SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2010/2011

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT		YEAR				
44	North Vancouver		2010/2011				
OFFICE LOCATION			TELEPHONE NUMBER				
721 Chesterfield Av	enue		604-903-3444				
CITY/PROVINCE		POSTAL CODE					
North Vancouver, B	ritish Columbia		V7M 2M5				
WEBSITE ADDRESS							
www.nvsd44.bc.ca							
NAME OF SUPERINTENDENT		NAME OF SECRETARY-TREASURER					
John Lewis		Irene Young					

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of Education of School District No. 44 (North Vancouver) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

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

The Board's Responsibility

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

External Auditors

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

Declaration of Management and Board Chairperson

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

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 44 (North Vancouver) for the year ended June 30, 2011.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED	_
SIGNATURE OF SUPERINTENDENT	DATE SIGNED	
SIGNATURE OF SECRETARY-TREASURER	DATE SIGNED	

Version: 7703-6957-4975 September 22, 2011 11:15

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) 2010/2011 AUDITED FINANCIAL STATEMENTS

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KPMG LLP Chartered Accountants St. Andrew's Square II 800-730 View Street Victoria BC VSW 3Y7

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Independent Auditors' Report

To the Board of Education

We have audited the accompanying financial statements of School District No. 44 (North Vancouver), which comprise the statement of financial position as at June 30, 2011, the statements of revenue and expense, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of School District No. 44 (North Vancouver) as at June 30, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other matter

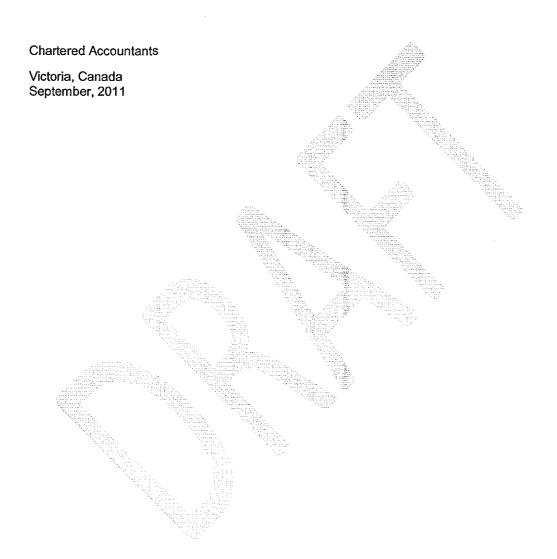
Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules A1 through C5 is presented for



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purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2011

		PERATING FUND	 SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$	38,192,327	\$ 2,427,639		\$ 40,619,966	\$ 23,507,656
Accounts Receivable						
Due from Province - Ministry of Education		136,907			136,907	113,470
Due from Province - Other		714			714	59,579
Other Receivables (Note 3)		8,183,185	208,285		8,391,470	23,683,419
Interfund Loans			530,306	16,792,728		
Inventories (Note 4)		231,544	196,319		427,863	436,159
Prepaid Expenses		204,593	23,025		227,618	342,344
		46,949,270	3,385,574	16,792,728	49,804,538	48,142,627
Long-term Receivable and Permanent Art Collection (Note 5)			1,456,579		1,456,579	7,221,644
Capital Assets - Net (Note 6)			 	226,181,015	226,181,015	193,500,248
TOTAL ASSETS		46,949,270	\$ 4,842,153	\$ 242,973,743	\$ 277,442,132	\$ 248,864,519
LIABILITIES AND FUND BALANCES Current Liabilities Accounts Payable and Accrued Liabilities						
Due to Province - Ministry of Education		57,315			57.315	133,086
Due to Province - Other (Note 7)		75,299		7,217,086	7,292,385	7,191,936
Other		13,273,455			13,273,455	6,191,982
Bank Loans - Current Portion					-	1,005,000
Capital Lease Obligations - Current Portion (Note 9)				125,035	125,035	207,196
Interfund Loans		17,323,034				
Other Current Liabilities (Note 9)		1,578			1,578	9,090
		30,730,681	-	7,342,121	20,749,768	14,738,290
Deferred Revenue		5,323,054	79,633		5,402,687	6,064,582
Deferred Contributions						
Ministry of Education (Note 10)			251,363	3,881,644	4,133,007	4,938,401
Other (Note 10)			4,511,157	2,073,242	6,584,399	6,185,217
Accrued Employee Future Benefits (Note 11)		6,447,073			6,447,073	6,249,963
Deferred Capital Contributions (Note 10)				144,229,857	144,229,857	127,801,096
Capital Lease Obligations					-	117,838
TOTAL LIABILITIES		42,500,808	4,842,153	157,526,864	187,546,791	166,095,387
Fund Balances						
Invested in Capital Assets				74,637,471	74,637,471	58,184,737
Internally Restricted (Note 13)		4,435,000		10,809,408	15,244,408	24,567,082
Unrestricted (Note 13)		13,462	 		13,462	17,313
TOTAL FUND BALANCES		4,448,462		85,446,879	89,895,341	82,769,132
TOTAL LIABILITIES AND FUND BALANCES	_\$_	46,949,270	\$ 4,842,153	\$ 242,973,743	\$ 277,4 <u>42,132</u>	\$ 248,864,519

> Commitments(Note16)

> Contingencies(Note18)

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) STATEMENT OF REVENUE AND EXPENSE YEAR ENDED JUNE 30, 2011

		SPECIAL			
	OPERATING	PURPOSE	CAPITAL	TOTAL	TOTAL
	FUND	FUNDS	FUND	2011	2010
REVENUE					
Provincial Grants - Ministry of Education	\$ 128,912,175	\$ 2,671,786		\$ 131,583,961	\$ 127,326,223
Provincial Grants - Other	250,066	-100 110 00		250,066	1,182,220
Federal Grants	2,240			2,240	2,520
Other Revenue	10,665,677	6,906,919		17,572,596	17,490,115
Rentals and Leases	1,378,622			1,378,622	1,242,094
Investment Income	281,498	14,714	82,806	379,018	150,737
Amortization of Deferred Capital Contributions			3,932,446	3,932,446	3,401,720
Gain (Loss) on Disposal of Capital Assets				-	28,633,100
	141,490,278	9,593,419	4,015,252	155,098,949	179,428,729
EXPENSE					
Salaries					
Teachers	62.968.781	(140)		62,968,641	63,209,401
Principals and Vice Principals	8,106,504	72,745		8,179,249	8,592,564
Educational Assistants	11,372,713	,		11,372,713	12,140,527
Support Staff	11,068,513	114		11,068,627	11,943,012
Other Professionals	3,087,517	26,875		3,114,392	3,373,293
Substitutes	3,426,892	23,377		3,450,269	3,596,125
	100,030,920	122,971	_	100,153,891	102,854,922
Employee Benefits	23,096,110	21,479		23,117,589	22,451,673
Services and Supplies	11,349,937	6,536,091		17,886,028	17,738,189
Amortization of Capital Assets			6,815,232	6,815,232	6,564,454
	134,476,967	6,680,541	6,815,232	147,972,740	149,609,238
NET REVENUE (EXPENSE)	\$ 7,013,311	\$ 2,912,878 \$	(2,799,980)	\$ 7,126,209	\$ 29,819,491

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) STATEMENT OF CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2011

