

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2011/2012

SCHOOL DISTRICT NUMBER 72	NAME OF SCHOOL DISTRICT Campbell River	YEAR 2011/2012
OFFICE LOCATION 425 Pinecrest Rd		TELEPHONE NUMBER 250-830-2300
CITY/PROVINCE Campbell River, BC		POSTAL CODE V9W 3P2
WEBSITE ADDRESS www.sd72.bc.ca		
NAME OF SUPERINTENDENT Tom Longridge		NAME OF SECRETARY-TREASURER Kevin Patrick

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. 72 (Campbell River) ("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. 72 (Campbell River) for the year ended June 30, 2012.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION Original Signed by Michele Babchuk	DATE SIGNED Sept 25, 2012
SIGNATURE OF SUPERINTENDENT Original Signed by Tom Longridge	DATE SIGNED Sept. 26/12
SIGNATURE OF SECRETARY-TREASURER Original Signed by Kevin Patrick	DATE SIGNED Sept. 25, 2012

Independent Auditors' Report

To the Board of Education of School District No. 72 (Campbell River) and to the Minister of Education:

We have audited the statement of financial position of School District No. 72 (Campbell River) as at June 30, 2012 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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 the School District as at June 30, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

We draw attention to the Supplementary Financial Information included in Schedules A1 to A5, B1 to B3 and C1 to C5 which has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Campbell River, British Columbia

September 25, 2012



Chartered Accountants

**SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
2011/2012 AUDITED FINANCIAL STATEMENTS**

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SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 9,586,771	\$ 982,331		\$ 10,569,102	\$ 9,469,162
Accounts Receivable					
Due from Province - Ministry of Education	49,826	252,042		301,868	49,826
Due from LEA/Direct Funding	170,874			170,874	467,540
Other Receivables (Note 3)	364,849	14,257	71,571	450,677	668,606
Interfund Loans		679,760	1,100,310		
Prepaid Expenses	61,878		7,967	69,845	53,440
	10,234,198	1,928,390	1,179,848	11,562,366	10,708,574
Capital Assets - Net (Note 4)			87,806,313	87,806,313	88,719,221
TOTAL ASSETS	\$ 10,234,198	\$ 1,928,390	\$ 88,986,161	\$ 99,368,679	\$ 99,427,795
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	3,417,848	2,797	73,220	3,493,865	4,217,999
Interfund Loans	1,780,070				
	5,197,918	2,797	73,220	3,493,865	4,217,999
Deferred Revenue	289,754			289,754	296,300
Deferred Contributions					
Ministry of Education (Note 5)	57,190	343,813	333,324	734,327	184,736
Other (Note 5)	7,159	1,581,780	3,146	1,592,085	1,543,979
Accrued Employee Future Benefits (Note 8)	1,145,311			1,145,311	1,183,189
Deferred Capital Contributions (Note 5)			65,648,634	65,648,634	66,032,549
TOTAL LIABILITIES	6,697,332	1,928,390	66,058,324	72,903,976	73,458,752
Fund Balances					
Invested in Capital Assets			22,020,522	22,020,522	22,549,516
Internally Restricted (Note 8)	2,536,866		907,315	3,444,181	3,419,527
Unrestricted	1,000,000			1,000,000	
TOTAL FUND BALANCES	3,536,866	-	22,927,837	26,464,703	25,969,043
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,234,198	\$ 1,928,390	\$ 88,986,161	\$ 99,368,679	\$ 99,427,795

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2012

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
REVENUE					
Provincial Grants - Ministry of Education	\$ 47,813,996	\$ 1,215,960	\$ 38,921	\$ 49,068,877	\$ 50,913,765
Other Revenue	2,641,255	2,185,989		4,827,244	5,355,752
Rentals and Leases	201,849			201,849	186,244
Investment Income	81,507		6,855	88,362	74,579
Amortization of Deferred Capital Contributions			2,530,708	2,530,708	2,454,913
Gain (Loss) on Disposal of Capital Assets				-	25,506
	<u>50,738,607</u>	<u>3,401,949</u>	<u>2,576,484</u>	<u>56,717,040</u>	<u>59,010,759</u>
EXPENSE					
Salaries					
Teachers	21,035,970	249,897		21,285,867	22,012,434
Principals and Vice Principals	3,136,006	35,934		3,171,940	3,238,430
Educational Assistants	3,985,313	350,535		4,335,848	4,230,379
Support Staff	5,735,168	27,685		5,762,853	5,955,552
Other Professionals	1,117,410			1,117,410	1,210,762
Substitutes	957,053	15,892		972,945	1,026,174
	<u>35,966,920</u>	<u>679,943</u>	<u>-</u>	<u>36,646,863</u>	<u>37,673,731</u>
Employee Benefits	8,169,063	155,518		8,324,581	8,276,980
Services and Supplies	5,297,665	2,566,488	154,556	8,018,709	9,101,882
Amortization of Capital Assets			3,231,227	3,231,227	3,113,950
	<u>49,433,648</u>	<u>3,401,949</u>	<u>3,385,783</u>	<u>56,221,380</u>	<u>58,166,543</u>
NET REVENUE (EXPENSE)	<u>\$ 1,304,959</u>	<u>\$ -</u>	<u>\$ (809,299)</u>	<u>\$ 495,660</u>	<u>\$ 844,216</u>

