gain resulting from the foregoing, the Corporation paid the Board \$1.2 Million, which is intended to be used towards major improvements to the Science block at South Delta Secondary School and towards the new Delta Adult Learning Centre. The Board properties transferred to the Corporation were considered surplus to the needs of the Board and are not required for educational purposes.

In accordance with the Ministry’s Allocation of Proceeds from the Disposition of Capital Assets Policy, all net proceeds of the above real property net dispositions are apportioned at 25 percent to the Board (Local Capital) and 75 percent to the Minister (Restricted Capital).



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 14 EMPLOYEE PENSION PLANS

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

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

The Board of Education of School District No. 37 (Delta) paid \$13,128,710 for employer contributions to these plans in the year ended June 30, 2013 (\$12,870,890 in the year ended June 30, 2012).

NOTE 15 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2013, were as follows:

- **Capital Lease Principal:** A transfer to the Capital Fund of \$252,588, consisting of \$251,831 from the Operating Fund and \$757 from Special Purpose Funds covered the 2012/13 short-term principal portion of the district's capital leases.
- **Capital Lease Interest:** A transfer in the amount of \$22,664, consisting of \$22,544 from the Operating Fund and \$120 from Special Purpose Funds to the Capital Fund was made for the payment of capital lease interest.
- **Purchase of Capital Assets:** A transfer in the amount of \$309,456, consisting of \$278,729 from the Operating Fund and \$30,727 from Special Purpose Funds were transferred to the Capital Fund for the purchase of capital items, including computer hardware, electronic equipment, furniture and equipment, and vehicles
- **Capital Projects:** Transfers to the Capital Fund totaling \$1,244,626, consisted of \$1,237,826 from the Operating Fund and \$6,800 from Special Purpose Funds. These funds paid for building, computer hardware and software projects. Of the transferred funds, \$1,234,987 was spent before year-end, leaving \$9,639 for the completion of these projects in the Local Capital Reserve.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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.

NOTE 17 CONTRACTUAL OBLIGATIONS

The District enters into contracts through the normal course of operations.

NOTE 18 BUDGET FIGURES

The budget was approved by the Board through the adoption of an amended annual budget on *February 12, 2013*. For comparative purposes, Original and Amended Budgets have been provided below.

	2013 ORIGINAL BUDGET	2013 AMENDED BUDGET
REVENUES		
Provincial Grants		
Provincial Grants - Ministry of Education	\$136,125,832	\$136,751,983
Provincial Grants - Other	2,008,052	2,889,392
Municipal Grants Spent on Sites	0	0
Federal Grants	0	0
Tuition	5,712,200	5,943,100
Other Revenue	6,638,314	6,774,473
Rentals and Leases	709,000	754,000
Investment Income	306,800	352,700
Income (Loss) from Investments in GBEs	0	0
Gain (Loss) on Disposal of Tangible Capital Assets	0	0
Amortization of Deferred Capital Revenue	3,127,403	3,129,843
District Entered (Donated Assets + CRE)	0	0
Total Revenue	154,627,601	156,595,491
EXPENSES		
Instruction	131,739,585	133,533,972
District Administration	3,675,645	3,691,370
Operations and Maintenance	20,099,228	20,503,236
Transportation and Housing	1,609,093	1,564,093
Debt Services	27,224	28,907
Write-off/down of Buildings and Sites	0	0
District Entered	0	0
Total Expense	157,150,775	159,321,578
Surplus (Deficit) for the year	\$(2,523,174)	\$(2,726,087)



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 19 CONTINGENCIES

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

(b) Class action lawsuit: In 2011, the School District was served a writ of summons in a class action lawsuit involving 25 other school districts throughout the Province, seeking recovery of tuition fees paid for summer school courses in prior fiscal periods. The potential financial consequences are unknown at this time.

(c) Outstanding Labour Relations and Human Resources related matters may result in imposed or agreed to settlements. The potential amount of the loss to Delta, while not determinable, is not expected to exceed \$200,000.

