

Audited Financial Statements of

School District No. 44 (North Vancouver)

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

School District No. 44 (North Vancouver)

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

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School District No. 44 (North Vancouver)

Management Report

Version 9214-8469-6486

Management's Responsibility for the Financial Statements

The accompanying financial statements of School District No. 44 (North Vancouver) have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 251/2010 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 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. 44 (North Vancouver) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information on a periodic basis and external audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have free and full access to financial management of School District No. 44 (North 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. 44 (North Vancouver)

Original Signed by Chair Franci Stratton September 24, 2013

Signature on behalf of the Chairperson Date Signed

Original Signed by Superintendent John Lewis September 24, 2013

Signature on behalf of the Superintendent Date Signed

Original Signed by Secretary Treasurer Georgia Allison September 24, 2013

Signature on behalf of the Secretary Treasurer Date Signed



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INDEPENDENT AUDITORS' REPORT

To the Board of Education and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 44 (North Vancouver), which comprise the statements of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011, the statement of remeasurement gains and losses for the year ended June 30, 2013, 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 financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation 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 School District No. 44 (North Vancouver) as at June 30, 2013, June 30, 2012 and July 1, 2011 and for the years ended June 30, 2013 and June 30, 2012 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

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

KPMG LLP

Chartered Accountants

September 24, 2013
Victoria, Canada

School District No. 44 (North Vancouver)

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
	\$	\$ (Note 2)	\$ (Note 2)
Financial Assets			
Cash and Cash Equivalents	32,535,409	30,725,071	40,619,966
Accounts Receivable			
Due from Province - Ministry of Education	151,118	149,088	136,907
Due from Province - Other	22,373	-	714
Other (Note 4)	1,577,654	3,000,178	8,391,470
Inventories for Resale (Note 5)	342,381	368,890	427,863
Total Financial Assets	34,628,935	34,243,227	49,576,920
Liabilities			
Accounts Payable and Accrued Liabilities			
Due to Province - Ministry of Education	57,501	57,291	57,315
Due to Province - Other (Note 6)	7,210,110	7,283,550	7,292,385
Other	9,449,063	15,489,533	13,273,455
Unearned Revenue (Note 7)	6,156,086	5,057,227	5,453,585
Deferred Revenue (Note 8)	3,446,797	2,812,013	3,255,043
Deferred Capital Revenue (Note 9)	182,066,906	171,811,564	150,184,743
Employee Future Benefits (Note 10)	6,112,149	6,122,946	5,812,151
Capital Lease Obligations	-	-	125,035
Other Liabilities	-	-	1,578
Total Liabilities	214,498,612	208,634,124	185,455,290
Net Financial Assets (Debt)	(179,869,677)	(174,390,897)	(135,878,370)
Non-Financial Assets			
Tangible Capital Assets (Note 11)	281,608,110	267,817,103	226,181,015
Prepaid Expenses	332,529	336,943	227,618
Total Non-Financial Assets	281,940,639	268,154,046	226,408,633
Accumulated Surplus (Deficit) (Note 14)	102,070,962	93,763,149	90,530,263

Contractual Obligations and Contingencies (Note 16, 18)

Approved by the Board

Original Signed by Chair Franci Stratton

September 24, 2013

Signature of the Chairperson of the Board of Education

Date Signed

Original Signed by Superintendent John Lewis

September 24, 2013

Signature of the Superintendent

Date Signed

Original Signed by Secretary Treasurer Georgia Allison

September 24, 2013

Signature of the Secretary Treasurer

Date Signed

School District No. 44 (North Vancouver)

Statement 2

Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Note 17)	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	129,439,913	130,535,068	129,840,406
Other	150,000	207,089	175,452
Federal Grants	2,500	3,232	2,453
Tuition	7,385,250	6,965,380	7,280,555
Other Revenue	8,789,371	10,157,951	9,884,679
Rentals and Leases	1,499,703	1,639,970	1,428,077
Investment Income	352,000	396,521	438,715
Gain (Loss) on Disposal of Tangible Capital Assets (Note 12)	9,000,000	9,367,066	
Amortization of Deferred Capital Revenue	4,829,479	4,253,274	4,258,784
Total Revenue	<u>161,448,216</u>	<u>163,525,551</u>	<u>153,309,121</u>
Expenses			
Instruction	126,451,711	127,194,434	123,318,856
District Administration	5,162,757	5,059,391	4,889,594
Operations and Maintenance	23,063,587	22,536,226	21,393,520
Transportation and Housing	503,192	358,981	467,545
Debt Services		68,706	6,720
Total Expense	<u>155,181,247</u>	<u>155,217,738</u>	<u>150,076,235</u>
Surplus (Deficit) for the year	<u>6,266,969</u>	<u>8,307,813</u>	<u>3,232,886</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		93,763,149	90,530,263
Accumulated Surplus (Deficit) from Operations, end of year		<u>102,070,962</u>	<u>93,763,149</u>

School District No. 44 (North Vancouver)

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2013

	2013 Actual
	\$
Accumulated Remeasurement Gains (Losses) at beginning of year	
Net Remeasurement Gains (Losses) for the year	-
Accumulated Remeasurement Gains (Losses) at end of year	-

School District No. 44 (North Vancouver)

Statement of Changes in Net Financial Assets (Debt)

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Note 17)	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Surplus (Deficit) for the year	6,266,969	8,307,813	3,232,886
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(16,613,065)	(22,153,799)	(48,807,946)
Amortization of Tangible Capital Assets	8,020,011	8,330,617	7,171,858
Net carrying value of Tangible Capital Assets disposed of		32,175	-
Total Effect of change in Tangible Capital Assets	(8,593,054)	(13,791,007)	(41,636,088)
Acquisition of Prepaid Expenses		(1,325,154)	(508,204)
Use of Prepaid Expenses		1,329,568	398,879
Total Effect of change in Other Non-Financial Assets	-	4,414	(109,325)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(2,326,085)	(5,478,780)	(38,512,527)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(5,478,780)	(38,512,527)
Net Financial Assets (Debt), beginning of year		(174,390,897)	(135,878,370)
Net Financial Assets (Debt), end of year		(179,869,677)	(174,390,897)

School District No. 44 (North Vancouver)

