



To: Board of Education

From: Finance Committee  
of the Whole

Re: Consolidated Audited Financial Statements

Date: September 11, 2013  
(Public Board Meeting)

**Decision**

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### BACKGROUND/RATIONALE:

At the recommendation of the Finance Committee of the Whole the attached financial statements for the Board of Education of School District No. 42 (Maple Ridge – Pitt Meadows) for the fiscal year ended June 30, 2013 are presented to the Board for approval (Attachment A).

In accordance with the School Act, Boards of Education must prepare financial statements with respect to the preceding fiscal year and forward a copy to the Minister of Education by September 30<sup>th</sup>, together with the auditor's report.

The financial statements have been prepared by Maple Ridge - Pitt Meadows School District staff and audited by KPMG.

### Accounting Policies

The consolidated financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

Significant accounting and reporting practices are summarized in Note 3 of the financial statements. These include the following:

- operating expenses are recorded in the year the good or service is received;
- operating grants are not restricted in use and are recorded as revenue when received or receivable;
- restricted contributions are recorded as deferred contributions until the funds are expended;
- contributions for capital projects are recorded as deferred capital contributions once they are invested in capital assets;
- capital assets and deferred capital contributions are amortized over the estimated useful life of the assets.

**Operating Fund**

As noted in Schedule 2 of the financial statements, there is no unrestricted operating fund surplus as of June 30, 2013. Also note that 2013 budget figures used are the 2012/2013 **preliminary budget**, as is required by PSAB.

A restricted operating surplus of \$2.52 million exists as of June 30, 2013. Details of this restricted surplus are outlined in the following table. The entire restricted surplus is committed to funding specific expenditures in 2013/2014 (\$1.00 million) and the Board approved us of \$1.51 million from the contingency reserve to offset the 2013/2014 budget shortfall.

| <b>Internally Restricted Operating Fund Surplus</b>          |                       |
|--|-----------------------|
| <b>As at June 30, 2013</b>                                   |                       |
|  | (\$millions)          |
| Funds for Specific Expenditures in 2013/2014                 |                       |
| School Budget Balances                                       | \$ 0.39               |
| Special Projects   | \$ 0.42               |
| Aboriginal Education   | \$ 0.05               |
| Professional Development Funds                               | \$ 0.15               |
|  | <u>\$ 1.01</u>        |
| Transfer from Contingency Reserve to fund next year's budget | <u>\$ 1.51</u>        |
| <b>Total Internally Restricted Operating Funds</b>           | <u><b>\$ 2.52</b></u> |

With respect to the funding for specific expenditures in 2013/2014 (\$1.00 million), in most cases, these expenditures were planned to be incurred in 2012/2013; however, for various reasons, the timing of the expenditures was extended into 2013/2014. This is a normal occurrence every year and is common in all school districts.

The funds committed to assist in funding the 2013/2014 budget (\$1.51 million) were needed to help offset the initial projected shortfall of \$5.66 million.

Some variances can be noted in the operating section which include a \$1.92 million decrease in International Education tuition revenue (Statement 2). This was the result of an accounting policy change, homestay and medical fees are now reported as liabilities, not revenue, and the change is reflected in the 2012/ 2013 amended budget. Capital Assets Purchased from Operating were \$1.03 million higher than budget due to a change in capitalization policy recommended by our auditors. The change in the capitalization policy was also the main reason for the variance in supplies spending versus budget of \$1.50 million. Future budgets will have to be amended to reflect this change in accounting policy.

Our May 31, 2013 operating projection estimated a contingency reserve of \$1.61 million and appropriated operating surplus of 2.40 million. At the end of June 2013 an actual \$1.76 million was transferred to the contingency reserve for future unanticipated expenditures. Actual appropriated surplus at June 30, 2013 was slightly higher than forecast at \$1.00 million, a \$0.11 million increase (Financial Statements Note 21).

### **Special Purpose Funds**

Special Purpose Funds include funds received from the Ministry of Education or other sources that have been designated for specific purposes. During 2012/2013, \$7.79 million in special purpose contributions was received and \$7.53 million was spent or recovered (see Schedule 3B). As at June 30, 2013, \$2.46 million in Special Purpose Funds remained available for expenditures in future years for designated purposes. Major Special Purpose Funds include School Generated Funds, Annual Facilities Grant, Youth Education Support Fund and Community Link.