NOTE 20 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2013, the School District has a liability of \$55,000 (2012 – nil) related to asset retirement obligations.

NOTE 21 EXPENSE BY OBJECT

	June 30, 2013	June 30, 2012
Salaries and benefits	\$132,195,984	\$128,160,797
Services and supplies	20,987,646	19,927,884
Interest	22,664	36,157
Amortization	4,622,146	4,631,911
Other	65,822	38,794
	\$157,894,262	\$152,795,543



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 22 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

<i>Restricted for 2013-14 Operations</i>	\$ 1,359,000	
<i>Education Technology and Infrastructure</i>	4,534,748	
<i>School Based Initiatives</i>	2,648,739	
<i>School Generated Funds</i>	2,050,482	
<i>District Initiatives</i>	2,566,046	
<i>Restricted for specific Operations Initiatives</i>	11,800,015	
Subtotal Internally Restricted		13,159,015
Unrestricted Operating Surplus (Deficit)		1,554,117
Total Available for Future Operations		\$14,713,132

NOTE 23 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 consolidated financial statements have been prepared on a going concern basis.

NOTE 24 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

It is management’s opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in term deposits, guaranteed investment certificates and the Province’s Shared K-12 Investment Pool.

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.



SCHOOL DISTRICT NO. 37 (DELTA)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 24 RISK MANAGEMENT *(Continued)*

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management’s opinion that the School District is not exposed to significant interest rate risk as they invest solely in term deposits, guaranteed investment certificates and the Province’s Shared K-12 Investment Pool that have a maturity date of no more than 3 years.

c) Liquidity risk

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

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

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

NOTE 25 SUPPLEMENTARY CASH FLOW INFORMATION

	2013				2012
	Operating Fund	Special Purpose Fund	Capital Fund	Total	Total
Interest received	\$ 407,741	\$ 7,812	\$ 39,472	\$ 455,025	\$ 297,572
Interest paid – Capital Lease			\$ 22,664	\$ 22,664	\$ 36,157

School District No. 37 (Delta)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	13,519,871		30,610,882	44,130,753	38,069,643
Change in Accounting Policies/Prior Period Adjustments					
Add non-vested benefits to Employee Future Benefits					(537,843)
Recognize unamortized gain (loss) on Employee Future Benefits					(85,766)
Reclassify Deferred Contributions					2,516,162
Accumulated Surplus (Deficit), beginning of year, as restated	13,519,871	-	30,610,882	44,130,753	39,962,196
Changes for the year					
Surplus (Deficit) for the year	2,984,191	38,404	(1,240,148)	1,782,447	4,168,557
Interfund Transfers					
Tangible Capital Assets Purchased	(278,729)	(30,727)	309,456	-	
Tangible Capital Assets - Work in Progress	(1,189,365)	(6,800)	1,196,165	-	
Local Capital	(48,461)		48,461	-	
Other	(274,375)	(877)	275,252	-	
Net Changes for the year	1,193,261	-	589,186	1,782,447	4,168,557
Accumulated Surplus (Deficit), end of year - Statement 2	14,713,132	-	31,200,068	45,913,200	44,130,753