Statement 5

Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual (Note 2)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	8,307,813	3,232,886
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,398,121	5,379,825
Inventories for Resale	26,509	58,973
Prepaid Expenses	4,414	(109,325)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(6,113,700)	2,207,219
Unearned Revenue	1,098,859	(396,358)
Deferred Revenue	634,784	(443,030)
Employee Future Benefits	(10,797)	310,795
Other Liabilities	-	(1,578)
Loss (Gain) on Disposal of Tangible Capital Assets	(9,367,066)	-
Amortization of Tangible Capital Assets	8,330,617	7,171,858
Amortization of Deferred Capital Revenue	(4,253,274)	(4,258,784)
Total Operating Transactions	<u>56,280</u>	<u>13,152,481</u>
Capital Transactions		
Tangible Capital Assets Purchased	(11,203,464)	(25,557,393)
Tangible Capital Assets -WIP Purchased	(10,950,335)	(23,250,553)
District Portion of Proceeds on Disposal	9,399,241	
Total Capital Transactions	<u>(12,754,558)</u>	<u>(48,807,946)</u>
Financing Transactions		
Loan Payments		(125,035)
Capital Revenue Received	14,508,616	25,885,605
Total Financing Transactions	<u>14,508,616</u>	<u>25,760,570</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,810,338	(9,894,895)
Cash and Cash Equivalents, beginning of year	30,725,071	40,619,966
Cash and Cash Equivalents, end of year	<u>32,535,409</u>	<u>30,725,071</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>32,535,409</u>	<u>30,725,071</u>
	<u>32,535,409</u>	<u>30,725,071</u>

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 44 (North Vancouver)", and operates as "School District No. 44 (North Vancouver)." A board of education ("Board") elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 44 (North Vancouver) is exempt from federal and provincial corporate income taxes.

NOTE 2 ADOPTION OF NEW ACCOUNTING FRAMEWORK

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 3a). Previously, the School District's financial statements were prepared in accordance with Part V of Canadian generally accepted accounting principles ("Part V Canadian GAAP").

Except for certain transitional elections disclosed below and the adoption of PS3450, Financial Instruments, effective July 1, 2012, the School District has consistently applied the same accounting policies in its statement of financial position as at July 1, 2011, the date of transition to the framework, and throughout as if these policies had always been in effect.

These financial statements are the first financial statements for which the School District has applied these standards.

The School District has elected to use the following exemptions available as of July 1, 2011:

- Retirement and post-employment benefits:
 - a. The School District has elected to delay the application of *Sections PS 3250, Retirement benefits*, and *3255, Post-employment benefits, compensated absences and termination benefits*, 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 and losses at July 1, 2011 directly in accumulated surplus; and
- Tangible capital asset impairment:
 - a. The School District has elected to apply the impairment provisions of *Section PS 3150, Tangible Capital Assets*, on a prospective basis from the date of transition.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 2 ADOPTION OF NEW ACCOUNTING FRAMEWORK
(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. The new accounting framework requires 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 \$763,012 resulting in a revised liability of \$5,812,151. An additional expense of \$170,749 was recognized in the 2012 fiscal year 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 \$1,397,934 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. Additional expense of \$99,738 was recognized in the 2012 fiscal year as a result of removing the amortization of those cumulative actuarial gains and losses.
- The new accounting framework does not permit the recognition of collections of art, historical treasures or similar assets that are held for public exhibition, education, or research. An adjustment of \$1,456,579 was made to the Permanent Art Collection at July 1, 2011 and \$1,545,895 at June 30, 2012. Additionally, an adjustment of \$1,507,477 was made to deferred revenue at July 1, 2011 and \$1,521,053 at June 30, 2012.
- Deferred revenue presented in the capital fund under Part V Canadian GAAP was reclassified to deferred capital revenue under the new accounting framework of \$5,954,886 at July 1, 2011 and \$4,257,119 at June 30, 2012.

	Part V Canadian GAAP July 1, 2011	Adjustment July 1, 2011	New accounting framework July 1, 2011
	\$	\$	\$
Employee Future Benefits	6,447,073	(634,922)	5,812,151
Permanent Art Collection	1,456,579	(1,456,579)	-
Unearned Revenue	5,402,687	50,898	5,543,585
Deferred Revenue (formerly Deferred Contributions)	10,717,406	(7,462,363)	3,255,043
Deferred Capital Revenue (formerly Deferred Capital Contributions)	144,229,857	5,954,886	150,184,743

	Part V Canadian GAAP June 30, 2012	Adjustment June 30, 2012	New accounting framework June 30, 2012
	\$	\$	\$
Employee Future Benefits	6,686,857	(563,911)	6,122,946
Permanent Art Collection	1,545,895	(1,545,895)	-
Unearned Revenue	5,082,069	(24,842)	5,057,227
Deferred Revenue (formerly Deferred Contributions)	8,590,185	(5,778,172)	2,812,013
Deferred Capital Revenue (formerly Deferred Capital Contributions)	167,554,445	4,257,119	171,811,564

**SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS
(Continued)

The impact of the conversion to the new accounting 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, Part V Canadian GAAP, July 1, 2011	\$89,895,341
Adjustments to accumulated surplus	
Add non-vested benefits to Employee Future Benefits	(763,012)
Recognize cumulative unamortized actuarial gain on Employee Future Benefits	<u>1,397,934</u>
Accumulated surplus, new accounting framework July 1, 2011	<u>\$90,530,263</u>
Annual deficit, Part V Canadian GAAP, for the year ended June 30, 2012	\$3,303,897
Adjustments to annual surplus for the year	
Employee Future Benefits amortization expense	(71,011)
Annual surplus for the year ended June 30, 2012	<u>3,232,886</u>
Accumulated surplus, new accounting framework, June 30, 2012	<u>\$93,763,149</u>

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

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.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District does not administer any trust activities on behalf of external parties.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

e) Inventories for Resale

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

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.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

g) Deferred Revenue and Deferred Capital Revenue

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

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.

h) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

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

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

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

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

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

i) Asset Retirement Obligations

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

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. 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. Estimated useful life is as follows:

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

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

k) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments 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.

l) Prepaid Expenses

Payments for insurance, subscriptions, membership and maintenance contracts for use within the District in a future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

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 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.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

n) Revenue Recognition (*continued*)

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.

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) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes interest for the capital loan payable to the BC Provincial Treasury.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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 and accrued liabilities and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market 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 and amortized using the effective interest rate method. 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 measured at fair value 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. There are no measurement gains or losses during the periods presented; therefore no statement of remeasurement gains or losses is included in these financial statements.