### **Capital Fund**

The net value of capital assets (historical cost less accumulated amortization) is \$179.22 million as at June 30, 2013 (see Schedule 4A). Of this amount, \$142.50 million represents net investments in buildings, \$29.18 million in sites and \$7.54 million in furniture and equipment, computer hardware and software and vehicles. These net costs represent the historical cost net of accumulated amortization of all School District 42 capital assets; they do not reflect current market value.

During 2012/2013 grants from the Ministry of Education for by-law capital projects totaled \$2.60 million (see Schedule 4D). During 2012/2013, \$2.76 million of grant funding was spent on capital projects. Major capital project expenditures were incurred for various roofing replacements (\$0.79 million) which included Samuel Robertson Technical, Garibaldi Secondary, Albion and Glenwood Elementary, District Education Office Building Envelope remediation (\$0.53 million), Carbon Neutral projects (\$0.19 million), Albion Elementary Gym (\$0.19 million) and various smaller projects.

The Ministry of Education Restricted Capital Account (shareable capital) totals \$1.40 million as at June 30, 2013 (see Schedule 4D).

The Land Capital Restricted Account (School Site Acquisition Fund) received contributions of \$0.52 million in 2012/2013 and has a balance of \$3.97 million at June 30, 2013 (see Schedule 4D).

### **RECOMMENDATION**

THAT THE BOARD: approve the Consolidated Audited Financial Statements of School District No. 42 (Maple Ridge – Pitt Meadows) June 30, 2013, June 30, 2012 and July 1, 2011.



Consolidated Audited Financial Statements of

**School District No. 42 (Maple Ridge - Pitt Meadows)**

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

# School District No. 42 (Maple Ridge - Pitt Meadows)

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

## Table of Contents

|   |      |
|---|------|
| Management Report .....   | 1    |
| Independent Auditor's Report .....  | 2-3  |
| Consolidated Statement of Financial Position - Statement 1 .....                    | 4    |
| Consolidated Statement of Operations - Statement 2 .....                            | 5    |
| Consolidated Statement of Change in Net Financial Assets (Debt) - Statement 4 ..... | 6    |
| Consolidated Statement of Cash Flows - Statement 5 .....                            | 7    |
| Notes to the Consolidated Financial Statements .....                                | 8-25 |
| Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 .....     | 26   |
| Schedule of Operating Operations - Schedule 2 .....                                 | 27   |
| Schedule 2A - Schedule of Operating Revenue by Source .....                         | 28   |
| Schedule 2B - Schedule of Operating Expense by Object .....                         | 29   |
| Schedule 2C - Operating Expense by Function, Program and Object .....               | 30   |
| Schedule of Special Purpose Operations - Schedule 3 .....                           | 32   |
| Schedule 3A - Changes in Special Purpose Funds and Expense by Object .....          | 33   |
| Schedule of Capital Operations - Schedule 4 .....                                   | 36   |
| Schedule 4A - Tangible Capital Assets .....   | 37   |
| Schedule 4B - Tangible Capital Assets - Work in Progress .....                      | 38   |
| Schedule 4C - Deferred Capital Revenue .....  | 39   |
| Schedule 4D - Changes in Unspent Deferred Capital Revenue .....                     | 40   |

# School District No. 42 (Maple Ridge - Pitt Meadows)

## MANAGEMENT REPORT

Version: 4705-3960-1977

Management's Responsibility for the Consolidated Financial Statements.

The accompanying consolidated financial statements of School District No. 42 (Maple Ridge - Pitt Meadows) 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 consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated 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. 42 (Maple Ridge - Pitt Meadows) (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 consolidated financial statements on a quarterly basis and external audited consolidated financial statements yearly.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of School District No. 42 (Maple Ridge - Pitt Meadows) 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. 42 (Maple Ridge - Pitt Meadows)

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Signature of the Chairperson of the Board of Education

Date Signed

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Signature of the Superintendent

Date Signed

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Signature of the Secretary Treasurer

Date Signed

# INDEPENDENT AUDITORS' REPORT

To the Board of Education of the School District No. 42 (Maple Ridge-Pitt Meadows)  
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 42 (Maple Ridge-Pitt Meadows), which comprise the statements of financial position as at June 30, 2013 and the statements of operations, changes in net debt and cash flows for the year ended June 30, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## *Auditors' Responsibility*

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

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



### *Opinion*

In our opinion, the financial statements of School District No. 42 (Maple Ridge-Pitt Meadows) and the statement of financial position as at June 30, 2013 and its statement of operations, changes in net debt and cash flows for the year ended June 30, 2013 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

### *Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Schedules A1 through C5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

