

Audited Financial Statements of

## **School District No. 39 (Vancouver)**

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

# School District No. 39 (Vancouver)

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

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# School District No. 39 (Vancouver)

## MANAGEMENT REPORT

Version: 8647-7901-5919

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

The accompanying financial statements of School District No. 39 (Vancouver) have been prepared by management under Canadian Public Sector Accounting Standards, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. 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. 39 (Vancouver) (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, KPMG, 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. 39 (Vancouver) 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. 39 (Vancouver)

Signature of the Chairperson of the Board of Education

Sept. 16, 2013

Date Signed

Signature of the Superintendent

Sept. 17, 2013

Date Signed

Signature of the Secretary Treasurer

Sept. 17, 2013

Date Signed



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## INDEPENDENT AUDITORS' REPORT

To the Board of Education of the School District No. 39 (Vancouver)

To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of the School District No. 39 (Vancouver), which comprise the statements of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011, the statements of operations, changes in net debt and cash flows for the years ended June 30, 2013 and June 30, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, 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 from material misstatement.

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

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



### *Opinion*

In our opinion, the financial statements of the School District No. 39 (Vancouver) as at and for the years ended June 30, 2013 and June 30, 2012 and the statement of financial position as at July 1, 2011 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

### *Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 4D is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*KPMG LLP*

September 23, 2013

Burnaby, Canada

# School District No. 39 (Vancouver)

Statement 1

## Statement of Financial Position

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

	June 30, 2013	June 30, 2012	July 1, 2011
	\$	\$	\$
<b>Financial Assets</b>			
Cash and Cash Equivalents	117,086,515	65,355,178	73,922,464
Accounts Receivable			
Due from Province - Ministry of Education	9,230,797	5,932,788	9,120,803
Due from Province - Other	16,670	44,020	230,674
Due from LEA/Direct Funding		9,576	-
Other (Note 4)	5,458,209	3,633,518	4,649,485
Portfolio Investments (Note 5)	11,871,048	71,615,264	48,163,955
<b>Total Financial Assets</b>	<b>143,663,239</b>	<b>146,590,344</b>	<b>136,087,381</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities			
Due to Province - Other	74,734	-	506,657
Other (Note 6)	52,653,228	52,424,644	48,954,148
Unearned Revenue (Note 7)	19,103,545	16,554,735	15,343,446
Deferred Revenue (Note 8)	22,235,302	21,998,300	20,507,726
Deferred Capital Revenue (Note 9)	413,594,851	383,343,835	343,079,155
Employee Future Benefits (Note 10)	15,701,925	15,429,215	15,101,872
Debt	-	700,000	800,000
Capital Lease Obligations (Note 11)	21,526	29,656	-
Asset Retirement	-	600,000	600,000
<b>Total Liabilities</b>	<b>523,385,111</b>	<b>491,080,385</b>	<b>444,893,004</b>
<b>Net Financial Assets (Debt)</b>	<b>(379,721,872)</b>	<b>(344,490,041)</b>	<b>(308,805,623)</b>
<b>Non-Financial Assets</b>			
Tangible Capital Assets (Note 12)	521,758,036	480,492,698	438,903,968
Prepaid Expenses	523,704	793,628	871,874
Supplies Inventory	1,031,184	1,106,338	1,258,745
<b>Total Non-Financial Assets</b>	<b>523,312,924</b>	<b>482,392,664</b>	<b>441,034,587</b>
<b>Accumulated Surplus (Deficit) (Note 18)</b>	<b>143,591,052</b>	<b>137,902,623</b>	<b>132,228,964</b>

Contractual Obligations and Contingencies

Approved by the Board

Signature of the Chairperson of the Board of Education

Sept. 16, 2013  
Date Signed

Signature of the Superintendent

Sept. 17, 2013  
Date Signed

Signature of the Secretary Treasurer

Sept. 17, 2013  
Date Signed

# School District No. 39 (Vancouver)

Statement 2

## Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	487,767,434	488,377,894	486,102,449
Other	6,601,916	6,008,152	5,451,939
Tuition	17,915,595	18,001,372	16,122,834
Other Revenue	35,094,789	44,937,339	39,127,418
Rentals and Leases	4,444,595	4,383,550	4,439,155
Investment Income	1,500,856	1,489,457	1,395,748
Amortization of Deferred Capital Revenue	11,722,605	11,430,621	10,521,583
<b>Total Revenue</b>	<u>565,047,790</u>	<u>574,628,385</u>	<u>563,161,126</u>
<b>Expenses</b>			
Instruction	478,357,849	472,562,658	462,086,387
District Administration	13,413,580	14,142,762	13,272,785
Operations and Maintenance	81,649,661	79,554,210	79,145,855
Transportation and Housing	2,681,470	2,680,326	2,964,643
Debt Services	23,035		17,797
<b>Total Expense</b>	<u>576,125,595</u>	<u>568,939,956</u>	<u>557,487,467</u>
<b>Surplus (Deficit) for the year</b>	<u>(11,077,805)</u>	<u>5,688,429</u>	<u>5,673,659</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		137,902,623	132,228,964
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>143,591,052</u>	<u>137,902,623</u>

# School District No. 39 (Vancouver)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(11,077,805)	5,688,429	5,673,659
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(63,999,396)	(60,470,744)	(59,553,471)
Amortization of Tangible Capital Assets	19,264,609	19,205,406	17,964,741
Total Effect of change in Tangible Capital Assets	(44,734,787)	(41,265,338)	(41,588,730)
Acquisition of Prepaid Expenses		(610,847)	(998,620)
Use of Prepaid Expenses		880,771	1,076,866
Acquisition of Supplies Inventory		(2,227,174)	(1,070,360)
Use of Supplies Inventory		2,302,328	1,222,767
Total Effect of change in Other Non-Financial Assets	-	345,078	230,653
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(55,812,592)	(35,231,831)	(35,684,418)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(35,231,831)	(35,684,418)
Net Financial Assets (Debt), beginning of year		(344,490,041)	(308,805,623)
Net Financial Assets (Debt), end of year		(379,721,872)	(344,490,041)



# School District No. 39 (Vancouver)

Statement 5

## Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	5,688,429	5,673,659
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(5,085,777)	4,381,060
Supplies Inventories	75,154	152,407
Prepaid Expenses	269,924	78,246
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	302,318	2,963,839
Unearned Revenue	2,548,810	1,211,289
Deferred Revenue	237,002	1,490,574
Employee Future Benefits	272,712	327,343
Amortization of Tangible Capital Assets	19,205,406	17,964,741
Amortization of Deferred Capital Revenue	(11,430,621)	(10,521,583)
Recognition of Deferred Capital Revenue Spent on Sites		-
PSAB Adjustments	(791,117)	
<b>Total Operating Transactions</b>	<b>11,292,240</b>	<b>23,721,575</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(7,861,628)	(3,708,483)
Tangible Capital Assets -WIP Purchased	(52,609,116)	(55,844,989)
<b>Total Capital Transactions</b>	<b>(60,470,744)</b>	<b>(59,553,472)</b>
<b>Financing Transactions</b>		
Loan Payments	(700,000)	(100,000)
Capital Revenue Received	41,873,755	50,786,263
Capita Lease Payments	(8,130)	29,657
<b>Total Financing Transactions</b>	<b>41,165,625</b>	<b>50,715,920</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	59,744,216	(23,451,309)
<b>Total Investing Transactions</b>	<b>59,744,216</b>	<b>(23,451,309)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>51,731,337</b>	<b>(8,567,286)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>65,355,178</b>	<b>73,922,464</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>117,086,515</b>	<b>65,355,178</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	117,086,515	65,355,178
	<b>117,086,515</b>	<b>65,355,178</b>

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**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. 39 (Vancouver)", and operates as "School District No. 39 (Vancouver)." A board of education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

**2 The New Accounting Framework and Prior Period Adjustments**

Commencing with the 2012/13 fiscal year, the School District has adopted accounting standards in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board as described in Note 3 a). Previously, the School District's financial statements were prepared in accordance with Part V of Canadian generally accepted accounting principles ("Part V Canadian GAAP").

