

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2011/2012

SCHOOL DISTRICT NUMBER 85	NAME OF SCHOOL DISTRICT Vancouver Island North	YEAR 2011/2012
OFFICE LOCATION 6975 Rupert Street		TELEPHONE NUMBER 250-949-6618
CITY/PROVINCE Port Hardy BC		POSTAL CODE VON2P0
WEBSITE ADDRESS www.sd85.bc.ca		
NAME OF SUPERINTENDENT Scott Benwell		NAME OF SECRETARY-TREASURER John Martin

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of Education of School District No. 85 (Vancouver Island North) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school district's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that the accounting records may be relied upon to properly reflect the school district's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

The Board's Responsibility

The ultimate responsibility for the financial statements lies with the Board. The Board has reviewed and approved the financial statements.

External Auditors

The Board appoints external auditors to audit the financial statements. The external auditors have full and free access to school district records, and present their report to the Board.

Declaration of Management and Board Chairperson

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position, revenue and expense, changes in fund balances, and cash flows for the year in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 85 (Vancouver Island North) for the year ended June 30, 2012.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED 10-Sep-12
SIGNATURE OF SUPERINTENDENT	DATE SIGNED 10-Sep-12
SIGNATURE OF SECRETARY-TREASURER	DATE SIGNED 10-Sep-12

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
2011/2012 AUDITED FINANCIAL STATEMENTS**

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INDEPENDENT AUDITORS' REPORT

To: The Board of Education of
School District No. 85 (Vancouver Island North)
and the Minister of Education

We have audited the accompanying financial statements of School District No. 85 (Vancouver Island North) which comprise the statement of financial position as at June 30, 2012, and the statement of revenue and expense, statement of changes in fund balances, statement of cash flows, all schedules including A5, B1, C3 and C4 for the year 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 Canadian generally accepted accounting principles for not-for-profit organizations 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.

Auditor's 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.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of School District No. 85 (Vancouver Island North) as at June 30, 2012, and of its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Chartered Accountants
Campbell River, BC

September 10, 2012

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 2,169,284	\$ 284,270		\$ 2,453,554	\$ 2,506,324
Short Term Investments (Note 4)	603,827			603,827	8,566
Accounts Receivable					
Other Receivables (Note 3)	47,187			47,187	190,342
Interfund Loans		83,046	190,757		
Prepaid Expenses	25,643			25,643	40,253
	2,845,941	367,316	190,757	3,130,211	2,745,485
Investments (Note 4)	2,608,719			2,608,719	3,203,827
Capital Assets - Net (Note 5)			27,645,433	27,645,433	28,090,550
TOTAL ASSETS	\$ 5,454,660	\$ 367,316	\$ 27,836,190	\$ 33,384,363	\$ 34,039,862
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	1,515,594			1,515,594	1,723,583
Interfund Loans	273,803				
	1,789,397	-	-	1,515,594	1,723,583
Deferred Contributions					
Ministry of Education		22,038	12,756	34,794	84,425
Province - Other				-	24,334
Other		345,278		345,278	316,153
Accrued Employee Future Benefits (Note 6)	1,835,983			1,835,983	1,758,383
Deferred Capital Contributions			17,541,042	17,541,042	18,035,910
TOTAL LIABILITIES	3,625,380	367,316	17,553,798	21,272,691	21,942,788
Fund Balances					
Invested in Capital Assets			10,104,393	10,104,393	10,054,642
Internally Restricted (Note 9)	867,416		177,999	1,045,415	1,237,547
Unrestricted (Note 9)	961,864			961,864	804,885
TOTAL FUND BALANCES	1,829,280	-	10,282,392	12,111,672	12,097,074
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,454,660	\$ 367,316	\$ 27,836,190	\$ 33,384,363	\$ 34,039,862