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

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

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, estimates for contingent liabilities, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

r) Adoption of New Accounting Policy

On July 1, 2012, the School District adopted PS3450, *Financial Instruments*. 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 accounting standards as described in note 3 p).

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 adoption of PS3450.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2013	June 30, 2012	July 1, 2011
GST/PST/HST Receivable	\$ 315,646	\$ 994,533	\$ 1,362,095
Recoverable Insurance Claims	25,502	38,868	3,417
Recoverable Payroll	126,274	2,610	2,313
Sundry Billings	711,375	1,516,574	372,120
Land Proceeds Receivable	-	-	5,883,100
Miscellaneous Receivables	364,512	276,838	560,140
Special Purpose	34,345	170,755	208,285
	\$ 1,577,654	\$ 3,000,178	\$ 8,391,470

NOTE 5 INVENTORIES FOR RESALE

Inventories for resale include:

	June 30, 2013	June 30, 2012	July 1, 2011
Publications	\$ 150,748	\$ 165,327	\$ 231,544
Artists for Kids - Prints	191,633	203,563	196,319
	\$ 342,381	\$ 368,890	\$ 427,863

**SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 6 CAPITAL LOAN PAYABLE

The following loans approved under *Section 144* of the *School Act* are outstanding:

Approval Date	Year Borrowed	Interest Rate	Term	Amount Borrowed	Balance O/S
November 27, 2008	2008	0.45% – 1.02%	1 – 3 Months	\$7,211,827	\$7,211,827
Unamortized Discount					(1,717)
Total					\$7,210,110

The School District has been approved to borrow up to \$10,500,000 related to specific Capital Projects. The capital loan outstanding of \$7,211,827 is payable to the BC Provincial Treasury, Debt Management. The loan is advanced for one to three months at a time and interest is paid to the Province of British Columbia at the time of the maturity. The principal will be repaid through future land sales. The related unamortized discount on the loan interest of \$1,717 has been netted against the loan principal.

NOTE 7 UNEARNED REVENUE (formerly deferred revenue)

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$5,057,227	\$5,435,585
Changes for the year:		
Increase:		
Tuition fees collected	7,938,679	6,884,197
Other	283,706	459,416
	<u>8,222,385</u>	<u>7,343,613</u>
Decrease:		
Tuition fees recognized	(6,965,380)	(7,280,555)
Other	(158,146)	(459,416)
	<u>(7,123,526)</u>	<u>(7,739,971)</u>
Net changes for the year	<u>1,098,859</u>	<u>(396,358)</u>
Balance, end of year	<u>\$6,156,086</u>	<u>\$5,057,227</u>

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 8 DEFERRED REVENUE *(formerly deferred contributions)*

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.

	2013	2012
Balance, beginning of year	\$2,812,013	\$3,255,043
Changes for the year:		
Increase:		
Provincial grants	4,291,202	2,223,074
Other revenue	7,061,721	6,388,781
Investment income	6,041	4,681
	11,358,964	8,616,536
Decrease:		
Allocated to Revenue	(10,724,180)	(9,059,566)
Net changes for the year	634,784	(443,030)
Balance, end of year	\$3,446,797	\$2,812,013

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 9 DEFERRED CAPITAL REVENUE (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.

	<u>2013</u>	<u>2012</u>
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$ 127,170,428	\$ 126,517,669
Increases:		
Capital additions	9,259,277	4,411,543
Transfer from deferred capital revenue – work in progress	31,840,009	500,000
Decreases:		
Amortization	<u>(4,253,274)</u>	<u>(4,258,784)</u>
Net change for the year	<u>36,846,012</u>	<u>652,759</u>
Balance, end of year	<u>164,016,440</u>	<u>127,170,428</u>
Deferred capital revenue – work in progress		
Balance, beginning of year	40,384,017	17,712,188
Increases:		
Transfer from deferred capital revenue - unspent	9,066,638	23,171,829
Decreases:		
Transfer to deferred capital revenue subject to amortization	<u>(31,840,009)</u>	<u>(500,000)</u>
Net change for the year	<u>(22,773,371)</u>	<u>22,671,829</u>
Balance, end of year	<u>17,610,646</u>	<u>40,384,017</u>
Deferred capital revenue - unspent		
Balance, beginning of year	4,257,119	5,954,886
Increases:		
Provincial Grants – Ministry of Education	14,019,833	24,874,252
MOE Restricted portion of process on disposal	372,688	-
Other	109,355	670,579
Investment income	<u>6,740</u>	<u>340,774</u>
	<u>14,508,616</u>	<u>25,885,605</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	<u>(9,259,277)</u>	<u>(4,411,543)</u>
Transfer to deferred capital revenue – work in progress	<u>(9,066,638)</u>	<u>(23,171,829)</u>
	<u>(18,325,915)</u>	<u>(27,583,372)</u>
Net change for the year	<u>(3,817,299)</u>	<u>(1,697,767)</u>
Balance, end of year	<u>439,820</u>	<u>4,257,119</u>
Total deferred capital revenue balance, end of year	<u>\$ 182,066,906</u>	<u>\$ 171,811,564</u>

**SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 10 EMPLOYEE FUTURE BENEFITS

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

	<u>2013</u>	<u>2012</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 6,100,103	\$ 5,238,280
Non-vested Benefit Obligation - July 1, 2011	-	763,012
Service Cost	442,481	415,070
Interest Cost	261,527	286,717
Benefit Payments	(478,753)	(471,988)
Increase (Decrease) in obligation due to Plan Amendment	(173,120)	-
Actuarial (Gain) Loss	1,952,650	(130,988)
Accrued Benefit Obligation – March 31	<u>\$ 8,104,888</u>	<u>\$ 6,100,103</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	8,104,888	6,100,103
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(8,104,888)	(6,100,103)
Employer Contributions After Measurement Date	157,978	108,145
Unamortized Net Actuarial (Gain) Loss	1,834,761	(130,988)
Accrued Benefit Asset (Liability) - June 30	<u>\$ (6,112,149)</u>	<u>\$ (6,122,946)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	6,122,946	6,447,043
Recognize Non-Vested Benefits - July 1, 2011	-	763,012
Recognize Unamortized (Gains) Losses - July 1, 2011	-	(1,397,934)
Accrued Benefit Liability (Asset) - July 1 (restated)	6,122,946	5,812,151
Net Expense for Fiscal Year	517,789	701,787
Employer Contributions	(528,586)	(390,992)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 6,112,149</u>	<u>\$ 6,122,946</u>
Components of Net Benefit Expense		
Service Cost	442,481	415,070
Interest Cost	261,527	286,717
Immediate Recognition of Plan Amendment	(173,120)	-
Amortization of Net Actuarial (Gain)/Loss	(13,099)	-
Net Benefit Expense (Income)	<u>\$ 517,789</u>	<u>\$ 701,787</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% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSLS - March 31	9.7	10.0