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
FUND BALANCES, BEGINNING OF YEAR	\$ 2,561,456	\$ -	\$ 23,407,587	\$ 25,969,043	\$ 25,124,827
Changes for the Year					
Net Revenue (Expense) for the Year	1,304,959		(809,299)	495,660	844,216
Interfund Transfers					
Capital Assets Purchased (Note 9)	(118,141)		118,141	-	
Local Capital (Note 9)	(211,408)		211,408	-	
Net Changes for the Year	<u>975,410</u>	<u>-</u>	<u>(479,750)</u>	<u>495,660</u>	<u>844,216</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,536,866</u>	<u>\$ -</u>	<u>\$ 22,927,837</u>	<u>\$ 26,464,703</u>	<u>\$ 25,969,043</u>

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	\$ 1,304,959		\$ (809,299)	\$ 495,660	\$ 844,216
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	292,333	(262,378)	232,598	262,553	(349,226)
Interfund Loans	(379,191)	181,480	197,711	-	-
Inventories	(7,454)			(7,454)	
Prepaid Expenses	(984)		(7,967)	(8,951)	9,637
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	299,394	(20,583)	(1,002,945)	(724,134)	1,027,187
Deferred Revenue	(6,546)			(6,546)	189,660
Deferred Contributions	(3,047)	69,384		66,337	(686,659)
Accrued Employee Future Benefits	(37,878)			(37,878)	(69,278)
Loss (Gain) on Disposal of Capital Assets				-	(25,506)
Items Not Involving Cash					
Amortization of Capital Assets			3,231,227	3,231,227	3,113,950
Amortization of Deferred Capital Contributions			(2,530,708)	(2,530,708)	(2,454,913)
Interfund Transfers	(329,549)		329,549	-	-
	<u>1,132,037</u>	<u>(32,097)</u>	<u>(359,834)</u>	<u>740,106</u>	<u>1,599,070</u>
FINANCING					
Bank Loan Paid				-	(1,000,000)
Deferred Contributions Received - Capital			2,585,417	2,585,417	3,944,079
Proceeds from Disposal of Capital Assets				-	633,455
MEd Restricted Portion of Proceeds on Disposal				-	(475,091)
	<u>-</u>	<u>-</u>	<u>2,585,417</u>	<u>2,585,417</u>	<u>3,102,443</u>
INVESTING					
Capital Assets Purchased - Operating			(118,141)	(118,141)	(50,895)
Capital Assets Purchased - Special Purpose				-	(801,925)
Capital Assets Purchased - Local Capital			(53,385)	(53,385)	(104,731)
Capital Assets Purchased - Deferred Contributions - Capital			(1,811,105)	(1,811,105)	(3,523,505)
Capital Assets Purchased - Deferred Contributions - MOE Other			(10,471)	(10,471)	(52,902)
Capital Assets Purchased - Deferred Contributions - Other			(193,560)	(193,560)	(115,921)
Bylaw Capital Expense			(38,921)	(38,921)	
	<u>-</u>	<u>-</u>	<u>(2,225,583)</u>	<u>(2,225,583)</u>	<u>(4,649,879)</u>
NET INCREASE (DECREASE) IN CASH	\$ 1,132,037	\$ (32,097)	\$ -	\$ 1,099,940	\$ 51,634

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
NET INCREASE (DECREASE) IN CASH	<u>\$ 1,132,037</u>	<u>\$ (32,097)</u>	<u>\$ -</u>	<u>\$ 1,099,940</u>	<u>\$ 51,634</u>
Net Cash, Beginning of Year	8,454,734	1,014,428	-	9,469,162	9,417,528
NET CASH, END OF YEAR	<u>\$ 9,586,771</u>	<u>\$ 982,331</u>	<u>\$ -</u>	<u>\$ 10,569,102</u>	<u>\$ 9,469,162</u>
Cash	<u>\$ 9,586,771</u>	<u>\$ 982,331</u>		<u>\$ 10,569,102</u>	<u>\$ 9,469,162</u>
NET CASH, END OF YEAR	<u>\$ 9,586,771</u>	<u>\$ 982,331</u>	<u>\$ -</u>	<u>\$ 10,569,102</u>	<u>\$ 9,469,162</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

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. 72 (Campbell River)", and operates as "School District No. 72 (Campbell River)." 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. The School District is exempt from tax.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in prior years except as disclosed as a change in accounting policy.

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

Statement 2 (Statement of Revenue and Expense), Statement 3 (Statement of Changes in Fund Balances) and Statement 4.1 (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 consolidated totals.

a) Fund Accounting

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

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
 - Contributions restricted in use by the *School Act* or Ministry of Education.
 - Contributions restricted in use by other external bodies.
 - Endowment funds.
 - 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

Accounts Receivable are shown net of allowance for doubtful accounts. (see Note 3)

d) Prepaid Expenses

Materials and supplies held in central stores for use within the district are included as a prepaid expense and stated at acquisition cost.

e) 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.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Work-in-progress is not amortized until after the asset has been completed or put into use.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset and commences the year following acquisition. Estimated useful life is as follows:

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

f) Revenue Recognition

Unrestricted operating government grants are recognized 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.
 - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

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

- 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. Amortization commences in the year following acquisition.
- Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
- Endowment contributions and matching contributions are reported as direct increases to net assets held as endowment principal.
- Investment income earned on endowment principal is recognized as a direct increase to net assets (endowment) to the extent required or agreed by donors. The remaining investment income earned on endowment principal is recorded as a deferred contribution and recognized as revenue in the year related expenses are incurred.

g) Expenditures

- 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 regular programs.
 - Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
 - Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
 - Supplies and services are allocated based on actual identification of program.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

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

h) Financial Instruments

- **Held for trading**

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 *Financial Instruments – Recognition and Measurement*, even if that instrument would not otherwise satisfy the definition of held for trading. The School District has classified cash and cash equivalents as held for trading. These instruments are initially recognized at their fair value determined by published price quotations in an active market.

Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in net revenue (expense).

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Net gains and losses arising from changes in fair value are recognized immediately in net revenue (expense).

- **Loans and receivables**

The School District has classified accounts receivable as loans and receivables. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized in net revenue (expense). Total interest income, calculated using the effective interest rate method, is recognized in net revenue (expense).

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in net revenue (expense) upon derecognition or impairment.

- **Other financial liabilities**

The School District has classified accounts payable and accrued liabilities as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in net revenue (expense).

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carry value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in net revenue (expense) upon derecognition or impairment.

- **Financial asset impairment**

The School District assesses impairment of all its financial assets, except those classified as held for trading. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in net revenue (expense).

- i) **Use of Estimates**

Preparation of financial statements in accordance with Generally Accepted Accounting Principles requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the impairment of assets, rates for amortization, allowance for doubtful accounts, employee incentive bonuses and estimated employee future benefits. Actual results could differ from those estimates.

- j) **Employee Future Benefits**

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

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

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 10.1.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

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

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 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 for all periods subsequent to July 1, 2004.

k) Going Concern disclosure

The School District has implemented Handbook Section 1400, General Standards of Financial Statement Presentation. This standard includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded there is no issue regarding the School District's ability to continue as a going concern based on the assumption that the current funding levels are maintained and any committed additional future funding is received. If there are significant declines in funding, expenses will be adjusted to match committed funding.

l) Recent Accounting Pronouncements

The School District is currently classified as a government not-for-profit organization. Under the direction of the Public Sector Accounting Board (PSAB), the School District adheres to the standards for not-for-profit organizations in the CICA Handbook (Section 4400 Standards). In accordance with a Treasury Board directive, School Districts will adopt Public Sector Accounting Standards, without not-for-profit provisions, for fiscal periods beginning on or after January 1, 2012. The School District intends to continue applying the existing CICA section 4400 standards and is awaiting the finalization of the new standards. Once the new standards are finalized, the School District will determine the impact on the financial statements, including the possible need for retrospective treatment (restatement of prior year's information).

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2012	2011
Due from Federal Government	\$ 121,853	\$ 304,738
Due from Other School Districts	8,399	21,932
Due from North Island College	32,410	66,644
Due from Royal Bank	10,381	6,942
Due from CRDTA	3,284	32,106
Due from CUPE	1,819	3,424
Due from EDAUS School	-	226,550
Due from BC Hydro	-	97,733
Due from other	272,531	135,087
Allowance for Doubtful Accounts	-	(226,550)
	<u>\$ 450,677</u>	<u>\$ 668,606</u>

In July of 2011 School District No. 72 senior management determined the accounts receivable from EDAUS School would have significant uncertainty for collection. The receivable had been accrued in the allowance for doubtful accounts and written off for June 30, 2011. In August of 2011, EDAUS resumed partial payments of the outstanding receivable. At June 30, 2012 SD 72 has recovered \$70,000 of bad debt less \$1,020 in associated expenses.

NOTE4 CAPITAL ASSETS

	2012		2011
	Cost	Accumulated Amortization	Net Book Value
Sites	\$ 8,125,203	\$ -	\$ 8,125,203
Buildings	131,449,499	(54,099,228)	77,350,271
Furniture & Equipment	1,323,675	(716,704)	606,971
Vehicles	1,806,987	(633,450)	1,173,537
Computer Hardware	905,331	(355,000)	550,331
	<u>\$143,610,695</u>	<u>\$(55,804,832)</u>	<u>\$87,806,313</u>
			<u>\$88,719,221</u>

School District 72 has a Cortes Island property currently under negotiation for disposal. The historical cost for the land is \$466.60. The historical cost on the building was written down when the building was removed from the site.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 5 DEFERRED CONTRIBUTIONS

a) Deferred Contributions – Ministry of Education

Deferred Contributions – Ministry of Education (MEd) recorded in the operating fund represents an aboriginal improvement program; the special purpose fund represents government grants for repairs and minor capital improvements to facilities, special education equipment and social equity programs; recorded on the capital fund represents government grants for seismic, building envelope, full day kindergarten modular buildings and asset disposal proceeds in use by the Ministry of Education.

