

Audited Financial Statements of

School District No. 69 (Qualicum)

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

School District No. 69 (Qualicum)

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

Table of Contents

Management Report	1
Independent Auditor's Report	2
Statement of Financial Position - Statement 1	3
Statement of Operations - Statement 2	4
Statement of Change in Net Financial Assets (Debt) - Statement 4	5
Statement of Cash Flows - Statement 5	6
Notes to the Financial Statements	7-24
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1	25
Schedule of Operating Operations - Schedule 2	26
Schedule 2A - Schedule of Operating Revenue by Source	27
Schedule 2B - Schedule of Operating Expense by Object	28
Schedule 2C - Operating Expense by Function, Program and Object	29
Schedule of Special Purpose Operations - Schedule 3	31
Schedule 3A - Changes in Special Purpose Funds and Expense by Object	32
Schedule of Capital Operations - Schedule 4	34
Schedule 4A - Tangible Capital Assets	35
Schedule 4B - Tangible Capital Assets - Work in Progress	36
Schedule 4C - Deferred Capital Revenue	37
Schedule 4D - Changes in Unspent Deferred Capital Revenue	38

School District No. 69 (Qualicum)

MANAGEMENT REPORT

Version: 5098-7718-5735

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 69 (Qualicum) have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

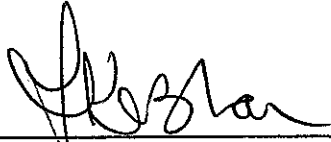
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Board of Education of School District No. 69 (Qualicum) (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, McGorman MacLean, 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. 69 (Qualicum) 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.

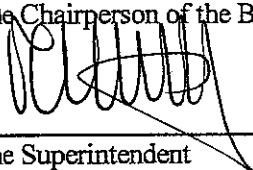
On behalf of School District No. 69 (Qualicum)



Signature of the Chairperson of the Board of Education

Sept 24/13

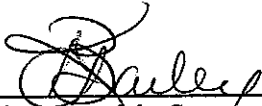
Date Signed



Signature of the Superintendent

Sept 24/13

Date Signed



Signature of the Secretary Treasurer

Sept 24/13

Date Signed

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 69 (Qualicum)

Report on Financial Statements

We have audited the accompanying statement of financial position of School District No. 69 (Qualicum) as at June 30, 2013, June 30, 2012 and July 1, 2011 and the statements of operations, changes in net financial assets (debt) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

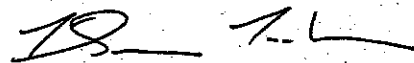
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2013, June 30, 2012 and July 1, 2011 and the results of its operations, changes in net financial assets (debt) and cash flows for the years then ended in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


CHARTERED ACCOUNTANTS

Parksville, Canada
September 17, 2013

School District No. 69 (Qualicum)

Statement 1

Statement of Financial Position

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

	June 30, 2013	June 30, 2012 (Restated-Note 2)	July 1, 2011 (Restated-Note 2)
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	10,604,747	9,443,200	8,430,427
Accounts Receivable			
Due from Province - Ministry of Education	62,639	47,181	43,958
Other (Note 4)	409,109	360,595	550,671
Total Financial Assets	11,076,495	9,850,976	9,025,056
Liabilities			
Accounts Payable and Accrued Liabilities			
Other (Note 5)	2,708,854	2,897,058	2,615,739
Unearned Revenue (Note 6)	566,764	559,648	562,850
Deferred Revenue (Note 7)	1,202,674	1,157,819	1,556,335
Deferred Capital Revenue (Note 8)	51,793,623	51,786,924	49,212,574
Employee Future Benefits (Note 9)	4,831,477	4,904,596	5,198,038
Total Liabilities	61,103,392	61,306,045	59,145,536
Net Financial Assets (Debt)	(50,026,897)	(51,455,069)	(50,120,480)
Non-Financial Assets			
Tangible Capital Assets (Note 11)	67,573,259	68,388,116	64,830,359
Prepaid Expenses	97,387	55,911	22,679
Total Non-Financial Assets	67,670,646	68,444,027	64,853,038
Accumulated Surplus (Deficit) (Note 2)	17,643,749	16,988,958	14,732,558

Contractual Obligations and Contingencies (Note 17)

Approved by the Board

Signature of the Chairperson of the Board of Education

Signature of the Superintendent

Signature of the Secretary Treasurer

Date Signed

Date Signed

Date Signed

School District No. 69 (Qualicum)