School District No. 37 (Delta)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	130,658,882	131,333,222	131,386,015
Other	2,427,150	2,394,441	2,585,844
Federal Grants			261
Tuition	5,943,100	7,311,964	5,533,972
Other Revenue	5,248,092	5,565,570	6,080,525
Rentals and Leases	754,000	702,985	723,062
Investment Income	304,000	396,292	304,184
Total Revenue	<u>145,335,224</u>	<u>147,704,474</u>	<u>146,613,863</u>
Expenses			
Instruction	126,600,163	124,976,553	121,913,997
District Administration	3,373,710	3,545,892	3,373,008
Operations and Maintenance	14,999,876	14,715,197	14,539,373
Transportation and Housing	1,564,093	1,482,641	1,544,032
Total Expense	<u>146,537,842</u>	<u>144,720,283</u>	<u>141,370,410</u>
Operating Surplus (Deficit) for the year	<u>(1,202,618)</u>	<u>2,984,191</u>	<u>5,243,453</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>3,193,876</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(176,106)	(278,729)	(237,197)
Tangible Capital Assets - Work in Progress	(1,393,037)	(1,189,365)	(99,860)
Local Capital	(37,257)	(48,461)	(184,844)
Other	(384,858)	(274,375)	(407,147)
Total Net Transfers	<u>(1,991,258)</u>	<u>(1,790,930)</u>	<u>(929,048)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>1,193,261</u>	<u>4,314,405</u>
Operating Surplus (Deficit), beginning of year		13,519,871	7,312,913
Change in Accounting Policies/Prior Period Adjustments			
Add non-vested benefits to Employee Future Benefits			(537,843)
Recognize unamortized gain (loss) on Employee Future Benefits			(85,766)
Reclassify Deferred Contributions			2,516,162
Operating Surplus (Deficit), beginning of year, as restated		<u>13,519,871</u>	<u>9,205,466</u>
Operating Surplus (Deficit), end of year		<u>14,713,132</u>	<u>13,519,871</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 22)		13,159,015	11,965,754
Unrestricted		1,554,117	1,554,117
Total Operating Surplus (Deficit), end of year		<u>14,713,132</u>	<u>13,519,871</u>

School District No. 37 (Delta)

Schedule 2A (Unaudited)

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

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	128,632,243	129,225,592	129,238,655
AANDC/LEA Recovery	(307,024)	(307,024)	(260,890)
Other Ministry of Education Grants			
Pay Equity	2,171,545	2,171,545	2,171,545
Other Grants (FSA, Carbon Rebate)	122,118	121,419	93,282
Education Guarantee	40,000	121,690	143,423
Total Provincial Grants - Ministry of Education	130,658,882	131,333,222	131,386,015
Provincial Grants - Other	2,427,150	2,394,441	2,585,844
Federal Grants			261
Tuition			
Summer School Fees	40,000	135,191	99,860
Continuing Education	756,900	724,227	629,547
Offshore Tuition Fees	4,340,000	5,651,162	4,335,274
Academy Tuition Fees	806,200	801,384	469,291
Total Tuition	5,943,100	7,311,964	5,533,972
Other Revenues			
Other School District/Education Authorities		66,002	76,568
LEA/Direct Funding from First Nations	307,024	306,229	302,235
Miscellaneous			
Instructional Cafeteria	330,000	374,035	359,113
Municipal Grant - Crossing Guards	78,000	85,421	79,984
Admin Fees	65,900	54,000	61,700
POPARD Teacher Training	232,848	106,712	72,025
Miscellaneous	207,018	1,008,585	932,208
School Generated Funds	4,027,302	3,564,586	4,196,692
Total Other Revenue	5,248,092	5,565,570	6,080,525
Rentals and Leases	754,000	702,985	723,062
Investment Income	304,000	396,292	304,184
Total Operating Revenue	145,335,224	147,704,474	146,613,863

School District No. 37 (Delta)

Schedule 2B (Unaudited)

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

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Salaries			
Teachers	67,526,037	66,610,162	66,145,153
Principals and Vice Principals	7,056,314	7,061,733	7,170,274
Educational Assistants	10,595,653	10,847,081	10,016,889
Support Staff	10,431,000	10,313,958	10,424,576
Other Professionals	2,456,629	2,522,312	2,490,279
Substitutes	3,871,211	4,258,429	3,951,538
Total Salaries	101,936,844	101,613,675	100,198,709
Employee Benefits	25,642,115	25,437,159	24,343,735
Total Salaries and Benefits	127,578,959	127,050,834	124,542,444
Services and Supplies			
Services	4,563,976	4,800,438	4,052,953
Student Transportation	1,569,216	1,446,892	1,471,139
Professional Development and Travel	689,617	671,621	542,872
Rentals and Leases	113,789	90,104	42,313
Dues and Fees	130,035	174,763	174,430
Insurance	411,539	300,810	397,600
Supplies	9,330,752	8,171,374	8,172,534
Utilities	2,149,959	2,013,447	1,974,125
Total Services and Supplies	18,958,883	17,669,449	16,827,966
Total Operating Expense	146,537,842	144,720,283	141,370,410