### *Comparative Information*

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that the School District No. 42 (Maple Ridge-Pitt Meadows) adopted the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board on July 1, 2012 with a transition date of July 1, 2011. These standards were applied retroactively by management to the comparative information in these financial statements, including the statements of financial position as at June 30, 2012 and July 1, 2011, and the statements of operations, changes in net debt, and cash flows for the year ended June 30, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

# School District No. 42 (Maple Ridge - Pitt Meadows)

## Consolidated Statement of Financial Position

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

|  | June 30, 2013        | June 30, 2012        | July 1, 2011         |
|--|----------------------|----------------------|----------------------|
|  | \$                   | \$                   | \$                   |
| <b>Financial Assets</b>                        |                      |                      |                      |
| Cash and Cash Equivalents                      | 17,601,927           | 14,980,625           | 17,340,636           |
| Accounts Receivable                            |                      |                      |                      |
| Due from Province - Ministry of Education      | 71,543               | 71,543               | 69,443               |
| Due from Province - Other                      | 60,203               | 89,463               | 79,397               |
| Due from LEA/Direct Funding                    | 44,719               | 36,173               | 34,465               |
| Other (Note 4)                                 | 749,722              | 668,021              | 713,931              |
| Portfolio Investments (Note 5)                 | 13,411,731           | 15,025,138           | 12,742,754           |
| <b>Total Financial Assets</b>                  | <b>31,939,845</b>    | <b>30,870,963</b>    | <b>30,980,626</b>    |
| <b>Liabilities</b>                             |                      |                      |                      |
| Accounts Payable and Accrued Liabilities       |                      |                      |                      |
| Other (Note 6)                                 | 10,276,080           | 9,266,933            | 7,961,200            |
| Unearned Revenue (Note 7)                      | 3,176,638            | 4,450,082            | 4,466,331            |
| Deferred Revenue (Note 8)                      | 2,460,629            | 2,201,669            | 5,454,136            |
| Deferred Capital Revenue (Note 9)              | 124,578,150          | 126,979,695          | 130,217,807          |
| Employee Future Benefits (Note 10)             | 6,112,697            | 6,002,050            | 5,806,465            |
| Capital Lease Obligations (Note 12)            | 699,558              | 892,054              | 631,369              |
| <b>Total Liabilities</b>                       | <b>147,303,752</b>   | <b>149,792,483</b>   | <b>154,537,308</b>   |
| <b>Net Financial Assets (Debt)</b>             | <b>(115,363,907)</b> | <b>(118,921,520)</b> | <b>(123,556,682)</b> |
| <b>Non-Financial Assets</b>                    |                      |                      |                      |
| Tangible Capital Assets (Note 13)              | 179,219,308          | 181,868,743          | 184,367,499          |
| Prepaid Expenses                               | 288,249              | 305,695              | 282,952              |
| Supplies Inventory                             | 474                  | 2,880                | 4,093                |
| <b>Total Non-Financial Assets</b>              | <b>179,508,031</b>   | <b>182,177,318</b>   | <b>184,654,544</b>   |
| <b>Accumulated Surplus (Deficit) (Note 21)</b> | <b>64,144,124</b>    | <b>63,255,798</b>    | <b>61,097,862</b>    |

Contractual Obligations and Contingencies (Note 16 and 17)