Statement 2

Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Note 16)	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	42,470,992	43,053,979	43,001,359
Other	102,200	105,775	97,472
Tuition	2,147,250	2,146,774	1,993,099
Other Revenue	1,380,000	1,360,022	1,474,912
Rentals and Leases	123,500	221,404	67,271
Investment Income	70,000	93,158	80,801
Gain (Loss) on Disposal of Tangible Capital Assets			1,537,000
Amortization of Deferred Capital Revenue	2,025,491	2,020,680	2,100,747
Total Revenue	<u>48,319,433</u>	<u>49,001,792</u>	<u>50,352,661</u>
Expenses (Note 19)			
Instruction	37,582,156	36,918,731	36,995,579
District Administration	1,726,832	1,756,400	1,743,750
Operations and Maintenance	7,257,146	7,661,867	7,234,168
Transportation and Housing	1,836,093	2,010,003	2,092,076
Write-off/down of Buildings and Sites			30,688
Total Expense	<u>48,402,227</u>	<u>48,347,001</u>	<u>48,096,261</u>
Surplus (Deficit) for the year	<u>(82,794)</u>	<u>654,791</u>	<u>2,256,400</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		16,988,958	14,732,558
Accumulated Surplus (Deficit) from Operations, end of year		<u>17,643,749</u>	<u>16,988,958</u>

School District No. 69 (Qualicum)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Note 16)	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(82,794)</u>	<u>654,791</u>	<u>2,256,400</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(987,755)	(1,524,233)	(6,082,525)
Amortization of Tangible Capital Assets	2,301,229	2,339,090	2,455,082
Net carrying value of Tangible Capital Assets disposed of			38,998
Write-down carrying value of Tangible Capital Assets			30,688
Total Effect of change in Tangible Capital Assets	<u>1,313,474</u>	<u>814,857</u>	<u>(3,557,757)</u>
Acquisition of Prepaid Expenses		(97,387)	(55,911)
Use of Prepaid Expenses		55,911	22,679
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(41,476)</u>	<u>(33,232)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>1,230,680</u>	<u>1,428,172</u>	<u>(1,334,589)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>1,428,172</u>	<u>(1,334,589)</u>
Net Financial Assets (Debt), beginning of year		<u>(51,455,069)</u>	<u>(50,120,480)</u>
Net Financial Assets (Debt), end of year		<u><u>(50,026,897)</u></u>	<u><u>(51,455,069)</u></u>

School District No. 69 (Qualicum)

Statement 5

Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	654,791	2,256,400
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(63,972)	186,853
Prepaid Expenses	(41,476)	(33,232)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(188,204)	281,319
Unearned Revenue	7,116	(3,202)
Deferred Revenue	44,855	(398,516)
Employee Future Benefits	(73,119)	(293,442)
Loss (Gain) on Disposal of Tangible Capital Assets		(1,537,000)
Amortization of Tangible Capital Assets	2,339,090	2,455,082
Amortization of Deferred Capital Revenue	(2,020,680)	(2,100,747)
Recognition of Deferred Capital Revenue Spent on Sites	(83,366)	
Write-Off/down of Buildings and Sites		30,688
Services and Supplies purchased with bylaw capital	(634,832)	(324,875)
Total Operating Transactions	(59,797)	519,328
Capital Transactions		
Tangible Capital Assets Purchased	(397,539)	(1,380,460)
Tangible Capital Assets -WIP Purchased	(1,126,694)	(4,702,065)
District Portion of Proceeds on Disposal		1,537,000
Total Capital Transactions	(1,524,233)	(4,545,525)
Financing Transactions		
Capital Revenue Received	2,745,577	5,038,970
Total Financing Transactions	2,745,577	5,038,970
Net Increase (Decrease) in Cash and Cash Equivalents	1,161,547	1,012,773
Cash and Cash Equivalents, beginning of year	9,443,200	8,430,427
Cash and Cash Equivalents, end of year	10,604,747	9,443,200
Cash and Cash Equivalents, end of year, is made up of:		
Cash Equivalents	10,604,747	9,443,200
	10,604,747	9,443,200

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

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. 69 (Qualicum)", and operates as "School District No. 69 (Qualicum)". 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. 69 (Qualicum) is exempt from federal and provincial corporate income taxes.

2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

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

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

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

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 \$212,103 resulting in a revised liability of \$5,198,038. An additional expense of \$4,440 was recognized in a

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (continued)

revised liability for employee future benefits at June 30, 2012 of \$4,904,596 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 \$10,131 at July 1, 2011 resulting in an increase to the Employee Future Benefits liability and a decrease in accumulated surplus.
- Previously, the School District classified some unearned revenue as deferred revenue for financial statement presentation; these amounts have been reclassified.

	Previously stated July 1, 2011	Adjustment July 1, 2011	Restated July 1, 2011
	\$	\$	\$
Unearned Revenue (formerly Deferred Revenue)	510,375	52,475	562,850
Deferred Revenue (formerly Deferred Contribution)	1,608,810	(52,475)	1,556,335
Employee Future Benefits	4,985,935	212,103	5,198,038

	Previously stated June 30, 2012	Adjustment June 30, 2012	Restated June 30, 2012
	\$	\$	\$
Unearned Revenue (formerly Deferred Revenue)	537,608	22,040	559,648
Deferred Revenue (formerly Deferred Contribution)	1,179,859	(22,040)	1,157,819
Employee Future Benefits	4,688,053	216,543	4,904,596

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

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (continued)