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 11 TANGIBLE CAPITAL ASSETS

Cost:	Balance at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 12,590,780	\$ -	\$(32,175)	\$ -	\$ 12,558,605
Buildings	288,019,757	9,617,782	(50,000)	31,840,009	329,427,548
Buildings – work in progress	40,580,784	10,734,243	-	(31,840,009)	19,475,018
Furniture & Equipment	2,958,427	290,626	(154,874)	-	3,094,179
Vehicles	1,277,756	103,784	(20,915)	-	1,360,625
Computer Software	1,864,682	268,279	(263,108)	-	1,869,853
Computer Software – work in progress	78,723	216,092	-	-	294,815
Computer Hardware	5,161,732	922,993	(628,883)	-	5,455,842
Total	\$352,532,641	\$22,153,799	\$(1,149,955)	\$ -	\$373,536,485

Accumulated Amortization:	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	80,393,872	6,501,715	(50,000)	86,845,587
Furniture & Equipment	1,250,925	295,843	(154,874)	1,391,894
Vehicles	583,361	127,776	(20,915)	690,222
Computer Software	516,363	372,937	(263,108)	626,192
Computer Hardware	1,971,017	1,032,346	(628,883)	2,374,480
Total	\$ 84,715,538	\$ 8,330,617	\$ (1,117,780)	\$ 91,928,375

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 11 TANGIBLE CAPITAL ASSETS
(Continued)

Cost:	Balance at July 1, 2011	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2012
Sites	\$ 12,590,780	\$ -	\$ -	\$ -	\$ 12,590,780
Buildings	246,016,415	23,739,479	-	18,263,863	288,019,757
Buildings – work in progress	35,672,818	23,171,829	-	(18,263,863)	40,580,784
Furniture & Equipment	3,924,515	259,695	(1,225,783)	-	2,958,427
Vehicles	1,525,154	-	(247,398)	-	1,277,756
Computer Software	1,220,945	510,030	(315,548)	449,255	1,864,682
Computer Software – work in progress	449,254	78,724	-	(449,255)	78,723
Computer Hardware	4,520,975	1,048,189	(407,432)	-	5,161,732
Total	\$305,920,856	\$48,807,946	\$(2,196,161)	\$ -	\$ 352,532,641

Accumulated Amortization:	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	74,915,364	5,478,508	-	80,393,872
Furniture & Equipment	2,084,257	392,451	(1,225,783)	1,250,925
Vehicles	678,244	152,515	(247,398)	583,361
Computer Software	587,722	244,189	(315,548)	516,363
Computer Hardware	1,474,254	904,195	(407,432)	1,971,017
Total	\$ 79,739,841	\$ 7,171,858	\$(2,196,161)	\$ 84,715,538

Net Book Value:	Net Book Value June 30, 2013	Net Book Value June 30, 2012	Net Book Value July 1, 2011
Sites	\$ 12,558,605	\$ 12,590,780	\$ 12,590,780
Buildings	242,581,961	207,625,885	171,101,051
Buildings – work in progress	19,475,018	40,580,784	35,672,818
Furniture & Equipment	1,702,285	1,707,502	1,840,258
Vehicles	670,403	694,395	846,910
Computer Software	1,243,661	1,348,319	633,223
Computer Software – work in progress	294,815	78,723	449,254
Computer Hardware	3,081,362	3,190,715	3,046,721
Total	\$ 281,608,110	\$ 267,817,103	\$ 226,181,015

- Buildings – work in progress having a value of \$19,475,018 (2012: \$40,580,784) and Software – work in progress having a value of \$294,815 (2012: 78,723) have not been amortized. Amortization of these assets will commence when the asset is put into service.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 11 TANGIBLE CAPITAL ASSETS
(Continued)

- Works of art and historic assets

The School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at the Educational Services Center and public display areas. These assets are not recorded as tangible capital assets and are not amortized. The value of the permanent art collection is \$1,585,145 (2012: \$1,545,895).

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

During the year, the School District disposed of the former School Board office site located on Chesterfield Avenue and a surplus piece of land located at Argyle Secondary School. The net proceeds to the District on the sales were \$9,399,241. A gain of \$9,367,066 was recorded on disposal and \$372,688 as an increase in deferred capital revenue.

NOTE 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 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 later 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. School District No. 44 paid \$12,668,397 (2012: \$12,474,012) for employer contributions to these plans in the year ended June 30, 2013.

**SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 14 ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surpluses as follows:

	<u>2013</u>	<u>2012</u>
Invested in tangible capital assets	\$ 92,792,371	\$ 93,074,005
Operating surplus	5,134,753	5,335,958
Local capital surplus	4,143,838	(4,646,814)
	<u>\$ 102,070,962</u>	<u>\$ 93,763,149</u>

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

- Tangible capital assets purchased from operating fund: \$1,046,176
- Tangible capital assets (work in progress) purchased from operating fund: \$216,072
- Accumulated surplus transferred from operating to capital fund: \$750,000
- Tangible capital assets purchased from special purpose fund: \$593,445
- Tangible capital assets (work in progress) purchased from special purpose fund - \$573,022

The operating surplus has been internally restricted (appropriated) by the Board for:

	<u>2013</u>	<u>2012</u>
Restricted Surplus		
Restricted Balances Schools	\$420,000	\$620,000
Salary & Benefit Expenses to support 3 year staffing plan	2,300,000	2,600,000
Additional Salary & Benefit Expenses to support next year staffing plan	2,116,000	1,400,000
Outstanding Purchase Orders as at June 30th	295,000	120,000
Subtotal Internally Restricted	<u>\$5,131,000</u>	<u>\$4,740,000</u>
Unrestricted Surplus	<u>3,753</u>	<u>595,958</u>
Total Available for Future Operations	<u>\$5,134,753</u>	<u>\$5,335,958</u>

NOTE 15 RELATED PARTY TRANSACTIONS

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

NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has entered into contracts related to capital projects (Queen Mary, Mountainside, and the Annual Facilities Grant) totaling approximately \$4,490,931.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements represent the annual budget approved by the Board on May 22, 2012. The Board approved the amended annual budget on February 19, 2013. The following table sets out the amended annual budget with a comparison to the annual budget.