School District No. 37 (Delta)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	49,440,276	818,091	786,377	33,812		2,559,152	53,637,708
1.03 Career Programs	504,897		202,636			7,752	715,285
1.07 Library Services	1,572,439	152,115		149,885		67,970	1,942,409
1.08 Counselling	2,237,204					214	2,237,418
1.10 Special Education	9,656,158	493,745	9,112,705	108,797		666,084	20,037,489
1.30 English Language Learning	1,619,056	141,514	81,083	225		56,437	1,898,315
1.31 Aboriginal Education	54,594	47,089	263,308	7,313		128,735	501,039
1.41 School Administration		4,837,008		2,394,640	10,622	97,711	7,339,981
1.60 Summer School	265,077			1,385		2,395	268,857
1.61 Continuing Education	340,321	208,097	46,835	135,853	107,204	2,622	840,932
1.62 Off Shore Students	704,890	245,276	115,497	312,449		17,015	1,395,127
1.64 Other	215,250	98,587	238,640	210,285		28,420	791,182
Total Function 1	66,610,162	7,041,522	10,847,081	3,354,644	117,826	3,634,507	91,605,742
4 District Administration							
4.11 Educational Administration		20,211		48,083	636,163	617	705,074
4.40 School District Governance					153,609		153,609
4.41 Business Administration				681,118	747,392	31,265	1,459,775
Total Function 4	-	20,211	-	729,201	1,537,164	31,882	2,318,458
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				280,338	661,820	7,568	949,726
5.50 Maintenance Operations				5,548,921	146,469	373,325	6,068,715
5.52 Maintenance of Grounds				350,771		143,651	494,422
5.56 Utilities				34,596			34,596
Total Function 5	-	-	-	6,214,626	808,289	524,544	7,547,459
7 Transportation and Housing							
7.41 Transportation and Housing Administration				15,487	59,033		74,520
7.70 Student Transportation						67,496	67,496
Total Function 7	-	-	-	15,487	59,033	67,496	142,016
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	66,610,162	7,061,733	10,847,081	10,313,958	2,522,312	4,258,429	101,613,675

School District No. 37 (Delta)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2013 Actual	2013 Budget	2012 Actual (Restated-Note 2)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	53,637,708	13,219,778	66,857,486	5,993,747	72,851,233	73,731,750	71,886,463
1.03 Career Programs	715,285	172,956	888,241	29,574	917,815	948,342	926,804
1.07 Library Services	1,942,409	459,160	2,401,569	75,990	2,477,559	2,549,060	2,483,356
1.08 Counselling	2,237,418	506,611	2,744,029	9,898	2,753,927	2,857,678	2,851,228
1.10 Special Education	20,037,489	5,184,990	25,222,479	486,215	25,708,694	25,471,846	24,661,604
1.30 English Language Learning	1,898,315	439,493	2,337,808	20,267	2,358,075	2,587,212	2,153,599
1.31 Aboriginal Education	501,039	116,620	617,659	82,842	700,501	689,532	641,018
1.41 School Administration	7,339,981	1,868,168	9,208,149	159,934	9,368,083	9,315,320	9,319,431
1.60 Summer School	268,857	43,594	312,451	18,866	331,317	308,759	340,562
1.61 Continuing Education	840,932	190,106	1,031,038	1,255,441	2,286,479	2,386,038	2,286,093
1.62 Off Shore Students	1,395,127	320,048	1,715,175	890,008	2,605,183	2,983,610	2,188,048
1.64 Other	791,182	164,633	955,815	1,661,872	2,617,687	2,771,016	2,175,791
Total Function 1	91,605,742	22,686,157	114,291,899	10,684,654	124,976,553	126,600,163	121,913,997
4 District Administration							
4.11 Educational Administration	705,074	174,836	879,910	147,829	1,027,739	970,320	1,067,995
4.40 School District Governance	153,609	3,858	157,467	121,540	279,007	276,241	256,362
4.41 Business Administration	1,459,775	339,609	1,799,384	439,762	2,239,146	2,127,149	2,048,651
Total Function 4	2,318,458	518,303	2,836,761	709,131	3,545,892	3,373,710	3,373,008
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	949,726	245,645	1,195,371	523,622	1,718,993	1,804,922	1,769,930
5.50 Maintenance Operations	6,068,715	1,829,711	7,898,426	1,954,278	9,852,704	9,982,272	9,716,706
5.52 Maintenance of Grounds	494,422	121,965	616,387	290,402	906,789	929,536	891,254
5.56 Utilities	34,596	16,672	51,268	2,185,443	2,236,711	2,283,146	2,161,483
Total Function 5	7,547,459	2,213,993	9,761,452	4,953,745	14,715,197	14,999,876	14,539,373
7 Transportation and Housing							
7.41 Transportation and Housing Administration	74,520	14,486	89,006		89,006	85,542	85,916
7.70 Student Transportation	67,496	4,220	71,716	1,321,919	1,393,635	1,478,551	1,458,116
Total Function 7	142,016	18,706	160,722	1,321,919	1,482,641	1,564,093	1,544,032
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	101,613,675	25,437,159	127,050,834	17,669,449	144,720,283	146,537,842	141,370,410