Accumulated surplus as originally reported, July 1, 2011	\$14,944,661
Adjustments to accumulated surplus	
Add non-vested benefits to Employee Future Benefits	201,972
Recognize cumulative unamortized actuarial gain/loss on Employee Future Benefits	<u>10,131</u>
Accumulated surplus as restated, July 1, 2011	\$14,732,558
Annual surplus as originally reported for the year ended June 30, 2012	\$ 2,260,840
Adjustments to annual surplus for the year	
Employee Future Benefits amortization expense/revenue	<u>4,440</u>
Annual surplus for the year as restated for the year ended June 30, 2012	<u>2,256,400</u>
Accumulated surplus end of year as restated, June 30, 2012	<u>\$16,988,958</u>

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

July 1, 2011 - increase in accumulated surplus and decrease in deferred contributions by \$49,212,574

Year ended June 30, 2012 - increase in annual surplus by \$2,574,350

June 30, 2012 - increase in accumulated surplus and decrease in deferred contributions by \$51,786,924

Year ended June 30, 2013 - increase in annual surplus by \$13,287

June 30, 2013 - increase in accumulated surplus and decrease in deferred contributions by \$51,773,637

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) 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.

e) 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

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 3(j).

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

f) 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_L) 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 NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) 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 and equipment	10 years
Vehicles	10 years
Computer software	5 years
Computer hardware	5 years

h) Prepaid Expenses

Payments for insurance, licenses and maintenance contracts for use within the district in a future period are included as a prepaid expense and stated at cost and are charged to expense over the periods expected to benefit from it. Textbooks and other teaching supplies are expensed as purchased.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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 (see Note 14 - Interfund Transfers and Note 20 - Internally Restricted Surplus).

j) 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 asset acquisitions, other than sites, are recorded as deferred capital revenue and amortized over the useful life of the related assets.

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

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

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

k) Expenditures

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

Categories of Salaries

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to 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 NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1) 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, and accounts payable and accrued liabilities other.

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.

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.

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 above.

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

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) 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.

4. ACCOUNTS RECEIVABLE - OTHER RECEIVABLES

	June 30, 2013	June 30, 2012	July 1, 2011
Due from federal government	\$ 78,344	\$247,323	\$173,002
Mount Arrowsmith Teachers Association	67,304	36,328	72,589
Rent receivable	150,075		
Other	113,386	76,944	305,080
	<u>\$409,109</u>	<u>\$360,595</u>	<u>\$550,671</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2013	June 30, 2012	July 1, 2011
Trades payable	\$ 632,313	\$ 959,826	\$ 568,337
Salaries and benefits payable	1,830,956	1,690,679	1,732,101
Accrued vacation pay	199,928	189,482	272,659
Other	45,657	57,071	42,642
	<u>\$2,708,854</u>	<u>\$2,897,058</u>	<u>\$2,615,739</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

6. UNEARNED REVENUE

	June 30, 2013	June 30, 2012	July 1, 2011
Balance at beginning of year	\$559,648	\$562,850	\$427,009
Changes for the year:			
Increase:			
Tuition fees	522,029	519,052	492,118
Transportation	41,280	22,040	27,930
Other	3,455	300	24,545
	<u>566,764</u>	<u>541,392</u>	<u>544,593</u>
Decrease:			
Tuition fees	519,052	492,119	374,427
Transportation	22,040	27,930	32,430
Other	18,556	24,545	1,895
	<u>559,648</u>	<u>544,594</u>	<u>408,752</u>
Net changes for the year	<u>559,648</u>	<u>544,594</u>	<u>408,752</u>
Balance at end of year	<u>\$566,764</u>	<u>\$559,648</u>	<u>\$562,850</u>

7. 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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

8. 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 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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

9. 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. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 10.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

9. EMPLOYEE FUTURE BENEFITS (continued)

	June 30, 2013	June 30, 2012
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation - April 1	\$ 5,416,738	\$ 4,996,066
Non-vested benefit obligation - July 1, 2011	[REDACTED]	201,972
Service cost	367,267	341,232
Interest cost	232,844	249,677
Actuarial loss	214,535	376,196
Accrued benefit obligation - March 31	<u>\$ 5,705,822</u>	<u>\$ 5,416,738</u>

Reconciliation of Funded Status at End of Fiscal Year

Accrued benefit obligation - March 31	\$ 5,705,822	\$ 5,416,738
Market value of Plan assets - March 31	-	-
Funded status - deficit	<u>(5,705,822)</u>	<u>(5,416,738)</u>
Employer contributions after measurement date	320,861	135,946
Unamortized net actuarial loss	553,484	376,196
Accrued benefit liability - June 30	<u>\$ (4,831,477)</u>	<u>\$ (4,904,596)</u>

Reconciliation of Change in Accrued Benefit Liability

Accrued benefit liability - July 1	\$ 4,904,596	\$ 4,985,935
Recognize non-vested benefits - July 1, 2011	[REDACTED]	201,972
Recognize unamortized losses - July 1, 2011	[REDACTED]	10,131
Accrued benefit liability - July 1 (restated)	4,904,596	5,198,038
Net expense for fiscal year	637,358	590,909
Employer contributions	(710,477)	(884,351)
Accrued benefit liability - June 30	<u>\$ 4,831,477</u>	<u>\$ 4,904,596</u>

	June 30, 2013	June 30, 2012
Components of Net Benefit Expense		
Service cost	\$ 367,267	\$ 341,232
Interest cost	232,844	249,677
Amortization of net actuarial loss	37,247	-
Net benefit expense	<u>\$ 637,358</u>	<u>\$ 590,909</u>

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

9. EMPLOYEE FUTURE BENEFITS (continued)

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

	June 30, 2013	June 30, 2012
Discount rate - April 1	4.25%	4.75%
Discount rate - March 31	3.00%	4.25%
Long term salary growth - April 1	2.50% + seniority	2.50% + seniority
Long term salary growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	9.5	10.1

10. UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

It is planned that the initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards will be eliminated in 11 years.