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2012

Statement 2

	OPERATING	SPECIAL	CAPITAL	TOTAL	TOTAL
	FUND	PURPOSE	FUND	2012	2011
	FUND	FUNDS	FUND	2012	2011
REVENUE					
Provincial Grants - Ministry of Education	\$ 18,519,440	\$ 662,100		\$ 19,181,540	\$ 20,151,665
Provincial Grants - Other	24,478			24,478	15,666
Other Revenue	39,273	327,664		366,937	590,339
Rentals and Leases	115,468			115,468	55,906
Investment Income	78,871		740	79,611	13,211
Amortization of Deferred Capital Contributions			938,917	938,917	951,500
	<u>18,777,530</u>	<u>989,764</u>	<u>939,657</u>	<u>20,706,951</u>	<u>21,778,287</u>
EXPENSE					
Salaries					
Teachers	6,632,224	145,418		6,777,642	7,014,387
Principals and Vice Principals	1,326,241			1,326,241	1,428,164
Educational Assistants	1,531,586	53,893		1,585,479	1,552,014
Support Staff	2,421,078			2,421,078	2,405,524
Other Professionals	672,205			672,205	544,549
Substitutes	511,910	19,643		531,553	598,221
	<u>13,095,244</u>	<u>218,954</u>	<u>-</u>	<u>13,314,198</u>	<u>13,542,859</u>
Employee Benefits	2,964,938	73,491		3,038,429	2,936,456
Services and Supplies	2,603,333	457,908		3,061,241	2,985,337
Amortization of Capital Assets			1,278,485	1,278,485	1,220,864
	<u>18,663,515</u>	<u>750,353</u>	<u>1,278,485</u>	<u>20,692,353</u>	<u>20,685,516</u>
NET REVENUE (EXPENSE)	<u>\$ 114,015</u>	<u>\$ 239,411</u>	<u>\$ (338,828)</u>	<u>\$ 14,598</u>	<u>\$ 1,092,771</u>

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
FUND BALANCES, BEGINNING OF YEAR	\$ 1,815,265		\$ 10,281,809	\$ 12,097,074	\$ 11,004,303
Changes for the Year					
Net Revenue (Expense) for the Year	114,015	239,411	(338,828)	14,598	1,092,771
Interfund Transfers					
Capital Assets Purchased (Note 9)		(239,411)	239,411	-	
Local Capital (Note 9)	(100,000)		100,000	-	
Net Changes for the Year	14,015	-	583	14,598	1,092,771
FUND BALANCES, END OF YEAR	\$ 1,829,280	\$ -	\$ 10,282,392	\$ 12,111,672	\$ 12,097,074

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	\$ 114,015	\$ 239,411	\$ (338,828)	\$ 14,598	\$ 1,092,771
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Short Term Investments	(595,261)			(595,261)	(8,566)
Accounts Receivable	143,155			143,155	(130,297)
Interfund Loans	(81,801)	32,633	49,168	-	
Prepaid Expenses	14,610			14,610	(7)
Increase (Decrease)					
Other Current Liabilities	(207,989)			(207,989)	(229,366)
Deferred Contributions	(24,334)	(20,506)		(44,840)	(773,986)
Accrued Employee Future Benefits	77,600			77,600	(51,465)
Items Not Involving Cash					
Amortization of Capital Assets			1,278,485	1,278,485	1,220,864
Amortization of Deferred Capital Contributions			(938,917)	(938,917)	(951,500)
Interfund Transfers	(100,000)	(239,411)	339,411	-	
	(660,005)	12,127	389,319	(258,559)	168,448
FINANCING					
Deferred Contributions Received - Capital			444,049	444,049	153,500
	-	-	444,049	444,049	153,500
INVESTING					
Capital Assets Purchased - Special Purpose			(239,411)	(239,411)	(1,055,677)
Capital Assets Purchased - Local Capital			(149,908)	(149,908)	(373,273)
Capital Assets Purchased - Deferred Contributions - Capital			(444,049)	(444,049)	(153,500)
Decrease (Increase) in Investments	595,108			595,108	(3,203,826)
	595,108	-	(833,368)	(238,260)	(4,786,276)
NET INCREASE (DECREASE) IN CASH	\$ (64,897)	\$ 12,127	\$ -	\$ (52,770)	\$ (4,464,328)

