

Audited Financial Statements of

# **School District No. 72 (Campbell River)**

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

# School District No. 72 (Campbell River)

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

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# School District No. 72 (Campbell River)

## MANAGEMENT REPORT

Version: 8030-7284-5302

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 72 (Campbell River) have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

The Board of Education of School District No. 72 (Campbell River) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly.

The external auditors, MNP LLP, Chartered Accountants, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 72 (Campbell River) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 72 (Campbell River)

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Signature of the Chairperson of the Board of Education

Date Signed

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Signature of the Superintendent

Date Signed

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Signature of the Secretary Treasurer

Date Signed

## Independent Auditors' Report

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

We have audited the accompanying financial statements of School District No. 72 (Campbell River), which comprise the statement of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011, and the statements of changes in net financial assets (debt), operations, cash flows and remeasurement gains and losses for the years ended June 30, 2013 and June 30, 2012, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for Financial Statements*

Management is responsible for the preparation and presentation of these financial statements in accordance with the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011, 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 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 the financial position of School District No. 72 (Campbell River) as at June 30, 2013, June 30, 2012 and July 1, 2011 and the results of its operations, changes in net debt, cash flows and remeasurement gains and losses in compliance with, in all material respects, the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

### *Emphasis of Matter*

We draw attention to Note 3 which describes the financial reporting framework being followed by School District No. 72 (Campbell River).

### *Other Matter*

We draw attention to the Supplementary Financial Information included in Schedules 1 to 4D 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.

**MNP** LLP

Campbell River, British Columbia

September 24, 2013

Chartered Accountants

**School District No. 72 (Campbell River)****Statement of Financial Position**

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

	June 30, 2013	June 30, 2012 (Restated-Note 2)	July 1, 2011 (Restated-Note 2)
	\$	\$	\$
<b>Financial Assets</b>			
Cash and Cash Equivalents	12,420,558	10,569,102	9,469,162
Accounts Receivable			
Due from Province - Ministry of Education	49,826	301,868	49,826
Due from LEA/Direct Funding	401,150	170,874	467,540
Other (Note 4)	495,080	450,677	668,606
<b>Total Financial Assets</b>	<b>13,366,614</b>	<b>11,492,521</b>	<b>10,655,134</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities			
Due to Province - Ministry of Education	100,336		
Other (Note 5)	3,523,011	3,493,868	4,217,999
Unearned Revenue (Note 7)	306,904	289,754	296,300
Deferred Revenue (Note 8)	2,037,929	2,097,077	2,030,740
Deferred Capital Revenue (Note 9)	65,438,123	65,985,101	65,837,659
Employee Future Benefits (Note 10)	709,577	656,363	613,170
<b>Total Liabilities</b>	<b>72,115,880</b>	<b>72,522,163</b>	<b>72,995,868</b>
<b>Net Financial Assets (Debt)</b>	<b>(58,749,266)</b>	<b>(61,029,642)</b>	<b>(62,340,734)</b>
<b>Non-Financial Assets</b>			
Tangible Capital Assets (Note 6)	86,242,408	87,806,313	88,719,221
Prepaid Expenses	88,798	69,845	53,440
<b>Total Non-Financial Assets</b>	<b>86,331,206</b>	<b>87,876,158</b>	<b>88,772,661</b>
<b>Accumulated Surplus (Deficit) (Note 12)</b>	<b>27,581,940</b>	<b>26,846,516</b>	<b>26,431,927</b>

Contractual Obligations and Contingencies (Note 16)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

**School District No. 72 (Campbell River)**

Statement 2

## Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Note 15)	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	50,083,802	50,164,857	49,068,877
Tuition	309,050	304,800	213,760
Other Revenue	4,514,170	4,619,282	4,610,438
Rentals and Leases	135,000	159,204	201,849
Investment Income	40,000	97,803	88,362
Amortization of Deferred Capital Revenue	2,656,501	2,656,501	2,530,708
Vancouver Foundation KERP Grant			3,047
<b>Total Revenue</b>	<b>57,738,523</b>	<b>58,002,447</b>	<b>56,717,041</b>
<b>Expenses</b>			
Instruction	44,612,286	42,770,683	42,725,721
District Administration	2,071,516	1,919,320	1,959,137
Operations and Maintenance	11,248,637	11,326,202	10,520,067
Transportation and Housing	1,130,224	1,250,818	1,097,527
<b>Total Expense</b>	<b>59,062,663</b>	<b>57,267,023</b>	<b>56,302,452</b>
<b>Surplus (Deficit) for the year</b>	<b>(1,324,140)</b>	<b>735,424</b>	<b>414,589</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>26,846,516</b>	<b>26,431,927</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>27,581,940</b>	<b>26,846,516</b>

**School District No. 72 (Campbell River)****Statement of Changes in Net Financial Assets (Debt)****Years Ending June 30, 2013 and June 30, 2012**

	2013 Budget (Note 15)	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(1,324,140)</u>	<u>735,424</u>	<u>414,589</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(1,164,891)	(1,798,626)	(2,318,319)
Amortization of Tangible Capital Assets	3,362,532	3,362,531	3,231,227
<b>Total Effect of change in Tangible Capital Assets</b>	<u>2,197,641</u>	<u>1,563,905</u>	<u>912,908</u>
<b>Acquisition of Prepaid Expenses</b>		<u>(18,953)</u>	<u>(16,405)</u>
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(18,953)</u>	<u>(16,405)</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>873,501</u>	<u>2,280,376</u>	<u>1,311,092</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>2,280,376</u>	<u>1,311,092</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(61,029,642)</u>	<u>(62,340,734)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u><u>(58,749,266)</u></u>	<u><u>(61,029,642)</u></u>