	June 30, 2013	June 30, 2012
Unfunded liability, as previously reported	\$ 976,878	\$ 1,766,878
July 1, 2011 conversion to PSA standards	212,103	212,103
Restated	1,188,981	2,148,981
Reductions during the year	88,891	790,000
Unfunded liability, as at June 30, 2013	\$ 1,100,000	\$ 1,188,981

11. TANGIBLE CAPITAL ASSETS

June 30, 2013

Cost:	July 1, 2012	Additions	Disposals	Transfers (WIP)	June 30, 2013
Sites	\$ 11,846,413	\$ 83,365	\$	\$	\$ 11,929,778
Buildings	90,531,148			7,127,230	97,658,378
Buildings - work in progress	6,027,493	1,126,694		(7,127,230)	26,957
Furniture and equipment	1,741,890	132,398	1,057,488		816,800
Vehicles	1,912,124	167,022	490,078		1,589,068
Computer hardware	47,618	14,754			62,372
Total	\$112,106,686	\$1,524,233	\$1,547,566	\$ -	\$112,083,353

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

11. TANGIBLE CAPITAL ASSETS (continued)

Accumulated Amortization:	July 1, 2012	Additions	Disposals	June 30, 2013
Buildings	\$41,237,269	\$1,964,164	\$	\$43,201,433
Furniture and equipment	1,266,328	174,189	1,057,488	383,029
Vehicles	1,204,570	191,213	490,078	905,705
Computer hardware	10,403	9,524		19,927
Total	\$43,718,570	\$2,339,090	\$1,547,566	\$44,510,094

June 30, 2012				
Cost:	July 1, 2011	Additions	Disposals	June 30, 2012
Sites	\$ 11,803,828	\$ 42,585	\$	\$ 11,846,413
Buildings	89,593,153	1,214,820	(276,825)	90,531,148
Buildings - work in progress	1,325,429	4,702,064		6,027,493
Furniture and equipment	2,580,025	45,578	(883,713)	1,741,890
Vehicles	2,433,761	56,429	(578,066)	1,912,124
Computer hardware	42,028	21,049	(15,459)	47,618
Total	\$ 107,778,224	\$6,082,525	\$ (1,754,063)	\$ 112,106,686

Accumulated Amortization:	July 1, 2011	Additions	Disposals	June 30, 2012
Buildings	\$ 39,499,110	\$1,945,298	\$ (207,139)	\$ 41,237,269
Furniture and equipment	1,892,039	258,002	(883,713)	1,266,328
Vehicles	1,539,260	243,376	(578,066)	1,204,570
Computer hardware	17,456	8,406	(15,459)	10,403
Total	\$ 42,947,865	\$2,455,082	\$ (1,684,377)	\$ 43,718,570

Net Book Value:	June 30, 2013	June 30, 2012	July 1, 2011
Sites	\$11,929,778	\$ 11,846,413	\$11,803,828
Buildings	54,456,945	49,293,879	50,094,043
Buildings - work in progress	26,957	6,027,493	1,325,429
Furniture and equipment	433,771	475,562	687,986
Vehicles	683,363	707,554	894,501
Computer hardware	42,445	37,215	24,572
Total	\$67,573,259	\$ 68,388,116	\$64,830,359

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

11. TANGIBLE CAPITAL ASSETS (continued)

- Contributed tangible capital assets
Additions to furniture and equipment include the following contributed tangible capital assets:

	June 30, 2013	June 30, 2012
Playground equipment - PES	\$ 4,907	\$ -
Playground equipment - WES	15,079	-
Total	\$19,986	\$ -

- Buildings - work in progress having a value of \$26,957 (2012: \$6,027,493) have not been amortized. Amortization of these assets will commence when the asset is put into service.

12. DISPOSAL OF SITES AND BUILDINGS

The District dedicated a small piece of land to the City of Parksville for the construction of an intersection. There were no sales proceeds.

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 for the year ending June 30, 2014. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with 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. 69 (Qualicum) paid \$3,791,651 for employer contributions to these plans in the year ended June 30, 2013.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

14. INTERFUND TRANSFERS

For the year ended June 30, 2013, there were transfers from the operating fund to the capital fund totalling \$360,445. Included in this amount was \$21,317 for capital assets purchased from the operating fund and \$339,128 transferred to local capital for the purchase of capital assets and supplies.