Approved by the Board

\_\_\_\_\_  
Signature of the Chairperson of the Board of Education

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of the Superintendent

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of the Secretary Treasurer

\_\_\_\_\_  
Date Signed

# School District No. 42 (Maple Ridge - Pitt Meadows)

## Consolidated Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

|   | 2013<br>Budget     | 2013<br>Actual                  | 2012<br>Actual     |
|---|--------------------|---------------------------------|--------------------|
|   | \$                 | \$                              | \$                 |
| <b>Revenues</b>   |                    |                                 |                    |
| Provincial Grants   |                    |                                 |                    |
| Ministry of Education   | 119,944,694        | <b>121,070,636</b>              | 120,729,223        |
| Other   | 314,117            | <b>449,281</b>                  | 330,468            |
| Federal Grants  | 100,000            | <b>162,110</b>                  | 129,995            |
| Tuition   | 8,906,725          | <b>6,988,534</b>                | 9,480,215          |
| Other Revenue   | 5,416,826          | <b>5,058,210</b>                | 5,024,201          |
| Rentals and Leases  | 320,040            | <b>311,274</b>                  | 343,156            |
| Investment Income   | 251,000            | <b>364,830</b>                  | 296,818            |
| Amortization of Deferred Capital Revenue  | 5,245,942          | <b>5,592,046</b>                | 5,606,197          |
| <b>Total Revenue</b>  | <u>140,499,344</u> | <u><b>139,996,921</b></u>       | <u>141,940,273</u> |
| <b>Expenses (Note 20)</b>   |                    |                                 |                    |
| Instruction   | 118,272,788        | <b>113,269,463</b>              | 114,366,182        |
| District Administration   | 4,794,589          | <b>4,671,250</b>                | 4,219,014          |
| Operations and Maintenance  | 20,257,176         | <b>19,948,829</b>               | 19,950,509         |
| Transportation and Housing  | 1,257,163          | <b>1,202,648</b>                | 1,228,719          |
| Debt Services   | 17,871             | <b>16,405</b>                   | 17,913             |
| <b>Total Expense</b>  | <u>144,599,587</u> | <u><b>139,108,595</b></u>       | <u>139,782,337</u> |
| <b>Surplus (Deficit) for the year</b>   | <u>(4,100,243)</u> | <u><b>888,326</b></u>           | <u>2,157,936</u>   |
| <b>Accumulated Surplus (Deficit) from Operations, beginning of year (Note 21)</b> |                    | <b>63,255,798</b>               | 61,097,862         |
| <b>Accumulated Surplus (Deficit) from Operations, end of year</b>                 |                    | <u><u><b>64,144,124</b></u></u> | <u>63,255,798</u>  |

# School District No. 42 (Maple Ridge - Pitt Meadows)

## Consolidated Statement of Changes in Net Financial Assets (Debt)

Years Ending June 30, 2013 and June 30, 2012

|  | 2013<br>Budget   | 2013<br>Actual       | 2012<br>Actual |
|--|------------------|----------------------|----------------|
|  | \$               | \$                   | \$             |
| <b>Surplus (Deficit) for the year</b>  | (4,100,243)      | <b>888,326</b>       | 2,157,936      |
| <b>Effect of change in Tangible Capital Assets</b>   |                  |                      |                |
| Acquisition of Tangible Capital Assets   | (3,028,870)      | <b>(4,842,386)</b>   | (4,790,337)    |
| Amortization of Tangible Capital Assets  | 6,849,852        | <b>7,491,821</b>     | 7,289,093      |
| <b>Total Effect of change in Tangible Capital Assets</b>   | 3,820,982        | <b>2,649,435</b>     | 2,498,756      |
| Acquisition of Prepaid Expenses  |                  | <b>(504,085)</b>     | (778,335)      |
| Use of Prepaid Expenses  |                  | <b>521,530</b>       | 755,593        |
| Acquisition of Supplies Inventory  |                  | <b>(16,907)</b>      | (10,939)       |
| Use of Supplies Inventory  |                  | <b>19,314</b>        | 12,151         |
| <b>Total Effect of change in Other Non-Financial Assets</b>  | -                | <b>19,852</b>        | (21,530)       |
| <b>(Increase) Decrease in Net Financial Assets (Debt),<br/>before Net Remeasurement Gains (Losses)</b> | <u>(279,261)</u> | <b>3,557,613</b>     | 4,635,162      |
| <b>Net Remeasurement Gains (Losses)</b>  |                  |                      |                |
| <b>(Increase) Decrease in Net Financial Assets (Debt)</b>  |                  | <b>3,557,613</b>     | 4,635,162      |
| <b>Net Financial Assets (Debt), beginning of year</b>  |                  | <b>(118,921,520)</b> | (123,556,682)  |
| <b>Net Financial Assets (Debt), end of year</b>  |                  | <b>(115,363,907)</b> | (118,921,520)  |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Statement 5