**School District No. 72 (Campbell River)**

Statement 5

## Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	735,424	414,589
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(22,637)	262,553
Inventories for Resale	2,354	(7,454)
Prepaid Expenses	(21,307)	(8,951)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	29,143	(724,134)
Unearned Revenue	17,150	(6,546)
Deferred Revenue	(59,148)	66,337
Employee Future Benefits	53,214	43,193
Other Liabilities	100,336	
Loss (Gain) on Disposal of Tangible Capital Assets		-
Amortization of Tangible Capital Assets	3,362,531	3,231,227
Amortization of Deferred Capital Revenue	(2,656,501)	(2,530,708)
<b>Total Operating Transactions</b>	<b>1,540,559</b>	<b>740,106</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(1,294,386)	(2,225,583)
Tangible Capital Assets -WIP Purchased	(504,240)	-
<b>Total Capital Transactions</b>	<b>(1,798,626)</b>	<b>(2,225,583)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	2,710,313	2,585,417
Deferred Capital transferred to Operations and Mtnc	(600,790)	
<b>Total Financing Transactions</b>	<b>2,109,523</b>	<b>2,585,417</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>1,851,456</b>	<b>1,099,940</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>10,569,102</b>	<b>9,469,162</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>12,420,558</b>	<b>10,569,102</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	12,420,558	10,569,102
	<b>12,420,558</b>	<b>10,569,102</b>



**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 1      AUTHORITY AND PURPOSE**

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

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

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

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

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 2      CONVERSION TO PUBLIC SECTOR ACCOUNTING  
STANDARDS**  
*(Continued)*

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

- Previously, the School District was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. PSA standards require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the School District in return for the benefits. An adjustment was made to recognize a liability and an expense related to accumulated sick leave entitlements. The adjustment to the liability for employee future benefits at July 1, 2011 was an increase of \$202,261. An additional expense of \$81,071 was recognized in the 2012 fiscal year resulting in an additional increase to the liability for employee future benefits related to the accrual for accumulated sick leave entitlements, determined by an actuarial valuation.
- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains and losses relating to employee future benefits of \$772,280 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus.
- Prior period adjustments were made to transfer restricted contributions that were previously reported in the Operating Fund to Special Purpose Funds for Ready, Set, Learn and OLEP District French programs.

	Previously stated July 1, 2011	Adjustment July 1, 2011	Restated July 1, 2011
	\$	\$	\$
Unearned Revenue (formerly Deferred Revenue)	296,300	-	296,300
Deferred Revenue (formerly Deferred Contribution)	1,728,715	107,135	1,835,850
Employee Future Benefits	1,183,189	(570,019)	613,170

	Previously stated June 30, 2012	Adjustment June 30, 2012	Restated June 30, 2012
	\$	\$	\$
Unearned Revenue (formerly Deferred Revenue)	289,754	-	289,754
Deferred Revenue (formerly Deferred Contribution)	2,326,412	(229,335)	2,097,077
Employee Future Benefits	1,145,311	(488,948)	656,363

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 2      CONVERSION TO PUBLIC SECTOR ACCOUNTING  
STANDARDS  
(Continued)**

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

<b>Accumulated surplus (deficit) as originally reported, July 1, 2011</b>	<b>\$25,969,044</b>
<b>Adjustments to accumulated surplus (deficit)</b>	
Add non-vested benefits to Employee Future Benefits	(202,261)
Recognize cumulative unamortized actuarial gain/loss on Employee Future Benefits	772,280
Reclassify Deferred Contributions	<u>(107,136)</u>
<b>Accumulated surplus (deficit) as restated, July 1, 2011</b>	<b>\$26,431,927</b>
<b>Annual surplus (deficit) as originally reported for the year ended June 30, 2012</b>	<b>\$ 495,660</b>
<b>Adjustments to annual surplus (deficit) for the year</b>	
Employee Future Benefits amortization expense/revenue	(81,071)
Reclassify Deferred Contributions to revenue	<u>-</u>
<b>Annual surplus (deficit) for the year as restated for the year ended June 30, 2012</b>	<b>\$ 414,589</b>
<b>Accumulated surplus (deficit), end of year as restated, June 30, 2012</b>	<b><u>\$26,846,516</u></b>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 3      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

**a) Basis of Accounting**

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

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

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

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

July 1, 2011 - increase in accumulated surplus and decrease in deferred contributions to \$64,642,766  
Year-ended June 30, 2012 - increase in annual surplus by \$336,467  
June 30, 2012 - increase in accumulated surplus and decrease in deferred contributions to \$65,648,634  
Year-ended June 30, 2013 – increase in annual surplus by \$1,598,587  
June 30, 2013 – increase in accumulated surplus and decrease in deferred contributions by \$64,590,720

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 3      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 measured at amortized costs and shown net of allowance for doubtful accounts (see Note 4).

**d) Prepaid Expenses**

Software licensing and support, memberships, dues and tuition are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**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) Unearned Revenue**

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

**g) Deferred Revenue and Deferred Capital Revenue**

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board.

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

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

**g) Deferred Revenue and Deferred Capital Revenue (continued)**

When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 3 (k)

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

**h) Financial Instruments**

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

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

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

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

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

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

**h) Financial Instruments (continued)**

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

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

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

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

**i) Use of Estimates**

Preparation of financial statements in accordance with the basis of accounting described in note 3(a) requires management to make estimates and assumptions that impact reported amounts 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 vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing except as per the election described in note 2.

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

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

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

**j) Employee Future Benefits (continued)**

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

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

**k) Revenue Recognition**

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

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

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

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

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

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



**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

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

**k) Revenue Recognition (continued)**

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

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

**l) Expenditures**

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

- **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.

**m) 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.

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

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

n) Statement of Remeasurement Gains and Losses

A statement of re-measurement gains and losses has not been presented as the District does not hold any financial assets or liabilities that would give rise to remeasurement gains or losses.

o) Future Change in Accounting Policies

In June 2010, the Public sector Account Board (PSAB) issued PS 3260 Liability for Contaminated Sites to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The District does not expect the adoption of the new section to have a material impact on its financial statements.

**NOTE 4      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2013	2012
Due from Federal Government	\$ 60,183	\$ 121,853
Due from Other School Districts	32,218	8,399
Due from North Island College	102,050	32,410
Due from Royal Bank	11,844	10,381
Due from BC Hydro	63,393	-
Due from CRDTA	203	3,284
Due from CUPE	372	1,819
Due from other	224,817	272,531
Allowance for Doubtful Accounts	-	-
	<u>\$ 495,080</u>	<u>\$ 450,677</u>

At June 30, 2013 SD 72 has recovered \$5,000 of bad debt previously written off from EDAUS School at June 30, 2011.