School District No. 37 (Delta)

Schedule 3 (Unaudited)

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

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	6,093,101	6,204,412	5,076,369
Other	462,242	401,630	337,156
Federal Grants		50,485	36,000
Other Revenue	1,526,381	1,837,277	1,735,846
Investment Income	13,700	7,947	10,338
Total Revenue	<u>8,095,424</u>	<u>8,501,751</u>	<u>7,195,709</u>
Expenses			
Instruction	6,933,807	7,210,516	5,136,360
District Administration	317,660	395,288	382,520
Operations and Maintenance	843,957	857,543	1,199,391
Total Expense	<u>8,095,424</u>	<u>8,463,347</u>	<u>6,718,271</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>38,404</u>	<u>477,438</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(30,727)	(88,568)
Tangible Capital Assets - Work in Progress		(6,800)	(386,039)
Other		(877)	(2,831)
Total Net Transfers	<u>-</u>	<u>(38,404)</u>	<u>(477,438)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), end of year			
Total Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 37 (Delta)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	School Generated Funds	Related Entities	Strong Start
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	113,335		424	59,096	2,818,279	7,517	
Transfer (to) from Operating Surplus - as at July 1, 2011					(1,973,773)		
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012					(92,538)		
Transferred from Operating Deferral to Special Purpose Deferral							11,838
Deferred Revenue, beginning of year, as restated	113,335	-	424	59,096	751,968	7,517	11,838
Add: Restricted Grants							
Provincial Grants - Ministry of Education	742,381	1,641,900		39,639			224,000
Provincial Grants - Other							
Federal Grants							
Other					1,829,078		
Investment Income	2,179	1,527	1	641			
	744,560	1,643,427	1	40,280	1,829,078	-	224,000
Less: Allocated to Revenue	827,773	1,642,358	425	48,442	1,641,163	6,728	235,838
Deferred Revenue, end of year	30,122	1,069	-	50,934	939,883	789	-
Revenues							
Provincial Grants - Ministry of Education	825,594	1,640,831	424	47,801			235,838
Provincial Grants - Other							
Federal Grants							
Other Revenue					1,641,163	6,728	
Investment Income	2,179	1,527	1	641			
	827,773	1,642,358	425	48,442	1,641,163	6,728	235,838
Expenses							
Salaries							
Teachers		1,054,623					
Principals and Vice Principals							
Educational Assistants		193,400					140,702
Support Staff	380,039						
Substitutes		95,517					9,942
	380,039	1,343,540	-	-	-	-	150,644
Employee Benefits	71,223	255,492					50,571
Services and Supplies	345,784	43,326	425	48,442	1,641,163	6,728	34,623
	797,046	1,642,358	425	48,442	1,641,163	6,728	235,838
Net Revenue (Expense) before Interfund Transfers	30,727	-	-	-	-	-	-
Interfund Transfers							
Tangible Capital Assets Purchased	(30,727)						
Tangible Capital Assets - Work in Progress							
Other							
	(30,727)	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 37 (Delta)