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
NET INCREASE (DECREASE) IN CASH	\$ (64,897)	\$ 12,127	\$ -	\$ (52,770)	\$ (4,464,328)
Net Cash, Beginning of Year	2,234,181	272,143		2,506,324	6,970,652
NET CASH, END OF YEAR	\$ 2,169,284	\$ 284,270	\$ -	\$ 2,453,554	\$ 2,506,324
Cash	\$ 2,169,284	\$ 284,270		\$ 2,453,554	\$ 2,506,324
NET CASH, END OF YEAR	\$ 2,169,284	\$ 284,270	\$ -	\$ 2,453,554	\$ 2,506,324

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 85 (Vancouver Island North)", and operates as "School District No. 85 (Vancouver Island North)." 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

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

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

Statement 2 (Statement of Revenue and Expense), Statement 3 (Statement of Changes in Fund Balances) and Statement 4 (Statement of Cash Flows) present annual results of each fund, changes in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balance as at June 30th. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

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

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
 - Contributions restricted in use by the *School Act* or Ministry of Education.
 - Contributions restricted in use by other external bodies.
 - Endowment funds.
 - Funds collected and used at the school level (i.e. school-generated funds).
 - Controlled and/or related entities.
- Capital fund reports assets, liabilities, revenues and expenses for capital. Contributions of other funds used for capital purposes are transferred to the capital fund.

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.

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

c) Investments

Short term investments include securities with terms to maturity of greater than three months and less than one year. Long term investments include securities with terms to maturity greater than one year. The School District's investments held on July 1, 2011 or acquired subsequently are designated as held for trading investments. Held for trading investments are recorded at fair value and any changes in fair value are recognized as investment income in the Statement of Revenue and Expense.

d) Accounts Receivable

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

e) Prepaid Expenses

Prepaid expenses include payments for services such as insurance that extend beyond the current period.

f) Capital Assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset. Estimated useful life is as follows:

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

g) Revenue Recognition

Unrestricted operating government grants, are recognized as revenue when received. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services/products are reported as revenue when services are provided or products delivered.

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

g) Revenue Recognition (continued)

Externally restricted contributions, grants, and donations are reported as revenue depending on the nature of restrictions imposed on the use of the funds by the contributors:

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
 - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
 - If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset.
 - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

h) Expenditures

- Categories of Salaries
 - Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
 - Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.
- Allocation of Costs
 - Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to regular programs.
 - Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
 - Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
 - Supplies and services are allocated based on actual identification of program.

i) Financial Instruments

Financial instruments consist of cash, cash equivalents, investments, accounts receivable, accounts payable, accrued liabilities and other current. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

j) Use of Estimates

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

k) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated sick leave payouts, vacation pay, retirement allowances, and early retirement incentives for certain employees pursuant to certain contracts and collective agreements.

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

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 10.3 years.

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use at June 30, 2013. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

l) Future Change in Accounting Framework

Under the revised Public Sector Accounting Board (PSAB) framework, beginning with the 2012/13 fiscal year, school districts will be required to follow Public Sector Accounting (PSA) standards with or without the not-for-profit organization standards (i.e., PS 4200 series). In September 2010, the Province of British Columbia Treasury Board directed through Government Organization Accounting Standards Regulation 257/2010 requiring all school districts to adopt PSA standards without the PS 4200 series from their first fiscal year commencing after January 1, 2012.

The first fiscal year of full implementation without the PS 4200 series will be the year ended June 30, 2013. The adoption of PSA standards is to be accounted for by retroactive application with restatement of prior periods unless an exemption is permitted. Comparative figures at June 30, 2012 and July 1, 2011 will be restated. The financial statements will also include the presentation of budget figures prepared in accordance with PSA standards for the year ended June 30, 2013.

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

1) Future Change in Accounting Framework (continued)

While the School District, in consultation with the Office of the Comptroller General and the Ministry of Education, has begun assessing the impact of the change in accounting framework on its financial statements, the financial impact cannot be reasonably estimated at this time. Implementing PSA standards will also have an impact on accounting financial reporting and supporting information technology systems and processes.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

a) Due from LEA/Direct Funding	2012	2011
Due from Direct Funding (2002 – 2003)	\$ 79,245	\$ 79,245
Allowance for Doubtful Accounts	79,245	79,245
	\$	\$
b) Other Receivables	2012	2011
Due from Federal Government	\$ 37,521	\$115,293
Due from Other School Districts		49
Other	9,666	75,000
	\$ 47,187	\$190,342