**NOTE 5      ACCOUNTS PAYABLE – OTHER**

	2013	2012
Trade Payables	\$ 720,441	\$ 752,792
Salaries and Benefits Payable	1,891,870	1,998,295
Accrued Vacation Pay	481,925	460,131
Capital Trade Payables	193,464	73,220
Other Payables	235,311	209,430
	<u>\$ 3,523,011</u>	<u>\$ 3,493,868</u>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 6 TANGIBLE CAPITAL ASSETS**

**June 30, 2013**

Cost:	Balance at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 8,125,203	\$	\$	\$	\$ 8,125,203
Buildings	131,401,812	895,134			132,296,946
Buildings – work in progress	47,690	504,240			551,930
Furniture & Equipment	1,323,672	191,701	(292,369)		1,223,004
Vehicles	1,806,987	7,510			1,814,497
Computer Hardware	905,331	200,041	(227,828)		877,544
<b>Total</b>	<b>\$143,610,695</b>	<b>\$1,798,626</b>	<b>\$ (520,197)</b>	<b>\$</b>	<b>\$144,889,124</b>

Accumulated Amortization:	Balance at July 1, 2012	Additions	Disposals		Balance at June 30, 2013
Sites	\$ -	\$	\$		\$ -
Buildings	54,099,228	2,868,399			56,967,627
Furniture & Equipment	716,704	132,367	(292,369)		556,702
Vehicles	633,450	180,699			814,149
Computer Hardware	355,000	181,066	(227,828)		308,238
<b>Total</b>	<b>\$55,804,382</b>	<b>\$ 3,362,531</b>	<b>\$ (520,197)</b>		<b>\$ 58,646,716</b>

**June 30, 2012**

Cost:	Balance at July 1, 2011	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2012
Sites	\$ 8,125,203	\$	\$	\$	\$ 8,125,203
Buildings	126,324,725	5,077,087			131,401,812
Buildings – work in progress	3,204,716	1,339,284		(4,496,310)	47,690
Furniture & Equipment	1,551,577	172,106	(400,011)		1,323,672
Vehicles	1,779,101	27,886			1,806,987
Computer Hardware	773,256	198,266	(66,191)		905,331
<b>Total</b>	<b>\$141,758,578</b>	<b>\$6,814,629</b>	<b>\$ (466,202)</b>	<b>\$(4,496,310)</b>	<b>\$143,610,695</b>

Accumulated Amortization:	Balance at July 1, 2011	Additions	Disposals		Balance at June 30, 2012
Sites	\$ -	\$	\$		\$ -
Buildings	51,355,720	2,743,508			54,099,228
Furniture & Equipment	961,557	155,158	(400,011)		716,704
Vehicles	455,540	177,910			633,450
Computer Hardware	268,540	154,651	(66,191)		355,000
<b>Total</b>	<b>\$53,039,357</b>	<b>\$ 3,231,227</b>	<b>\$ (466,202)</b>		<b>\$55,804,382</b>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 6      TANGIBLE CAPITAL ASSETS (Continued)**

**Net Book Value:**

	Net Book Value June 30, 2013	Net Book Value June 30, 2012	Net Book Value July 1, 2011
Sites	\$ 8,125,203	\$ 8,125,203	\$ 8,125,203
Buildings	75,329,319	77,302,584	74,969,005
Buildings – work in progress	551,930	47,690	3,204,716
Furniture & Equipment	666,302	606,968	590,020
Vehicles	1,000,348	1,173,537	1,323,561
Computer Hardware	569,306	550,331	506,716
<b>Total</b>	<b>\$ 86,242,408</b>	<b>\$ 87,806,313</b>	<b>\$ 88,719,221</b>

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.

**NOTE 7      UNEARNED REVENUE**  
*(Note - formerly Deferred Revenue)*

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	June 30, 2013	June 30, 2012	July 1, 2011
Balance, beginning of year	\$ 289,754	\$ 296,300	\$106,640
Changes for the year:			
Increase:			
Tuition fees	306,904	289,754	296,300
	<u>306,904</u>	<u>289,754</u>	<u>296,300</u>
Decrease:			
Tuition fees	289,754	296,300	106,640
	<u>289,754</u>	<u>296,300</u>	<u>106,640</u>
Net changes for the year	<u>17,150</u>	<u>(6,546)</u>	<u>189,660</u>
Balance, end of year	<u>\$306,904</u>	<u>\$289,754</u>	<u>\$296,300</u>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 8 DEFERRED REVENUE**

*(Note - formerly Deferred Contributions)*

**a) Deferred Revenue – Ministry of Education**

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

The special purpose fund represents government grants for aboriginal improvement and early learning, repairs and minor capital improvements to facilities, special education equipment and social equity programs; recorded on the capital funds represents government grants for seismic, building envelope and asset disposal proceeds in use by the Ministry of Education.

	Operating Fund	Special Purpose Fund	2013 Total	2012 Total (Restated - Note 2)
Balance, beginning of year	\$ 57,190	\$ 450,949	\$ 508,139	\$486,762
Increases:				
Transfer from Op Fund (PSA)	(57,190)	57,190	-	-
Provincial grants – MEd		1,934,151	1,934,151	1,237,774
MEd Restricted Portion of Proceeds			-	-
Investment income		3,112	3,112	2,777
	(57,190)	1,994,453	1,937,263	1,240,551
Decreases:				
Transfers to Revenue		1,905,876	1,905,876	1,219,174
Transfer to invested in capital assets - sites		-	-	-
Other (specify)				
	-	1,905,876	1,905,876	1,219,174
Net Changes for the year	(57,190)	88,577	31,387	21,377
Balance, end of the year	\$ -	\$ 539,526	\$ 539,526	\$ 508,139

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 8      DEFERRED REVENUE (Continued)**

**b) Deferred Revenue – Other -**

Deferred Revenue – 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.