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

	Ready, Set, Learn \$	OLEP \$	Community- LINK \$	Genesis Theatre \$	PRP Assessment Unit \$	ESWIS \$	AVID \$
Deferred Revenue, beginning of year				112,785	42		
Transfer (to) from Operating Surplus - as at July 1, 2011				(144,545)			
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012	16,629	38,718		31,760			
Transferred from Operating Deferral to Special Purpose Deferral	9,081	133,883				137,343	27,238
Deferred Revenue, beginning of year, as restated	25,710	172,601	-	-	42	137,343	27,238
Add: Restricted Grants							
Provincial Grants - Ministry of Education	58,800	272,915	539,281		2,460,075		
Provincial Grants - Other						338,680	
Federal Grants							
Other							
Investment Income			214				
	58,800	272,915	539,495	-	2,460,075	338,680	-
Less: Allocated to Revenue	50,901	431,616	510,602	-	2,460,117	304,339	902
Deferred Revenue, end of year	33,609	13,900	28,893	-	-	171,684	26,336
Revenues							
Provincial Grants - Ministry of Education	50,901	431,616	510,388		2,460,117		902
Provincial Grants - Other						304,339	
Federal Grants							
Other Revenue							
Investment Income			214				
	50,901	431,616	510,602	-	2,460,117	304,339	902
Expenses							
Salaries							
Teachers		42,508			1,203,906	53,562	
Principals and Vice Principals					201,159		
Educational Assistants			385,772			153,149	
Support Staff			326		211,031	2,609	
Substitutes	8,837	24,536			2,736		
	8,837	67,044	386,098	-	1,618,832	209,320	-
Employee Benefits	1,441	12,343	115,414		366,272	53,855	
Services and Supplies	40,623	352,229	9,090		467,336	41,164	902
	50,901	431,616	510,602	-	2,452,440	304,339	902
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	7,677	-	-
Interfund Transfers							
Tangible Capital Assets Purchased					(6,800)		
Tangible Capital Assets - Work in Progress					(877)		
Other					(7,677)		
	-	-	-	-	(7,677)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 37 (Delta)