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 4 INVESTMENTS

The School District has made short-term investments as follows:

Category	Term (months)	Maturity	Rate	Amount
CIBC GIC	24	Nov/2012	2.10%	\$ 600,000
CIBC GIC	24	Jun/2013	1.50%	3,827
				<u>\$ 603,827</u>

The School District has made long-term investments as follows:

Category	Term (months)	Maturity	Rate	Amount
CIBC GIC	36	Nov/2013	2.00%	\$ 600,000
CIBC GIC	24	Jan/2014	1.30%	2,016
CIBC GIC	24	Feb/2014	1.10%	4,203
CIBC GIC	48	Nov/2014	2.40%	1,000,000
CIBC GIC	60	Nov/2015	2.50%	1,000,000
CIBC GIC	60	Oct/2016	1.65%	2,500
				<u>\$ 2,608,719</u>

NOTE 5 CAPITAL ASSETS

	2012		2011	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 2,891,161	\$	\$ 2,891,161	\$ 2,891,161
Buildings	52,853,334	29,301,512	23,551,822	23,839,762
Furniture & Equipment	704,718	311,194	393,524	446,153
Vehicles	1,260,060	652,550	607,510	722,775
Computer Software	7,069	1,414	5,655	7,068
Computer Hardware	262,511	66,750	195,761	183,633
	<u>\$57,978,853</u>	<u>\$30,333,420</u>	<u>\$27,645,433</u>	<u>\$28,090,552</u>

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 6 EMPLOYEE FUTURE BENEFITS

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

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

	2012	2011
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,239,905	\$1,264,162
Service Cost	91,198	86,802
Interest Cost	60,017	62,765
Benefit Payments	-94,879	-163,139
Actuarial (Gain)/Loss	-3,490	-10,786
	\$1,292,751	\$1,239,905
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,292,751	\$1,239,905
Market Value of Plan Assets – March 31	0	0
Funded Status - Surplus/(Deficit)	\$-1,292,751	\$-1,239,905
Employer Contributions After Measurement Date	4,925	71,423
Unamortized Net Actuarial (Gain)/Loss	-548,157	-589,901
	\$-1,835,983	\$-1,758,383
Components of Net Benefit Expense		
Service Cost	\$91,198	\$86,903
Interest Cost	60,017	62,765
Amortization of Net Actuarial (Gain)/Loss	-45,234	-48,677
	\$105,981	\$100,990

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

Discount Rate – April 1	4.75%	5.00%
Discount Rate – March 31	4.25%	4.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.3 years	10.3 years

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 7 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 46,000 active members from school districts, and approximately 30,000 retired members from school districts. The Municipal Pension Plan has about 173,000 active members, of which approximately 23,000 are from school districts.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2008 indicated a \$291 million deficit for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in 2012. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2009 indicated a \$1,024 million deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan. School District No. 85 (Vancouver Island North) paid \$1,528,907 for employer contributions to these plans in the year ended June 30, 2012.

NOTE 8 OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by the Board for:

Appropriation to 2012 – 2013 Annual Budget	\$ 569,744	
School-Based Budgets Carried Forward	135,972	
Unspent Targeted Funding	35,544	
Unspent Literacy Innovation Grant	29,710	
District Project Budgets Carried Forward	68,180	
Pro-D Allocations Carried Forward	28,266	
Subtotal Internally Restricted		<u>\$ 867,416</u>
Unrestricted Operating Surplus (Deficit)		<u>961,864</u>
Total Available for Future Operations		<u><u>\$1,829,280</u></u>

NOTE 9 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2012, transfers were as follows:

- Transfer from Operating Fund to Capital Fund \$ 100,000
- Transfer from Special Purpose Funds to Capital Fund 239,411

These transfers were made in order to fund the cost of capital building programs and the acquisition costs of furniture, equipment, vehicles, computer software and computer hardware.

SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 10 RELATED PARTY TRANSACTIONS

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

NOTE 11 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget bylaw on February 13, 2012.

NOTE 12 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal and disposal of asbestos in schools that will undergo major renovations or demolition. The existence and amount of this liability are not reasonably determinable as of June 30, 2012.