	2012				2011
	Operating Fund	Special Purpose Fund	Capital Fund	Total	Total
Balance, beginning of year	\$ 57,190	\$ 322,436	\$ (194,890)	\$ 184,736	\$642,633
Increases:					
Provincial grants - MEd		1,237,774	2,388,711	3,626,485	5,298,337
MEd Restricted Portion of Proceeds			-	-	475,091
Investment income		2,777		2,777	2,022
	0	1,240,551	2,388,711	3,629,262	5,775,450
Decreases:					
Transfers to Revenue		1,219,174	38,921	1,258,095	1,855,015
Transfers to DCC - capital additions			1,821,576	1,821,576	6,576,407
Transfer to invested in capital assets - sites		-		-	801,925
Other (specify)					
	0	1,219,174	1,860,497	3,079,671	6,233,347
Net Changes for the year	0	21,377	528,214	549,591	(457,897)
Balance, end of the year	\$ 57,190	\$ 343,813	\$ 333,324	\$ 734,327	\$ 184,736

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 5 DEFERRED CONTRIBUTIONS (Continued)

b) Deferred Contributions – Other

Deferred Contributions – Other recorded in the operating fund represent an aboriginal early learning grant; recorded in the special purpose fund represents school generated funds, community supported social programs and scholarship trust funds; recorded in the capital fund represents community grants to support capital projects.

	2012				2011
	Operating Fund	Special Purpose Fund	Capital Fund	Total	Total
Balance, beginning of year	\$ 10,206	\$1,533,773	\$ 0	\$1,543,979	\$1,520,989
Increases:					
School Generated Funds		1,908,250		1,908,250	1,981,625
Investment income		5,810		5,810	5,896
Other		316,723	196,706	513,429	585,500
	0	2,230,783	196,706	2,427,489	2,571,706
Decreases:					
Transfers to Revenue	3,047	2,182,776		2,185,823	2,432,795
Transfers to DCC - capital additions			193,560	193,560	115,921
	3,047	2,182,776	193,560	2,379,383	2,548,716
Net Changes for the year	(3,047)	48,007	3,146	48,106	22,990
Balance, end of the year	\$ 7,159	\$1,581,780	\$ 3,146	\$1,592,085	\$1,543,979

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 the amortization of the related capital assets.

	2012	2011
Balance, beginning of year	\$ 66,032,549	\$64,795,134
Increases:		
Transfers from DC - capital additions	729,202	248,195
Transfers from DC – work in progress	1,285,934	3,444,133
Donated Asset	131,657	
	2,146,793	3,692,328
Decreases:		
Amortization	2,530,708	2,454,913
	2,530,708	2,454,913
Balance, end of the year	\$ 65,648,634	\$66,032,549

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 6 EMPLOYEE FUTURE BENEFITS

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

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

	2012	2011
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 432,971	\$ 360,587
Service Cost	101,972	97,183
Interest Cost	24,377	21,564
Benefit Payments	(81,858)	(105,514)
Actuarial (Gain)/Loss	55,268	59,151
Accrued Benefit Obligation – March 31	\$ 532,730	\$ 432,971

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 532,730	\$ 432,971
Market Value of Plan Assets – March 31		
Funded Status - Surplus/(Deficit)	(532,730)	(432,971)
Employer Contributions After Measurement Date	32,254	22,061
Unamortized Net Actuarial (Gain)/Loss	(644,835)	(772,279)
Accrued Benefit Asset/(Liability) – June 30	\$ (1,145,311)	\$ (1,183,189)

Components of Net Benefit Expense		
Service Cost	\$ 101,972	\$ 97,183
Interest Cost	24,377	21,564
Amortization of Net Actuarial (Gain)/Loss	(72,177)	(87,404)
Net Benefit Expense (Income)	\$ 54,172	\$ 31,343

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

	2012	2011
Discount Rate – April 1	4.75%	5.00%
Discount Rate – March 31	4.25%	4.75%
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	10.1	10.1

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 7 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 46,000 active members from school districts, and approximately 30,000 retired members from school districts. The Municipal Plan has about 173,000 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 billion 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 No. 72 (Campbell River) paid \$4,514,586 for employer contributions to these plans for the year ended June 30, 2012 and \$4,558,470 for the year ended June 30, 2011.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 8 OPERATING FUND BALANCE - END OF YEAR

FUND BALANCES, END OF YEAR

OPERATING FUND	2012	2011
Internally Restricted (appropriated) by the Board for:		
School-Based Supply Accounts	406,955	466,736
Benefits - Cost Escalation	200,000	-
Learning Resources	200,000	211,394
Reserve Required to Balance Next Year Budget	165,872	192,035
Aboriginal Education	147,972	169,284
District Priorities Implementation	154,570	141,727
Distance Learning	39,657	138,151
Landscaping Improvements	-	70,048
Education Implementation Training	125,000	63,943
Board Initiatives	31,520	32,500
Education Leadership and Succession	20,000	26,317
Electronic Record Conversion	20,736	20,737
Human Resources Supports	14,584	18,584
Emergency Response Contingency	10,000	10,000
Total of Targeted Reserves	<u>\$1,536,866</u>	<u>\$1,561,456</u>
 Operational Needs and Contingency Reserve	 <u>1,000,000</u>	 <u>1,000,000</u>
 Internally Restricted Reserve	 \$2,536,866	 \$2,561,456
Unrestricted Operating Reserve	1,000,000	-
Total Operating Reserves	<u>\$3,536,866</u>	<u>\$2,561,456</u>
 CAPITAL FUND		
Invested in Capital Assets	22,020,522	22,549,516
Local Capital	907,315	858,071
	<u>\$26,464,703</u>	<u>\$25,969,043</u>

NOTE 9 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, 2012 transfers were as follows:

- A transfer in the amount of \$211,408 was made from the operating fund to the capital fund for the purchase of local capital assets.
- A transfer in the amount of \$118,141 was made from the operating fund to the capital fund for the purchase of capital assets.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 10 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 11 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, 2012.