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

	Ace-It	AESN Provincial	AESN Non-Prov.	AESN Federal	Scholarships	Deferred Revenue - A5	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		49,323	12,107	5	176,270	894,946	4,244,129
Transfer (to) from Operating Surplus - as at July 1, 2011						(397,844)	(2,516,162)
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012	6,112					(1,439)	(758)
Transferred from Operating Deferral to Special Purpose Deferral	176,280					(495,663)	-
Deferred Revenue, beginning of year, as restated	182,392	49,323	12,107	5	176,270	-	1,727,209
Add: Restricted Grants							
Provincial Grants - Ministry of Education							5,978,991
Provincial Grants - Other	69,625	67,045					475,350
Federal Grants				54,000			54,000
Other			210,250		62,368		2,101,696
Investment Income		696	729	355	2,517		8,859
	69,625	67,741	210,979	54,355	64,885	-	8,618,896
Less: Allocated to Revenue	97,291	57,548	96,646	50,643	38,419	-	8,501,751
Deferred Revenue, end of year	154,726	59,516	126,440	3,717	202,736	-	1,844,354
Revenues							
Provincial Grants - Ministry of Education							6,204,412
Provincial Grants - Other	97,291						401,630
Federal Grants				50,485			50,485
Other Revenue		56,862	95,994		36,530		1,837,277
Investment Income		686	652	158	1,889		7,947
	97,291	57,548	96,646	50,643	38,419	-	8,501,751
Expenses							
Salaries							
Teachers	16,637						2,371,236
Principals and Vice Principals							201,159
Educational Assistants							873,023
Support Staff	29,982						623,987
Substitutes	1,086						142,654
	47,705	-	-	-	-	-	4,212,059
Employee Benefits	6,480						933,091
Services and Supplies	43,106	57,548	96,646	50,643	38,419		3,318,197
	97,291	57,548	96,646	50,643	38,419	-	8,463,347
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	38,404
Interfund Transfers							
Tangible Capital Assets Purchased							(30,727)
Tangible Capital Assets - Work in Progress							(6,800)
Other							(877)
	-	-	-	-	-	-	(38,404)
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 37 (Delta)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual			2012 Actual (Restated-Note 2)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Investment Income	35,000		40,641	40,641	38,568
Gain (Loss) on Disposal of Tangible Capital Assets		300,000		300,000	
Amortization of Deferred Capital Revenue	3,129,843	3,129,843		3,129,843	3,115,960
Total Revenue	3,164,843	3,429,843	40,641	3,470,484	3,154,528
Expenses					
Operations and Maintenance	37,257		65,822	65,822	38,794
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,622,146	4,622,146		4,622,146	4,631,911
Debt services					
Capital Lease Interest	28,907		22,664	22,664	36,157
Total Expense	4,688,310	4,622,146	88,486	4,710,632	4,706,862
Capital Surplus (Deficit) for the year	(1,523,467)	(1,192,303)	(47,845)	(1,240,148)	(1,552,334)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	176,106	309,456		309,456	325,765
Tangible Capital Assets - Work in Progress	1,393,037	1,196,165		1,196,165	485,899
Local Capital	37,257		48,461	48,461	184,844
Capital Lease Payment	384,858		275,252	275,252	409,978
Total Net Transfers	1,991,258	1,505,621	323,713	1,829,334	1,406,486
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(300,000)	300,000	-	
Tangible Capital Assets Purchased from Local Capital		33,494	(33,494)	-	
Tangible Capital Assets WIP Purchased from Local Capital		78,530	(78,530)	-	
Principal Payment					
Capital Lease		252,588	(252,588)	-	
Total Other Adjustments to Fund Balances		64,612	(64,612)	-	
Total Capital Surplus (Deficit) for the year	467,791	377,930	211,256	589,186	(145,848)
Capital Surplus (Deficit), beginning of year		30,020,051	590,831	30,610,882	30,756,730
Capital Surplus (Deficit), end of year		30,397,981	802,087	31,200,068	30,610,882

School District No. 37 (Delta)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2013

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	10,718,525	172,108,377	4,570,203	1,158,163	70,138	2,661,889	191,287,295
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Other			54,766				54,766
Operating Fund			184,915	93,814			278,729
Special Purpose Funds			30,727				30,727
Local Capital					33,494		33,494
Capital Lease			1,186,959	4,153			1,191,112
Transferred from Work in Progress		2,677,070	4,450		20,437	24,196	2,726,153
	-	2,677,070	1,461,817	97,967	53,931	24,196	4,314,981
Decrease:							
Deemed Disposals			433,832	36,934	12,214	195,550	678,530
	-	-	433,832	36,934	12,214	195,550	678,530
Cost, end of year	10,718,525	174,785,447	5,598,188	1,219,196	111,855	2,490,535	194,923,746
Work in Progress, end of year		2,233,487	67,358		200,334	1,030,190	3,531,369
Cost and Work in Progress, end of year	10,718,525	177,018,934	5,665,546	1,219,196	312,189	3,520,725	198,455,115
Accumulated Amortization, beginning of year		82,257,040	2,564,985	334,026	30,476	1,025,428	86,211,955
Changes for the Year							
Increase: Amortization for the Year		3,502,908	457,016	115,816	14,028	532,378	4,622,146
Decrease:							
Deemed Disposals			433,832	36,934	12,214	195,550	678,530
			433,832	36,934	12,214	195,550	678,530
Accumulated Amortization, end of year		85,759,948	2,588,169	412,908	32,290	1,362,256	90,155,571
Tangible Capital Assets - Net	10,718,525	91,258,986	3,077,377	806,288	279,899	2,158,469	108,299,544