15. RELATED PARTY TRANSACTIONS

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

16. BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an annual budget on May 15, 2012.

17. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

- a) As at June 30, 2013, there existed outstanding claims and labour grievances against the School District. These issues have been referred to legal counsel and/or to the School Protection Program. It is not possible to determine the School District's potential liability, if any, with respect to these matters.
- b) The School District rents property under an operating lease which expires on July 31, 2014. The rent due under this agreement to the expiry of the lease is \$85,583.

18. ASSET RETIREMENT OBLIGATION

Certain schools in the School District contain asbestos. Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of future removal costs cannot be reasonably estimated due to the unknown timelines.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

19. EXPENSE BY OBJECT

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Salaries and benefits	\$38,399,578	\$37,971,112
Services and supplies	7,608,333	7,639,379
Amortization	2,339,090	2,455,082
Other		30,688
	<u>\$48,347,001</u>	<u>\$48,096,261</u>

20. INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally restricted (appropriated) by Board for:

School budgets	\$ 286,073
Unrestricted operating surplus	<u>1,429,585</u>
Total available for future operations	<u>\$1,715,658</u>

21. ECONOMIC DEPENDENCE

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

22. 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 and accounts receivable.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

22. RISK MANAGEMENT (continued)

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most accounts 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 equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates.

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 solely in guaranteed investment certificates that have a maturity date of no more than three 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.

23. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

School District No. 69 (Qualicum)
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 (Restated-Note 2)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	(114,328)		17,103,286	16,988,958	14,944,661
Change in Accounting Policies/Prior Period Adjustments					
Add non-vested benefits to Employee Future Benefits					(201,972)
Recognize unamortized gain (loss) on Employee Future Benefits					(10,131)
Accumulated Surplus (Deficit), beginning of year, as restated	(114,328)	-	17,103,286	16,988,958	14,732,558
Changes for the year					
Surplus (Deficit) for the year	1,090,431		(435,640)	654,791	2,256,400
Interfund Transfers					
Tangible Capital Assets Purchased	(21,317)		21,317	-	-
Local Capital	(339,128)		339,128	-	-
Net Changes for the year	729,986	-	(75,195)	654,791	2,256,400
Accumulated Surplus (Deficit), end of year - Statement 2	615,658	-	17,028,091	17,643,749	16,988,958

School District No. 69 (Qualicum)

Schedule 2

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget \$	2013 Actual \$	2012 Actual (Restated-Note 2) \$
Revenues			
Provincial Grants			
Ministry of Education	40,752,982	40,941,360	41,299,251
Other	102,200	105,775	97,472
Tuition	2,147,250	2,146,774	1,993,099
Other Revenue	80,000	145,738	194,915
Rentals and Leases	123,500	221,404	67,271
Investment Income	70,000	88,840	71,703
Total Revenue	43,275,932	43,649,891	43,723,711
Expenses			
Instruction	34,564,146	34,305,707	34,329,251
District Administration	1,726,832	1,756,400	1,743,750
Operations and Maintenance	4,955,917	4,678,563	4,638,589
Transportation and Housing	1,836,093	1,818,790	1,848,700
Total Expense	43,082,988	42,559,460	42,560,290
Operating Surplus (Deficit) for the year	192,944	1,090,431	1,163,421
Budgeted Appropriation (Retirement) of Surplus (Deficit)	175,956		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(80,000)		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(288,900)	(21,317)	(6,603)
Local Capital		(339,128)	(156,583)
Total Net Transfers	(288,900)	(360,445)	(163,186)
Total Operating Surplus (Deficit), for the year	-	729,986	1,000,235
Operating Surplus (Deficit), beginning of year		(114,328)	(902,460)
Change in Accounting Policies/Prior Period Adjustments			
Add non-vested benefits to Employee Future Benefits			(201,972)
Recognize unamortized gain (loss) on Employee Future Benefits			(10,131)
Reclassify Deferred Contributions			-
Operating Surplus (Deficit), beginning of year, as restated		(114,328)	(1,114,563)
Operating Surplus (Deficit), end of year		615,658	(114,328)
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 20)		286,073	375,990
Unrestricted		1,429,585	698,663
Unfunded Accrued Employee Future Benefits (Note 10)		(1,100,000)	(1,188,981)
Total Operating Surplus (Deficit), end of year		615,658	(114,328)

School District No. 69 (Qualicum)

Schedule 2A

Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget \$	2013 Actual \$	2012 Actual (Restated-Note 2) \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	39,816,486	39,979,803	40,330,015
Other Ministry of Education Grants			
Pay Equity	936,496	936,176	936,176
FSA Monitoring		8,696	8,696
Education Guarantee		16,685	24,364
Total Provincial Grants - Ministry of Education	<u>40,752,982</u>	<u>40,941,360</u>	<u>41,299,251</u>
Provincial Grants - Other	<u>102,200</u>	<u>105,775</u>	<u>97,472</u>
Tuition			
Offshore Tuition Fees	2,147,250	2,146,774	1,993,099
Total Tuition	<u>2,147,250</u>	<u>2,146,774</u>	<u>1,993,099</u>
Other Revenues			
Miscellaneous			
Other Grants		17,500	59,830
Transportation Fees	70,000	70,765	72,060
Workshop Fees		11,641	12,106
Vancouver Foundation			4,000
Donations		2,300	2,000
Other	10,000	43,532	44,919
Total Other Revenue	<u>80,000</u>	<u>145,738</u>	<u>194,915</u>
Rentals and Leases	<u>123,500</u>	<u>221,404</u>	<u>67,271</u>
Investment Income	<u>70,000</u>	<u>88,840</u>	<u>71,703</u>
Total Operating Revenue	<u>43,275,932</u>	<u>43,649,891</u>	<u>43,723,711</u>