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
FUND BALANCES, BEGINNING OF YEAR	\$ 1,047,313	\$	81,721,819	82,769,132	\$ 52,949,627
Changes in Accounting Policies! Prior Period Adjustments Adjustment to Restate Prior Year-end Balances					14
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	1,047,313	<u>-</u>	81,721,819	82,769,132	52,949,641
Changes for the Year Net Revenue (Expense) for the Year Interfund Transfers	7,013,311	2,912,878	(2,799,980)	7,126,209	29,819,491
Capital Assets Purchased (Note 14) Local Capital (Note 14) Other (Note 14)	(1,466,589) (1,950,000) (195,573)	(2,683,607)	4,150,196 1,950,000 424,844	-	
Net Changes for the Year	3,401,149	(220,211)	3,725,060	7,126,209	29,819,491
FUND BALANCES, END OF YEAR	\$ 4,448,462 \$	- \$	85,446,879	89,895,341	\$ 82,769,132

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2011

		rating U n d	SPECIAL PURPOSE FUNDS		apital Fund	TOTAL 2011		TOTAL 2010
CASH PROVIDED BY (USED FOR)								
OPERATIONS								
Net Revenue (Expense) for the Year	\$ 7	,013,311	\$ 2,912,878	\$ (2,799,980)	\$ 7,126,209	\$	29,819,491
Changes in Non-Cash Working Capital								
Decrease (Increase)								
Accounts Receivable	(1.	.536,723)	(2,800)			(1,539,523)	(76,474)
Interfund Loans	9	,117,701	868,966	(9,986,667)	_		
Inventories		20,756	(12,460)			8,296		(2,092)
Prepaid Expenses		130,364	(15,638)			114,726		139,222
Increase (Decrease)								
Accounts Payable/Accrued Liabilities	7	.081,001			25,150	7,106,151		(2,150,261)
Other Current Liabilities		(7,512)				(7,512)	(9,564)
Deferred Revenue	((664,418)	2,523			(661,895)	118,666
Deferred Contributions			(344,674)			(344,674)	(607,298)
Accrued Employee Future Benefits		1 9 7,110				197,110		410,543
Loss (Gain) on Disposal of Capital Assets						-		(28,633,100)
Items Not Involving Cash								
Amortization of Capital Assets					6,815,232	6,815,232		6,564,454
Amortization of Deferred Capital Contributions					3,932,446)	(3,932,446	}	(3,401,720)
Interfund Transfers		,612,162)	(2,912,878)		6,525,040	44004074		0.474.007
FINANCING		,739,428	495,917		3,353,671)	14,881,674		2,171,867
Bank Loan Paid	14	005 0001				(4 00E 000		
Deferred Contributions Received - Capital	(1)	,005,000)			0.000.000	(1,005,000)	00 040 444
Repayment of capital lease obligations					0,299,669	20,299,669		23,246,144
Repayment of capital lease obligations		.005.000)	 ••••		(209,732)	(209,732	<u>'</u> _	(240,528)
INVECTING		(000,000)	 -		0,089,937	19,084,937		23,005,616
INVESTING								
Capital Assets Purchased - Operating					1,466,589)	(1,466,589		(545,490)
Capital Assets Purchased - Special Purpose					2,683,607)	(2,683,607		(1,499,374)
Capital Assets Purchased - Local Capital					2,235,153)	(2,235,153		(36,473)
Capital Assets Purchased - Deferred Contributions - Capital			(440.005)	(2	0,361,207)	(20,361,207		(18,296,951)
Permanent Art Collection			(118,035)			(118,035)	(85,574)
Debt Financed Assets / Local Capital Purchased Assets				.,	730	730		(220,529)
Work in Progress Purchased from Other Funding Sources					2,740,440)	(12,740,440)	(2,213,307)
Proceeds from Disposal of Capital Assets	·		(110.025)		2,750,000	22,750,000	. –	(22 207 600)
			(118,035)	(1	6,736,266)	(16,854,301	L	(22,897,698)
NET INCREASE (DECREASE) IN CASH	<u>\$ 16,</u>	,734,428	\$ 377,882	\$		\$ 17,112,310	\$	2,279,785

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2011

	 OPERATING FUND	 SPECIAL PURPOSE FUNDS	CAPITAL FUND	 TOTAL 2011		TOTAL 2010
NET INCREASE (DECREASE) IN CASH	\$ 16,734,428	\$ 377,882	\$ 	\$ 17,112,310	_\$_	2,279,785
Net Cash, Beginning of Year	21,457,899	2,049,757		23,507,656		21,227,871
NET CASH, END OF YEAR	\$ 38,192,327	\$ 2,427,639	\$ 	\$ 40,619,966	\$	23,507,656
Cash	\$ 38,192,327	\$ 2,427,639		\$ 40,619,966	\$	23,507,656
NET CASH, END OF YEAR	\$ 38,192,327	\$ 2,427,639	\$ 	\$ 40,619,966	\$	23,507,656

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 44 (North Vancouver)", and operates as "School District No. 44 (North Vancouver)". A board of education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP).

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

Statement 2 (Statement of Revenue and Expense), Statement 3 (Statement of Changes in Fund Balances) and Statements 4.1 and 4.2 (Statement of Cash Flows) present annual results of each fund, changes in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balances as at June 30th. Interfund transfers and loans are recognized in each fund and eliminated in the combined totals.

a) Fund Accounting

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

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and term deposits with original terms to maturity of three months or less when purchased.

c) Accounts Receivable

Accounts receivable are recorded net of allowance for doubtful accounts.

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

d) Inventories

Inventories of supplies are recorded at lower of cost and net realizable value using the average cost method. Publications for resale are recorded at cost using the first-in-first-out method. Artists for Kids inventory is recorded at cost using the specific identification method.

e) Prepaid Expenses

Payments for insurance, subscriptions, membership, and maintenance contracts for use within the District in a future period are recorded as prepaid expenses and stated at cost. Textbooks and other teaching supplies are expensed when purchased.

f) Capital Assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion. Work-in-progress is not amortized until put into use.
- Sites and buildings that no longer contribute to the ability of the School District to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset.
 Estimated useful life is as follows:

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

g) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of property to the School District are considered capital leases. These are accounted for as an asset and an obligation.

h) Revenue Recognition

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

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

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.

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

h) Revenue Recognition (Continued)

- o If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset.
- o Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
- o If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.

i) Investment Income

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

j) Expenses

Categories of Salaries

- o Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
- o Superintendents, Assistant Superintendents, Secretary-Treasurers, Board of Education and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenses are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to regular programs.
- o 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.
- o Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- o Supplies and services are allocated based on actual identification of program.

k) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, bank loans and other current liabilities. It is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. Cash and cash equivalents are carried at fair value. The fair values of the remaining financial instruments approximate their carrying values.

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

k) Financial Instruments (Continued)

The School District has designated all of its cash and cash equivalents as held for trading, and carries them at fair value with changes in fair value recognized in investment income. Accounts receivable are classified as loans and receivables; accounts payable and accrued liabilities, bank loans and other current liabilities are classified as other liabilities, all of which are measured at amortized cost. The School District has elected to continue to apply the financial instruments disclosure and presentation standards in accordance with Section 3861 of the Canadian Institute of Chartered Accountants Handbook.

1) Use of Estimates

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

m) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated vacation pay and retirement allowances for certain employees pursuant to certain contracts and union agreements.

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

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

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

n) Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived asset and depreciated over the life of the asset.

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

o) Future Changes in Accounting Standards

The School District will be required to adopt, on a retrospective basis, Public Sector Accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants for the year beginning July 1, 2012. The impact of adoption of these standards is being evaluated and is not known or reasonably estimable at this time.

p) Comparative Information

Certain of the comparative information has been reclassified to conform to the financial statement presentation for the current year.