NOTE 13 ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the School District as a “going concern”.

NOTE 14 CAPITAL DISCLOSURES

The Board considers its capital to be its operating, special purpose and capital fund balances. The internally restricted fund balances consist of amounts for current and potential commitments and amounts invested in capital assets. The Board’s objective when managing its capital is to safeguard its ability to continue as a going concern so it can continue to provide services to its students. Under the School Act the Board is not permitted to incur deficits without the approval of the Minister of Education. Annual budgets are developed and monitored to ensure the Board’s capital is maintained at an appropriate level.

NOTE 15 RISK MANAGEMENT

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. 85 (VANCOUVER ISLAND NORTH)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2012

Schedule A1

	2012		
	2012 ACTUAL	AMENDED ANNUAL BUDGET	2011 ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 18,519,440	\$ 18,523,255	\$ 18,678,188
Provincial Grants - Other	24,478		15,666
Other Revenue	39,273	5,000	114,606
Rentals and Leases	115,468	37,088	55,906
Investment Income	78,871	5,000	11,501
	<u>18,777,530</u>	<u>18,570,343</u>	<u>18,875,867</u>
EXPENSE			
Salaries			
Teachers	6,632,224	6,752,814	6,914,549
Principals and Vice Principals	1,326,241	1,291,485	1,428,164
Educational Assistants	1,531,586	1,560,256	1,369,455
Support Staff	2,421,078	2,293,086	2,405,524
Other Professionals	672,205	664,439	544,549
Substitutes	511,910	675,491	585,941
	<u>13,095,244</u>	<u>13,237,571</u>	<u>13,248,182</u>
Employee Benefits	2,964,938	3,185,130	2,865,492
Services and Supplies	2,603,333	3,058,022	2,457,445
	<u>18,663,515</u>	<u>19,480,723</u>	<u>18,571,119</u>
NET REVENUE (EXPENSE), FOR THE YEAR	114,015	(910,380)	304,748
INTERFUND TRANSFERS			
Local Capital	(100,000)	(100,000)	(100,000)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		1,010,380	
SURPLUS (DEFICIT), FOR THE YEAR	14,015	<u>\$ -</u>	204,748
SURPLUS (DEFICIT), BEGINNING OF YEAR	1,815,265		1,610,517
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>\$ 1,829,280</u>		<u>\$ 1,815,265</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	867,416		
Unrestricted	961,864		
	<u>\$ 1,829,280</u>		

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2012

Schedule A2

	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 18,372,170	\$ 18,378,215	\$ 18,510,699
Other Ministry of Education Grants			
OLEP Grants		10,224	10,224
Pay Equity	115,216	115,216	115,216
Ready Set Learn		19,600	22,050
FSA	7,972		7,972
Carbon Tax Refund	16,074		11,473
Rural/Remote District Innovative Practices	7,813		
Smart Tool	195		
Education Guarantee			554
	<u>18,519,440</u>	<u>18,523,255</u>	<u>18,678,188</u>
PROVINCIAL GRANTS - OTHER	<u>24,478</u>		<u>15,666</u>
FEDERAL GRANTS			
OTHER REVENUE			
Miscellaneous			
Sale of Assets	12,803	5,000	6,726
SSEAC Apprenticeship			50,450
Miscellaneous	26,470		57,430
	<u>39,273</u>	<u>5,000</u>	<u>114,606</u>
RENTALS AND LEASES	<u>115,468</u>	<u>37,088</u>	<u>55,906</u>
INVESTMENT INCOME	<u>78,871</u>	<u>5,000</u>	<u>11,501</u>
TOTAL OPERATING REVENUE	<u><u>\$ 18,777,530</u></u>	<u><u>\$ 18,570,343</u></u>	<u><u>\$ 18,875,867</u></u>