NOTE 12 CONTINGENCIES

a) Ongoing Legal Proceedings

In the ordinary course of operations, the School District has legal proceedings brought against it and provision 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 action has not yet been certified as a class action. Neither the outcome of this action nor any potential financial consequences are known at this time.

NOTE 13 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 under the assumption that the School District operates as a “going concern”.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 14 FINANCIAL INSTRUMENTS

All significant financial assets, financial liabilities and equity instruments of the School District are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

- **Credit Rate Risk**

Financial instruments that potentially subject the School District to concentrations of credit risk consist primarily of other receivables. The maximum credit risk exposure is \$450,677 (2011 - \$668,606).

However, the School District believes that there is minimal risk associated with the collection of these amounts as they consist primarily of receivables from the Federal and Provincial Government organizations. The School District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

- **Interest Rate Risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The School District is not exposed to significant interest rate risk because the Ministry of Education reimburses them for interest paid on the School District bank loans.

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities. The School District enters into transactions to purchase goods and services on credit for which repayment is required at various dates. Liquidity risk is measured by reviewing the School District's future net cash flows for the possibility of a negative net cash flow.

- **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The School District does not enter into transactions for which the market price fluctuates and therefore feels that their risk is limited.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 14 FINANCIAL INSTRUMENTS (Continued)

- **Foreign Currency Risk**

The School District maintains a U.S. bank account and enters into transactions with vendors for supplies denominated in U.S. currency for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2012 there was an insignificant balance maintained in the U.S. dollar bank account.

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the School District does not hold significant funds in U.S. dollars in order to reduce their risk against adverse movements in the foreign exchange rates.

- **Financial Asset Impairment**

At each year-end date, the School District is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the School District has compared the carrying value of each of these financial assets to its fair value as at June 30, 2012. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.

- **Fair Values of Financial Instruments**

The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

- **Risk Management Policy**

The School District, as part of its operations, has established objectives (i.e. hedging of risk exposures and avoidance of undue concentrations of risk) to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the School District follows a risk management policy approved by its Board of Trustees.

NOTE 15 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. The School District is not aware of any other asset retirement obligations. No provision has been made in these financial statements to fund future asset retirement obligations.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2012

NOTE 16 CAPITAL MANAGEMENT

The School District's objective when managing capital is to hold sufficient net assets to enable it to withstand negative unexpected financial events in order to maintain stability in the financial structure. The School District maintains sufficient liquidity to meet its short-term obligations as they come due. However, the School District performs regular analysis to assess the need and ability to set aside internally restricted funds for future expenditure. Funding of post-retirement benefits is made in accordance with related regulations and actuarial recommendations.

The School District manages the following as capital:

	<u>2012</u>	<u>2011</u>
Invested in capital assets	\$22,020,522	\$22,549,516
Internally restricted	4,444,181	3,419,527
Unrestricted	-	-
Accrued employee future benefits	1,145,311	1,183,189
	<u>\$27,610,014</u>	<u>\$27,152,232</u>

There are no external financial restrictions on the School District's capital.
The School District does not have a formal capital management policy.

NOTE 17 TRUST FUNDS

Funds in the amount of \$1,263,440 (2011 - \$1,221,569) are held in trust for teachers who participate in the payroll savings plan. These funds are not reflected in the financial statements.

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2012

Schedule A1

	2012		
	2012	AMENDED	2011
	ACTUAL	ANNUAL BUDGET	ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 47,813,996	\$ 48,041,981	\$ 48,293,745
Other Revenue	2,641,255	2,507,892	2,895,521
Rentals and Leases	201,849	185,000	186,244
Investment Income	81,507	40,000	64,605
	<u>50,738,607</u>	<u>50,774,673</u>	<u>51,440,115</u>
EXPENSE			
Salaries			
Teachers	21,035,970	21,574,711	21,618,466
Principals and Vice Principals	3,136,006	3,212,081	3,214,431
Educational Assistants	3,985,313	3,989,205	4,002,928
Support Staff	5,735,168	5,836,491	5,821,110
Other Professionals	1,117,410	1,102,697	1,159,682
Substitutes	957,053	1,079,673	1,007,920
	<u>35,966,920</u>	<u>36,794,858</u>	<u>36,824,537</u>
Employee Benefits	8,169,063	8,281,311	8,102,279
Services and Supplies	5,297,665	6,586,271	5,754,674
	<u>49,433,648</u>	<u>51,662,440</u>	<u>50,681,490</u>
NET REVENUE (EXPENSE), FOR THE YEAR	1,304,959	(887,767)	758,625
INTERFUND TRANSFERS			
Capital Assets Purchased	(118,141)		(50,895)
Local Capital	(211,408)	(214,030)	(201,407)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		1,101,797	
SURPLUS (DEFICIT), FOR THE YEAR	<u>975,410</u>	<u>\$ -</u>	<u>506,323</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	2,561,456		2,055,133
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>\$ 3,536,866</u>		<u>\$ 2,561,456</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	2,536,866		
Unrestricted	<u>1,000,000</u>		
	<u>\$ 3,536,866</u>		