NOTE 3 ACCOUNTS RECEIVABLE - OTHER RECEIVABLES

	2011	2010
GST/PST/HST Receivable	\$1,362,095	\$185,711
Recoverable Insurance Claims	3,417	36,453
Recoverable Payroll	2,313	42,026
Sundry Billings	372,120	194,726
Land Proceeds Receivable	5,883,100	22,750,000
Miscellaneous Receivables	560,140	269,018
Special Purpose	208,285	205,485
	\$8,391,470	\$23,683,419

The land proceeds receivable represents proceeds of the Lonsdale School site due on June 30, 2012, which is secured by a mortgage against the land.

NOTE 4 INVENTORIES

Inventories consist of the following:

	2011	2010
Supplies	\$ -	\$ 9,355
Publications	231,544	242,945
Artists for Kids - Prints	196,319	183,859
	\$ 427,863	\$ 436,159

NOTE 5 LONG-TERM RECEIVABLE AND PERMANENT ART COLLECTION

A permanent collection of artwork is recorded under the Artists For Kids program to build a lasting legacy of visual arts programs for the children of British Columbia. The permanent collection totaling \$1,456,579 (2010 - \$1,338,544) is recorded at cost or at appraised value at the time of donation. The permanent collection includes 2011 acquisitions of \$118,035 (2010 - \$85,577).

NOTE 6 CAPITAL ASSETS

			2011		2010		
	Cost	1 1	accumulated amortization	Ne	et Book Value	Ne	et Book Value
Work in Progress	\$ 36,122,072	\$	-	\$	36,122,072	\$	21,131,103
Sites	12,590,780		-		12,590,780		12,590,780
Buildings	246,016,415		74,915,364		171,101,051		153,542,592
Furniture & Equipment	3,924,515		2,084,257		1,840,258		1,914,453
Vehicles	1,525,154		678,244		846,910		813,189
Computer Software	1,220,945		587,722		633,223		883,535
Computer Hardware	 4,520,975		1,474,254		3,046,721		2,624,596
	\$ 305,920,856	\$	79,739,841	\$	226,181,015	\$	193,500,248

NOTE 7 CAPITAL LOAN PAYABLE

The following loan approved under Section 144 of the School Act is outstanding:

Approval Date	Year Borrowed	Interest Rate	Term	Amount Borrowed	Amount Paid	Balance O/S
November 27, 2008	2008	0.45% - 1.02%	1-3 Months	\$7,219,493	\$0	\$7,219,493
Unamortized Discount						(2,407)
Total						<u>\$7,217,086</u>

The Board of Education has been approved to borrow up to \$10,500,000 related to specific Capital Projects. The current \$7,219,493 is payable to the BC Provincial Treasury, Debt Management. The loan is advanced for one to three months at a time and interest is paid to the Province of British Columbia at the time of the maturity. The principal will be repaid through future land sales. The related unamortized discount on the loan interest of \$2,407 has been netted against the loan principal.

NOTE 8 LINE OF CREDIT

In 2009, the Board of Education authorized a Line of Credit of \$2,000,000 for the purposes of purchasing computer hardware and equipment in lieu of entering into capital leases at a higher interest rate. If drawn upon, the line of credit is to be paid down through future land sales, if Operating Surplus is unavailable.

NOTE 9 CAPITAL LEASES

As at June 30, 2011 the School District has principal outstanding of \$125,035 for capital lease obligations. Principal and interest repayments on the capital leases are recovered annually from the operating and special purpose funds.

(a) Detail of the capital leases is as follows:

				Interest		Long-term		
	Maturity in	Implicit	Annual	Accrual	Current	Capital Lease	Capital Lease	
Asset	Fiscal Year	Interest	Payment	June	Portion of	Obligation	Obligation	
Class	Ending	2010/11	2010/11	2011	Lease	June 30, 2011	June 30, 2010	
Computer	2012	6.08%-	#11 <i>4</i>	\$1.578	P105 025		\$325,034	
Hardware	2012	7.25%	\$237,114	\$1,378	\$125,035	-	φ323,03 4	

NOTE 9 CAPITAL LEASES (Continued)

(b) Assets under capital lease included in capital assets as at June 30, 2011:

		2011		2010
Accat Class	Cost A	ccumulated Ne	t Book Value Ne	t Book Value
Computer Hardware	\$471,722	\$177,501	\$294,221	\$599,116

NOTE 10 DEFERRED CONTRIBUTIONS

(a) Deferred Contributions - Ministry of Education

Deferred Contributions (Ministry of Education) recorded in the special purpose funds represent government grants for repairs and maintenance, minor renovations to existing buildings and acquisition of special education equipment. Deferred Contributions (Ministry of Education) recorded in the capital fund represent government grants for new or major replacements of buildings and equipment and asset disposal proceeds restricted in use by the Ministry of Education.

	2011								
		Special Purpose Funds C		Capital Fund		Total		Total	
BALANCE, BEGINNING OF YEAR	_\$_	1,129,286	\$	3,809,115	\$	4,938,401	\$	2,722,608	
Changes for the Year									
Increase:									
Provincial Grants - Ministry of Education		1,793,863		19,453,008		21,246,871		22,431,682	
Investment Income		11,099		-		11,099		5,352	
Subtotal:		1,804,962		19,453,008		21,257,970		22,437,034	
Decrease:									
Transferred to Revenue		2,682,885		_		2,682,885		2,136,727	
Transferred to DCC									
- Capital Additions		-		8,964,342		8,964,342		4,516,397	
- Work in Progress		-		10,416,137		10,416,137		13,568,117	
Subtotal:		2,682,885		19,380,479		22,063,364		20,221,241	
Net Changes for Year		(877,923)		72,529		(805,394)		2,215,793	
BALANCE, END OF YEAR	\$	251,363	\$	3,881,644	\$	4,133,007	\$	4,938,401	

NOTE 10 DEFERRED CONTRIBUTIONS (Continued)

(b) Deferred Contributions - Other

Deferred Contributions (Other) recorded in the special purpose funds represent donations and funds generated by individual schools for extra-curricular activities. Deferred contributions (Other) recorded in the capital fund represent funds designated specifically to be used for site acquisition and associated expenses.

				2011		 2010
		Special	 			
	Pur	Purpose Funds Ca			Total	 Total
BALANCE, BEGINNING OF YEAR	_\$	3,977,908	\$	2,207,309	\$ 6,185,217	\$ 4,046,667
Changes for the Year						
Increase:						
Federal Grants		_		580,333	580,333	21,838
School Generated Funds		6,784,737		-	6,784,737	5,869,221
Investment Income		3,635		24,992	28,628	1,400
Other Revenue		655,411		241,336	896,747	3,009,206
Subtotal:		7,443,783		846,661	 8,290,444	 8,901,665
Decrease:						
Transferred to Revenue		6,910,534		_	6,910,534	6,563,125
Transferred to DCC - Capital Additions		-		730,728	730,728	178,146
Transferred to DCC - Work in Progress		-		250,000	250,000	21,844
Subtotal:		6,910,534		980,728	7,891,262	 6,763,115
Net Changes for Year		533,249		(134,067)	399,183	 2,138,550
BALANCE, END OF YEAR	_\$_	4,511,157	\$	2,073,242	\$ 6,584,399	\$ 6,185,217

NOTE 10 DEFERRED CONTRIBUTIONS (Continued)