	Operating Fund	Special Purpose Fund	2013 Total	2012 Total (Restated - Note 2)
Balance, beginning of year	\$ 7,159	\$1,581,779	\$1,588,938	\$1,543,979
Increases:				
Transfer from Op Fund (PSA)	(7,159)	7,159	-	-
School Generated Funds		1,871,313	1,871,313	1,908,250
Investment Income		5,670	5,670	5,809
Other		311,320	311,320	316,723
	(7,159)	2,195,462	2,188,303	2,230,782
Decreases:				
Transfers to Revenue		2,278,838	2,278,838	2,185,823
		2,278,838	2,278,838	2,185,823
Net Changes for the year	(7,159)	(83,376)	(90,535)	44,959
Balance, end of the year	\$ -	\$1,498,403	\$1,498,403	\$1,588,938
Total Deferred Revenue	\$ -	\$2,037,929	\$2,037,929	\$2,097,077

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 9 DEFERRED CAPITAL REVENUE**  
*(Note - formerly Deferred Capital Contributions)*

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Changes to deferred capital revenue are as follows:

	Deferred Cap Revenue	Unspent Def. Cap Revenue	Total 2013	2012 (Restated – Note 2)
Balance, beginning of year	\$ 65,648,631	\$ 336,470	\$ 65,985,101	\$65,837,656
Increases:				
Transfers from DC - capital additions	1,094,347		1,094,347	729,202
Transfers from DC – work in progress	504,240		504,240	1,285,934
Donated Asset			-	131,657
Provincial Grants – Med		2,635,796	2,635,796	2,388,711
Provincial Grants – Other	-	-	-	-
Other Revenue		74,517	74,517	196,706
	<u>1,598,587</u>	<u>2,710,313</u>	<u>4,308,900</u>	<u>4,732,210</u>
Decreases:				
Amortization	2,656,501		2,656,501	2,530,708
Transfers to revenue - capital additions		1,524,070	1,524,070	1,821,576
Transfers to revenue – capital additions		74,517	74,517	193,560
Transfers to capital expense		600,790	600,790	38,921
	<u>2,656,501</u>	<u>2,199,377</u>	<u>4,855,878</u>	<u>4,584,765</u>
Balance, end of the year	<u>\$ 64,590,717</u>	<u>\$ 847,406</u>	<u>\$ 65,438,123</u>	<u>\$65,985,101</u>

**NOTE 10 EMPLOYEE FUTURE BENEFITS**

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

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

	2013	2012 (Restated – Note 2)
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 750,052	\$ 432,971
Non-vested Benefit Obligation – July 1, 2011	-	202,261
Service Cost	122,490	114,021
Interest Cost	35,873	34,247
Benefit Payments	(137,581)	(94,883)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain)/Loss	626,777	61,435
Accrued Benefit Obligation – March 31	<u>\$ 1,397,611</u>	<u>\$ 750,052</u>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 10      EMPLOYEE FUTURE BENEFITS (Continued)**

	2013	2012 (Restated – Note 2)
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 1,397,611	\$ 750,052
Market Value of Plan Assets – March 31	-	-
Funded Status - Surplus/(Deficit)	(1,397,611)	(750,052)
Employer Contributions After Measurement Date	5,905	32,254
Unamortized Net Actuarial (Gain)/Loss	682,129	61,435
Accrued Benefit Asset/(Liability) – June 30	<u>\$ (709,577)</u>	<u>\$ (656,363)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) – July 1	\$ 656,363	\$ 1,183,189
Recognize Non-Vested Benefits – July 1, 2011	-	202,261
Recognize Unamortized (gains) Losses – July 1, 2011	-	(772,280)
Accrued Benefit Liability (Asset) – July 1 (restated)	656,363	613,170
Net Expense for Fiscal Year	164,446	148,269
Employer Contributions	(111,232)	(105,078)
Accrued Benefit Asset/(Liability) – June 30	<u>\$ (709,577)</u>	<u>\$ (656,363)</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 122,490	\$ 114,021
Interest Cost	35,873	34,247
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	6,083	-
Net Benefit Expense (Income)	<u>\$ 164,446</u>	<u>\$ 148,268</u>

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

	2013	2012
Discount Rate – April 1	4.25%	4.75%
Discount Rate – March 31	3.00%	4.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARS – March 31	9.3	10.1

**NOTE 11      EMPLOYEE PENSION PLANS**

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



**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 11      EMPLOYEE PENSION PLANS (Continued)**

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2009 indicated a \$1.024 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The School District No. 72 (Campbell River) paid \$4,498,780 for employer contributions to these plans for the year ended June 30, 2013 and \$4,514,586 for the year ended June 30, 2012.

**NOTE 12      ACCUMULATED SURPLUS (DEFICIT) – END OF YEAR**

**FUND BALANCES, END OF YEAR**

OPERATING FUND	2013	2012 (Restated – Note 2)
Internally Restricted (appropriated) by the Board for:		
Board Instructional Support	31,520	31,520
Distance Learning	-	39,657
Electronic Record Conversion	20,736	20,736
Human Resources Supports	-	14,584
Education Implementation Training DELT	150,000	125,000
Learning Resources	175,000	200,000
Reserve Required to Balance Next Year Budget	392,600	165,872
Education Leadership and Succession	20,000	20,000
District Priorities Implementation	166,419	154,570
Emergency Response Contingency	10,000	10,000
Aboriginal Education	148,491	147,972
School-Based Supply Accounts	279,732	299,820
Benefits - Cost Escalation	-	200,000
Employee Future Benefit Unamortized Gain	772,280	-
Total of Targeted Reserves	<u>\$2,166,778</u>	<u>\$1,918,679</u>
Operational Needs and Contingency Reserve	<u>1,000,000</u>	<u>1,000,000</u>
Internally Restricted Reserve	\$3,166,778	\$2,918,679
Unrestricted Operating Reserve	<u>2,105,120</u>	<u>1,488,948</u>
Total Operating Reserves	<u>\$5,271,898</u>	<u>\$3,918,679</u>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 12      ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR (Continued)**

CAPITAL FUND	2013	2012 (Restated – Note 2)
Invested in Capital Assets	21,514,531	22,020,522
Local Capital	795,511	907,315
	<u>\$27,581,940</u>	<u>\$26,846,516</u>

**NOTE 13      INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds are reported on Schedule 1 (Statement of Changes in Accumulated Surplus (Deficit) by Fund. For the year ended June 30, 2013 transfers were as follows:

- A transfer in the amount of \$215,000 was made from the operating fund to the capital fund for the purchase of local capital assets.
- A transfer in the amount of \$141,640 was made from the operating fund to the capital fund for the purchase of capital assets.