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A3

	2012		
	2012 ACTUAL	AMENDED ANNUAL BUDGET	2011 ACTUAL
SALARIES			
Teachers	\$ 6,632,224	\$ 6,752,814	\$ 6,914,549
Principals and Vice Principals	1,326,241	1,291,485	1,428,164
Educational Assistants	1,531,586	1,560,256	1,369,455
Support Staff	2,421,078	2,293,086	2,405,524
Other Professionals	672,205	664,439	544,549
Substitutes	511,910	675,491	585,941
	<u>13,095,244</u>	<u>13,237,571</u>	<u>13,248,182</u>
EMPLOYEE BENEFITS	2,964,938	3,185,130	2,865,492
TOTAL SALARIES AND BENEFITS	<u>16,060,182</u>	<u>16,422,701</u>	<u>16,113,674</u>
SERVICES AND SUPPLIES			
Services	637,239	719,174	573,798
Student Transportation	37,186	56,220	41,475
Professional Development and Travel	241,527	345,758	302,757
Rentals and Leases	6,712	10,000	8,884
Dues and Fees	17,864	20,300	21,102
Insurance	71,037	55,363	50,970
Supplies	825,022	1,040,757	763,036
Utilities	766,746	810,450	695,423
TOTAL SERVICES AND SUPPLIES	<u>2,603,333</u>	<u>3,058,022</u>	<u>2,457,445</u>
TOTAL OPERATING EXPENSE	<u>\$ 18,663,515</u>	<u>\$ 19,480,723</u>	<u>\$ 18,571,119</u>

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	\$ 5,130,025	\$ 472,782		\$ 79,844		\$ 247,373	\$ 5,930,024
1.07 Library Services	214,012			90,640		9,523	314,175
1.08 Counselling	191,376					7,922	199,298
1.10 Special Education	1,017,243	110,000	1,396,697	25,436	83,599	113,045	2,746,020
1.30 English as a Second Language	72,709					3,143	75,852
1.31 Aboriginal Education	6,859	57,462	134,889	17,583		6,229	223,022
1.41 School Administration		685,997		376,894		48,924	1,111,815
Total Function 1	6,632,224	1,326,241	1,531,586	590,397	83,599	436,159	10,600,206
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration					310,721		310,721
4.40 School District Governance					76,862		76,862
4.41 Business Administration				147,503	71,395		218,898
Total Function 4	-	-	-	147,503	458,978	-	606,481
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				71,509	65,157	95	136,761
5.50 Maintenance Operations				1,252,058		62,682	1,314,740
5.52 Maintenance of Grounds				34,653			34,653
Total Function 5	-	-	-	1,358,220	65,157	62,777	1,486,154
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				31,317	64,471		95,788
7.70 Student Transportation				293,641		12,974	306,615
Total Function 7	-	-	-	324,958	64,471	12,974	402,403
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 6,632,224	\$ 1,326,241	\$ 1,531,586	\$ 2,421,078	\$ 672,205	\$ 511,910	\$ 13,095,244

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 5,930,024	\$ 1,386,366	\$ 7,316,390	\$ 585,753	\$ 7,902,143	\$ 8,284,859	\$ 7,957,411
1.03 Career Programs	-	-	-	217	217	9,000	7,021
1.07 Library Services	314,175	73,411	387,586	30,282	417,868	429,185	449,083
1.08 Counselling	199,298	45,106	244,404	2,545	246,949	252,901	265,176
1.10 Special Education	2,746,020	604,788	3,350,808	130,088	3,480,896	3,604,429	3,496,919
1.30 English as a Second Language	75,852	17,175	93,027	15,345	108,372	98,688	53,566
1.31 Aboriginal Education	223,022	51,571	274,593	402,261	676,854	713,567	529,963
1.41 School Administration	1,111,815	264,028	1,375,843	22,364	1,398,207	1,415,531	1,434,406
1.64 Other	-	-	-	41,430	41,430	53,500	32,510
Total Function 1	10,600,206	2,442,445	13,042,651	1,230,285	14,272,936	14,861,660	14,226,055
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	310,721	61,105	371,826	26,665	398,491	427,364	379,101
4.40 School District Governance	76,862	1,606	78,468	49,750	128,218	147,490	122,309
4.41 Business Administration	218,898	50,340	269,238	75,273	344,511	457,390	325,197
Total Function 4	606,481	113,051	719,532	151,688	871,220	1,032,244	826,607
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	136,761	31,242	168,003	66,453	234,456	204,158	206,285
5.50 Maintenance Operations	1,314,740	270,953	1,585,693	249,965	1,835,658	1,865,624	1,902,331
5.52 Maintenance of Grounds	34,653	8,571	43,224	27,274	70,498	82,068	93,827
5.56 Utilities	-	-	-	766,746	766,746	810,450	695,423
Total Function 5	1,486,154	310,766	1,796,920	1,110,438	2,907,358	2,962,300	2,897,866
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	95,788	21,793	117,581	6,765	124,346	94,728	144,599
7.70 Student Transportation	306,615	76,883	383,498	104,157	487,655	529,791	475,992
Total Function 7	402,403	98,676	501,079	110,922	612,001	624,519	620,591
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 13,095,244	\$ 2,964,938	\$ 16,060,182	\$ 2,603,333	\$ 18,663,515	\$ 19,480,723	\$ 18,571,119