School District No. 69 (Qualicum)

Schedule 2B

Schedule of Operating Expense by Object

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Salaries			
Teachers	17,459,647	16,954,963	17,160,474
Principals and Vice Principals	2,569,600	2,647,500	2,737,893
Educational Assistants	3,095,610	2,992,603	2,923,468
Support Staff	5,185,680	4,981,188	4,756,647
Other Professionals	1,084,433	991,044	973,487
Substitutes	845,200	1,183,554	1,157,945
Total Salaries	30,240,170	29,750,852	29,709,914
Employee Benefits	7,408,804	7,867,664	7,898,175
Total Salaries and Benefits	37,648,974	37,618,516	37,608,089
Services and Supplies			
Services	1,110,405	1,089,966	1,009,968
Student Transportation	702,500	692,785	584,932
Professional Development and Travel	473,294	456,902	403,597
Rentals and Leases	83,000	88,014	97,053
Dues and Fees	52,350	47,672	47,911
Insurance	109,000	138,907	117,024
Supplies	1,833,465	1,355,278	1,713,513
Utilities	1,070,000	1,071,420	978,203
Total Services and Supplies	5,434,014	4,940,944	4,952,201
Total Operating Expense	43,082,988	42,559,460	42,560,290

School District No. 69 (Qualicum)
 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	14,906,988	290,656	8,483	5,334		752,465	15,963,926
1.03 Career Programs	295,701			60,259			355,960
1.07 Library Services	201,966	27,524		246,608		7,108	483,206
1.08 Counselling	246,282	2,496					248,778
1.10 Special Education	1,082,331	144,706	2,800,308	40,173		243,949	4,311,467
1.30 English Language Learning	21,739						21,739
1.31 Aboriginal Education		99,221	183,812	7,997			291,030
1.41 School Administration	39,564	1,963,011		1,047,942		31,931	3,042,884
1.61 Continuing Education	121,024	99,216			40,727		307,060
1.62 Off Shore Students	39,368	20,670		46,093		4,832	64,870
1.64 Other							
Total Function 1	16,954,963	2,647,500	2,992,603	1,454,406	40,727	1,040,285	25,130,484
4 District Administration							
4.11 Educational Administration					307,078		307,078
4.40 School District Governance					62,069		62,069
4.41 Business Administration				243,281	422,214	3,557	669,052
Total Function 4	-	-	-	243,281	791,361	3,557	1,038,199
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				92,022	77,751		169,773
5.50 Maintenance Operations				2,044,964		70,388	2,115,352
5.52 Maintenance of Grounds				212,637		8,352	220,989
5.56 Utilities							-
Total Function 5	-	-	-	2,349,623	77,751	78,740	2,506,114
7 Transportation and Housing							
7.41 Transportation and Housing Administration				47,578	81,205		128,783
7.70 Student Transportation				886,300		60,972	947,272
7.73 Housing							-
Total Function 7	-	-	-	933,878	81,205	60,972	1,076,055
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	16,954,963	2,647,500	2,992,603	4,981,188	991,044	1,183,554	29,750,852