**NOTE 14      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.

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 15     BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 26, 2013. The Board adopted a preliminary annual budget on May 15, 2012. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2013 Amended	2013 Preliminary	Difference
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	50,083,802	49,713,710	370,092
Other	-	-	-
Tuition	309,050	192,000	117,050
Other Revenue	4,514,170	4,315,012	199,158
Rentals and Leases	135,000	140,000	( 5,000)
Investment Income	40,000	40,000	-
Amortization of Deferred Capital Revenue	2,656,501	2,621,646	34,855
<b>Total Revenue</b>	<b>57,738,523</b>	<b>57,022,368</b>	<b>716,155</b>
<b>Expenses</b>			
Instruction	44,612,286	43,203,065	1,409,221
District Administration	2,071,516	2,054,152	17,364
Operations and Maintenance	7,886,105	8,248,914	(362,809)
Transportation and Housing	1,130,224	1,125,463	4,761
Amortization	3,362,532	3,221,480	141,052
<b>Total Expenses</b>	<b>59,062,663</b>	<b>57,853,074</b>	<b>1,209,589</b>
<b>Deficit for the year</b>	<b>(1,324,140)</b>	<b>(830,706)</b>	<b>(493,434)</b>
<b>Effects of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(1,164,891)	(653,871 )	(511,020)
Amortization of Tangible Capital Assets	3,362,532	3,221,480	141,052
<b>Total Effect of change in Tangible Capital Assets</b>	<b>2,197,641</b>	<b>2,567,609</b>	<b>( 369,968)</b>
<b>(Increase) Decrease in Net Financial Assets</b>			
<b>(Debt)</b>	<b>873,501</b>	<b>1,736,903</b>	<b>(863,402)</b>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 16      CONTINGENCIES**

**a) Ongoing Legal Proceedings**

In the ordinary course of operations, the School District has legal proceedings brought against it and provision has 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 17      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”.

**NOTE 18      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 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 \$495,080 (2012 - \$450,677).

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.

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible to always have sufficient liquidity to meet its liabilities

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 18      FINANCIAL INSTRUMENTS *(Continued)***

- **Liquidity Risk (continued)**  
when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.
- **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 19      ASSET RETIREMENT OBLIGATION**

The District is subject to environmental laws and regulations enacted by the Province and local authorities.

The District currently provides educational programs in 20 schools. It also operates a number of administrative support buildings. Many of these schools and buildings were constructed prior to the implementation of current asbestos removal regulations and asbestos containing materials were utilized in their construction. The nature and extent of asbestos construction material varies from building to building.

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2013**

**NOTE 19      ASSET RETIREMENT OBLIGATION (Continued)**

Upon retirement of these District buildings, either through demolition or sale, the District may incur removal costs or realize reduced sale proceeds because of the presence of asbestos. The District has made no provision for the financial impact of removal costs or reduced sale proceeds as they cannot be reasonably estimated due to the indeterminate nature and date of potential future retirements.

**NOTE 20      EXPENSE BY OBJECT**

	2013	2012 (Restated – Note 2)
Salaries	\$ 36,437,889	\$ 36,646,863
Benefits	8,406,875	8,405,652
Service and supplies	9,059,728	8,018,710
Amortization	3,362,531	3,231,227
	<u>\$ 57,267,023</u>	<u>\$ 56,302,452</u>

**NOTE 21      COMPARATIVE FIGURES**

Certain comparative figures have been restated to conform to the current year's presentation.

**NOTE 22      TRUST FUNDS**

Funds in the amount of \$1,266,212 (2012 - \$1,263,440) 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)**  
Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Years Ending June 30, 2013 and June 30, 2012

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2013 Actual	2012 Actual (Restated Note 2)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	3,918,679		22,927,837	26,846,516	25,969,043
Change in Accounting Policies/Prior Period Adjustments					
Add non-vested benefits to Employee Future Benefits					(202,261)
Recognize unamortized gain (loss) on Employee Future Benefits					772,280
Reclassify Deferred Contributions					(107,135)
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>3,918,679</b>	<b>-</b>	<b>22,927,837</b>	<b>26,846,516</b>	<b>26,431,927</b>
<b>Changes for the year</b>					
Surplus (Deficit) for the year	1,709,859		(974,435)	735,424	414,589
Interfund Transfers	(141,640)		141,640	-	-
Tangible Capital Assets Purchased	(215,000)		215,000	-	-
Local Capital	1,353,219	-	(617,795)	735,424	414,589
<b>Net Changes for the year</b>	<b>5,271,898</b>	<b>-</b>	<b>22,310,042</b>	<b>27,581,940</b>	<b>26,846,516</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>					

**School District No. 72 (Campbell River)**

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget \$	2013 Actual \$	2012 Actual (Restated-Note 2) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	47,530,091	47,658,191	47,726,925
Tuition	309,050	304,800	213,760
Other Revenue	2,203,620	2,340,444	2,424,449
Rentals and Leases	135,000	159,204	201,849
Investment Income	40,000	90,294	81,507
<b>Total Revenue</b>	<b>50,217,761</b>	<b>50,552,933</b>	<b>50,648,490</b>
<b>Expenses</b>			
Instruction	40,255,499	38,585,969	39,233,654
District Administration	2,071,516	1,919,320	1,959,137
Operations and Maintenance	7,378,631	7,086,967	7,134,284
Transportation and Housing	1,130,224	1,250,818	1,097,527
<b>Total Expense</b>	<b>50,835,870</b>	<b>48,843,074</b>	<b>49,424,602</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(618,109)</b>	<b>1,709,859</b>	<b>1,223,888</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>845,491</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(141,640)	(118,141)
Local Capital	(227,382)	(215,000)	(211,408)
<b>Total Net Transfers</b>	<b>(227,382)</b>	<b>(356,640)</b>	<b>(329,549)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>1,353,219</b>	<b>894,339</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>3,918,679</b>	<b>2,561,456</b>
<b>Change in Accounting Policies/Prior Period Adjustments</b>			
Add non-vested benefits to Employee Future Benefits			(202,261)
Recognize unamortized gain (loss) on Employee Future Benefits			772,280
Reclassify Deferred Contributions			(107,135)
<b>Operating Surplus (Deficit), beginning of year, as restated</b>		<b>3,918,679</b>	<b>3,024,340</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>5,271,898</b>	<b>3,918,679</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 12)		<b>3,166,778</b>	<b>2,429,731</b>
Unrestricted		<b>2,105,120</b>	<b>1,488,948</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>5,271,898</b>	<b>3,918,679</b>