(c) Deferred Capital Contributions

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

	2011	2010
DEFERRED CAPITAL CONTRIBUTIONS BALANCE, BEGINNING OF YEAR	\$ 112,339,437	\$ 93,301,548
Changes for the Year		
Increase:		
Transferred from Deferred Contributions - Capital Additions	9,695,070	4,706,990
Transferred from Work in Progress	8,415,608	17,732,619
Subtotal:	18,110,678	22,439,609
Decrease:		
Amortization of Deferred Capital Contributions	3,932,446	3,401,720
Net Changes for Year	14,178,232	19,037,889
DEFERRED CAPITAL CONTRIBUTIONS BALANCE, END OF YEAR	\$126,517,669	\$ 112,339,437
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 15,461,659	\$ 19,604,317
Changes for the Year		
Increase:		
Transferred from Deferred Contributions	10,666,137	13,589,961
Decrease:		
Transferred to Deferred Contributions	8,415,608	17,732,619
Net Changes for Year	2,250,529	(4,142,658)
WORK IN PROGRESS, END OF YEAR	\$ 17,712,188	\$ 15,461,659
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	\$144,229,857	\$ 127,801,096

NOTE 11 ACCRUED EMPLOYEE FUTURE BENEFITS

The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

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

		2011		2010
Reconciliation of Accrued Benefit Obligation				
Accrued Benefit Obligation - April 1	\$	5,443,982	\$	5,399,549
Service Cost		352,289		416,470
Interest Cost		267,534		384,322
Benefit Payments		(390,684)		(319,646)
Actuarial Gain		(434,841)		(436,713)
Accrued Benefit Obligation - March 31		5,238,280	\$	5,443,982
Reconciliation of Funded Status at End of Fiscal Year				
Accrued Benefit Obligation - March 31	\$	5,238,280	\$	5,443,982
Market Value of Plan Assets - March 31		0_		0
Funded Status - Deficit		(5,238,280)		(5,443,982)
Employer Contributions After Measurement Date		189,141		203,634
Unamortized Net Actuarial Gain		(1,397,934)		(1,009,615)
Accrued Benefit Liability - June 30	\$	(6,447,073)	\$	(6,249,963)
Components of Net Benefit Expense				
Service Cost	\$	352,289	\$	416,470
Interest Cost		267,534		384,322
Amortization of Net Actuarial Gain		(46,522)		(3,505)
Net Benefit Expense	\$	797,287	\$	797,287

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

	<u>2011</u>		<u>2010</u>	
Discount Rate - April 1	5.00%		7.00%	
Discount Rate - March 31	4.75%		5.00%	
Long Term Salary Growth - April 1	2.50% +	Seniority	3.25% +	Seniority
Long Term Salary Growth - March 31	2.50% +	Seniority	2.50% +	Seniority
EARSL - March 31	10		10	

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trusteed pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 47,000 active members from school districts, and approximately 29,000 retired members from school districts. The Municipal Plan has about 163,000 active members, of which approximately 23,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2008 indicated a \$291 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in late 2012. The most recent valuation for the Municipal Pension Plan as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The School District paid \$12,158,235 for employer contributions to these plans in the year (2010 - \$11,688,836).

NOTE 13 INTERNALLY RESTRICTED AND UNRESTRICTED (OPERATING FUND BALANCE), END OF YEAR

The Operating Fund Surplus at the end of June 30, 2011 was \$4,448,462, of which \$4,435,000 is internally restricted and has been appropriated by the Board for use in the 2011/12 fiscal year as listed below. The remaining \$13,462 surplus is unrestricted.

Restricted Surplus

Restricted Balances Schools	\$710,000
Salary & Benefit Expenses to support 3 year staffing plan	2,600,000
Additional Salary & Benefit Expenses to support 3 year staffing plan	1,000,000
Outstanding Purchase Orders at June 30, 2011	125,000
Subtotal Internally Restricted	\$4,435,000
Unrestricted Surplus	13,462
Total Available for Future Operations	\$4,448,462

NOTE 14 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2011, transfers were as follows:

- A transfer was made in the amount of \$195,573 from operating to capital for payment of capital leases principal.
- A transfer was made in the amount of \$1,466,589 from operating to capital for the purchase of furniture, equipment, and vehicles (\$289,666), computer hardware and software (\$1,147,281), and buildings (\$29,642).
- A transfer was made in the amount of \$1,950,000 from operating to capital to support technology and capital projects.
- A transfer in the amount of \$2,683,607 was made from special purpose to capital for Annual Facilities Grant upgrades (\$2,375,699) and for capital purchases of computer hardware and equipment (\$307,908).
- A transfer in the amount of \$229,271 was made from special purpose to capital for capital leases principal (\$14,159) and Annual Facilities Grant upgrades (\$215,112 Work in Progress).

NOTE 15 RELATED PARTY TRANSACTIONS

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

NOTE 16 COMMITMENTS

The School District has entered into contracts related to capital projects with a remaining cost of approximately \$35,871,935.

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 22, 2011.

NOTE 18 CONTINGENCIES

The School District has granted an irrevocable standby letter of credit in the amount of \$100,000 in favour of the Corporation of the District of North Vancouver. This letter is in lieu of security deposits for capital projects. A second irrevocable standby letter of credit in the amount of \$44,817 in favour of the Corporation of the District of North Vancouver was issued in lieu of a security deposit for the Highlands School capital project.

NOTE 18 CONTINGENCIES (Continued)

The School District has been 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. Neither the outcome of this action nor any potential financial consequences are known at this time.

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2011, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

NOTE 19 ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP, which contemplates continuation of the School District as a "going concern".

NOTE 20 CAPITAL DISCLOSURES

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

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

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

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) OPERATING FUND SURPLUS (DEFICIT) YEAR ENDED JUNE 30, 2011

				2011		
		2011		AMENDED		2010
		ACTUAL	٨ħ	INUAL BUDGET		ACTUAL
	•					
REVENUE						
Provincial Grants - Ministry of Education	\$	128,912,175	\$	127,785,070	\$	125,198,772
Provincial Grants - Other		250,066		230,000		1,182,220
Federal Grants		2,240		2,240		2,520
Other Revenue		10,665,677		10,185,848		10,928,390
Rentals and Leases		1,378,622		741,054		1,242,094
Investment Income		281,498		100,000		143,985
		141,490,278		139,044,212		138,697,981
EXPENSE						
Salaries						
Teachers		62,968,781		63,046,013		63,100,576
Principals and Vice Principals		8,106,504		8,294,642		8,592,564
Educational Assistants		11,372,713		11,549,507		12,140,527
Support Staff		11,068,513		11,490,534		11,448,423
Other Professionals		3,087,517		3,257,611		3,277,838
Substitutes		3,426,892		3,371,300		3,568,783
		100,030,920		101,009,607		102,128,711
Employee Benefits		23,096,110		23,063,903		22,332,457
Services and Supplies		11,349,937		15,312,072		11,412,139
		134,476,967		139,385,582		135,873,307
				•		
NET REVENUE (EXPENSE), FOR THE YEAR		7,013,311		(341,370)		2,824,674
INTERFUND TRANSFERS						
Capital Assets Purchased		(1,466,589)		(705,943)		(545,490)
Local Capital		(1,950,000)		(100,840)		(1,005,000)
Other		(195,573)				(263,421)
Outei		(190,073)				(203,421)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE						
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)				1,047,313		
OURDLING (RESIGNATION FOR THE VENT						
SURPLUS (DEFICIT), FOR THE YEAR		3,401,149		-		1,010,763
SURPLUS (DEFICIT), BEGINNING OF YEAR		1,047,313				36,550
SURPLUS (DEFICIT), END OF YEAR						
(Section 156 (12) of School Act)	\$	4,448,462		,	\$	1,047,313
, -,-,-,	<u> </u>	.,,	=	-	7	.,0,010
SURPLUS (DEFICIT), END OF YEAR						
Internally Restricted		4,435,000				
Unrestricted		13,462				
	\$	4,448,462	-			
		4,440,402				