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2012

Schedule A2

	2012	2012	2011
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 49,127,997	\$ 49,264,615	\$ 49,483,587
AANDC/LEA Recovery	(1,580,906)	(1,504,264)	(1,504,264)
Other Ministry of Education Grants			
Pay Equity	75,322	75,322	75,322
Ready Set Learn	34,300	24,010	34,300
OLEP	52,771	116,000	77,214
FSA Grant	8,686	8,900	8,696
Carbon Tax	53,186	43,000	39,150
Education Guarantee	42,640	14,398	79,740
	<u>47,813,996</u>	<u>48,041,981</u>	<u>48,293,745</u>
PROVINCIAL GRANTS - OTHER			
FEDERAL GRANTS			
OTHER REVENUE			
Other School District/Education Authorities	580,358	555,990	745,389
Continuing Education			10,000
Offshore Tuition Fees	213,760	192,000	352,511
LEA/Direct Funding from First Nations	1,580,906	1,504,264	1,496,031
Miscellaneous			
BC Hydro Powersmart Initiative	100,000	75,000	90,133
SSEAC Grant		33,145	52,740
Transcripts/Misc Revenue	35,960	19,030	144,212
Vancouver Foundation KERP grant	3,046	-	4,505
Contracted Services - Student Services	127,225	128,263	
	<u>2,641,255</u>	<u>2,507,692</u>	<u>2,895,521</u>
RENTALS AND LEASES	<u>201,849</u>	<u>185,000</u>	<u>186,244</u>
INVESTMENT INCOME	<u>81,507</u>	<u>40,000</u>	<u>64,605</u>
TOTAL OPERATING REVENUE	<u>\$ 50,738,607</u>	<u>\$ 50,774,673</u>	<u>\$ 51,440,115</u>

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A3

	2012			2011
	2012	AMENDED		
	ACTUAL	ANNUAL BUDGET	ACTUAL	ACTUAL
SALARIES				
Teachers	\$ 21,035,970	\$ 21,574,711	\$ 21,618,466	
Principals and Vice Principals	3,136,006	3,212,081	3,214,431	
Educational Assistants	3,985,313	3,989,205	4,002,928	
Support Staff	5,735,168	5,836,491	5,821,110	
Other Professionals	1,117,410	1,102,697	1,159,682	
Substitutes	957,053	1,079,673	1,007,920	
	<u>35,966,920</u>	<u>36,794,858</u>	<u>36,824,537</u>	
EMPLOYEE BENEFITS	<u>8,169,063</u>	<u>8,281,311</u>	<u>8,102,279</u>	
TOTAL SALARIES AND BENEFITS	<u>44,135,983</u>	<u>45,076,169</u>	<u>44,926,816</u>	
SERVICES AND SUPPLIES				
Services	737,248	993,601	625,697	
Student Transportation	16,806	41,100	23,500	
Professional Development and Travel	553,500	567,696	621,150	
Rentals and Leases	190,929	198,235	187,089	
Dues and Fees	51,889	51,921	56,204	
Insurance	108,902	156,000	148,329	
Supplies	2,146,084	2,902,677	2,280,197	
Bad Debts	(68,980)		226,550	
Utilities	1,561,287	1,675,041	1,585,958	
TOTAL SERVICES AND SUPPLIES	<u>5,297,665</u>	<u>6,586,271</u>	<u>5,754,674</u>	
TOTAL OPERATING EXPENSE	<u>\$ 49,433,648</u>	<u>\$ 51,662,440</u>	<u>\$ 50,681,490</u>	

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	\$ 16,894,939	\$ 614,955	\$ 188,403	\$ 482,247	\$ 25,793	\$ 920,718	\$ 19,137,055
1.03 Career Programs				3,278			3,278
1.07 Library Services	582,298	108,501		137,470			826,267
1.08 Counselling	538,587			47,059		611	594,257
1.10 Special Education	2,299,481	224,825	3,284,733	38,981		19,357	5,887,357
1.30 English as a Second Language	241,433	9,887					251,120
1.31 Aboriginal Education	342,508	80,580	512,177	26,140		3,787	945,172
1.41 School Administration		2,064,501		558,828			2,623,329
1.60 Summer School	85,672			493			86,165
1.62 Off Shore Students	73,074			3,634		5,172	81,880
Total Function 1	21,035,970	3,081,049	3,985,313	1,304,852	25,793	952,901	30,385,878
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				23,488	331,885		355,183
4.40 School District Governance					73,415		73,415
4.41 Business Administration		54,957		385,828	417,121	4,152	862,058
Total Function 4	-	54,957	-	409,316	822,231	4,152	1,290,556
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				131,180	68,399		199,579
5.50 Maintenance Operations				3,040,118	184,089		3,204,187
5.52 Maintenance of Grounds				278,889			278,889
Total Function 5	-	-	-	3,448,187	232,468	-	3,680,655
7 TRANSPORTATION AND HOUSING							
7.70 Student Transportation				572,813	36,918		609,731
Total Function 7	-	-	-	572,813	36,918	-	609,731
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 21,035,970	\$ 3,136,006	\$ 3,985,313	\$ 5,735,168	\$ 1,117,410	\$ 957,053	\$ 35,966,920