School District No. 37 (Delta)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2013

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
Work in Progress, beginning of year	\$ 280,772	\$	\$ 95,833	\$ 12,848	\$ 389,453
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	4,485,875			17,866	4,503,741
Deferred Capital Revenue - Other	34,633				34,633
Operating Fund	12,596	71,808	84,255	1,020,706	1,189,365
Special Purpose Funds			6,800		6,800
Local Capital	41,681		33,883	2,966	78,530
Asbestos Abatement	55,000				55,000
	<u>4,629,785</u>	<u>71,808</u>	<u>124,938</u>	<u>1,041,538</u>	<u>5,868,069</u>
Decrease:					
Transferred to Tangible Capital Assets	2,677,070	4,450	20,437	24,196	2,726,153
	<u>2,677,070</u>	<u>4,450</u>	<u>20,437</u>	<u>24,196</u>	<u>2,726,153</u>
Net Changes for the Year	<u>1,952,715</u>	<u>67,358</u>	<u>104,501</u>	<u>1,017,342</u>	<u>3,141,916</u>
Work in Progress, end of year	<u><u>2,233,487</u></u>	<u><u>67,358</u></u>	<u><u>200,334</u></u>	<u><u>1,030,190</u></u>	<u><u>3,531,369</u></u>

School District No. 37 (Delta)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	73,932,562	166,250	848,996	74,947,808
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions			54,766	54,766
Transferred from Work in Progress	2,521,321		34,633	2,555,954
Transfer of Funding for Playgrounds	50,000		(50,000)	-
	<u>2,571,321</u>	-	<u>39,399</u>	<u>2,610,720</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,967,766	4,750	157,327	3,129,843
	<u>2,967,766</u>	<u>4,750</u>	<u>157,327</u>	<u>3,129,843</u>
Net Changes for the Year	<u>(396,445)</u>	<u>(4,750)</u>	<u>(117,928)</u>	<u>(519,123)</u>
Deferred Capital Revenue, end of year	<u>73,536,117</u>	<u>161,500</u>	<u>731,068</u>	<u>74,428,685</u>
Work in Progress, beginning of year	133,541			133,541
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	4,503,741		34,633	4,538,374
	<u>4,503,741</u>	-	<u>34,633</u>	<u>4,538,374</u>
Decrease				
Transferred to Deferred Capital Revenue	2,521,321		34,633	2,555,954
	<u>2,521,321</u>	-	<u>34,633</u>	<u>2,555,954</u>
Net Changes for the Year	<u>1,982,420</u>	-	-	<u>1,982,420</u>
Work in Progress, end of year	<u>2,115,961</u>	-	-	<u>2,115,961</u>
Total Deferred Capital Revenue, end of year	<u>75,652,078</u>	<u>161,500</u>	<u>731,068</u>	<u>76,544,646</u>

School District No. 37 (Delta)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 1,228,935	\$ 81,490	\$ -	\$ -	\$ 493	\$ 1,310,918
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	5,222,740					5,222,740
MEd Restricted Portion of Proceeds on Disposal		900,000				900,000
Tangible Capital Assets - Parent Advisory Councils Non-Provincial					54,766	54,766
Transfer project surplus to MOE Restricted	(388,200)	388,200			150,691	150,691
	4,834,540	1,288,200	-	-	205,457	6,328,197
Decrease:						
Transferred to DCR - Capital Additions					54,766	54,766
Transferred to DCR - Work in Progress	4,503,741				34,633	4,538,374
Reimburse Parent Advisory Councils for Playground Cost	50,000					50,000
	4,553,741	-	-	-	89,399	4,643,140
Net Changes for the Year	280,799	1,288,200	-	-	116,058	1,685,057
Balance, end of year	1,509,734	1,369,690	-	-	116,551	2,995,975