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) OPERATING FUND COMPARATIVE SCHEDULE OF REVENUE BY SOURCE YEAR ENDED JUNE 30, 2011

		2011		AMENDED	2010
		ACTUAL	Al	NUAL BUDGET	ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION					
Operating Grant, Ministry of Education	\$	404.004.000	ø	400 004 640 · ф	400 004 407
Other Ministry of Education Grants	Ф	124,061,862	Ф	122,984,640 \$	120,391,407
Pay Equity / Labour Market Adjustment		2,966,047		2,966,046	2.066.047
OLEP Second Language - French		2,900,047		2,966,046 275,566	2,966,047 275,566
Scorer Training / Marker Training		18,842		18.842	18,842
Community Link Planning Fund		1.043.826		1,043,826	376,842
Ready, Set, Loarn		66,150		66,150	71,050
Carbon Tax		93,789		90,000	88,257
Education Guarantee		176,093		130,000	761,011
Strong Starts		210,000		210.000	249.750
on one of the control		128,912,175		127,785,070	125,198,772
		120,312,173		127,700,070	125,186,772
PROVINCIAL GRANTS - OTHER		250,066		230,000	1,182,220
FEDERAL GRANTS		2,240		2,240	2,520
OTHER REVENUE					
Summer School Fees		136,150		127.752	116,895
Continuing Education		10,500		30.000	29.049
Offshore Tuition Fees		7.835,473		7,635,000	7,720,050
Miscellaneous		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		, 10001000	.,,
Elementary Band & Strings		546,091		502,800	491,217
NV Outdoor School Revenue		1,278,155		1,286,500	1,298,444
Reading 44 / Math 44		70,224		72,000	113,733
Sundry (Crossing Guards / Transportation/ School Meals)		718,049		484,796	914,718
All Day Kindergarten (Inspirations 44)		•		•	222,460
Recoveries (Custodial Costs / VS Athletic Coord/ Donations)		71,035		47,000	21,824
		10,665,677		10,185,848	10,928,390
RENTALS AND LEASES		1,378,622		741,054	1,242,094
INVESTMENT INCOME		281,498		100,000	143,985
TOTAL OPERATING REVENUE	\$	141,490,278	\$	139,044,212 \$	138,697,981

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) OPERATING FUND COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT YEAR ENDED JUNE 30, 2011

		2011							
		2011		AMENDED		2010			
	ACTUAL			ANNUAL BUDGET		ACTUAL			
SALARIES	_		_						
Teachers	\$	62,968,781	\$	63,046,013	\$	63,100,576			
Principals and Vice Principals		8,106,504		8,294,642		8,592,564			
Educational Assistants		11,372,713		11,549,507		12,140,527			
Support Staff		11,068,513		11,490,534		11,448,423			
Other Professionals		3,087,517		3,257,611		3,277,838			
Substitutes		3,426,892		3,371,300		3,568 <u>,</u> 783_			
		100,030,920		101,009,607		102,128,711			
EMPLOYEE BENEFITS	****	23,096,110		23,063,903		22,332,457			
TOTAL SALARIES AND BENEFITS		123,127,030		124,073,510		124,461,168			
SERVICES AND SUPPLIES									
Services		4,110,529		6.539.672		4,112,047			
Student Transportation		144,640		155.500		160,885			
Professional Development and Travel		594,692		667,189		529,305			
Rentals and Leases		13.080		12.108		5.871			
Dues and Fees		59.273		58,700		47,890			
Insurance		352,916		322,700		277,836			
Interest		16,709		26,198		51,774			
Supplies		3,997,333		5,230,005		4,219,250			
Utilities		2,060,765		2,300,000		2,007,281			
TOTAL SERVICES AND SUPPLIES		11,349,937		15,312,072		11,412,139			
TOTAL OPERATING EVERNOR	•	424 470 007		400 205 502	•	405 070 207			
TOTAL OPERATING EXPENSE	\$	134,476,967	\$	139,385,582	\$	135,873,307			

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) OPERATING FUND EXPENSE BY FUNCTION, PROGRAM AND OBJECT YEAR ENDED JUNE 30, 2011

	TEACHERS	PRINCIPALS & VICE PRINCIPALS	EDUCATIONAL ASSISTANTS	SUPPORT STAFF	OTHER PROFESSIONALS	SUBSTITUTES	TOTAL
	SALARIES	SALARIES	SALARIES	SALARIES	SALARIES	SALARIES	SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	\$ 49,906,949	\$ 2,682,066	\$ 1,819,542	\$ 1,513,693		\$ 2,760,391	\$ 58,682,641
1.03 Career Programs	72,036			122,933		10,503	205,472
1.07 Library Services	1,840,068	28,556	154,792	161,141		6,003	2,190,560
1.08 Counselling	2,377,328					1,504	2,378,832
1.10 Special Education	5,730,110	456,010	8,866,415	499,504		198,447	15,750,486
1.30 English as a Second Language	1,020,638			110,051		12,460	1,143,149
1.31 Aboriginal Education	254,405	120,097	384,572			16,740	775,814
1.41 School Administration		4,747,269		1,230,791		60,137	6,038,197
1.60 Summer School	273,784			41,892			315,676
1.61 Continuing Education	746,166	72,506	89,544	97,269		14,443	1,019,928
1.62 Off Shore Students	736,766			82,513	88,418	342	908,039
1.64 Other				283,377		4,622	287,999
Total Function 1	62,958,250	8,106,504	11,314,865	4,143,164	88,418	3,085,592	89,696,793
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration					711,453	526	711,979
4.40 School District Governance					141,137		141,137
4.41 Business Administration				806,669	1,242,763	1,529	2,050,961
Total Function 4		_		806,669	2,095,353	2,055	2,904,077
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	10,531			46,711	453,590		510,832
5.50 Maintenance Operations				5,693,375	450,156	333,247	6,476,778
5.52 Maintenance of Grounds				353,812			353,812
Total Function 5	10,531			6,093,898	903,746	333,247	7,341,422
7 TRANSPORTATION AND HOUSING							
7.70 Student Transportation			57,848	24,782	, , , , , , , , , , , , , , , , , , , ,	5,998	88,628
Total Function 7	-	-	57,848	24,782		5,998	88,628
9 DEBT SERVICES (OPERATING)							
Total Function 9	-		_	-			
1.000.1.01001011							
TOTAL FUNCTIONS 1 - 9	\$ 62,968,781	\$ 8,106,504	\$ 11,372,713	\$ 11,068,513	\$ 3,087,517	\$ 3,426,892	\$ 100,030,920

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SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) OPERATING FUND EXPENSE BY FUNCTION, PROGRAM AND OBJECT YEAR ENDED JUNE 30, 2011