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);
  - b. The School District has elected to recognize all cumulative actuarial gains at July 1, 2011 directly in accumulated surplus; and
- Tangible capital asset impairment:
  - a. The School District has elected to apply *Section PS 3150* on a prospective basis from the date of transition.

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 \$2,073,723. A reduction of expense of \$26,283 was recognized in the 2012 fiscal year as a result of recognizing these additional benefits of \$226,639 net of reversal of payments relating to non-vested previously recorded of \$252,922.

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**2 The New Accounting Framework and Prior Period Adjustments (Continued)**

- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains relating to employee future benefits of \$3,088,570 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. Additional expense of \$146,220 was recognized in the 2012 fiscal year as a result of elimination of the amortization of the cumulative actuarial gains.

Key adjustments on the School District's consolidated financial statements resulting from prior period restatements are as follows:

- As part of the transition, the District reviewed its previous grants and identified amounts totaling \$855,384, which was recognized as revenue but should be treated as deferred contributions.

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

Accumulated surplus as originally reported, July 1, 2011	\$132,069,501
Adjustments to new accounting framework	
Recognize non-vested benefits to Employee Future Benefits	(2,073,723)
Recognize cumulative unamortized actuarial gain/loss on Employee Future Benefits	<u>3,088,570</u>
Adjustments for prior period restatements	
Recognize special purpose funds	<u>(855,384)</u>
Accumulated surplus as restated, July 1, 2011	\$132,228,964
Annual surplus as originally reported for the year ended June 30, 2012	\$5,333,270
Adjustments to new accounting framework	
Employee Future Benefits-- unvested benefits	26,283
Employee Future Benefits - amortization of actuarial gains	(146,220)
Adjustments to new accounting framework	
Recognize revenue of special purpose funds	<u>460,326</u>
Annual surplus for the year as restated for the year ended June 30, 2012	<u>5,673,659</u>
Accumulated surplus, end of year as restated, June 30, 2012	<u>\$ 137,902,623</u>

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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### **3 Summary of Significant Accounting Policies**

#### **a) Basis of Accounting**

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

#### **b) Cash and Cash Equivalents**

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

#### **c) Accounts Receivable**

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

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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d) Portfolio Investments

The School District has investments in Guaranteed Investment Certificates ("GIC's"), term deposits and , bonds hat either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. These investments are reported at cost or amortized cost.

e) Unearned Revenue

Unearned revenue includes tuition feès 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.

f) Deferred Revenue and Deferred Capital Revenue

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

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.

g) 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.

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.

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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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.

h) Asset Retirement Obligations

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

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise.

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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Estimated useful life is as follows:

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

j) Capital Leases

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

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

Prepaid annual maintenance contracts, prepaid rent, membership dues are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Supplies Inventory

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

m) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

n) 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

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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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

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.

o) Expenses

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 related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.



**SCHOOL DISTRICT**  
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- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

p) 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, other current liabilities and capital lease obligations.

Except for portfolio investments in equity instruments quoted in an active market, or items designated by management, that are recorded at fair value, 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. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. All financial instruments are recorded at cost or amortized cost.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Interest and dividends attributable to financial instruments are reported in the statement of operations.

Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

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.

q) Measurement Uncertainty

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 of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

r) Adoption of New Accounting Policy

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On July 1, 2012, the School District adopted PS3450, Financial Instruments. Recognition, de-recognition 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 in note 3d.

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.

**4 Other Receivables**

	30-Jun-13	30-Jun-12	1-Jul-11
Due from Federal Government	\$ 1,024,819	\$ 969,146	\$ 1,989,876
Due from Municipalities	18,375	22,791	-
Due from Other School Districts	94,971	90,672	164,119
Rentals and Leases	192,218	162,048	653,114
Other Receivables	4,436,280	2,676,387	2,114,430
Allowance for Doubtful Accounts	(308,453)	(287,527)	(272,055)
Total	\$ 5,458,209	\$ 3,633,518	\$ 4,649,485

**5 Portfolio Investments**

	30-Jun-13	30-Jun-12	1-Jul-11
GIC's	\$ 9,971,792	\$ 69,432,661	\$ 45,332,687
Term deposits	1,058,022	1,320,874	1,783,844
Bonds	841,233	861,729	1,047,424
	\$ 11,871,048	\$ 71,615,264	\$ 48,163,955

GIC's and term deposits held within our portfolio investments are held with local banking institutions and are earning average interest of 2.2% (2012 – 1.76%, 2011 – 2.01%).

**6 Other Liabilities**

	30-Jun-13	30-Jun-12	1-Jul-11
Trade payables	16,158,032	10,724,881	8,187,889
Salaries and benefits payable	21,322,413	26,240,872	24,443,666
Accrued vacation pay	7,713,661	7,567,362	7,405,810
Other	7,459,122	7,891,529	8,916,783
	\$ 52,653,228	\$ 52,424,644	\$ 48,954,148

**SCHOOL DISTRICT**  
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**7 Unearned Revenue**

	30-Jun-13	30-Jun-12
Balance, beginning of year	\$ 16,554,734	\$ 15,343,446
Increase		
Tuition fees	20,593,833	17,619,617
Rental/Lease of facilities	4,371,929	4,205,015
Other	152,975	282,920
	<u>\$ 25,118,737</u>	<u>\$ 22,107,552</u>
Decrease		
Tuition fees	18,001,372	16,122,834
Rental/Lease of facilities	4,383,550	4,439,154
Other	185,004	334,275
	<u>\$ 22,569,926</u>	<u>\$ 20,896,263</u>
Net changes for the year	2,548,811	1,211,289
Balance, end of year	<u>\$ 19,103,545</u>	<u>\$ 16,554,735</u>

**8 Deferred Revenue**

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

	30-Jun-13	30-Jun-12
Deferred revenue, beginning of year, as restated	\$ 21,998,300	\$ 20,507,726
Increase		
Provincial Grants - Ministry of Education	29,965,848	23,024,961
Provincial Grants - Other	8,488,166	7,598,837
Other	35,144,911	32,548,640
Investment Income	248,210	222,878
	<u>73,847,135</u>	<u>63,395,316</u>
Allocated to Revenue	<u>\$ 73,610,133</u>	<u>\$ 61,904,742</u>
Deferred revenue, end of year	<u>\$ 22,235,302</u>	<u>\$ 21,998,300</u>

**9 Deferred Capital Revenue**

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted

**SCHOOL DISTRICT**  
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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.