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 19,137,055	\$ 4,311,601	\$ 23,448,656	\$ 1,272,461	\$ 24,721,117	\$ 25,175,161	\$ 25,375,367
1.03 Career Programs	3,278	449	3,725	16,359	20,084	34,875	25,984
1.07 Library Services	826,267	185,051	1,011,318	185,930	1,197,248	1,439,193	1,211,109
1.08 Counselling	584,257	120,896	714,153	714,153	714,153	718,825	689,139
1.10 Special Education	5,867,357	1,420,994	7,288,351	98,867	7,385,218	7,904,712	7,774,660
1.30 English as a Second Language	251,120	54,784	305,904	4,123	310,027	325,229	281,779
1.31 Aboriginal Education	945,172	211,470	1,156,642	148,355	1,304,997	1,449,924	1,167,665
1.41 School Administration	2,623,329	590,106	3,203,435	205,720	3,409,155	3,601,885	3,431,299
1.60 Summer School	66,165	12,548	78,713	2,786	81,499	83,000	87,565
1.62 Off Shore Students	81,880	12,641	94,521	4,681	99,202	137,001	397,717
Total Function 1	30,385,878	6,919,540	37,305,418	1,937,282	39,242,700	40,869,625	40,442,284
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	355,183	76,901	432,084	83,898	515,982	504,964	525,089
4.40 School District Governance	73,415	987	74,382	86,733	181,115	210,182	135,914
4.41 Business Administration	882,058	187,123	1,049,181	232,859	1,282,040	1,384,447	1,331,803
Total Function 4	1,290,656	264,991	1,555,647	403,490	1,959,137	2,099,593	1,992,808
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	199,579	40,953	240,532	101,857	342,389	389,212	360,921
5.50 Maintenance Operations	3,204,187	722,613	3,926,800	753,131	4,679,931	4,998,743	4,821,458
5.52 Maintenance of Grounds	276,868	65,284	342,153	143,241	485,394	502,067	412,153
5.56 Utilities	-	-	-	1,626,570	1,626,570	1,675,041	1,607,269
Total Function 5	3,680,655	828,830	4,509,485	2,624,799	7,134,284	7,565,063	7,201,821
7 TRANSPORTATION AND HOUSING							
7.70 Student Transportation	609,731	155,702	765,433	290,594	1,058,027	1,063,359	1,016,726
7.73 Housing	-	-	-	41,500	41,500	44,800	28,053
Total Function 7	609,731	155,702	765,433	332,094	1,097,527	1,128,159	1,044,779
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 35,966,920	\$ 8,169,063	\$ 44,135,983	\$ 5,297,665	\$ 49,433,648	\$ 51,662,440	\$ 50,681,490

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule A5

BALANCE, BEGINNING OF YEAR	\$	67,396
Changes for the Year		
Increase:		<u>-</u>
Decrease:		
Vancouver Foundation - KELP grant		<u>3,047</u>
		<u>3,047</u>
Net Changes for the Year		<u>(3,047)</u>
BALANCE, END OF YEAR	\$	<u>64,349</u>

Schedule B1

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SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2012

Schedule B2

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	Oasis PRP	Headstart PRP	TOTAL
DEFERRED CONTRIBUTIONS						
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR						
Add: Contributions Received	\$ 53,333	\$ 9,087	\$ 48,115	\$ 5,983	\$ 7,250	\$ 123,778
Provincial Grants - Ministry of Education	252,042		18,551	99,680	118,476	488,749
Investment Income	267	32	375		92	786
	252,329	32	18,926	99,680	118,568	489,535
	255,722	4,782	18,661	105,673	113,513	536,351
Less: Allocated to Revenue						
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 9,940	\$ 4,337	\$ 50,380	\$ -	\$ 12,305	\$ 76,962
REVENUE AND EXPENSE						
REVENUE						
Provincial Grants - Ministry of Education	\$ 295,722	\$ 4,782	\$ 18,661	\$ 105,673	\$ 113,513	\$ 536,351
	295,722	4,782	18,661	105,673	113,513	536,351
EXPENSE						
Salaries						
Teachers						
Principals and Vice Principals				81,914	67,366	149,300
Educational Assistants				6,707	9,313	16,020
Substitutes					3,187	3,187
					6,882	6,882
Employee Benefits				88,621	86,586	175,189
Services and Supplies				15,044	21,817	36,861
	295,722	4,782	18,661	2,008	5,128	324,301
	295,722	4,782	18,661	105,673	113,513	536,351
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS						
INTERFUND TRANSFERS						
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule B3

Version: 3907-3161-1179
September 20, 2012 12:39

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)