**School District No. 72 (Campbell River)**

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	48,878,111	49,060,345	49,127,997
AANDC/LEA Recovery	(1,504,264)	(1,604,600)	(1,580,906)
Other Ministry of Education Grants			
Pay Equity	75,322	75,322	75,322
Carbon Tax Rebate	66,135	64,665	53,186
Education Guarantee	6,091	38,763	42,640
Foundation Skills Assessment	8,696	8,696	8,686
Graduation Requirements Advisory Team		15,000	
<b>Total Provincial Grants - Ministry of Education</b>	<b>47,530,091</b>	<b>47,658,191</b>	<b>47,726,925</b>
<b>Tuition</b>			
Offshore Tuition Fees	309,050	304,800	213,760
<b>Total Tuition</b>	<b>309,050</b>	<b>304,800</b>	<b>213,760</b>
<b>Other Revenues</b>			
Other School District/Education Authorities	511,482	545,360	580,358
LEA/Direct Funding from First Nations	1,504,264	1,604,600	1,580,906
Miscellaneous			
BC Hydro Power Smart Initiative	50,000	50,000	100,000
SSEAC Grant	14,394	-	-
Contracted Services - Student Services	118,480	133,009	127,225
Misc Revenue/Transcripts	5,000	7,475	35,960
<b>Total Other Revenue</b>	<b>2,203,620</b>	<b>2,340,444</b>	<b>2,424,449</b>
<b>Rentals and Leases</b>	<b>135,000</b>	<b>159,204</b>	<b>201,849</b>
<b>Investment Income</b>	<b>40,000</b>	<b>90,294</b>	<b>81,507</b>
<b>Total Operating Revenue</b>	<b>50,217,761</b>	<b>50,552,933</b>	<b>50,648,490</b>

**School District No. 72 (Campbell River)****Schedule of Operating Expense by Object**

Years Ending June 30, 2013 and June 30, 2012

**Schedule 2B (Unaudited)**

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
<b>Salaries</b>			
Teachers	21,186,760	21,092,614	21,035,970
Principals and Vice Principals	2,986,731	2,941,844	3,136,006
Educational Assistants	3,808,169	3,560,216	3,985,313
Support Staff	5,612,004	5,632,426	5,735,168
Other Professionals	1,167,688	1,165,974	1,117,410
Substitutes	1,081,090	810,202	957,053
<b>Total Salaries</b>	<b>35,842,442</b>	<b>35,203,276</b>	<b>35,966,920</b>
<b>Employee Benefits</b>	<b>8,069,972</b>	<b>8,107,292</b>	<b>8,250,134</b>
<b>Total Salaries and Benefits</b>	<b>43,912,414</b>	<b>43,310,568</b>	<b>44,217,054</b>
<b>Services and Supplies</b>			
Services	1,097,405	790,399	734,202
Student Transportation	27,050	18,680	16,806
Professional Development and Travel	505,178	495,352	553,500
Rentals and Leases	198,235	166,552	190,929
Dues and Fees	52,031	59,122	51,889
Insurance	156,000	163,256	108,902
Supplies	3,202,516	2,354,714	2,059,013
Bad Debts	-	(5,000)	(68,980)
Utilities	1,685,041	1,489,431	1,561,287
<b>Total Services and Supplies</b>	<b>6,923,456</b>	<b>5,532,506</b>	<b>5,207,548</b>
<b>Total Operating Expense</b>	<b>50,835,870</b>	<b>48,843,074</b>	<b>49,424,602</b>

# School District No. 72 (Campbell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	16,730,433	358,027	129,729	516,899	14,544	774,707	18,524,339
1.03 Career Programs						2,169	2,169
1.07 Library Services	612,559	96,526		133,380			842,465
1.08 Counselling	563,860			50,477		1,028	615,365
1.10 Special Education	2,448,667	257,059	2,939,455	36,370	19,226	14,662	5,715,439
1.30 English Language Learning	243,545	828					244,373
1.31 Aboriginal Education	335,511	56,988	491,032	29,618		12,581	925,730
1.41 School Administration		2,167,644		529,073			2,696,717
1.60 Summer School	74,844			2,648			77,492
1.62 Off Shore Students	83,195			4,771		4,357	92,323
<b>Total Function 1</b>	<b>21,092,614</b>	<b>2,937,072</b>	<b>3,560,216</b>	<b>1,303,236</b>	<b>33,770</b>	<b>809,504</b>	<b>29,736,412</b>
<b>4 District Administration</b>							
4.11 Educational Administration				7,004	338,168		345,172
4.40 School District Governance					73,415		73,415
4.41 Business Administration		4,772		362,917	450,340	698	818,727
<b>Total Function 4</b>	<b>-</b>	<b>4,772</b>	<b>-</b>	<b>369,921</b>	<b>861,923</b>	<b>698</b>	<b>1,237,314</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				94,607	67,566		162,173
5.50 Maintenance Operations				2,964,312	163,765		3,128,077
5.52 Maintenance of Grounds				270,868			270,868
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,329,787</b>	<b>231,331</b>	<b>-</b>	<b>3,561,118</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration							-
7.70 Student Transportation				629,482	38,950		668,432
7.73 Housing							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>629,482</b>	<b>38,950</b>	<b>-</b>	<b>668,432</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>21,092,614</b>	<b>2,941,844</b>	<b>3,560,216</b>	<b>5,632,426</b>	<b>1,165,974</b>	<b>810,202</b>	<b>35,203,276</b>

# School District No. 72 (Campbell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

Schedule 2C (Unaudited)