	<u>30-Jun-13</u>	<u>30-Jun-12</u>
Balance, beginning of year	\$ 302,984,436	\$ 297,606,490
Increases		
Transfers from Work in Progress	65,255,315	15,899,529
Decreases		
Amortization ByLaw Capital	11,078,350	10,189,556
Amortization Other Provincial Capital	180,592	160,347
Amortization Other Capital	171,679	171,680
	<u>11,430,621</u>	<u>10,521,583</u>
Balance, end of year	<u>\$ 356,809,130</u>	<u>\$ 302,984,436</u>
<b>Work in Progress (WIP)</b>		
Balance, beginning of year	\$ 63,053,469	\$ 23,108,009
Increases		
Transfers from DR – spent funds	52,448,552	55,844,989
Decreases		
Transfers to DCR – completed projects	65,255,315	15,899,529
Balance (WIP), end of year	<u>\$ 50,246,706</u>	<u>\$ 63,053,469</u>
Balance DCR and WIP, end of year	<u>\$ 407,055,836</u>	<u>\$ 366,037,905</u>
<b>Unspent Deferred Capital Revenue</b>		
Balance, beginning of year	\$ 17,305,930	\$ 22,364,656
Increases		
Provincial Grants – Ministry of Education	41,746,137	51,009,158
Investment Income	127,617	236,515
	<u>41,873,754</u>	<u>51,245,673</u>
Decreases		
Transferred to DCR - WIP	52,448,551	55,771,130
Revenue Recognition	192,118	459,410
Ministry of Education Use of Capital	73,859	73,859
	<u>52,640,669</u>	<u>56,304,399</u>
Balance, Unspent DCR, end of year	<u>\$ 6,539,015</u>	<u>\$ 17,305,930</u>
Total Deferred Capital Revenue	<u>\$ 413,594,851</u>	<u>\$ 383,343,835</u>

**SCHOOL DISTRICT**  
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**10 Employee Future Benefits**

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

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 16,282,927	\$ 13,924,138
Non-vested Benefit Obligation - July 1, 2011	-	2,073,723
Service Cost	1,106,625	1,026,748
Interest Cost	700,747	759,658
Benefit Payments	(1,340,945)	(1,683,621)
Actuarial Loss	11,879,180	182,281
Accrued Benefit Obligation – March 31	<u>\$ 28,628,534</u>	<u>\$ 16,282,927</u>

<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	28,628,534	16,282,927
Funded Status - Surplus (Deficit)	(28,628,534)	(16,282,927)
Employer Contributions After Measurement Date	880,862	671,432
Unamortized Net Actuarial Loss	12,045,747	182,281
Accrued Benefit Liability - June 30	<u>\$ (15,701,925)</u>	<u>\$ (15,429,215)</u>

<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	15,429,215	16,116,719
Recognize Non-Vested Benefits - July 1, 2011	-	2,073,723
Recognize Unamortized Gains - July 1, 2011	-	(3,088,570)
Accrued Benefit Liability - July 1 (restated)	15,429,215	15,101,872
Net Expense for Fiscal Year	1,823,086	1,786,406
Employer Contributions	(1,550,376)	(1,459,063)
Accrued Benefit Liability - June 30	<u>\$ 15,701,925</u>	<u>\$ 15,429,215</u>

<b>Components of Net Benefit Expense</b>		
Service Cost	1,106,625	1,026,748
Interest Cost	700,747	759,658
Amortization of Net Actuarial Loss	15,714	-
Net Benefit Expense	<u>\$ 1,823,086</u>	<u>\$ 1,786,406</u>

**Assumptions**

Discount Rate - April 1	4.25%	4.75%
Discount Rate - March 31	3.00%	4.25%
Long Term Salary Growth - April 1	2.50%	2.50% + seniority
Long Term Salary Growth - March 31	2.50%	2.50% + seniority
EARS - March 31	11.5	11.6

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**11 Capital Lease Obligations**

The following is a schedule of future obligations under capital leases

	2013	2012
2013	\$ -	\$ 10,649
2014	10,649	10,649
2015	9,446	9,446
2016	4,121	4,121
	<u>24,216</u>	<u>34,865</u>
Less amount representing interest ranging from 9.13% to 10.97%	(2,690)	(5,209)
Capital Lease Obligations	<u>\$ 21,526</u>	<u>\$ 29,656</u>

**12 Tangible Capital Assets**

Cost	Balance July 1, 2012	Additions	Disposals	Transfers	Balance June 30, 2013
Sites	\$ 20,848,131				\$ 20,848,131
Buildings	617,587,630	1,702,982		65,226,893	684,517,505
Buildings – WIP	63,025,048	52,605,710		(65,226,893)	50,403,865
Furniture & Equip.	18,487,478	1,631,681	3,538,395	28,421	16,609,185
F & E - WIP	28,421	3,406		(28,421)	3,406
Vehicles	1,310,053	231,756			1,541,809
Computer Software	3,324,507	10,317	299,039		3,035,785
Computer Hardware	10,464,802	4,284,892	748,016		14,001,678
Total	<u>\$735,076,070</u>	<u>\$ 60,470,744</u>	<u>\$ 4,585,450</u>	<u>\$ -</u>	<u>\$790,961,364</u>

Accumulated Amortization	July 1, 2012	Amortization	Disposals	Balance at June 30, 2013
Sites				
Buildings	\$236,464,094	\$ 14,224,226		\$250,688,320
Furniture & Equipment	10,454,230	1,755,909	3,538,395	8,671,744
Vehicles	484,163	142,593		626,756
Computer Software	1,808,766	636,029	299,039	2,145,756
Computer Hardware	5,372,119	2,446,649	748,016	7,070,752
Total	<u>\$254,583,372</u>	<u>\$ 19,205,406</u>	<u>\$ 4,585,450</u>	<u>\$269,203,328</u>

(...Note 12 cont'd)

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**12 Tangible Capital Assets (Continued)**

Cost	Balance July 1, 2011	Additions	Disposals	Transfers	Balance June 30, 2012
Sites	\$ 20,848,131				\$ 20,848,131
Buildings	600,955,354	1,114,247		15,518,029	617,587,630
Buildings – WIP	23,108,009	55,435,068		(15,518,029)	63,025,048
Furniture & Equip.	18,536,411	1,591,631	2,022,064	381,500	18,487,478
F & E -WIP		409,921		(381,500)	28,421
Vehicles	1,136,121	173,932			1,310,053
Computer Software	3,095,175	258,868	29,536		3,324,507
Computer Hardware	10,454,133	569,805	559,136		10,464,802
Total	\$678,133,334	\$ 59,553,472	\$ 2,610,736	\$ -	\$735,076,070

Accumulated Amortization	July 1, 2011	Amortization	Disposals	Balance t June 30, 2012
Sites				
Buildings	\$223,206,720	\$ 13,257,374		\$236,464,094
Furniture & Equipment	10,625,099	1,851,195	2,022,064	10,454,230
Vehicles	361,854	122,309		484,163
Computer Software	1,196,334	641,968	29,536	1,808,766
Computer Hardware	3,839,360	2,091,895	559,136	5,372,119
Total	\$239,229,367	\$ 17,964,741	\$ 2,610,736	\$254,583,372

Net Book Value	July 1, 2011	June 30, 2012	June 30, 2013
Sites	\$ 20,848,131	\$ 20,848,131	\$ 20,848,131
Buildings	377,748,634	381,123,536	433,829,185
Buildings - WIP	23,108,009	63,025,048	50,403,865
Furniture & Equipment	7,911,312	8,033,248	7,937,441
F & E - WIP		28,421	3,406
Vehicles	774,268	825,890	915,053
Computer Software	1,898,841	1,515,741	890,029
Computer Hardware	6,614,773	5,092,683	6,930,926
	\$438,903,968	\$480,492,698	\$521,758,036

As at June 30, 2013 there was work in progress of \$50,407,271 (\$63,053,468 in 2012) not yet being amortized and is included in Buildings and Furniture & Equipment. Amortization of these assets will commence when the asset is put into service.

**13 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

**SCHOOL DISTRICT**  
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**13 Employee Pension Plans (Continued)**

retired members from school districts. The Municipal Pension Plan has about 178,000 active members, of which approximately 23,000 are from school districts.

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

The School District paid \$46,834,079 (2012 - \$45,242,765) for employer contributions to these plans in the year ended June 30, 2013.

**14 Commitments and Contingencies**

- a) The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met.