## Consolidated Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

|   | 2013<br>Actual     | 2012<br>Actual     |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| <b>Operating Transactions</b>                                 |                    |                    |
| Surplus (Deficit) for the year                                | 888,326            | 2,157,936          |
| Changes in Non-Cash Working Capital                           |                    |                    |
| Decrease (Increase)   |                    |                    |
| Accounts Receivable   | (60,987)           | 32,036             |
| Supplies Inventories  | 2,406              | 1,213              |
| Prepaid Expenses  | 17,446             | (22,743)           |
| Increase (Decrease)   |                    |                    |
| Accounts Payable and Accrued Liabilities                      | 985,285            | 1,218,127          |
| Unearned Revenue  | (1,273,444)        | (16,249)           |
| Deferred Revenue  | 258,960            | (3,252,467)        |
| Employee Future Benefits                                      | 110,647            | 195,585            |
| Other Liabilities   | 23,861             | 87,607             |
| Amortization of Tangible Capital Assets                       | 7,491,821          | 7,289,093          |
| Amortization of Deferred Capital Revenue                      | (5,592,046)        | (5,606,197)        |
| <b>Total Operating Transactions</b>                           | <b>2,852,275</b>   | <b>2,083,941</b>   |
| <b>Capital Transactions</b>                                   |                    |                    |
| Tangible Capital Assets Purchased                             | (4,411,818)        | (4,319,229)        |
| Tangible Capital Assets -WIP Purchased                        | (382,514)          | -                  |
| <b>Total Capital Transactions</b>                             | <b>(4,794,332)</b> | <b>(4,319,229)</b> |
| <b>Financing Transactions</b>                                 |                    |                    |
| Capital Revenue Received                                      | 3,190,501          | 2,368,085          |
| Capital Leases  | (240,549)          | (210,424)          |
| <b>Total Financing Transactions</b>                           | <b>2,949,952</b>   | <b>2,157,661</b>   |
| <b>Investing Transactions</b>                                 |                    |                    |
| Proceeds on Disposal of Portfolio Investments                 | 83,256             | (3,822)            |
| Investments in Portfolio Investments                          | 1,530,151          | (2,278,562)        |
| <b>Total Investing Transactions</b>                           | <b>1,613,407</b>   | <b>(2,282,384)</b> |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <b>2,621,302</b>   | <b>(2,360,011)</b> |
| <b>Cash and Cash Equivalents, beginning of year</b>           | <b>14,980,625</b>  | <b>17,340,636</b>  |
| <b>Cash and Cash Equivalents, end of year</b>                 | <b>17,601,927</b>  | <b>14,980,625</b>  |
| <b>Cash and Cash Equivalents, end of year, is made up of:</b> |                    |                    |
| Cash  | 17,601,927         | 14,980,625         |
|   | <b>17,601,927</b>  | <b>14,980,625</b>  |

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**NOTE 1 AUTHORITY AND PURPOSE**

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 42 (Maple Ridge – Pitt Meadows)", and operates as "School District No. 42 (Maple Ridge – Pitt Meadows)." 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. 42 is exempt from federal and provincial corporate income taxes.

**NOTE 2 CONVERSION TO THE NEW ACCOUNTING FRAMEWORK AND PRIOR PERIOD ADJUSTMENTS**

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

These standards were applied retroactively by management to the comparative information in these financial statements, including the statements of financial position as at June 30, 2012 and July 1, 2011, and the statements of operations, changes in net debt, and cash flows for the year ended June 30, 2012 and related disclosures. The restated comparative information is unaudited.

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

- Retirement and post-employment benefits:
  - a. The School District has elected to delay the application of *Sections PS 3250* and *3255* relative to the discount rate used the next valuation date being March 31, 2013 for use at June 30, 2013;
  - b. The School District has elected to recognize all cumulative actuarial gains at July 1, 2011 directly in accumulated surplus; and
- Tangible capital asset impairment:
  - a. The School District has elected to apply *Section PS 3150* on a prospective basis from the date of transition.

Key adjustments on the School District's consolidated 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 \$ 425,833 resulting in a revised liability of \$ 5,558,571. An additional expense of \$ 46,739 was recognized in the 2012 fiscal year as a result of these additional benefits.

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**NOTE 2      CONVERSION TO THE NEW ACCOUNTING FRAMEWORK *(Continued)***

- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains and losses relating to employee future benefits of \$ 317,774 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. Additional revenue of \$ 35,499 was recognized in the 2012 fiscal year as a result of elimination of the amortization of the cumulative actuarial losses.
- Under the previous GAAP, the School District adjusted the employee future benefit to reflect contributions made in the period between the valuation date and the fiscal year end. Under PS Section 3255, no adjustment is permitted, this resulted in an increase to the liability and decrease to accumulated surplus of \$247,894 on transition.

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

- Previously the District received contributions towards the construction of turf fields, the amounts were immediately recognized as a contribution to equity. As the District shares the use of the field with the contributors, the contribution should be amortized over the useful lives, therefore the net unamortized balance has been reclassified to deferred contributions from accumulated surplus.
- Previously the District commenced amortization of tangible capital assets and deferred capital revenue in the period following its commencement of use. The District has adopted the half year rule for amortization as it better reflects the utilization of the assets over its useful life. This resulted in a decrease to tangible capital assets at July 1, 2011 of \$ 3,310,859, decrease to deferred capital revenue of \$ 2,790,237 and reduction in accumulated surplus of \$520,622.
- Previously any playground equipment donated by Parent Advisory Councils, was classified as a site and immediately recognized as a contribution to equity. As the equipment has a limited life the amounts have been reclassified into equipment. The asset and contribution are now being amortized. This resulted in a net adjustment at July 1, 2011 to reduce tangible capital assets and accumulated surplus by \$ 228,621.