School District No. 69 (Qualicum)
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 (Restated Note 2) \$
1 Instruction							
1.02 Regular Instruction	15,963,926	4,152,950	20,116,876	819,573	20,936,449	20,623,602	20,327,060
1.03 Career Programs	355,960	88,571	444,531	204,925	649,456	400,319	555,340
1.07 Library Services	483,206	144,137	627,343	37,790	665,133	834,004	825,602
1.08 Counselling	248,778	62,150	310,928		310,928	468,498	542,791
1.10 Special Education	4,311,467	1,247,694	5,559,161	53,004	5,612,165	6,355,941	6,219,869
1.30 English Language Learning	21,739	6,736	28,475		28,475	85,182	90,350
1.31 Aboriginal Education	291,030	69,561	360,591	71,424	432,015	445,280	450,630
1.41 School Administration	3,042,884	781,819	3,824,703	142,695	3,967,398	3,555,962	3,757,519
1.61 Continuing Education	39,564	8,890	48,454		48,454		36,599
1.62 Off Shore Students	307,060	78,028	385,088	1,166,360	1,551,448	1,747,556	1,457,276
1.64 Other	64,870	12,924	77,794	25,992	103,786	47,802	66,215
Total Function 1	25,130,484	6,653,460	31,783,944	2,521,763	34,305,707	34,564,146	34,329,251
4 District Administration							
4.11 Educational Administration	307,078	77,473	384,551	64,948	449,499	458,070	422,533
4.40 School District Governance	62,069	3,263	65,332	93,629	158,961	177,249	190,740
4.41 Business Administration	669,052	160,747	829,799	318,141	1,147,940	1,091,513	1,130,477
Total Function 4	1,038,199	241,483	1,279,682	476,718	1,756,400	1,726,832	1,743,750
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	169,773	36,131	205,904	134,027	339,931	350,163	353,190
5.50 Maintenance Operations	2,115,352	544,801	2,660,153	203,018	2,863,171	3,148,783	2,902,574
5.52 Maintenance of Grounds	220,989	58,398	279,387	124,654	404,041	386,971	404,622
5.56 Utilities	-	-	-	1,071,420	1,071,420	1,070,000	978,203
Total Function 5	2,506,114	639,330	3,145,444	1,533,119	4,678,563	4,955,917	4,638,589
7 Transportation and Housing							
7.41 Transportation and Housing Administration	128,783	29,465	158,248	8,911	167,159	174,720	166,620
7.70 Student Transportation	947,272	303,926	1,251,198	373,493	1,624,691	1,637,373	1,657,820
7.73 Housing	-	-	-	26,940	26,940	24,000	24,260
Total Function 7	1,076,055	333,391	1,409,446	409,344	1,818,790	1,836,093	1,848,700
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	29,750,852	7,867,664	37,618,516	4,940,944	42,559,460	43,082,988	42,560,290

School District No. 69 (Qualicum)

Schedule 3

Schedule of Special Purpose Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,718,010	1,394,422	1,377,233
Other Revenue	1,300,000	1,214,284	1,279,997
Investment Income		4,318	9,098
Total Revenue	3,018,010	2,613,024	2,666,328
Expenses			
Instruction	3,018,010	2,613,024	2,666,328
Total Expense	3,018,010	2,613,024	2,666,328
Special Purpose Surplus (Deficit) for the year	-	-	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
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. 69 (Qualicum)

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

Deferred Revenue, beginning of year
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012
Transfer to separate seismic AFG funding
Deferred Revenue, beginning of year, as restated

Add: Restricted Grants
Provincial Grants - Ministry of Education
Other
Investment Income
Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues
Provincial Grants - Ministry of Education
Other Revenue
Investment Income

Expenses
Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

Version: 5098-7718-5735
September 24, 2013 16:43

Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn
\$	\$	\$	\$	\$	\$
354,920		14,661	762,350		
(354,920)	-	14,661	762,350	-	-
280,990	511,619	10,754	1,270,252	96,000	22,050
280,990	511,619	10,754	1,270,252	96,000	22,050
-	-	10,567	818,318	101	-
280,990	511,619	14,848	1,214,284	95,899	22,050
280,990	511,619	14,848	1,214,284	95,899	22,050
-	400,914	-	-	-	-
280,990	110,705	14,848	1,214,284	95,899	22,050
280,990	511,619	14,848	1,214,284	95,899	22,050
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

School District No. 69 (Qualicum)

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

Deferred Revenue, beginning of year
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012
Transfer to separate seismic AFG funding
Deferred Revenue, beginning of year, as restated

Add: Restricted Grants
Provincial Grants - Ministry of Education
Other
Investment Income
Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Other Revenue
Investment Income

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes
Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

Version: 5098-7718-5735
September 24, 2013 16:43

OLEP	Community- LINK	AFG Seismic Funding	Transportation	TOTAL
\$	\$	\$	\$	\$
25,888			22,040	1,179,859
			(22,040)	(22,040)
25,888	-	354,920	-	1,157,819
113,154	348,742			1,383,309
		4,318		1,270,252
113,154	348,742	4,318	-	2,657,879
108,395	346,074	18,865	-	2,613,024
30,647	2,668	340,373	-	1,202,674
108,395	346,074	14,547		1,394,422
		4,318		1,214,284
108,395	346,074	18,865	-	2,613,024
18,395	40,261			372,190
19,335				19,335
5,751				5,751
4,968	206,441			266,892
		680		31,217
48,449	246,702	-	-	696,065
12,999	71,998			84,997
46,947	27,374	18,865		1,831,962
108,395	346,074	18,865	-	2,613,024
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

School District No. 69 (Qualicum)