	2014	2015	2016	2017	2018	Thereafter
Approved Capital Projects - Unperformed portion	\$14,357,856	\$ 4,951,142	\$ 479,088	\$ -	\$ -	\$ -
Future operating lease payments	778,170	778,170	778,170	778,170	79,453	5,712
	<u>\$15,136,026</u>	<u>\$ 5,729,312</u>	<u>\$ 1,257,258</u>	<u>\$ 778,170</u>	<u>\$ 79,453</u>	<u>\$ 5,712</u>

- b) A class action lawsuit was certified against the School District seeking recovery of tuition fees paid for summer school courses in prior fiscal periods. Negotiations for a settlement agreement are currently underway. Further, the settlement agreement anticipates the Ministry of Education setting aside funding to provide for the majority of the anticipated costs.

The outcome of this action and any potential financial impact are unknown at this time, as the settlement agreement requires approval of all parties and also approval of the court, and further, the ultimate amount is dependent on a number of factors, none of which can be known with certainty at this time. The District has made an appropriate provision for its best estimate of the net liability, after considering Provincial funding and settlement costs of in the financial statement.



**SCHOOL DISTRICT**  
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**15 Budget Figures**

Budget figures included in the financial statements were approved by the Board through the adoption of the preliminary annual budget on June 18, 2012.

An Amended Budget based upon revised enrolment information is filed with the Ministry of Education by the end of February of each year. The Amended Budget and Preliminary Budgets are presented here for information.

	2013 Amended Annual Budget	2013 Annual Budget
Ministry Operating Grant Funded FTE's		
School-Age	52,516	52,929
Adult	1,092	1,444
Other	1,981	1,921
Total Ministry Operating Grant Funded FTE's	55,588	56,294
Revenues		
Provincial Grants	\$ 488,414,265	\$ 487,767,434
Ministry of Education	6,857,804	6,601,916
Tuition	18,171,102	17,915,595
Other Revenue	39,349,802	35,094,789
Rentals and Leases	4,212,546	4,444,595
Investment Income	1,349,013	1,500,856
Amortization of Deferred Capital Revenue	11,809,378	11,722,605
Total Revenue	\$ 570,163,910	\$ 565,047,790
Expenses		
Instruction	\$ 476,789,404	\$ 478,357,849
District Administration	16,300,553	13,413,580
Operations and Maintenance	62,768,746	62,385,052
Transportation and Housing	3,065,678	2,681,470
Interest	23,035	23,035
Amortization of Capital Assets	19,658,980	19,264,609
Total Expense	\$ 578,606,396	\$ 576,125,595
Net Revenue (Expense), before Endowment Contributions	\$ (8,442,486)	\$ (11,077,805)
Endowment Contributions		
Net Revenue (Expense)	\$ (8,442,486)	\$ (11,077,805)
Budgeted Allocation (Retirement) of Surplus (Deficit)	17,792,534	8,221,516
Budgeted Retirement of Unfunded Employee Future Benefits	(132,764)	(132,764)
Budgeted Surplus (Deficit), for the year	\$ 9,217,284	\$ (2,989,053)
Budgeted Surplus (Deficit), for the year comprised of:		
Operating Fund Surplus (Deficit)	9,292,174	
Capital Fund Surplus (Deficit)	(74,890)	(2,989,053)
Budgeted Surplus (Deficit), for the year	\$ 9,217,284	\$ (2,989,053)

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**16 Bank Loan**

The School District has a 10-year demand loan which was approved under section 114(1) of the School Act outstanding since 2008. \$700,000 (July 1, 2011 - \$800,000) was outstanding at June 30, 2012. The entire balance was repaid during fiscal 2013.

**17 Expense by Object**

	30-Jun-13	30-Jun-12
Salaries and benefits	\$ 474,304,777	\$ 466,776,653
Services and supplies	75,426,144	72,725,934
Interest	3,629	20,139
Amortization	19,205,406	17,964,741
	<u>\$ 568,939,956</u>	<u>\$ 557,487,467</u>

**18 Accumulated Surplus**

	30-Jun-13	30-Jun-12	1-Jul-11
Invested in Capital Assets	\$ 114,188,805	\$ 113,725,137	\$ 117,389,469
Local Capital Fund	7,301,611	7,762,186	4,306,787
Capital Fund Balance	<u>121,490,416</u>	<u>121,487,323</u>	<u>121,696,256</u>
Internally Restricted			
School Budget Balances	1,117,341	757,498	1,015,646
Collective Agreement Requirements	1,830,567	2,008,883	969,969
Purchase Order Commitments	1,676,738	2,515,930	2,304,819
Funds Required to Complete Projects in Progress	2,230,583	3,000,297	1,290,504
Distributed Learning Funding for Courses in Progress	213,699	310,930	578,911
Financial Provisions	1,348,686	150,000	100,000
Miscellaneous Grants Funding	2,437,202	825,149	204,164
Local Capital Reserve Transfer to Next Year's Budget	-	345,000	675,000
Current Year Surplus Transfer to Next Year	9,292,174	7,876,516	4,901,362
Internally Restricted Operating Surplus	<u>20,146,990</u>	<u>17,790,203</u>	<u>12,040,375</u>
Unrestricted Operating Surplus	3,195,784		
Unfunded Accrued Employee Benefits	(1,242,138)	(1,374,903)	(1,507,667)
Accumulated Surplus	<u>\$ 143,591,052</u>	<u>\$ 137,902,623</u>	<u>\$ 132,228,964</u>

**19 Economic Dependence**

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**20 Related party transactions**

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

**21 Risk Management**

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

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

a) Credit risk:

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates, term deposits, and bonds.

b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest in GICs, term deposits and bonds with a maturity date of no more than three years.

c) Liquidity risk

**SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

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

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

# School District No. 39 (Vancouver)

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

Schedule 1

	Operating Fund	Special Purpose Fund	Capital Fund	2013 Actual	2012 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	16,415,300		121,487,323	137,902,623	132,069,501
Change in Accounting Policies/Prior Period Adjustments					
Add non-vested benefits to Employee Future Benefits					(2,073,723)
Recognize unamortized gain (loss) on Employee Future Benefits					3,088,570
Reclassify Deferred Contributions					(855,384)
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>16,415,300</b>	<b>-</b>	<b>121,487,323</b>	<b>137,902,623</b>	<b>132,228,964</b>
<b>Changes for the year</b>					
Surplus (Deficit) for the year	9,909,049	2,581,270	(6,801,890)	5,688,429	5,673,659
Interfund Transfers					
Tangible Capital Assets Purchased	(4,117,495)	(2,579,358)	6,696,853	-	
Other	(106,218)	(1,912)	108,130	-	
<b>Net Changes for the year</b>	<b>5,685,336</b>	<b>-</b>	<b>3,093</b>	<b>5,688,429</b>	<b>5,673,659</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>22,100,636</b>	<b>-</b>	<b>121,490,416</b>	<b>143,591,052</b>	<b>137,902,623</b>