Annual Budget - Revenue and Expense	Statement 2		
	2013 Amended Annual Budget	2013 Annual Budget	2013 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	129,372,874	129,439,913	130,535,068
Other	150,000	150,000	207,089
Federal Grants	2,500	2,500	3,232
Tuition	7,129,689	7,385,250	6,965,380
Other Revenue	9,828,085	8,789,371	10,157,951
Rentals and Leases	1,499,704	1,499,703	1,639,970
Investment Income	353,000	352,000	396,521
Gain (Loss) on Disposal of Tangible Capital Assets	8,925,300	9,000,000	9,367,066
Amortization of Deferred Capital Revenue	4,253,274	4,829,479	4,253,274
Total Revenue	161,514,426	161,448,216	163,525,551
Expenses			
Instruction	127,886,904	126,451,711	127,194,434
District Administration	5,195,407	5,162,757	5,059,391
Operations and Maintenance	15,044,982	15,043,576	14,205,609
Transportation and Housing	503,192	503,192	358,981
Interest	50,000		68,706
Amortization of Tangible Capital Assets	8,330,617	8,020,011	8,330,617
Total Expense	157,011,102	155,181,247	155,217,738
Net Revenue (Expense)	4,503,324	6,266,969	8,307,813
Allocation (Retirement) of Surplus (Deficit)	1,740,000	1,000,000	-
Surplus (Deficit), for the year	6,243,324	7,266,969	8,307,813

**SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 18 CONTINGENCIES

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

In 2011, the School District was issued 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 outcome of this action nor any potential financial consequences are known at this time.

Certain schools in the School District may contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of the future removal costs cannot be reasonably estimated due to unknown timelines.

The nature of the School District's activities are such there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2013, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position or operations.

NOTE 19 EXPENSE BY OBJECT

	June 30, 2013	June 30, 2012
Salaries and benefits	\$ 127,645,275	\$ 124,700,969
Services and supplies	19,173,140	18,196,688
Interest	68,706	6,720
Amortization	8,330,617	7,171,858
	\$ 155,217,738	\$ 150,076,235

NOTE 20 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.

NOTE 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.

SCHOOL DISTRICT 44 (NORTH VANCOUVER)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 21 RISK MANAGEMENT
(Continued)

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, cash equivalents and amounts receivable.

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 and cash equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in placement of funds with institutions that have achieved the highest creditworthiness in the marketplace and earned a public reputation as a good credit risk. Cash equivalents consist of term deposits held with a credit union and the Provincial Central Deposit Program.

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 cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid (e.g. term deposits) that have a maturity date of no more than 3 years.

c) Liquidity risk:

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

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

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

School District No. 44 (North Vancouver)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,335,958		88,427,191	93,763,149	89,895,341
Change in Accounting Policies/Prior Period Adjustments					
Add non-vested benefits to Employee Future Benefits					(763,012)
Recognize unamortized gain (loss) on Employee Future Benefits					1,397,934
Accumulated Surplus (Deficit), beginning of year, as restated	5,335,958	-	88,427,191	93,763,149	90,530,263
Changes for the year					
Surplus (Deficit) for the year	1,811,063	1,166,467	5,330,283	8,307,813	3,232,886
Interfund Transfers					
Tangible Capital Assets Purchased	(1,046,176)	(593,445)	1,639,621	-	
Tangible Capital Assets - Work in Progress	(216,092)	(573,022)	789,114	-	
Local Capital	(750,000)		750,000	-	
Net Changes for the year	(201,205)	-	8,509,018	8,307,813	3,232,886
Accumulated Surplus (Deficit), end of year - Statement 2	5,134,753	-	96,936,209	102,070,962	93,763,149

School District No. 44 (North Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	127,090,276	126,441,814	127,378,095
Other	150,000	207,089	175,452
Federal Grants	2,500	3,232	2,453
Tuition	7,385,250	6,965,380	7,280,555
Other Revenue	2,341,371	3,533,045	3,192,632
Rentals and Leases	1,499,703	1,639,970	1,428,077
Investment Income	350,000	349,941	385,547
Total Revenue	138,819,100	139,140,471	139,842,811
Expenses			
Instruction	118,814,575	117,686,848	115,410,233
District Administration	5,077,757	5,009,264	4,889,594
Operations and Maintenance	15,043,576	14,205,609	14,221,662
Transportation and Housing	503,192	358,981	467,545
Debt Services		68,706	6,720
Total Expense	139,439,100	137,329,408	134,995,754
Operating Surplus (Deficit) for the year	(620,000)	1,811,063	4,847,057
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,000,000		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(380,000)	(1,046,176)	(1,404,533)
Tangible Capital Assets - Work in Progress		(216,092)	(78,724)
Local Capital		(750,000)	(3,000,000)
Other			(111,226)
Total Net Transfers	(380,000)	(2,012,268)	(4,594,483)
Total Operating Surplus (Deficit), for the year	-	(201,205)	252,574
Operating Surplus (Deficit), beginning of year		5,335,958	4,448,462
Change in Accounting Policies/Prior Period Adjustments			
Add non-vested benefits to Employee Future Benefits			(763,012)
Recognize unamortized gain (loss) on Employee Future Benefits			1,397,934
Reclassify Deferred Contributions			-
Operating Surplus (Deficit), beginning of year, as restated		5,335,958	5,083,384
Operating Surplus (Deficit), end of year		5,134,753	5,335,958
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 20)		5,131,000	4,740,000
Unrestricted		3,753	595,958
Total Operating Surplus (Deficit), end of year		5,134,753	5,335,958