			TOTAL	SERVICES		2011	
	TOTAL	EMPLOYEE	SALARIES	AND	2011	AMENDED	2010
	SALARIES	BENEFITS	AND BENEFITS	SUPPLIES	ACTUAL	ANNUAL BUDGET	ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 58,682,641	\$ 14,190,157	\$ 72,872,798	\$ 3,792,234	\$ 76,665,032	\$ 75,457,489	\$ 76,233,294
1.03 Career Programs	205,472	41,413	246,885	24,144	271,029	251,151	467,012
1.07 Library Services	2,190,560	508,439	2,698,999	41,205	2,740,204	2,837,555	2,659,630
1.08 Counselling	2,378,832	560,029	2,938,861	9,808	2,948,669	2,730,409	2,876,567
1.10 Special Education	15,750,486	3,339,279	19,089,765	319,274	19,409,039	20,458,459	20,044,603
1.30 English as a Second Language	1,143,149	312,816	1,455,965	17,076	1,473,041	1,250,639	1,690,370
1.31 Aboriginal Education	775,814	146,611	922,425	28,440	950,865	1,145,732	954,338
1.41 School Administration	6,038,197	1,263,520	7,301,717	142,189	7,443,906	7,267,820	7,896,739
1.60 Summer School	315,676	57,573	373,249	10,197	383,446	436,033	435,125
1.61 Continuing Education	1,019,928	234,299	1,254,227	166,105	1,420,332	1,432,872	1,390,712
1.62 Off Shore Students	908,039	210,567	1,118,606	572,674	1,691,280	3,811,286	1,973,728
1.64 Other	287,999	40,465	328,464	330,479	658,943	3,126,058	672,479
Total Function 1	89,696,793	20,905,168	110,601,961	5,453,825	116,055,786	120,205,503	117,294,597
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	711,979	159,879	871,858	167,113	1,038,971	1,049,782	1,141,991
4.40 School District Governance	141,137	19,100	160,237	107,207	267,444	260,984	321,105
4.41 Business Administration	2,050,961	393,850	2,444,811	605,572	3,050,383	3,140,379	3,231,840
Total Function 4	2,904,077	572,829	3,476,906	879,892	4,356,798	4,451,145	4,694,936
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	510,832	84,631	595,463	506,829	1,102,292	1,056,207	954,015
5.50 Maintenance Operations	6,476,778	1,441,892	7,918,670	1,939,777	9,858,447	10,259,215	9,777,441
5.52 Maintenance of Grounds	353,812	73,477	427,289	423,938	851,227	867,543	918,308
5.56 Utilities	•		•	2,060,765	2,060,765	2,292,000	2,007,281
Total Function 5	7,341,422	1,600,000	8,941,422	4,931,309	13,872,731	14,474,965	13,657,045
7 TRANSPORTATION AND HOUSING							
7.70 Student Transportation	88,628	18,113	106,741	71,090	177,831	227,771	197,691
Total Function 7	88,628	18,113	106,741	71,090	177,831	227,771	197,691
9 DEBT SERVICES (OPERATING)							
9.94 Interest on Temporary Borrowing			-	13,821	13,821	26,198	29,038
Total Function 9		-	-	13,821	13,821	26,198	29,038
				<u>-</u>			
TOTAL FUNCTIONS 1 - 9	\$ 100,030,920	\$ 23,096,110	\$ 123,127,030	\$ 11,349,937	\$ 134,476,967	\$ 139,385,582	\$ 135,873,307

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SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) OPERATING FUND CHANGES IN DEFERRED CONTRIBUTIONS YEAR ENDED JUNE 30, 2011

BALANCE, BEGINNING OF YEAR	
Changes for the Year Increase:	
Decrease:	
Net Changes for the Year	<u> </u>
BALANCE, END OF YEAR	<u> </u>

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) SPECIAL PURPOSE FUNDS SUMMARY OF CHANGES YEAR ENDED JUNE 30, 2011

	MINIST OF EDUCA DESIGNA	NTION	0	THER	ĢE	CHOOL NERATED FUNDS	RELATED ENTITIES		TOTAL
DEFERRED CONTRIBUTIONS									
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	S 1,	129,286	s	1,723,259	s	2,254,649		s	5,107,194
Add: Contributions Received									
Provincial Grants - Ministry of Education	1,	793,863							1,793,863
Other				655,411		6,784,737			7,440,148
Investment Income		11,099		3,635			1	<u> </u>	14,734
	1,	804,962		659,046		6,784,737		-	9,248,745
Less: Allocated to Revenue	2,	682,885		612,006		6,298,528			9,593,419
DEFERRED CONTRIBUTIONS, END OF YEAR	s	251,363	s	1,770,299	\$	2,740,858	s	- s	4,762,520
REVENUE AND EXPENSE								-	
REVENUE									
Provincial Grants - Ministry of Education	\$ 2.	671,786						s	2,671,786
Other Revenue		,		608,39		6,298,528			6,906,919
Investment Income		11,099		3,615					14,714
	2,	682,885		612,006		6,298,528		_	9,593,419
EXPENSE									
Salaries		·							
Teachers				(140)					(140)
Principals and Vice Principals				72,745					72,745
Support Staff				114					114
Other Professionals				26,875					26,875
Substitutes				23,377					23,377
		-		122,971		<u> </u>		•	122,971
Employee Benefits				21,479					21,479
Services and Supplies		58,052 58,052	<u> </u>	464,903 609,353		6,013,136 6,013,136			6,536,091 6,680,541
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	2,	624,833		2,653		285,392		-	2,912,878
INTEREUM TRANSFERS									
INTERFUND TRANSFERS Capital Assets Purchased		409,721)		(2,653)	<u> </u>	(271,233)			(2,683,607)
Other		409,721) 215,112)		(2,053)		(14,159)			(2,683,607)
V0.63		624,833)		(2,653)		(285,392)			(2,912,878)
NET REVENUE (EXPENSE)	s		s		\$		s	- \$	

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) SPECIAL PURPOSE FUNDS CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS YEAR ENDED JUNE 30, 2011

	1	207 Annual Facility Grant		250 Special Education Equipment		290 Debt Services		TOTAL
DEFERRED CONTRIBUTIONS								
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$	974,590	\$	28,727	5	125,969	\$	1,129,286
Add: Contributions Received								
Provincial Grants - Ministry of Education		1,765,526	Ţ	28,337				1,793,863
Investment Income		10,772		327		-		11,099
		1,776,298		28,664				1,804,962
Less: Allocated to Revenue	 	2,590,811		34,022	-	58,052		2,682,885
DEFERRED CONTRIBUTIONS, END OF YEAR	s	160,077	\$	23,369	\$	67,917	\$	251,363
REVENUE AND EXPENSE					_	······································		
REVENUE								
Provincial Grants - Ministry of Education	\$	2,580,039	\$	33,695	\$	58,052	\$	2,671,786
Investment Income		10,772		327				11,099
		2,590,811	ļ	34,022		58,052		2,682,885
EXPENSE								
Salaries								
		-				-		
Services and Supplies						58,052		58,052
		_				58,052	ļ	58,052
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS		2,590,811		34,022				2,624,833
INTERFUND TRANSFERS	-	· · · · · · · · · · · · · · · · · · ·	 					
Capital Assets Purchased		(2,375,699)		(34,022)				(2,409,721)
Other		(215,112)						(215,112)
		(2,590,811)		(34,022)		-		(2,624,833)
NET REVENUE (EXPENSE)	\$		s		5		s	

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) SPECIAL PURPOSE FUNDS CHANGES IN OTHER SPECIAL PURPOSE FUNDS YEAR ENDED JUNE 30, 2011