# School District No. 39 (Vancouver)

Schedule 2

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	456,943,915	457,504,398	461,651,262
Other	68,719	45,745	598,387
Tuition	17,915,595	18,001,372	16,122,834
Other Revenue	3,869,945	7,840,168	6,985,839
Rentals and Leases	3,511,419	3,363,519	3,411,186
Investment Income	1,357,924	1,285,992	1,104,010
<b>Total Revenue</b>	<b>483,667,517</b>	<b>488,041,194</b>	<b>489,873,518</b>
<b>Expenses</b>			
Instruction	415,320,465	404,891,807	405,365,161
District Administration	12,952,833	13,298,904	12,754,278
Operations and Maintenance	59,066,990	57,261,108	57,658,840
Transportation and Housing	2,661,470	2,680,326	2,964,643
Debt Services	23,035		17,797
<b>Total Expense</b>	<b>490,024,793</b>	<b>478,132,145</b>	<b>478,760,719</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(6,357,276)</b>	<b>9,909,049</b>	<b>11,112,799</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>8,221,516</b>		
<b>Budgeted Reduction of Unfunded Accrued Employee Future Benefits</b>	<b>(132,764)</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,631,476)	(4,117,495)	(2,770,861)
Local Capital			(2,349,177)
Other	(100,000)	(106,218)	(108,117)
<b>Total Net Transfers</b>	<b>(1,731,476)</b>	<b>(4,223,713)</b>	<b>(5,228,155)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>5,685,336</b>	<b>5,884,644</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>16,415,300</b>	<b>10,371,193</b>
<b>Change in Accounting Policies/Prior Period Adjustments</b>			
Add non-vested benefits to Employee Future Benefits			(2,073,723)
Recognize unamortized gain (loss) on Employee Future Benefits			3,088,570
Reclassify Deferred Contributions			(855,384)
<b>Operating Surplus (Deficit), beginning of year, as restated</b>		<b>16,415,300</b>	<b>10,530,656</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>22,100,636</b>	<b>16,415,300</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		20,146,991	17,790,203
Unrestricted		3,195,784	
Unfunded Accrued Employee Future Benefits		(1,242,139)	(1,374,903)
<b>Total Operating Surplus (Deficit), end of year</b>		<b>22,100,636</b>	<b>16,415,300</b>

# School District No. 39 (Vancouver)

Schedule 2A

Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	447,494,993	446,838,351	451,166,556
AANDC/LEA Recovery	(43,219)	(43,219)	(8,522)
Other Ministry of Education Grants			
Pay Equity	6,988,925	7,294,124	7,294,124
Graduated Adult Funding	2,503,216	2,953,443	2,747,708
Other Ministry of Education Grants		417,492	451,396
Foundation Skills Assessment		44,207	-
<b>Total Provincial Grants - Ministry of Education</b>	<b>456,943,915</b>	<b>457,504,398</b>	<b>461,651,262</b>
<b>Provincial Grants - Other</b>	<b>68,719</b>	<b>45,745</b>	<b>598,387</b>
<b>Tuition</b>			
Summer School Fees	614,088	684,654	681,299
Continuing Education	1,603,880	1,209,665	1,301,624
Offshore Tuition Fees	15,697,627	16,107,053	14,139,911
<b>Total Tuition</b>	<b>17,915,595</b>	<b>18,001,372</b>	<b>16,122,834</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	43,219	43,219	9,576
Miscellaneous			
Miscellaneous Income	2,354,108	6,462,743	5,582,815
Instructional Cafeteria	1,472,618	1,334,206	1,393,448
<b>Total Other Revenue</b>	<b>3,869,945</b>	<b>7,840,168</b>	<b>6,985,839</b>
<b>Rentals and Leases</b>	<b>3,511,419</b>	<b>3,363,519</b>	<b>3,411,186</b>
<b>Investment Income</b>	<b>1,357,924</b>	<b>1,285,992</b>	<b>1,104,010</b>
<b>Total Operating Revenue</b>	<b>483,667,517</b>	<b>488,041,194</b>	<b>489,873,518</b>

**School District No. 39 (Vancouver)**

Schedule 2B

Schedule of Operating Expense by Object

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	233,249,517	226,005,215	228,297,553
Principals and Vice Principals	21,522,761	21,656,893	21,235,071
Educational Assistants	33,257,969	33,858,279	32,890,959
Support Staff	52,118,380	51,003,337	51,404,671
Other Professionals	8,925,389	8,503,261	8,492,171
Substitutes	11,511,083	12,306,853	11,432,972
<b>Total Salaries</b>	<b>360,585,099</b>	<b>353,333,838</b>	<b>353,753,397</b>
<b>Employee Benefits</b>	<b>95,098,299</b>	<b>91,255,950</b>	<b>90,301,685</b>
<b>Total Salaries and Benefits</b>	<b>455,683,398</b>	<b>444,589,788</b>	<b>444,055,082</b>
<b>Services and Supplies</b>			
Services	6,796,820	8,503,236	8,205,419
Student Transportation	2,635,220	2,707,510	3,000,027
Professional Development and Travel	902,160	868,350	490,021
Rentals and Leases	805,349	880,320	859,534
Dues and Fees	309,630	742,910	645,665
Insurance	1,263,948	1,105,593	1,169,957
Interest	23,035	3,061	20,139
Supplies	12,631,282	11,287,254	12,645,009
Utilities	8,973,951	7,444,123	7,669,866
<b>Total Services and Supplies</b>	<b>34,341,395</b>	<b>33,542,357</b>	<b>34,705,637</b>
<b>Total Operating Expense</b>	<b>490,024,793</b>	<b>478,132,145</b>	<b>478,760,719</b>



# School District No. 39 (Vancouver)

Schedule 2C

Operating Expense by Function, Program and Object  
Year Ended June 30, 2013

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	171,924,036	22,022	2,199,819	1,240,959	101,675	9,459,592	184,948,103
1.03 Career Programs	826,914	66,360	355,180	144,446	103,116	67,684	1,563,700
1.07 Library Services	5,215,576	742,844	73,963	247,156	169	329,315	6,609,023
1.08 Counselling	8,256,558	480,611	157	175,732	620,997	299,470	9,833,525
1.10 Special Education	21,442,752	1,865,420	28,993,692	261,715	145,729	1,196,755	53,906,063
1.30 English Language Learning	10,366,455	1,630,892	939,675	216,091	1,536	517,630	13,672,279
1.31 Aboriginal Education	642,959	150,269	1,055,438	53,998	1,005	28,967	1,932,636
1.41 School Administration	11	15,493,552	106	13,588,165	3,890	9,871	29,095,595
1.60 Summer School	2,137,133	246,755	117,296	590,886	111,382	722	3,204,174
1.61 Continuing Education		64,932		350,552	353,912	1,610	771,006
1.62 Off Shore Students	5,187,781		117,320	302,562	261,791	225,853	6,095,307
1.64 Other				4,403			4,403
<b>Total Function 1</b>	<b>226,000,175</b>	<b>20,763,657</b>	<b>33,852,646</b>	<b>17,176,665</b>	<b>1,705,202</b>	<b>12,137,469</b>	<b>311,635,814</b>
<b>4 District Administration</b>							
4.11 Educational Administration	100	889,317		425,912	1,159,365	9,501	2,484,195
4.40 School District Governance				15,994	304,575		320,569
4.41 Business Administration	4,864		4,901	2,709,070	2,722,350	16,936	5,458,121
<b>Total Function 4</b>	<b>4,964</b>	<b>889,317</b>	<b>4,901</b>	<b>3,150,976</b>	<b>4,186,290</b>	<b>26,437</b>	<b>8,262,885</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				1,391,060	1,749,089	75,449	3,215,598
5.50 Maintenance Operations	76	3,919	732	26,175,829	665,369	67,498	26,913,423
5.52 Maintenance of Grounds				3,070,110	197,311		3,267,421
5.56 Utilities							-
<b>Total Function 5</b>	<b>76</b>	<b>3,919</b>	<b>732</b>	<b>30,636,999</b>	<b>2,611,769</b>	<b>142,947</b>	<b>33,396,442</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				38,697			38,697
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,697</b>	<b>-</b>	<b>-</b>	<b>38,697</b>
<b>9 Debt Services</b>							
9.92 Interest on Bank Loans							-
<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>226,005,215</b>	<b>21,656,893</b>	<b>33,858,279</b>	<b>51,003,337</b>	<b>8,503,261</b>	<b>12,306,853</b>	<b>353,333,838</b>