School District No. 44 (North Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	122,350,746	123,203,041	123,912,922
Other Ministry of Education Grants			
Pay Equity	2,966,046	2,966,046	2,966,047
OLEP Second Language	275,566	-	-
Community Link Funding	1,043,826	-	-
Ready / Set / Learn	61,250	-	-
Strong Start Grants	224,000	-	-
Soccer Training / Marker Training	18,842	54,842	18,842
Adult Education (Education Guarantee)	60,000	100,926	367,413
Carbon Tax Refund	90,000	116,959	112,871
Total Provincial Grants - Ministry of Education	127,090,276	126,441,814	127,378,095
Provincial Grants - Other	150,000	207,089	175,452
Federal Grants	2,500	3,232	2,453
Tuition			
Summer School Fees	114,250	84,245	114,500
Continuing Education	25,000	-	5,750
Offshore Tuition Fees	7,246,000	6,881,135	7,160,305
Total Tuition	7,385,250	6,965,380	7,280,555
Other Revenues			
Miscellaneous			
Outdoor School	754,500	1,229,444	1,091,489
Reading 44 / Math 44	31,000	17,074	39,073
Band and Strings	508,375	506,264	522,788
Recoveries and Donations	150,000	119,009	56,378
Crossing Guards / School Meals / IEP BC Hydro Energy Manager	486,796	1,153,024	898,299
Artists for Kids	410,700	508,230	584,605
Total Other Revenue	2,341,371	3,533,045	3,192,632
Rentals and Leases	1,499,703	1,639,970	1,428,077
Investment Income	350,000	349,941	385,547
Total Operating Revenue	138,819,100	139,140,471	139,842,811

School District No. 44 (North Vancouver)

Schedule 2B (Unaudited)

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

	2013 Budget	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Salaries			
Teachers	64,001,070	63,478,274	62,557,685
Principals and Vice Principals	8,489,504	8,245,168	8,416,689
Educational Assistants	11,637,860	11,862,992	11,494,469
Support Staff	11,375,590	10,644,856	10,709,651
Other Professionals	3,641,391	3,308,308	3,433,485
Substitutes	3,564,810	3,963,408	3,682,937
Total Salaries	102,710,225	101,503,006	100,294,916
Employee Benefits	23,910.816	23,549,305	23,361,608
Total Salaries and Benefits	126,621,041	125,052,311	123,656,524
Services and Supplies			
Services	4,864,437	5,535,474	4,496,307
Student Transportation	84,000	166,123	134,516
Professional Development and Travel	663,839	548,039	645,037
Rentals and Leases	6,000	6,734	6,069
Dues and Fees	58,700	56,656	55,596
Insurance	448,700	363,018	274,595
Interest	-	68,706	6,720
Supplies	4,557,883	3,364,039	3,662,698
Utilities	2,134,500	2,168,308	2,057,692
Total Services and Supplies	12,818,059	12,277,097	11,339,230
Total Operating Expense	139,439,100	137,329,408	134,995,754

School District No. 44 (North Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	51,297,952	2,587,385	1,741,531	1,272,602		3,240,982	60,140,452
1.03 Career Programs	60,049		489	138,183		11,385	210,106
1.07 Library Services	1,731,212	47,645	173,959	159,631		4,399	2,116,846
1.08 Counselling	2,716,629					154	2,716,783
1.10 Special Education	5,634,038	253,470	9,393,845	574,856		278,995	16,135,204
1.30 English Language Learning	728,994					2,050	731,044
1.31 Aboriginal Education	290,077	126,062	367,311			18,137	801,587
1.41 School Administration		5,111,125		1,166,142		58,076	6,335,343
1.60 Summer School	307,606			38,613			346,219
1.61 Continuing Education	60,481		(886)	79,967		6,838	146,400
1.62 Off Shore Students	596,129			81,607	85,208	693	763,637
1.64 Other	49,181			358,036	94,763	11,225	513,205
Total Function 1	63,472,348	8,125,687	11,676,249	3,869,637	179,971	3,632,934	90,956,826
4 District Administration							
4.11 Educational Administration					735,660		735,660
4.40 School District Governance					153,737		153,737
4.41 Business Administration		119,481		817,589	1,282,616	13,614	2,233,300
Total Function 4	-	119,481	-	817,589	2,172,013	13,614	3,122,697
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	5,926			60,739	591,634		658,299
5.50 Maintenance Operations				5,593,655	364,690	316,657	6,275,002
5.52 Maintenance of Grounds				276,788			276,788
5.56 Utilities							-
Total Function 5	5,926	-	-	5,931,182	956,324	316,657	7,210,089
7 Transportation and Housing							
7.70 Student Transportation			186,743	26,448		203	213,394
Total Function 7	-	-	186,743	26,448	-	203	213,394
9 Debt Services							
9.92 Interest on Bank Loans							-
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	63,478,274	8,245,168	11,862,992	10,644,856	3,308,308	3,963,408	101,503,006

School District No. 44 (North Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2013 Actual	2013 Budget	2012 Actual (Note 2)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	60,140,452	14,651,360	74,791,812	2,977,675	77,769,487	76,209,588	74,579,008
1.03 Career Programs	210,106	40,745	250,851	92,927	343,778	413,021	270,759
1.07 Library Services	2,116,846	489,035	2,605,881	18,964	2,624,845	2,707,970	2,627,594
1.08 Counselling	2,716,783	635,550	3,352,333	11,594	3,363,927	2,894,731	2,980,758
1.10 Special Education	16,135,204	3,267,619	19,402,823	329,892	19,732,715	21,174,312	19,689,516
1.30 English Language Learning	731,044	182,956	914,000	170,677	1,084,677	1,340,045	1,255,184
1.31 Aboriginal Education	801,587	146,602	948,189	32,998	981,187	1,175,486	1,000,165
1.41 School Administration	6,335,343	1,352,255	7,687,598	185,010	7,872,608	7,408,943	7,677,313
1.60 Summer School	346,219	62,842	409,061	10,599	419,660	444,874	459,335
1.61 Continuing Education	146,400	38,006	184,406	107,218	291,624	361,714	1,898,744
1.62 Off Shore Students	763,637	188,600	952,237	621,142	1,573,379	3,465,514	1,627,215
1.64 Other	513,205	55,499	568,704	1,060,257	1,628,961	1,218,377	1,344,642
Total Function 1	90,956,826	21,111,069	112,067,895	5,618,953	117,686,848	118,814,575	115,410,233
4 District Administration							
4.11 Educational Administration	735,660	172,405	908,065	350,981	1,259,046	1,076,544	1,137,352
4.40 School District Governance	153,737	23,061	176,798	122,987	299,785	273,465	347,565
4.41 Business Administration	2,233,300	495,727	2,729,027	721,406	3,450,433	3,727,748	3,404,677
Total Function 4	3,122,697	691,193	3,813,890	1,195,374	5,009,264	5,077,757	4,889,594
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	658,299	124,783	783,082	590,878	1,373,960	1,374,505	1,322,623
5.50 Maintenance Operations	6,275,002	1,512,475	7,787,477	2,162,348	9,949,825	10,660,451	10,052,638
5.52 Maintenance of Grounds	276,788	64,413	341,201	373,858	715,059	884,120	790,304
5.56 Utilities	-	-	-	2,166,765	2,166,765	2,124,500	2,056,097
Total Function 5	7,210,089	1,701,671	8,911,760	5,293,849	14,205,609	15,043,576	14,221,662
7 Transportation and Housing							
7.70 Student Transportation	213,394	45,372	258,766	100,215	358,981	503,192	467,545
Total Function 7	213,394	45,372	258,766	100,215	358,981	503,192	467,545
9 Debt Services							
9.92 Interest on Bank Loans	-	-	-	68,706	68,706	-	6,720
Total Function 9	-	-	-	68,706	68,706	-	6,720
Total Functions 1 - 9	101,503,006	23,549,305	125,052,311	12,277,097	137,329,408	139,439,100	134,995,754