	270 Metro Regional Implementation		Violence Prevention	Artistsfor Kids	NVOS Special Projectes		TOTAL
DEFERRED CONTRIBUTIONS							
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 291,882	\$	23,614	\$ 1,404,221	\$ 3,542	\$	1,723,259
Add: Contributions Received							
Olher	28,200		20,000	607,211	-		655,411
Investment Income	3,294		321		20		3,635
	31,494	_	20,321	607,211	20		659,046
Less: Allocated to Revenue	91,628	+	16,423	503,955	-	1-	612,008
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 231,748	\$	27,512	\$ 1,507,477	\$ 3,562	s	1,770,299
REVENUE AND EXPENSE		+				 	
REVENUE		\top					
Other Revenue	88,334	+	16,102	503,955		 	608,391
Investment Income	3,294		321	505,000		Ì	3,615
	91,628		16,423	503,955	-		612,006
EXPENSE		T					
Salaries							
Teachers				(140)			(140)
Principals and Vice Principals				72,745			72,745
Support Staff		<u> </u>		114			114
Other Professionals				26,875		ļ	26,875
Substitutes		┷		23,377			23,377
				122,971	-	1	122,971
Employee Benefits				21,479			21,479
Services and Supplies	91,628	Щ.	16,423	356,852			464,903
	91,628		16,423	501,302		<u> </u>	609,353
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS		-		2,653	-	-	2,653
INTERFUND TRANSFERS		+				-	
Capital Assets Purchased		$oxed{\bot}$		(2,653)			(2,653)
	-			(2,653)	-		(2,653)
NET REVENUE (EXPENSE)	s -	s	-	s -	s -	\$	

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) CAPITAL FUND CAPITAL ASSETS YEAR ENDED JUNE 30, 2011

		SITES		BUILDINGS		FURNITURE AND EQUIPMENT		VEHICLES		COMPUTER SOFTWARE		COMPUTER HARDWARE		TOTAL
				50,25,1100				72,110220						10.74
COST, BEGINNING OF YEAR	\$	12,590,780	\$	223,515,105	\$	4,780,530	\$	1,355,848	\$	1,607,271	\$	4,686,448	\$	248,535,982
Changes for the Year														
Increase:														
Purchases from:														
Deferred Contributions - Bylaw				8,865,607		98,735								8,964,342
Deferred Contributions - Other				580,333		150,395								730,728
Operating Fund				29,642		120,360		169,306		71,142		1,076,139		1,466,589
Special Purpose Funds				2,375,699		34,368						273,540		2,683,607
Local Capital				2,235,153										2,235,153
Capital Leases (Function 081)												9,735		9,735
Assets from Debt Financing				(732)										(732)
Transferred from Work in Progress				8,415,608										8,415,608
		-		22,501,310		403,858		169,306		71,142		1,359,414		24,505,030
Decrease:														
Deemed Disposals						1,259,873				457,468		1,524,887		3,242,228
		.		-		1,259,873		-		457,468		1,524,887		3,242,228
COST, END OF YEAR		12,590,780		246,016,415		3,924,515		1,525,154		1,220,945		4,520,975		269,798,784
WORK IN PROGRESS, END OF YEAR				35,672,818						449,254				36,122,072
COST AND WORK IN PROGRESS, END OF YEAR	\$	12,590,780	\$	281,689,233	\$	3,924,515	\$	1,525,154	\$	1,670,199	\$	4,520,975	\$	305,920,856
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR			\$	69,972,513	\$	2,866,077	\$	542,659	\$	723,736	\$	2,061,852	\$	76,166,837
Changes for the Year														,,
Increase: Amortization for the Year				4,942,851		478,053		135,585		321,454		937,289		6,815,232
Decrease:						1,259,873				ACT ACD		1,524,887		3,242,228
Deemed Disposals						1,259,873				457,468 457,468		1,524,887		3,242,228
ACCURAGE ATED AMORTIZATION CHO OF VEAR	-\$		\$	74.045.264	•	2,084,257	•	678,244	•		æ		•	
ACCUMULATED AMORTIZATION, END OF YEAR	Ψ		Φ	74,915,364	\$	2,004,237	Þ	676,244	Ð	587,722	Þ	1,474,254	φ	79,739,841
CAPITAL ASSETS - NET	\$	12,590,780	\$	206,773,869	\$	1,840,258	\$	846,910	\$	1,082,477	\$	3,046,721	\$	226,181,015

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) CAPITAL FUND CAPITAL ASSETS - WORK IN PROGRESS YEAR ENDED JUNE 30, 2011

	 BUILDINGS	FURNITURE AND EQUIPMENT		COMPUTER SOFTWARE	COMPUTER HARDWARE		TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 20,681,849		\$	449,254		\$	21,131,103
Changes for the Year							
Increase							
Deferred Contributions - Bylaw	10,416,137						10,416,137
Deferred Contributions - Other	250,000						250,000
Special Purpose Funds	215,112						215,112
Local Capital	 12,525,328						12,525,328
	 23,406,577			-	101		23,406,577
Decrease							
Transferred to Capital Assets	 8,415,608						8,415,608
	 8,415,608			-	· · · · · · · · · · · · · · · · · · ·	*	8,415,608
Net Changes for the Year	 14,990,969		<u> </u>			<u>-</u>	14,990,969
WORK IN PROGRESS, END OF YEAR	\$ 35,672,818 \$. \$	449,254 \$		- \$	36,122,072

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) CAPITAL FUND DEFERRED CAPITAL CONTRIBUTIONS YEAR ENDED JUNE 30, 2011

		BYLAW CAPITAL	Pi	OTHER ROVINCIAL	OTHER CAPITAL	 TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$	110,638,582	\$	701,203	\$ 999,652	\$ 112,339,437
Changes for the Year						
Increase		0.004.040			700 700	0.005.070
Transferred from Deferred Contributions - Capital Additions		8,964,342			730,728	9,695,070
Transferred from Work in Progress		8,393,771 17,358,113			 21,837 752,565	 8,415,608
		17,300,113			702,000	 18,110,678
Decrease						
Amortization of Deferred Capital Contributions		3,852,571		18.037	61.838	3,932,446
		3,852,571		18,037	61,838	3,932,446
					 	<u> </u>
Net Changes for the Year		13,505,542		(18,037)	690,727	14,178,232
•		,,		(10,001)	000,1.2.	.,
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	\$	124,144,124	\$	683,166	\$ 1,690,379	\$ 126,517,669
	_			·		1.
WORK IN PROGRESS, BEGINNING OF YEAR	\$	15,139,822			\$ 321,837	\$ 15,461,659
					•	, ,
Changes for the Year						
Increase						
Transferred from Deferred Contributions - Work in Progress		10,416,137			250,000	10,666,137
		10,416,137		-	250,000	10,666,137
Decrease						
Transferred to Deferred Capital Contributions		8,393,771			21,837	8,415,608
		8,393,771		-	 21,837	 8,415,608
No. A Ohan F (I V.						
Net Changes for the Year		2,022,366		-	228,163	2,250,529
WORK IN DROCKICS THE OF YEAR	•	17 100 10-			440 000	
WORK IN PROGRESS, END OF YEAR	_\$	17,162,188	\$	-	\$ 550,000	\$ 17,712,188
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	-\$	141,306,312	\$	683,166	\$ 2,240,379	\$ 144,229,857

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) CAPITAL FUND CHANGES IN DEFERRED CONTRIBUTIONS YEAR ENDED JUNE 30, 2011

		BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL		OTHER PROVINCIAL CAPITAL	LAND CAPITAL		OTHER CAPITAL		TOTAL
BALANCE, BEGINNING OF YEAR	\$	3,584,146	\$ 224,969	\$	-			\$ 2,207,309	\$	6,016,424
Changes for the Year										
Provincial Grants - Ministry of Education Other		19,453,008						580,333		19,453,008 580,333
Investment Income COA Projects - balances closed to MOE Restricted		(1,619,384)	1,619,384					24,992		24,992
Other Sources - School District Projects			 					 241,336		241,336
Decrease:		17,833,624	 1,619,384		<u>-</u>	·	-	846,661		20,299,669
Transferred to DCC - Capital Additions Transferred to DCC - Work in Progress		8,964,342 10,416,137						730,728 250,000		9,695,070 10,666,137
		19,380,479	_	_	-		-	 980,728		20,361,207
Net Changes for the Year		(1,546,855)	 1,619,384				-	(134,067)		(61,538)
BALANCE, END OF YEAR	\$	2,037,291	\$ 1,844,353	\$_	-	\$	-	\$ 2,073,242	\$	5,954,886

SCHOOL DISTRICT No. 44 (NORTH VANCOUVER) CAPITAL FUND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2011

		INVESTED IN		
		CAPITAL	LOCAL	FUND
		ASSETS	 CAPITAL	BALANCE
BALANCE, BEGINNING OF YEAR	\$	58,184,737	\$ 23,537,082	\$ 81,721,819
Changes for the Year				
Investment Income			82,806	82,806
Amortization of Deferred Capital Contributions		3,932,446	•	3,932,446
Capital Assets Purchased from Local Capital		14,760,480	(14,760,480)	
Interfund Transfers - Capital Assets Purchased		4,150,196		4,150,196
Interfund Transfers - Local Capital			1,950,000	1,950,000
Amortization of Capital Assets		(6,815,232)		(6,815,232)
Capital Leases Principal Paid - Operating		195,573		195,573
Capital Leases Principal Paid - Special Purpose		14,159		14,159
SPF WIP (AFG)		215,112		215,112
Net Changes for the Year		16,452,734	(12,727,674)	3,725,060
BALANCE, END OF YEAR	_\$	74,637,471	\$ 10,809,408	\$ 85,446,879

2010–2011 AUDITED FINANCIAL STATEMENTS KEY YEAR-END HIGHLIGHTS

STATEMENT OF FINANCIAL POSITION STATEMENT 1

ASSETS

Cash and Cash Equivalents

This classification includes cash and term deposits with maturity dates of three months or less. Year over year, the total cash and cash equivalents held by the School District has increased by \$17,112,310. Much of the increase is due to the capital projects underway.

The cash held by the School District has increased by \$7 Million since June, 2007, including the \$2 Million Audain gift received in the 2009/10 fiscal year. Analysis of the expenditures for the 2011 year indicate that the cash on hand (float) should be in the range of \$12.2M - \$14M, using the Auditor General's rule of thumb for a 7% to 8% float. Actual cash flow utilization for the School District ranges from \$14.5M to \$17.5M per month, dependent upon the time of year. Short-term available cash generates the highest rate of interest available on the market through term deposits or bank interest earnings.

Accounts Receivable

The significant decrease of \$15,710,202 in Accounts Receivable (Current & Long-term) is largely attributed to the payments received from the sale of the Lonsdale school property. Sale proceeds are being received over the life of the construction project, expected to be completed in Spring, 2012.

Capital Assets

Capital acquisitions, particularly construction and seismic upgrade projects, account for the \$32,680,767 net increase in capital assets, year over year. (Canyon Heights, Carisbrooke, Highlands, Ridgeway, Carson Graham, Educational Services Centre, Environmental Learning Centre)

LIABILITIES AND FUND BALANCES

Current Liabilities

A \$7,106,151 increase in Accounts Payable and Accrued Liabilities occurred due to the timing differences for Payroll Statutory deductions, Health & Welfare liabilities, Pension liabilities, as well as increased construction lien holdbacks and Capital construction liabilities.

Fund Balances

The Operating Fund generated \$4,448,462 surplus, of which \$4,435,000 is appropriated for use in the 2011/12 fiscal year and for the three year staffing plan. (See Note 14 of the Financial Statements)

The Capital Fund balance increased by \$3,725,060, and reflects the changes in Capital Assets purchased and additions to Local Capital.

2010–2011 AUDITED FINANCIAL STATEMENTS KEY YEAR-END HIGHLIGHTS

OPERATING FUND SURPLUS (DEFICIT) STATEMENT A1

REVENUE

Total Revenue was \$2,446,066, or 1.76%, higher than budgeted.

Provincial Operating Grant revenue is budgeted, in both the Preliminary and Amended budgets, to match the respective Operating Grant announcements. The February and May student enrolment recount information, and the resultant funding impacts, are confirmed by the Ministry of Education subsequent to the Amended budget submission deadline, therefore changes to the Provincial funding are only forecast and not budgeted. An additional \$1,285,221 in funding was announced after the February 28, 2011 submission of the Amended budget.

Changes to 2010/11 Operating Grant	Date Announced	Amount	
Original Grant Estimate	Mar. 15, 2010	\$ 120,375,807	
September Grant Calculation (Dec.15/10)	Dec. 15, 2010	 123,306,084	_
Change in Grant		\$ 2,930,277	Incr
Additional Funding Announcements			
February Recount (DL, CE, Spec. Needs)	May 18, 2011	\$ 707,993	Incr
May Recount (DL, CE)	June 23, 2011	(4,366)	Decr
Holdback Release	May 18, 2011	231,389	Incr
Holdback Release	June 23, 2011	350,204	Incr
Total Change in Grant since December 15, 2010		\$ 1,285,221	Incr
Total Funding Changes		\$ 4,215,498	•

Total Provincial funding, including the Ministry of Education Grant, was approximately \$1,147,171, or 0.9%, greater than budgeted due to higher enrolment in Adult Education, Distributed Learning, and Special Needs. The Special Needs Audit penalty of \$508,000 was paid to the Ministry of Education through a reduction of the Grant received.

The Other Revenue category was \$479,829, or 4.71% higher than budgeted due to higher Elementary Band & Strings enrolment, higher International Student enrolment, and Sundry revenue.

Rentals and Leases are showing an 86.04%, or \$637,568 revenue increase over budget, the majority of which is due to a reclassification of long term leases from Capital to Operating.

Investment Income significantly exceeded budget by \$181,498, or 181.50%, largely due to an increase in interest rates and larger cash balances due to multiple capital projects.

EXPENSES

Total Expenses, excluding Capital Assets, were \$4,908,615, or 3.52%, lower than budgeted.

Salaries were \$978,687, or 0.97%, under budget. Hiring restrictions and changes to operational practices remained in place during the year. Long-term absences were a significant contributing factor in generating this variance.

Benefits were \$32,207, or 0.14%, over budget.

Supplies and Services were \$3,962,135, or 25.88%, under budget. In order to present a balanced budget, it was necessary to budget \$2.38M in District Contingency as an expense with the intent of applying it to future staffing needs through a three year staffing plan. The School Block Budget balance carry-forward claims an additional \$710,000 of the variance. Expenditure constraints in all expense categories were in place throughout the year, and utility costs were under budget as a result of a mild winter.

Capital Assets Purchased were \$2,906,219, or 411% over budget. Expenses in this category were incurred to meet the operational demands for equipment, mostly technology. A transfer of \$1,950,000 from Operating into Local Capital to support Capital Projects is included in the variance.