# School District No. 39 (Vancouver)

Schedule 2C

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2013 Actual	2013 Budget	2012 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>I Instruction</b>							
1.02 Regular Instruction	184,948,103	47,288,038	232,236,141	7,762,004	239,998,145	251,329,685	244,747,856
1.03 Career Programs	1,563,700	422,176	1,985,876	33,663	2,019,539	1,976,869	1,819,620
1.07 Library Services	6,609,023	1,678,501	8,287,524	819,424	9,106,948	9,682,514	9,534,134
1.08 Counselling	9,833,525	2,500,382	12,333,907	138,984	12,472,891	12,163,762	12,285,937
1.10 Special Education	53,906,063	15,322,021	69,228,084	1,376,032	70,604,116	73,437,908	71,054,895
1.30 English Language Learning	13,672,279	3,503,306	17,175,585	31,590	17,207,175	14,520,467	14,294,652
1.31 Aboriginal Education	1,932,636	550,491	2,483,127	294,020	2,777,147	2,712,580	2,560,649
1.41 School Administration	29,095,595	7,066,240	36,161,835	215,967	36,377,802	36,381,268	36,062,174
1.60 Summer School	3,204,174	843,149	4,047,323	351,146	4,398,469	4,012,232	4,187,538
1.61 Continuing Education	771,006	172,212	943,218	310,823	1,254,041	1,546,024	1,531,548
1.62 Off Shore Students	6,095,307	1,575,845	7,671,152	991,736	8,662,888	7,557,156	7,286,158
1.64 Other	4,403	1,286	5,689	6,957	12,646		
<b>Total Function 1</b>	<b>311,635,814</b>	<b>80,923,647</b>	<b>392,559,461</b>	<b>12,332,346</b>	<b>404,891,807</b>	<b>415,320,465</b>	<b>405,365,161</b>
<b>4 District Administration</b>							
4.11 Educational Administration	2,484,195	614,471	3,098,666	987,855	4,086,521	3,681,207	4,065,899
4.40 School District Governance	320,569	35,205	355,774	87,456	443,230	534,351	432,380
4.41 Business Administration	5,458,121	1,506,378	6,964,499	1,804,654	8,769,153	8,737,275	8,255,999
<b>Total Function 4</b>	<b>8,262,885</b>	<b>2,156,054</b>	<b>10,418,939</b>	<b>2,879,965</b>	<b>13,298,904</b>	<b>12,952,833</b>	<b>12,754,278</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	3,215,598	870,308	4,085,906	1,901,414	5,987,320	5,806,642	5,222,550
5.50 Maintenance Operations	26,913,423	6,575,630	33,489,053	5,192,649	38,681,702	38,367,908	38,786,987
5.52 Maintenance of Grounds	3,267,421	718,277	3,985,698	1,065,224	5,050,922	5,918,489	5,977,574
5.56 Utilities	-	-	-	7,541,164	7,541,164	8,973,951	7,671,729
<b>Total Function 5</b>	<b>33,396,442</b>	<b>8,164,215</b>	<b>41,560,657</b>	<b>15,700,451</b>	<b>57,261,108</b>	<b>59,066,990</b>	<b>57,658,840</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation	38,697	12,034	50,731	2,629,595	2,680,326	2,661,470	2,964,643
<b>Total Function 7</b>	<b>38,697</b>	<b>12,034</b>	<b>50,731</b>	<b>2,629,595</b>	<b>2,680,326</b>	<b>2,661,470</b>	<b>2,964,643</b>
<b>9 Debt Services</b>							
9.92 Interest on Bank Loans	-	-	-	-	-	23,035	17,797
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,035</b>	<b>17,797</b>
<b>Total Functions 1 - 9</b>	<b>353,333,838</b>	<b>91,255,950</b>	<b>444,589,788</b>	<b>33,542,357</b>	<b>478,132,145</b>	<b>490,024,793</b>	<b>478,760,719</b>

**School District No. 39 (Vancouver)**

Schedule 3

Schedule of Special Purpose Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	30,823,519	30,681,378	23,991,777
Other	6,333,197	5,962,407	4,853,552
Other Revenue	31,023,957	36,890,043	31,962,598
Investment Income	111,798	76,305	207,930
<b>Total Revenue</b>	<b>68,292,471</b>	<b>73,610,133</b>	<b>61,015,857</b>
<b>Expenses</b>			
Instruction	63,037,384	67,670,851	56,721,226
District Administration	460,747	843,858	518,507
Operations and Maintenance	2,976,767	2,514,154	2,878,328
<b>Total Expense</b>	<b>66,474,898</b>	<b>71,028,863</b>	<b>60,118,061</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>1,817,573</b>	<b>2,581,270</b>	<b>897,796</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,817,573)	(2,579,358)	(903,388)
Other		(1,912)	3,540
<b>Total Net Transfers</b>	<b>(1,817,573)</b>	<b>(2,581,270)</b>	<b>(899,848)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>(2,052)</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			<b>2,052</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. 39 (Vancouver)

Schedule 3A

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

	Annual Facility Grant \$	Learning Improvement Fund \$	Aboriginal Education Technology \$	Special Education Equipment \$	Special Education Technology \$	School Generated Funds \$	Strong Start \$
Deferred Revenue, beginning of year	228,693		14,542	50,490	554,077	7,188,618	
Transfer (to) from Operating Surplus - as at July 1, 2011							12,992
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012							16,269
Deferred Revenue, beginning of year, as restated	228,693	-	14,542	50,490	554,077	7,188,618	29,261
<b>Add: Restricted Grants</b>							
Provincial Grants - Ministry of Education	3,080,201	5,767,887		124,984	5,745,619		608,000
Provincial Grants - Other							
Other					310,807	28,072,595	
Investment Income	3,830		211	746	13,199	72,475	
	3,084,031	5,767,887	211	125,730	6,069,625	28,145,070	608,000
<b>Less: Allocated to Revenue</b>	2,375,867	5,734,045	3,147	118,773	6,112,013	27,408,492	620,992
<b>Deferred Revenue, end of year</b>	<b>936,857</b>	<b>33,842</b>	<b>11,606</b>	<b>57,447</b>	<b>511,689</b>	<b>7,925,196</b>	<b>16,269</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education	2,372,037	5,734,045	3,147	118,773	5,741,621		620,992
Provincial Grants - Other							
Other Revenue					370,392	27,336,017	
Investment Income	3,830					72,475	
	2,375,867	5,734,045	3,147	118,773	6,112,013	27,408,492	620,992
<b>Expenses</b>							
Salaries							
Teachers	51	3,649,395			1,200,164		
Principals and Vice Principals		99,100			105,107		
Educational Assistants		573,986					386,293
Support Staff	1,623,704			19,619	742,222	93,355	40
Other Professionals					85,909		
Substitutes		296,114			3,440		
	1,623,755	4,618,595	-	19,619	2,136,842	93,355	386,333
Employee Benefits	425,365	1,115,450		2,900	595,853	17,770	112,035
Services and Supplies	313,363		3,147	96,254	3,218,174	27,131,204	122,624
	2,362,483	5,734,045	3,147	118,773	5,950,869	27,242,329	620,992
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>13,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,144</b>	<b>166,163</b>	<b>-</b>
<b>Interfund Transfers</b>							
Tangible Capital Assets Purchased	(13,384)				(161,144)	(166,163)	
Other							
	(13,384)	-	-	-	(161,144)	(166,163)	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 39 (Vancouver)