	2012	2013	2013	2012
	Actual	Budget	Actual	Actual
	(Restated-Note 2)			
	\$	\$	\$	\$
<b>1 Instruction</b>				
1.02 Regular Instruction	18,524,339	4,202,527	22,726,866	24,715,117
1.03 Career Programs	2,169	176	2,345	20,084
1.07 Library Services	842,465	188,872	1,031,337	1,197,248
1.08 Counselling	615,365	136,084	751,449	714,153
1.10 Special Education	5,715,439	1,416,302	7,131,741	7,385,218
1.30 English Language Learning	244,373	53,167	297,540	306,981
1.31 Aboriginal Education	925,730	222,664	1,148,394	1,304,997
1.41 School Administration	2,696,717	560,742	3,257,459	3,409,155
1.60 Summer School	77,492	15,489	92,981	81,499
1.62 Off Shore Students	92,323	19,725	112,048	99,202
<b>Total Function 1</b>	<b>29,736,412</b>	<b>6,815,748</b>	<b>36,552,160</b>	<b>39,233,654</b>
<b>4 District Administration</b>				
4.11 Educational Administration	345,172	74,764	419,936	515,982
4.40 School District Governance	73,415	1,210	74,625	161,115
4.41 Business Administration	818,727	180,230	998,957	1,282,040
<b>Total Function 4</b>	<b>1,237,314</b>	<b>256,204</b>	<b>1,493,518</b>	<b>1,959,137</b>
<b>5 Operations and Maintenance</b>				
5.41 Operations and Maintenance Administration	162,173	34,679	196,852	342,389
5.50 Maintenance Operations	3,128,077	769,350	3,897,427	4,679,931
5.52 Maintenance of Grounds	270,868	62,396	333,264	485,394
5.56 Utilities	-	-	-	1,626,570
<b>Total Function 5</b>	<b>3,561,118</b>	<b>866,425</b>	<b>4,427,543</b>	<b>7,134,284</b>
<b>7 Transportation and Housing</b>				
7.41 Transportation and Housing Administration	-	-	-	-
7.70 Student Transportation	668,432	168,915	837,347	1,056,027
7.73 Housing	-	-	-	41,500
<b>Total Function 7</b>	<b>668,432</b>	<b>168,915</b>	<b>837,347</b>	<b>1,097,527</b>
<b>9 Debt Services</b>				
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>35,203,276</b>	<b>8,107,292</b>	<b>43,310,568</b>	<b>49,424,602</b>

**School District No. 72 (Campbell River)**

Schedule 3 (Unaudited)

## Schedule of Special Purpose Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget \$	2013 Actual \$	2012 Actual (Restated-Note 2) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	2,046,237	1,905,876	1,303,031
Other Revenue	2,310,550	2,278,838	2,185,989
Vancouver Foundation KERP Grant			3,047
<b>Total Revenue</b>	<b>4,356,787</b>	<b>4,184,714</b>	<b>3,492,067</b>
<b>Expenses</b>			
Instruction	4,356,787	4,184,714	3,492,067
<b>Total Expense</b>	<b>4,356,787</b>	<b>4,184,714</b>	<b>3,492,067</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), end of year</b>			
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	<b>-</b>

# School District No. 72 (Campbell River)

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

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year  
Transfer (to) from Operating Surplus - as at July 1, 2011  
Deferred Revenue, beginning of year, as restated

## Add: Restricted Grants

Provincial Grants - Ministry of Education  
Other  
Investment Income

Less: Allocated to Revenue  
Deferred Revenue, end of year

## Revenues

Provincial Grants - Ministry of Education  
Other Revenue

## Expenses

Salaries  
Teachers  
Principals and Vice Principals  
Educational Assistants  
Support Staff  
Substitutes

Employee Benefits  
Services and Supplies

## Net Revenue (Expense) before Interfund Transfers

## Interfund Transfers

## Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn
\$ 9,940	\$	\$ 4,337	\$ 50,380	\$ 860,812	\$ -	\$ 63,355
9,940	-	4,337	50,380	860,812	-	63,355
203,900	624,425	-	15,373	1,871,313	128,000	34,300
203,900	624,425	5	341	1,871,313	128,000	34,763
196,879	624,425	3,592	18,186	1,956,289	128,000	33,099
16,961	-	750	47,908	775,836	-	65,019
196,879	624,425	3,592	18,186	1,956,289	128,000	33,099
196,879	624,425	3,592	18,186	1,956,289	128,000	33,099
-	335,195	-	-	-	105,514	-
-	136,193	-	-	-	-	-
-	25,622	-	-	-	-	-
-	497,010	-	-	-	105,514	-
196,879	124,290	3,592	18,186	1,956,289	25,158 (2,672)	33,099
196,879	3,125	3,592	18,186	1,956,289	128,000	33,099
-	624,425	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

# School District No. 72 (Campbell River)

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

Deferred Revenue, beginning of year  
Transfer (to) from Operating Surplus - as at July 1, 2011  
Deferred Revenue, beginning of year, as restated

## Add: Restricted Grants

Provincial Grants - Ministry of Education  
Other  
Investment Income

Less: Allocated to Revenue  
Deferred Revenue, end of year

## Revenues

Provincial Grants - Ministry of Education  
Other Revenue

## Expenses

Salaries  
Teachers  
Principals and Vice Principals  
Educational Assistants  
Support Staff  
Substitutes

Employee Benefits  
Services and Supplies

## Net Revenue (Expense) before Interfund Transfers

## Interfund Transfers

## Net Revenue (Expense)

OLEP	Community- LINK	Oasis PRP	Headstart PRP	Provincial Literacy	Drug & Alcohol VIHA	District Trust Funds
\$	\$	\$	\$	\$	\$	\$
67,306	91,767	-	12,305	73,536	-	633,688
43,780						
111,086	91,767	-	12,305	73,536	-	633,688
166,087	507,708	127,179	127,179		58,965	242,706
670	947		115	527		4,493
166,757	508,655	127,179	127,294	527	58,965	247,199
183,727	467,360	127,179	123,429	-	58,965	249,934
94,116	133,062	-	16,170	74,063	-	630,953
183,727	467,360	127,179	123,429		58,965	249,934
183,727	467,360	127,179	123,429	-	58,965	249,934
43,151		87,348	83,336		56,185	81,171
	231,859	9,421	9,421			
2,482		3,187	3,187			
		1,900	1,900			
45,633	231,859	101,856	97,844	-	56,185	17,541
12,939	61,701	20,195	20,458		12,722	98,712
125,155	173,800	5,128	5,127		(9,942)	22,120
183,727	467,360	127,179	123,429	-	58,965	129,102
						249,934
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

# School District No. 72 (Campbell River)

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

Deferred Revenue, beginning of year  
Transfer (to) from Operating Surplus - as at July 1, 2011  
Deferred Revenue, beginning of year, as restated

## Add: Restricted Grants

Provincial Grants - Ministry of Education  
Other  
Investment Income

Less: Allocated to Revenue  
Deferred Revenue, end of year

## Revenues

Provincial Grants - Ministry of Education  
Other Revenue

## Expenses

Salaries  
Teachers  
Principals and Vice Principals  
Educational Assistants  
Support Staff  
Substitutes