Schedule C1

CAPITAL FUND

CAPITAL ASSETS

YEAR ENDED JUNE 30, 2012

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR							
Changes for the Year	\$ 8,125,203	\$ 126,324,728	\$ 1,551,577	\$ 1,779,101	\$	\$ 773,255	\$ 138,553,864
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		413,933	81,889	2,573		80,126	578,521
Deferred Contributions - Other		150,681					150,681
Operating Fund						118,141	118,141
Local Capital		131,657	28,072	25,313			53,385
Donated Asset		4,390,813	62,148				131,657
Transferred from Work in Progress		5,077,084	172,109	27,886		198,267	4,442,961
Decrease:							
Deemed Disposals			400,011			66,191	466,202
			400,011			66,191	466,202
COST, END OF YEAR	8,125,203	131,401,812	1,323,675	1,806,987		905,331	143,563,008
WORK IN PROGRESS, END OF YEAR		47,687					47,687
COST AND WORK IN PROGRESS, END OF YEAR	\$ 8,125,203	\$ 131,449,499	\$ 1,323,675	\$ 1,806,987	\$	\$ 905,331	\$ 143,610,695
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR							
Changes for the Year							
Increase: Amortization for the Year	\$	\$ 51,355,720	\$ 961,557	\$ 455,540	\$	\$ 266,540	\$ 53,039,357
Decrease:							
Deemed Disposals		2,743,508	155,158	177,910		154,651	3,231,227
			400,011			66,191	466,202
			400,011			66,191	466,202
ACCUMULATED AMORTIZATION, END OF YEAR	\$	\$ 54,099,228	\$ 716,704	\$ 633,450	\$	\$ 355,000	\$ 55,804,382
CAPITAL ASSETS - NET	\$ 8,125,203	\$ 77,350,271	\$ 606,971	\$ 1,173,537	\$	\$ 550,331	\$ 87,806,313

COST, BEGINNING OF YEAR

Changes for the Year

Increase:

- Purchases from:
- Deferred Contributions - Bylaw
- Deferred Contributions - Other
- Operating Fund
- Local Capital
- Donated Asset
- Transferred from Work in Progress

Decrease:

Deemed Disposals

COST, END OF YEAR

WORK IN PROGRESS, END OF YEAR

COST AND WORK IN PROGRESS, END OF YEAR

ACCUMULATED AMORTIZATION, BEGINNING OF YEAR

Changes for the Year

Increase: Amortization for the Year

Decrease:

Deemed Disposals

ACCUMULATED AMORTIZATION, END OF YEAR

CAPITAL ASSETS - NET

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)

Schedule C2

CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2012

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 3,204,714			\$	3,204,714
Changes for the Year					
Increase					
Deferred Contributions - Bylaw	1,223,786	62,148			1,285,934
	1,223,786	62,148	-	-	1,285,934
Decrease					
Transferred to Capital Assets	4,380,813	62,148			4,442,961
	4,380,813	62,148	-	-	4,442,961
Net Changes for the Year	(3,157,027)	-	-	-	(3,157,027)
WORK IN PROGRESS, END OF YEAR	\$ 47,687	\$ -	\$ -	\$ -	\$ 47,687

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$ 56,770,341	\$ 5,941,571	\$ 115,921	\$ 62,827,833
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Capital Additions	525,171	10,471	193,560	729,202
Transferred from Work in Progress	4,442,960			4,442,960
Donated Asset - Skills for Life House			131,657	131,657
	<u>4,968,131</u>	<u>10,471</u>	<u>325,217</u>	<u>5,303,819</u>
Decrease				
Amortization of Deferred Capital Contributions	2,364,421	163,387	2,900	2,530,708
	<u>2,364,421</u>	<u>163,387</u>	<u>2,900</u>	<u>2,530,708</u>
Net Changes for the Year	<u>2,603,710</u>	<u>(152,916)</u>	<u>322,317</u>	<u>2,773,111</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	\$ 59,374,051	\$ 5,788,655	\$ 438,238	\$ 65,600,944
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 3,204,716			\$ 3,204,716
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Work in Progress	1,285,934			1,285,934
	<u>1,285,934</u>	<u>-</u>	<u>-</u>	<u>1,285,934</u>
Decrease				
Transferred to Deferred Capital Contributions	4,442,960			4,442,960
	<u>4,442,960</u>	<u>-</u>	<u>-</u>	<u>4,442,960</u>
Net Changes for the Year	<u>(3,157,026)</u>	<u>-</u>	<u>-</u>	<u>(3,157,026)</u>
WORK IN PROGRESS, END OF YEAR	\$ 47,690	\$ -	\$ -	\$ 47,690
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	\$ 59,421,741	\$ 5,788,655	\$ 438,238	\$ 65,648,634

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	\$ (251,192)	\$ 56,302				\$ (194,890)
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,388,711				196,706	2,388,711 196,706
Other	2,388,711	-	-	-	196,706	2,585,417
Decrease:						
Transferred to DCC - Capital Additions	525,171	10,471			193,560	728,202
Transferred to DCC - Work in Progress	1,285,934					1,285,934
Transfer to Capital Revenue	38,921					38,921
	1,850,026	10,471	-	-	193,560	2,054,057
Net Changes for the Year	538,885	(10,471)	-	-	3,146	531,360
BALANCE, END OF YEAR	\$ 287,493	\$ 45,831	\$ -	\$ -	\$ 3,146	\$ 336,470

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 22,549,516	\$ 858,071	\$ 23,407,587
Changes for the Year			
Investment Income		6,855	6,855
Amortization of Deferred Capital Contributions	2,530,708		2,530,708
Capital Assets Purchased from Local Capital	53,384	(53,384)	-
Interfund Transfers - Capital Assets Purchased	118,141		118,141
Interfund Transfers - Local Capital		211,408	211,408
Amortization of Capital Assets	(3,231,227)		(3,231,227)
Capital Expense		(115,635)	(115,635)
Net Changes for the Year	<u>(528,994)</u>	<u>49,244</u>	<u>(479,750)</u>
BALANCE, END OF YEAR	<u>\$ 22,020,522</u>	<u>\$ 907,315</u>	<u>\$ 22,927,837</u>