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule A5

BALANCE, BEGINNING OF YEAR	\$	24,334
Changes for the Year		
Increase:		<u> </u>
		-
Decrease:		
Allocated to Revenue		24,334
Provincial Grants - Other		<u>24,334</u>
		<u> </u>
Net Changes for the Year		<u>(24,334)</u>
BALANCE, END OF YEAR	\$	<u> </u>

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2012

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 63,637	\$ 52,227	\$ 271,958		\$ 387,822
Add: Contributions Received					
Provincial Grants - Ministry of Education	190,092	422,377			612,469
Other		73,219	283,336		356,555
Investment Income		234			234
	190,092	495,830	283,336	-	969,258
Less: Allocated to Revenue	239,411	452,090	298,263		989,764
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 14,318	\$ 95,967	\$ 257,031	\$ -	\$ 367,316
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 239,411	\$ 422,689			\$ 662,100
Other Revenue		29,401	298,263		327,664
	239,411	452,090	298,263	-	989,764
EXPENSE					
Salaries					
Teachers		145,418			145,418
Educational Assistants		53,893			53,893
Substitutes		19,643			19,643
Employee Benefits	-	218,954	-	-	218,954
Services and Supplies		73,491			73,491
		159,645	298,263		457,908
	-	452,090	298,263	-	750,353
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	239,411	-	-	-	239,411
INTERFUND TRANSFERS					
Capital Assets Purchased	(239,411)				(239,411)
	(239,411)	-	-	-	(239,411)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2012

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 44,180	\$ 19,457	\$ 63,637
Add: Contributions Received			
Provincial Grants - Ministry of Education	184,711	5,381	190,092
	184,711	5,381	190,092
Less: Allocated to Revenue	228,891	10,520	239,411
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ -	\$ 14,318	\$ 14,318
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	\$ 228,891	\$ 10,520	\$ 239,411
	228,891	10,520	239,411
EXPENSE			
Salaries			
	-	-	-
	-	-	-
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	228,891	10,520	239,411
INTERFUND TRANSFERS			
Capital Assets Purchased	(228,891)	(10,520)	(239,411)
	(228,891)	(10,520)	(239,411)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2012

Schedule B3

	Community LINK	Early Learning	ReadySet Learn	MWFamily Literacy	Scholarships	OLEP	TOTAL
DEFERRED CONTRIBUTIONS							
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR		\$ 8,032		\$ 506	\$ 43,689		\$ 52,227
Add: Contributions Received							
Provincial Grants - Ministry of Education	296,553	96,000	19,600			10,224	422,377
Other				60,619	12,600		73,219
Investment Income					234		234
	296,553	96,000	19,600	60,619	12,834	10,224	495,830
Less: Allocated to Revenue	296,553	104,032	12,033	17,201	12,200	10,071	452,090
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ -	\$ -	\$ 7,567	\$ 43,924	\$ 44,323	\$ 153	\$ 95,967
REVENUE AND EXPENSE							
REVENUE							
Provincial Grants - Ministry of Education	\$ 296,553	\$ 104,032	\$ 12,033			\$ 10,071	\$ 422,689
Other Revenue				17,201	12,200		29,401
	296,553	104,032	12,033	17,201	12,200	10,071	452,090
EXPENSE							
Salaries							
Teachers	145,418						145,418
Educational Assistants	53,893						53,893
Substitutes	9,458			10,185			19,643
	208,769	-	-	10,185	-	-	218,954
Employee Benefits	72,881			610			73,491
Services and Supplies	14,903	104,032	12,033	6,406	12,200	10,071	159,645
	296,553	104,032	12,033	17,201	12,200	10,071	452,090
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-	-	-	-	-
INTERFUND TRANSFERS							
	-	-	-	-	-	-	-
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2012