Employee Benefits  
Services and Supplies

## Net Revenue (Expense) before Interfund Transfers

## Interfund Transfers

## Net Revenue (Expense)

District Scholarship	Van Foundation Kelp Grant	TOTAL
\$	\$	\$
121,522	64,349	1,989,942
121,522	64,349	107,135
		2,097,077
9,650		1,934,151
1,220		2,182,634
10,870	-	8,781
13,650	-	4,125,566
118,742	64,349	4,184,714
		2,037,929
13,650		1,905,876
13,650	-	2,278,838
		4,184,714
		643,235
		61,993
		473,566
		8,856
		46,963
-	-	1,234,613
13,650		299,583
13,650	-	2,650,518
		4,184,714
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-



# School District No. 72 (Campbell River)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual			2012 Actual (Restated-Note 2)
	\$	Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	507,474	600,790		600,790	38,921
Investment Income			7,509	7,509	6,855
Amortization of Deferred Capital Revenue	2,656,501	2,656,501		2,656,501	2,530,708
<b>Total Revenue</b>	<b>3,163,975</b>	<b>3,257,291</b>	<b>7,509</b>	<b>3,264,800</b>	<b>2,576,484</b>
<b>Expenses</b>					
Operations and Maintenance	507,474	600,790	275,914	876,704	154,556
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,362,532	3,362,531		3,362,531	3,231,227
<b>Total Expense</b>	<b>3,870,006</b>	<b>3,963,321</b>	<b>275,914</b>	<b>4,239,235</b>	<b>3,385,783</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(706,031)</b>	<b>(706,030)</b>	<b>(268,405)</b>	<b>(974,435)</b>	<b>(809,299)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased		141,640		141,640	118,141
Local Capital	227,382		215,000	215,000	211,408
<b>Total Net Transfers</b>	<b>227,382</b>	<b>141,640</b>	<b>215,000</b>	<b>356,640</b>	<b>329,549</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		58,399	(58,399)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>58,399</b>	<b>(58,399)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(478,649)</b>	<b>(505,991)</b>	<b>(111,804)</b>	<b>(617,795)</b>	<b>(479,750)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>22,020,522</b>	<b>907,315</b>	<b>22,927,837</b>	<b>23,407,587</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>21,514,531</b>	<b>795,511</b>	<b>22,310,042</b>	<b>22,927,837</b>

# School District No. 72 (Campbell River)

Tangible Capital Assets

Year Ended June 30, 2013

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,125,203	131,401,812	1,323,675	1,806,987	-	905,331	143,563,008
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		820,617	148,779	7,510		42,924	1,019,830
Deferred Capital Revenue - Other		74,517					74,517
Operating Fund						141,640	141,640
Local Capital			42,922			15,477	58,399
	-	895,134	191,701	7,510	-	200,041	1,294,386
Decrease:							
Deemed Disposals			292,369			227,828	520,197
	-	-	292,369	-	-	227,828	520,197
Cost, end of year	8,125,203	132,296,946	1,223,007	1,814,497	-	877,544	144,337,197
Work in Progress, end of year		551,927					551,927
Cost and Work in Progress, end of year	8,125,203	132,848,873	1,223,007	1,814,497	-	877,544	144,889,124
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		54,099,228	716,704	633,450	-	355,000	55,804,382
Decrease:							
Deemed Disposals		2,868,399	132,367	180,699		181,066	3,362,531
			292,369			227,828	520,197
			292,369			227,828	520,197
Accumulated Amortization, end of year		56,967,627	556,702	814,149	-	308,238	58,646,716
Tangible Capital Assets - Net	8,125,203	75,881,246	666,305	1,000,348	-	569,306	86,242,408

**School District No. 72 (Campbell River)**

Schedule 4B (Unaudited)

**Tangible Capital Assets - Work in Progress****Year Ended June 30, 2013**

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Work In Progress, beginning of year</b>	<b>47,687</b>				<b>47,687</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	504,240				504,240
	504,240	-	-	-	504,240
<b>Net Changes for the Year</b>	504,240	-	-	-	504,240
<b>Work In Progress, end of year</b>	<b>551,927</b>	-	-	-	<b>551,927</b>

**School District No. 72 (Campbell River)**

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2013

	<b>Bylaw Capital</b>	<b>Other Provincial</b>	<b>Other Capital</b>	<b>Total Capital</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Deferred Capital Revenue, beginning of year</b>	<b>59,374,051</b>	<b>5,788,655</b>	<b>438,238</b>	<b>65,600,944</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,019,830		74,517	1,094,347
	1,019,830	-	74,517	1,094,347
Decrease:				
Amortization of Deferred Capital Revenue	2,481,826	163,647	11,028	2,656,501
	2,481,826	163,647	11,028	2,656,501
<b>Net Changes for the Year</b>	<b>(1,461,996)</b>	<b>(163,647)</b>	<b>63,489</b>	<b>(1,562,154)</b>
<b>Deferred Capital Revenue, end of year</b>	<b>57,912,055</b>	<b>5,625,008</b>	<b>501,727</b>	<b>64,038,790</b>
<b>Work in Progress, beginning of year</b>	<b>47,687</b>			<b>47,687</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	504,240			504,240
	504,240	-	-	504,240
<b>Net Changes for the Year</b>	<b>504,240</b>	<b>-</b>	<b>-</b>	<b>504,240</b>
<b>Work in Progress, end of year</b>	<b>551,927</b>	<b>-</b>	<b>-</b>	<b>551,927</b>
<b>Total Deferred Capital Revenue, end of year</b>	<b>58,463,982</b>	<b>5,625,008</b>	<b>501,727</b>	<b>64,590,717</b>

# School District No. 72 (Campbell River)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2013

Schedule 4D (Unaudited)

	Bylaw Capital	MED Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$ 287,493	\$ 45,831	\$ -	\$ -	\$ 3,146	\$ 336,470
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	2,635,796				74,517	2,635,796
Other	2,635,796	-	-	-	74,517	2,710,313
Decrease:						
Transferred to DCR - Capital Additions	1,019,830				74,517	1,094,347
Transferred to DCR - Work in Progress	504,240					504,240
Transferred to Capital Revenue	600,790					600,790
	2,124,860	-	-	-	74,517	2,199,377
<b>Net Changes for the Year</b>	510,936	-	-	-	-	510,936
<b>Balance, end of year</b>	798,429	45,831	-	-	3,146	847,406