Schedule 3A

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

	Ready, Set, Learn	OLEP	Community- LINK	PRCVI	PRP Eating Disorders	PRP Sunny Hill	PRP Shoughnessy APU
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			2,086,279	1,426	671	55,955	7,485
Transfer (to) from Operating Surplus - as at July 1, 2011		64,019					
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012		86,020					
Deferred Revenue, beginning of year, as restated	-	150,039	2,086,279	1,426	671	55,955	7,485
<b>Add: Restricted Grants</b>							
Provincial Grants - Ministry of Education	225,400	669,903	8,761,287	1,780,956	234,177	166,237	172,225
Provincial Grants - Other							
Other	2,172	4,560	2,931,092	13,318			14,410
Investment Income			29,362	2,660	75	60	27
	227,572	674,463	11,721,741	1,796,934	234,252	166,297	186,662
<b>Less: Allocated to Revenue</b>	198,577	806,981	13,101,371	1,798,360	232,342	194,233	186,348
<b>Deferred Revenue, end of year</b>	<b>28,995</b>	<b>17,521</b>	<b>706,649</b>	<b>-</b>	<b>2,581</b>	<b>28,019</b>	<b>7,799</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education	198,577	803,851	9,663,116	1,788,492	232,342	194,233	171,938
Provincial Grants - Other							
Other Revenue		3,130	3,438,255	9,868			14,410
Investment Income							
	198,577	806,981	13,101,371	1,798,360	232,342	194,233	186,348
<b>Expenses</b>							
Salaries							
Teachers		199,882	1,812,201	134,693	156,549	112,649	136,762
Principals and Vice Principals			58,667				
Educational Assistants			2,406,417			33,261	
Support Staff	13,904		2,341,876	636,974	5,291	5,396	4,364
Other Professionals			1,212,774	95,590	830	846	685
Substitutes	3,999	79,158	11,850		15,247		2,555
	17,903	279,040	7,843,785	867,257	177,917	152,152	144,366
Employee Benefits	4,812	68,848	1,971,578	237,352	42,126	38,268	34,605
Services and Supplies	175,862	459,093	3,286,008	683,433	12,299	3,813	7,377
	198,577	806,981	13,101,371	1,788,042	232,342	194,233	186,348
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,318</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>							
Tangible Capital Assets Purchased				(10,318)			
Other							
	-	-	-	(10,318)	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 39 (Vancouver)

Schedule 3A

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

	PRP GF Strong	PRP Canuck Place	PRP Children's Hospital	PRP Child Hosp Psych Unit	PRP Peak House	PRP Transition Gifted	PRP Early Interv Learn Disab
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	49,835	331	19,407	3,380	795	12,001	3,219
Transfer (to) from Operating Surplus - as at July 1, 2011							
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012							
Deferred Revenue, beginning of year, as restated	49,835	331	19,407	3,380	795	12,001	3,219
<b>Add: Restricted Grants</b>							
Provincial Grants - Ministry of Education	201,019	156,664	306,600	209,652	59,393	504,283	471,361
Provincial Grants - Other							
Other		2,781		11,582			
Investment Income	402	4	161	78	25	202	69
	201,421	159,449	306,761	221,312	59,418	504,485	471,430
<b>Less: Allocated to Revenue</b>	246,523	159,780	321,409	220,018	60,098	499,999	426,219
<b>Deferred Revenue, end of year</b>	<b>4,733</b>	<b>-</b>	<b>4,759</b>	<b>4,674</b>	<b>115</b>	<b>16,487</b>	<b>48,430</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education	246,523	159,780	321,409	205,655	60,098	499,999	426,219
Provincial Grants - Other							
Other Revenue				14,363			
Investment Income							
	246,523	159,780	321,409	220,018	60,098	499,999	426,219
<b>Expenses</b>							
Salaries							
Teachers	136,927	75,840	215,344	161,766	41,013	349,800	238,307
Principals and Vice Principals							
Educational Assistants	39,829	41,343					51,040
Support Staff	5,679	3,813	7,917	5,174	1,401	12,538	10,821
Other Professionals	891	598	1,242	812	220	1,967	1,697
Substitutes	7,290	1,714	25,070	686	1,206	7,300	10,784
	190,616	123,308	249,573	168,438	43,840	371,605	312,649
Employee Benefits	47,533	31,646	58,900	40,479	10,490	89,067	77,152
Services and Supplies	8,374	4,826	12,936	11,101	5,768	39,327	36,418
	246,523	159,780	321,409	220,018	60,098	499,999	426,219
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>							
Tangible Capital Assets Purchased							
Other							
	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 39 (Vancouver)

Schedule 3A

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

	Educ Res Acq Consortium ERAC	SET BC CAYA	Assistive Technology AT-BC	Settlement Workers In School	Circles of Care and Connection	Miscellaneous Restricted	Scholarships
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	535,558	1,414,190	4,475,032	809,659	1,338	2,701,799	1,095,600
Transfer (to) from Operating Surplus - as at July 1, 2011						778,373	
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012						(562,622)	
Deferred Revenue, beginning of year, as restated	535,558	1,414,190	4,475,032	809,659	1,338	2,917,550	1,095,600
<b>Add: Restricted Grants</b>							
Provincial Grants - Ministry of Education	720,000						
Provincial Grants - Other		3,400,000	2,009,200	2,647,822	9,120	422,024	
Other	2,157,842	4,761	1,247,245	(10,325)		212,853	169,218
Investment Income	7,975	23,587	79,745	13,295	22		
	2,885,817	3,428,348	3,336,190	2,650,792	9,142	634,877	169,218
<b>Less: Allocated to Revenue</b>	2,858,502	1,746,295	2,421,962	2,569,414	9,120	2,816,999	69,385
<b>Deferred Revenue, end of year</b>	<b>562,873</b>	<b>3,096,243</b>	<b>5,389,260</b>	<b>891,037</b>	<b>1,360</b>	<b>735,428</b>	<b>1,195,433</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education	815,413					10,249	
Provincial Grants - Other		1,746,295	1,334,816	2,569,414	9,120	302,762	
Other Revenue	2,043,089		1,087,146			2,503,988	69,385
Investment Income							
	2,858,502	1,746,295	2,421,962	2,569,414	9,120	2,816,999	69,385
<b>Expenses</b>							
Salaries							
Teachers	167,995					53,902	
Principals and Vice Principals				3,999			
Educational Assistants				1,251,729		1,969	
Support Staff	109,892	211,436	465,570	308,679		98,759	
Other Professionals	81,784	94,467	544,205	100,389		1,034	
Substitutes	108					5,926	
	359,779	305,903	1,009,775	1,664,796	-	161,590	-
Employee Benefits	90,492	86,426	256,184	504,165		47,650	
Services and Supplies	2,406,319	1,135,821	1,143,025	400,453	9,120	610,533	69,385
	2,856,590	1,528,150	2,408,984	2,569,414	9,120	819,773	69,385
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>1,912</b>	<b>218,145</b>	<b>12,978</b>	<b>-</b>	<b>-</b>	<b>1,997,226</b>	<b>-</b>
<b>Interfund Transfers</b>							
Tangible Capital Assets Purchased		(218,145)	(12,978)			(1,997,226)	
Other	(1,912)						
	(1,912)	(218,145)	(12,978)	-	-	(1,997,226)	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 39 (Vancouver)