Schedule 4

Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013	2013 Actual		2012
	Budget	Invested in Tangible Capital Assets	Local Capital	Actual
	\$	\$	\$	(Restated-Note 2) \$
Revenues				
Provincial Grants				
Ministry of Education		718,197		324,875
Gain (Loss) on Disposal of Tangible Capital Assets				1,537,000
Amortization of Deferred Capital Revenue	2,025,491	2,020,680		2,100,747
Total Revenue	<u>2,025,491</u>	<u>2,738,877</u>	<u>-</u>	<u>3,962,622</u>
Expenses				
Operations and Maintenance		634,832	200,595	383,873
Amortization of Tangible Capital Assets				
Operations and Maintenance	2,301,229	2,147,877		2,211,706
Transportation and Housing		191,213		243,376
Write-off/down of Buildings and Sites				30,688
Total Expense	<u>2,301,229</u>	<u>2,973,922</u>	<u>200,595</u>	<u>2,869,643</u>
Capital Surplus (Deficit) for the year	<u>(275,738)</u>	<u>(235,045)</u>	<u>(200,595)</u>	<u>1,092,979</u>
Net Transfers (to) from other funds				
Tangible Capital Assets Purchased	288,900	21,317		6,603
Local Capital			339,128	156,583
Total Net Transfers	<u>288,900</u>	<u>21,317</u>	<u>339,128</u>	<u>163,186</u>
Other Adjustments to Fund Balances				
Tangible Capital Assets Purchased from Local Capital		125,942	(125,942)	-
Total Other Adjustments to Fund Balances		<u>125,942</u>	<u>(125,942)</u>	<u>-</u>
Total Capital Surplus (Deficit) for the year	<u>13,162</u>	<u>(87,786)</u>	<u>12,591</u>	<u>1,256,165</u>
Capital Surplus (Deficit), beginning of year		17,038,147	65,139	15,847,121
Capital Surplus (Deficit), end of year		<u>16,950,361</u>	<u>77,730</u>	<u>17,103,286</u>

School District No. 69 (Qualicum)

Tangible Capital Assets
Year Ended June 30, 2013

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	11,846,413	90,531,148	1,741,890	1,912,124	-	47,618	106,079,193
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	83,365		75,000	71,929			230,294
Deferred Capital Revenue - Other			19,986				19,986
Operating Fund				21,317			21,317
Local Capital			37,412	73,776		14,754	125,942
Transferred from Work in Progress		7,127,230					7,127,230
	83,365	7,127,230	132,398	167,022	-	14,754	7,524,769
Decrease:							
Deemed Disposals			1,057,488	490,078			1,547,566
	-	-	1,057,488	490,078	-	-	1,547,566
Cost, end of year	11,929,778	97,658,378	816,800	1,589,068	-	62,372	112,056,396
Work in Progress, end of year		26,957					26,957
Cost and Work in Progress, end of year	11,929,778	97,685,335	816,800	1,589,068	-	62,372	112,083,353
Accumulated Amortization, beginning of year		41,237,269	1,266,328	1,204,570		10,403	43,718,570
Changes for the Year							
Increase: Amortization for the Year		1,964,164	174,189	191,213		9,524	2,339,090
Decrease:							
Deemed Disposals			1,057,488	490,078			1,547,566
		-	1,057,488	490,078	-	-	1,547,566
Accumulated Amortization, end of year		43,201,433	383,029	905,705		19,927	44,510,094
Tangible Capital Assets - Net	11,929,778	54,483,902	433,771	683,363	-	42,445	67,573,259

School District No. 69 (Qualicum)

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	6,027,493				6,027,493
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	1,126,694				1,126,694
	1,126,694	-	-	-	1,126,694
Decrease:					
Transferred to Tangible Capital Assets	7,127,230				7,127,230
	7,127,230	-	-	-	7,127,230
Net Changes for the Year	(6,000,536)	-	-	-	(6,000,536)
Work in Progress, end of year	26,957	-	-	-	26,957

School District No. 69 (Qualicum)

Schedule 4C

Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	43,452,555	1,019,921		44,472,476
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	146,928		19,986	166,914
Transferred from Work in Progress	7,127,230			7,127,230
	7,274,158	-	19,986	7,294,144
Decrease:				
Amortization of Deferred Capital Revenue	1,992,511	28,169		2,020,680
	1,992,511	28,169	-	2,020,680
Net Changes for the Year	5,281,647	(28,169)	19,986	5,273,464
Deferred Capital Revenue, end of year	48,734,202	991,752	19,986	49,745,940
Work in Progress, beginning of year	6,027,493			6,027,493
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	1,126,694			1,126,694
	1,126,694	-	-	1,126,694
Decrease				
Transferred to Deferred Capital Revenue	7,127,230			7,127,230
	7,127,230	-	-	7,127,230
Net Changes for the Year	(6,000,536)	-	-	(6,000,536)
Work in Progress, end of year	26,957	-	-	26,957
Total Deferred Capital Revenue, end of year	48,761,159	991,752	19,986	49,772,897

School District No. 69 (Qualicum)

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	\$ 977,516	\$ 123,090	\$ -	\$ 186,349	\$ -	\$ 1,286,955
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,721,532					2,721,532
Investment Income		1,730		2,329		4,059
Transfer project surplus to MOE Restricted	(44,087)	44,087				-
Donated Playground Equipment	2,677,445	45,817	-	2,329	19,986	2,745,577
Decrease:						
Transferred to DCR - Capital Additions	146,928				19,986	166,914
Transferred to DCR - Work in Progress	1,126,694					1,126,694
Transferred to Revenue - Site Purchases	83,366					83,366
Purchase of Services and Supplies	621,312	13,520				634,832
	1,978,300	13,520	-	-	19,986	2,011,806
Net Changes for the Year	699,145	32,297	-	2,329	-	733,771
Balance, end of year	1,676,661	155,387	-	188,678	-	2,020,726