School District No. 44 (North Vancouver)

Schedule 3 (Unaudited)

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

	2013 Budget	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,349,637	4,093,254	2,462,311
Other Revenue	6,448,000	6,624,906	6,593,753
Investment Income	2,000	6,020	3,502
Total Revenue	8,799,637	10,724,180	9,059,566
Expenses			
Instruction	7,637,136	9,507,586	7,908,623
District Administration	85,000	50,127	
Total Expense	7,722,136	9,557,713	7,908,623
Special Purpose Surplus (Deficit) for the year	1,077,501	1,166,467	1,150,943
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,077,501)	(593,445)	(1,137,134)
Tangible Capital Assets - Work in Progress		(573,022)	
Other			(13,809)
Total Net Transfers	(1,077,501)	(1,166,467)	(1,150,943)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			-
Change in Accounting Policies/Prior Period Adjustments			-
Special Purpose Surplus (Deficit), beginning of year, as restated			-
Special Purpose Surplus (Deficit), end of year			-
Special Purpose Surplus (Deficit), end of year			-
Total Special Purpose Surplus (Deficit), end of year			-

School District No. 44 (North Vancouver)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Debt Services	School Generated Funds
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	12,891	393	2,561,081
Transfer (to) Deferred Contributions					
Deferred Revenue, beginning of year, as restated	-	-	12,891	393	2,561,081
Add: Restricted Grants					
Provincial Grants - Ministry of Education	1,085,193	1,572,137	29,230		
Other					6,907,291
Investment Income	2,344				
	1,087,537	1,572,137	29,230	-	6,907,291
Less: Allocated to Revenue	876,336	1,572,137	42,090	393	6,560,337
Deferred Revenue, end of year	211,201	-	31	-	2,908,035
Revenues					
Provincial Grants - Ministry of Education	873,992	1,572,137	42,090	393	-
Other Revenue					6,560,337
Investment Income	2,344				
	876,336	1,572,137	42,090	393	6,560,337
Expenses					
Salaries					
Teachers		422,890			
Educational Assistants		837,899			
Support Staff					
Substitutes		2,942			
	-	1,263,731	-	-	-
Employee Benefits		308,406			
Services and Supplies				393	6,312,296
	-	1,572,137	-	393	6,312,296
Net Revenue (Expense) before Interfund Transfers	876,336	-	42,090	-	248,041
Interfund Transfers					
Tangible Capital Assets Purchased	(303,314)		(42,090)		(248,041)
Tangible Capital Assets - Work in Progress	(573,022)				
	(876,336)	-	(42,090)	-	(248,041)
Net Revenue (Expense)	-	-	-	-	-

School District No. 44 (North Vancouver)

Schedule 3A (Unaudited)

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

	Strong Start	Ready, Set, Learn	OLEP	Community- LINK	Artists For Kids	Metro Regional Implementation
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	-	1,521,053	210,331
Transfer (to) Deferred Contributions					(1,521,053)	
Deferred Revenue, beginning of year, as restated	-	-	-	-	-	210,331
Add: Restricted Grants						
Provincial Grants - Ministry of Education	224,000	61,250	275,566	1,043,826		
Other						134,430
Investment Income						3,349
	224,000	61,250	275,566	1,043,826	-	137,779
Less: Allocated to Revenue	224,000	61,250	275,566	1,043,826	-	50,127
Deferred Revenue, end of year	-	-	-	-	-	297,983
Revenues						
Provincial Grants - Ministry of Education	224,000	61,250	275,566	1,043,826		
Other Revenue						46,778
Investment Income						3,349
	224,000	61,250	275,566	1,043,826	-	50,127
Expenses						
Salaries						
Teachers			30,176	80,318		
Educational Assistants				542,742		
Support Staff	155,625			47,360		
Substitutes						
	155,625	-	30,176	670,420	-	-
Employee Benefits	20,587		7,091	136,928		
Services and Supplies	47,788	61,250	238,299	236,478		50,127
	224,000	61,250	275,566	1,043,826	-	50,127
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-
Interfund Transfers						
Tangible Capital Assets Purchased						
Tangible Capital Assets - Work in Progress						
	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 44 (North Vancouver)

Schedule 3A (Unaudited)

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

	Violence Prevention	NVOS Special Projects	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	23,734	3,583	4,333,066
Transfer (to) Deferred Contributions			(1,521,053)
Deferred Revenue, beginning of year, as restated	23,734	3,583	2,812,013
Add: Restricted Grants			
Provincial Grants - Ministry of Education			4,291,202
Other	20,000		7,061,721
Investment Income	327	21	6,041
	20,327	21	11,358,964
Less: Allocated to Revenue	18,118	-	10,724,180
Deferred Revenue, end of year	25,943	3,604	3,446,797
Revenues			
Provincial Grants - Ministry of Education			4,093,254
Other Revenue	17,791		6,624,906
Investment Income	327		6,020
	18,118	-	10,724,180
Expenses			
Salaries			
Teachers			533,384
Educational Assistants			1,380,641
Support Staff			202,985
Substitutes			2,942
	-	-	2,119,952
Employee Benefits			473,012
Services and Supplies	18,118		6,964,749
	18,118	-	9,557,713
Net Revenue (Expense) before Interfund Transfers	-	-	1,166,467
Interfund Transfers			
Tangible Capital Assets Purchased			(593,445)
Tangible Capital Assets - Work in Progress			(573,022)
	-	-	(1,166,467)
Net Revenue (Expense)	-	-	-