Schedule 3A

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

	Feasibility Studies MOE	TOTAL
	\$	\$
Deferred Revenue, beginning of year	292,869	21,603,249
Transfer (to) from Operating Surplus - as at July 1, 2011		855,384
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012		(460,333)
Deferred Revenue, beginning of year, as restated	292,869	21,998,300
<b>Add: Restricted Grants</b>		
Provincial Grants - Ministry of Education		29,965,848
Provincial Grants - Other		8,488,166
Other		35,144,911
Investment Income		248,210
	-	73,847,135
<b>Less: Allocated to Revenue</b>	292,869	73,610,133
<b>Deferred Revenue, end of year</b>	-	<b>22,235,302</b>
<b>Revenues</b>		
Provincial Grants - Ministry of Education	292,869	30,681,378
Provincial Grants - Other		5,962,407
Other Revenue		36,890,043
Investment Income		76,305
	292,869	73,610,133
<b>Expenses</b>		
<b>Salaries</b>		
Teachers		8,843,240
Principals and Vice Principals	25,307	292,180
Educational Assistants		4,785,867
Support Staff		6,728,424
Other Professionals		2,225,940
Substitutes		472,447
	25,307	23,348,098
Employee Benefits	5,715	6,012,861
Services and Supplies	261,847	41,667,904
	292,869	71,028,863
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	<b>2,581,270</b>
<b>Interfund Transfers</b>		
Tangible Capital Assets Purchased		(2,579,358)
Other		(1,912)
	-	(2,581,270)
<b>Net Revenue (Expense)</b>	-	<b>-</b>



# School District No. 39 (Vancouver)

Schedule 4

## Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013	2013 Actual			2012
	Budget	Invested in Tangible	Local	Fund	Actual
	\$	Capital Assets	Capital	Balance	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education		192,118		192,118	459,410
Other	200,000			-	
Other Revenue	200,887		207,128	207,128	178,981
Rentals and Leases	933,176		1,020,031	1,020,031	1,027,969
Investment Income	31,134		127,160	127,160	83,808
Amortization of Deferred Capital Revenue	11,722,605	11,430,621		11,430,621	10,521,583
<b>Total Revenue</b>	<b>13,087,802</b>	<b>11,622,739</b>	<b>1,354,319</b>	<b>12,977,058</b>	<b>12,271,751</b>
<b>Expenses</b>					
Operations and Maintenance	341,295	192,118	381,424	573,542	643,946
Transportation and Housing	20,000			-	
Amortization of Tangible Capital Assets					
Operations and Maintenance	19,264,609	19,205,406		19,205,406	17,964,741
<b>Total Expense</b>	<b>19,625,904</b>	<b>19,397,524</b>	<b>381,424</b>	<b>19,778,948</b>	<b>18,608,687</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(6,538,102)</b>	<b>(7,774,785)</b>	<b>972,895</b>	<b>(6,801,890)</b>	<b>(6,336,936)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	3,449,049	6,696,853		6,696,853	3,674,249
Local Capital				-	2,349,177
Capital Lease Payment				-	4,577
Capital Loan Payment	100,000			-	100,000
Capital Loan and Lease Payment		108,130		108,130	
<b>Total Net Transfers</b>	<b>3,549,049</b>	<b>6,804,983</b>	<b>-</b>	<b>6,804,983</b>	<b>6,128,003</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		1,164,775	(1,164,775)	-	
Tangible Capital Assets WIP Purchased from Local Capital		160,565	(160,565)	-	
Principal Payment					
Capital Lease		8,130	(8,130)	-	
Capital Loan		100,000	(100,000)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>1,433,470</b>	<b>(1,433,470)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(2,989,053)</b>	<b>463,668</b>	<b>(460,575)</b>	<b>3,093</b>	<b>(208,933)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>113,725,137</b>	<b>7,762,186</b>	<b>121,487,323</b>	<b>121,696,256</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>114,188,805</b>	<b>7,301,611</b>	<b>121,490,416</b>	<b>121,487,323</b>

# School District No. 39 (Vancouver)

Schedule 4A

Tangible Capital Assets  
Year Ended June 30, 2013

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,848,131	617,587,630	18,487,478	1,310,053	3,324,507	10,464,802	672,022,601
Changes for the Year							
Increase:							
Purchases from:							
Operating Fund		62,814	1,064,108	231,756		2,758,817	4,117,495
Special Purpose Funds		1,640,168	567,573		10,317	361,300	2,579,358
Local Capital						1,164,775	1,164,775
Transferred from Work in Progress		65,226,893	28,421				65,255,314
	-	66,929,875	1,660,102	231,756	10,317	4,284,892	73,116,942
Decrease:							
Deemed Disposals			3,538,395		299,039	748,016	4,585,450
	-	-	3,538,395	-	299,039	748,016	4,585,450
Cost, end of year	20,848,131	684,517,505	16,609,185	1,541,809	3,035,785	14,001,678	740,554,093
Work in Progress, end of year		50,403,865	3,406				50,407,271
Cost and Work in Progress, end of year	20,848,131	734,921,370	16,612,591	1,541,809	3,035,785	14,001,678	790,961,364
Accumulated Amortization, beginning of year		236,464,094	10,454,230	484,163	1,808,766	5,372,119	254,583,372
Changes for the Year							
Increase: Amortization for the Year		14,224,226	1,755,909	142,593	636,029	2,446,649	19,205,406
Decrease:							
Deemed Disposals			3,538,395		299,039	748,016	4,585,450
		-	3,538,395	-	299,039	748,016	4,585,450
Accumulated Amortization, end of year		250,688,320	8,671,744	626,756	2,145,756	7,070,752	269,203,328
Tangible Capital Assets - Net	20,848,131	484,233,050	7,940,847	915,053	890,029	6,930,926	521,758,036

**School District No. 39 (Vancouver)**

Schedule 4B

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2013

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	63,025,048	28,421			63,053,469
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	51,122,146	3,406			51,125,552
Deferred Capital Revenue - Other	1,322,999				1,322,999
Local Capital	160,565				160,565
	52,605,710	3,406	-	-	52,609,116
Decrease:					
Transferred to Tangible Capital Assets	65,226,893	28,421			65,255,314
	65,226,893	28,421	-	-	65,255,314
Net Changes for the Year	(12,621,183)	(25,015)	-	-	(12,646,198)
Work in Progress, end of year	50,403,865	3,406	-	-	50,407,271

# School District No. 39 (Vancouver)

Schedule 4C

Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	282,308,349	6,169,253	14,506,834	302,984,436
<b>Changes for the Year</b>				
Increase:				
Transferred from Work in Progress	63,919,256			63,919,256
Ministry of Education approved use of Capital Reserve		1,336,059		1,336,059
	63,919,256	1,336,059	-	65,255,315
Decrease:				
Amortization of Deferred Capital Revenue	11,078,350	180,592	171,679	11,430,621
	11,078,350	180,592	171,679	11,430,621
<b>Net Changes for the Year</b>	52,840,906	1,155,467	(171,679)	53,824,694
<b>Deferred Capital Revenue, end of year</b>	335,149,255	7,324,720	14,335,155	356,809,130
<b>Work in Progress, beginning of year</b>	62,589,045	464,424		63,053,469
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	51,125,552	1,322,999		52,448,551
	51,125,552	1,322,999	-	52,448,551
Decrease				
Transferred to Deferred Capital Revenue	63,919,256			63,919,256
Ministry of Education approved use of Capital Reserve		1,336,059		1,336,059
	63,919,256	1,336,059	-	65,255,315
<b>Net Changes for the Year</b>	(12,793,704)	(13,060)	-	(12,806,764)
<b>Work in Progress, end of year</b>	49,795,341	451,364	-	50,246,705
<b>Total Deferred Capital Revenue, end of year</b>	384,944,596	7,776,084	14,335,155	407,055,835

**School District No. 39 (Vancouver)**

Schedule 4D

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	13,338,528	3,967,402				17,305,930
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	41,746,137					41,746,137
Investment Income		127,618				127,618
	41,746,137	127,618	-	-	-	41,873,755
Decrease:						
Transferred to DCR - Work in Progress	51,125,552	1,322,999				52,448,551
ByLaw spent on non-capital items revenue recognition	192,118					192,118
	51,317,670	1,322,999	-	-	-	52,640,669
Net Changes for the Year	(9,571,533)	(1,195,381)	-	-	-	(10,766,914)
Balance, end of year	3,766,995	2,772,021	-	-	-	6,539,016