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	\$ 2,891,161	\$ 52,136,900	\$ 705,823	\$ 1,461,466	\$ 7,069	\$ 279,839	\$ 57,482,258
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		444,049					444,049
Special Purpose Funds		228,891	10,520				239,411
Local Capital		43,494	7,436	30,882		68,096	149,908
	-	716,434	17,956	30,882	-	68,096	833,368
Decrease:							
Deemed Disposals			19,061	232,288		85,424	336,773
	-	-	19,061	232,288	-	85,424	336,773
COST, END OF YEAR	2,891,161	52,853,334	704,718	1,260,060	7,069	262,511	57,978,853
WORK IN PROGRESS, END OF YEAR							-
COST AND WORK IN PROGRESS, END OF YEAR	\$ 2,891,161	\$ 52,853,334	\$ 704,718	\$ 1,260,060	\$ 7,069	\$ 262,511	\$ 57,978,853
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		\$ 28,297,138	\$ 259,673	\$ 738,691		\$ 96,206	\$ 29,391,708
Changes for the Year							
Increase: Amortization for the Year		1,004,374	70,582	146,147	1,414	55,968	1,278,485
Decrease:							
Deemed Disposals			19,061	232,288		85,424	336,773
	-	-	19,061	232,288	-	85,424	336,773
ACCUMULATED AMORTIZATION, END OF YEAR	\$ -	\$ 29,301,512	\$ 311,194	\$ 652,550	\$ 1,414	\$ 66,750	\$ 30,333,420
CAPITAL ASSETS - NET	\$ 2,891,161	\$ 23,551,822	\$ 393,524	\$ 607,510	\$ 5,655	\$ 195,761	\$ 27,645,433

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2012

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR				\$	-
Changes for the Year					
Increase	-	-	-	-	-
Decrease	-	-	-	-	-
Net Changes for the Year	-	-	-	-	-
WORK IN PROGRESS, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$ 18,035,910			\$ 18,035,910
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Capital Additions	444,049			444,049
	444,049	-	-	444,049
Decrease				
Amortization of Deferred Capital Contributions	938,917			938,917
	938,917	-	-	938,917
Net Changes for the Year	(494,868)	-	-	(494,868)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	\$ 17,541,042	\$ -	\$ -	\$ 17,541,042
WORK IN PROGRESS, BEGINNING OF YEAR				\$ -
Changes for the Year				
Increase	-	-	-	-
Decrease	-	-	-	-
Net Changes for the Year	-	-	-	-
WORK IN PROGRESS, END OF YEAR	\$ -	\$ -	\$ -	\$ -
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	\$ 17,541,042	\$ -	\$ -	\$ 17,541,042

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR		\$ 12,756				\$ 12,756
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	444,049					444,049
	444,049	-	-	-	-	444,049
Decrease:						
Transferred to DCC - Capital Additions	444,049					444,049
	444,049	-	-	-	-	444,049
Net Changes for the Year	-	-	-	-	-	-
BALANCE, END OF YEAR	\$ -	\$ 12,756	\$ -	\$ -	\$ -	\$ 12,756

SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)

Schedule C5

CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 10,054,642	\$ 227,167	\$ 10,281,809
Changes for the Year			
Investment Income		740	740
Amortization of Deferred Capital Contributions	938,917		938,917
Capital Assets Purchased from Local Capital	149,908	(149,908)	-
Interfund Transfers - Capital Assets Purchased	239,411		239,411
Interfund Transfers - Local Capital		100,000	100,000
Amortization of Capital Assets	(1,278,485)		(1,278,485)
Net Changes for the Year	<u>49,751</u>	<u>(49,168)</u>	<u>583</u>
BALANCE, END OF YEAR	<u><u>\$ 10,104,393</u></u>	<u><u>\$ 177,999</u></u>	<u><u>\$ 10,282,392</u></u>