School District No. 44 (North Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual			2012 Actual (Note 2)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Other Revenue				-	98,294
Investment Income			40,560	40,560	49,666
Gain (Loss) on Disposal of Tangible Capital Assets	9,000,000	9,367,066		9,367,066	
Amortization of Deferred Capital Revenue	4,829,479	4,253,274		4,253,274	4,258,784
Total Revenue	13,829,479	13,620,340	40,560	13,660,900	4,406,744
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	8,020,011	8,330,617		8,330,617	7,171,858
Total Expense	8,020,011	8,330,617	-	8,330,617	7,171,858
Capital Surplus (Deficit) for the year	5,809,468	5,289,723	40,560	5,330,283	(2,765,114)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,457,501	1,639,621		1,639,621	2,541,667
Tangible Capital Assets - Work in Progress		789,114		789,114	78,724
Local Capital			750,000	750,000	3,000,000
Capital Lease Payment				-	125,035
Total Net Transfers	1,457,501	2,428,735	750,000	3,178,735	5,745,426
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(9,399,241)	9,399,241	-	
Tangible Capital Assets Purchased from Local Capital		304,566	(304,566)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,094,583	(1,094,583)	-	
Total Other Adjustments to Fund Balances		(8,000,092)	8,000,092	-	
Total Capital Surplus (Deficit) for the year	7,266,969	(281,634)	8,790,652	8,509,018	2,980,312
Capital Surplus (Deficit), beginning of year		93,074,005	(4,646,814)	88,427,191	85,446,879
Capital Surplus (Deficit), end of year		92,792,371	4,143,838	96,936,209	88,427,191

School District No. 44 (North Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2013

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	12,590,780	288,019,757	2,958,427	1,277,756	1,864,682	5,161,732	311,873,134
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		7,902,586	121,026	100,312		18,778	8,142,702
Deferred Capital Revenue - Other		1,056,499	60,076				1,116,575
Operating Fund		50,817	67,434	3,472	268,279	656,174	1,046,176
Special Purpose Funds		303,314	42,090			248,041	593,445
Local Capital		304,566					304,566
Transferred from Work in Progress		31,840,009					31,840,009
	-	41,457,791	290,626	103,784	268,279	922,993	43,043,473
Decrease:							
Disposed of	32,175	50,000					82,175
Deemed Disposals			154,874	20,915	263,108	628,883	1,067,780
	32,175	50,000	154,874	20,915	263,108	628,883	1,149,955
Cost, end of year	12,558,605	329,427,548	3,094,179	1,360,625	1,869,853	5,455,842	353,766,652
Work in Progress, end of year		19,475,018			294,815		19,769,833
Cost and Work in Progress, end of year	12,558,605	348,902,566	3,094,179	1,360,625	2,164,668	5,455,842	373,536,485
Accumulated Amortization, beginning of year		80,393,872	1,250,925	583,361	516,363	1,971,017	84,715,538
Changes for the Year							
Increase. Amortization for the Year		6,501,715	295,843	127,776	372,937	1,032,346	8,330,617
Decrease:							
Disposed of		50,000					50,000
Deemed Disposals			154,874	20,915	263,108	628,883	1,067,780
		50,000	154,874	20,915	263,108	628,883	1,117,780
Accumulated Amortization, end of year		86,845,587	1,391,894	690,222	626,192	2,374,480	91,928,375
Tangible Capital Assets - Net	12,558,605	262,056,979	1,702,285	670,403	1,538,476	3,081,362	281,608,110

School District No. 44 (North Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2013

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	40,580,784	-	78,723	-	40,659,507
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	7,164,804				7,164,804
Deferred Capital Revenue - Other	1,901,834				1,901,834
Operating Fund			216,092		216,092
Special Purpose Funds	573,022				573,022
Local Capital	1,094,583				1,094,583
	<u>10,734,243</u>	-	<u>216,092</u>	-	<u>10,950,335</u>
Decrease:					
Transferred to Tangible Capital Assets	31,840,009				31,840,009
	<u>31,840,009</u>	-	-	-	<u>31,840,009</u>
Net Changes for the Year	<u>(21,105,766)</u>	-	<u>216,092</u>	-	<u>(20,889,674)</u>
Work in Progress, end of year	<u>19,475,018</u>	-	<u>294,815</u>	-	<u>19,769,833</u>

School District No. 44 (North Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	121,940,965	1,058,129	4,171,334	127,170,428
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	8,142,702		1,116,575	9,259,277
Transferred from Work in Progress	31,840,009			31,840,009
	39,982,711	-	1,116,575	41,099,286
Decrease:				
Amortization of Deferred Capital Revenue	4,066,283	27,862	159,129	4,253,274
	4,066,283	27,862	159,129	4,253,274
Net Changes for the Year	35,916,428	(27,862)	957,446	36,846,012
Deferred Capital Revenue, end of year	157,857,393	1,030,267	5,128,780	164,016,440
Work in Progress, beginning of year	40,125,851	208,166	50,000	40,384,017
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	7,164,804	1,901,834		9,066,638
	7,164,804	1,901,834	-	9,066,638
Decrease:				
Transferred to Deferred Capital Revenue	31,840,009			31,840,009
	31,840,009	-	-	31,840,009
Net Changes for the Year	(24,675,205)	1,901,834	-	(22,773,371)
Work in Progress, end of year	15,450,646	2,110,000	50,000	17,610,646
Total Deferred Capital Revenue, end of year	173,308,039	3,140,267	5,178,780	181,627,086

School District No. 44 (North Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,341,865	1,903,546			1,011,708	4,257,119
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	14,019,833					14,019,833
Investment Income					6,740	6,740
MEd Restricted Portion of Proceeds on Disposal		372,688				372,688
COA Projects - balances closed to MOE Restricted	(1,300)	1,300				-
School District Sources					109,355	109,355
	14,018,533	373,988	-	-	116,095	14,508,616
Decrease:						
Transferred to DCR - Capital Additions	8,142,702				1,116,575	9,259,277
Transferred to DCR - Work in Progress	7,164,804	1,901,834				9,066,638
	15,307,506	1,901,834	-	-	1,116,575	18,325,915
Net Changes for the Year	(1,288,973)	(1,527,846)	-	-	(1,000,480)	(3,817,299)
Balance, end of year	52,892	375,700	-	-	11,228	439,820