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

|   |                      |
|---|----------------------|
| <b>Accumulated surplus as originally reported, July 1, 2011</b>             | <b>\$ 64,776,171</b> |
| Adjustments to accumulated surplus for transition to the new framework:     |                      |
| Recognize liability for non-vested benefits to Employee Future Benefits     | (425,833)            |
| Recognize cumulative unamortized actuarial gain on employee future benefits | 317,774              |
| Adjust for final quarter contributions for employee future benefits         | (247,894)            |
| Adjustments to accumulated surplus for prior period adjustments             |                      |
| Adjust contribution of turf fields to be amortized over useful life         | (2,715,550)          |
| Adjust amortization of tangible capital assets and capital contributions    | (378,185)            |
| Adjustment to amortize the playgrounds contributed                          | (228,621)            |
| <b>Accumulated surplus as restated, July 1, 2011</b>                        | <b>\$ 61,097,862</b> |

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**NOTE 2      CONVERSION TO THE NEW ACCOUNTING FRAMEWORK *(Continued)***

|   |                      |
|---|----------------------|
| <b>Annual surplus as originally reported for the year ended June 30, 2012</b>   | <b>\$ 2,240,882</b>  |
| Adjustments to accumulated surplus for transition to the new framework:         |                      |
| Employee Future Benefits expense for unvested benefits                          | (46,739)             |
| Employee Future Benefits adjust amortization of actuarial gains                 | 35,499               |
| Adjustments to accumulated surplus for prior period adjustments                 |                      |
| Adjust amortization of tangible capital assets                                  | (412,924)            |
| Adjust amortization of deferred capital contributions                           | 341,218              |
| <b>Annual surplus for the year as restated for the year ended June 30, 2012</b> | <b>2,157,936</b>     |
| <b>Accumulated surplus, end of year as restated, June 30, 2012</b>              | <b>\$ 63,255,798</b> |

**NOTE 3      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of Accounting**

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

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

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

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

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

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



**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

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

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

**b) Basis of Consolidation**

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. The School District No. 42 Business Company is 100% owned by the School District. The Company was established to operate not-for-profit programs in order to provide funding to the School District as well as entering into potential off shore arrangements. The Company was dissolved on March 5, 2013.

**c) 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, portfolio investments, accounts payable and accrued liabilities, capital lease obligations and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market, or items designated by management, that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. All financial instruments are recorded at cost or amortized cost.

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

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

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

**d) Cash and Cash Equivalents**

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

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

e) **Accounts Receivable**

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

f) **Portfolio Investments**

The School District has investments in equity instruments with no maturity and term deposits, which have a maturity of greater than 3 months at the time of acquisition.

The term deposits and the pooled private equity fund investments (not quoted in an active market) are reported at 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.

g) **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.

h) **Deferred Revenue and Deferred Capital Revenue**

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations.

i) **Employee Future Benefits**

i) **Post-employment benefits**

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

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

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

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

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

ii) Pension Plans

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.

j) Asset Retirement Obligations

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

k) Tangible Capital Assets

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 Consolidated 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 consolidated financial statements.

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

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 lives are as follows:

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

**l) Capital Leases**

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

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

**m) Prepaid Expenses**

Several insurance policies, maintenance agreements and other payments paid in advance are included as a prepaid expense and stated at acquisition cost and are expensed over the periods expected to benefit from it.

**n) Supplies Inventory**

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

**o) Internally restricted reserves**

Certain amounts, as approved by the Board are segregated as reserves within the accumulated surplus for future operating and capital purposes. Transfers to and from these reserves are an adjustment to the respective funds when approved.

**p) 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.

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

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

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

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

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

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.

q) **Expenses**

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

**Categories of Salaries**

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

**Allocation of Costs**

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

- 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.

r) **Measurement Uncertainty**

Preparation of consolidated 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 consolidated 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.

s) **Adoption of New Accounting Policy**

On July 1, 2012, the School District adopted PS3450, Financial Instruments. Recognition, derecognition and measurement policies followed in the financial statements for periods prior to July 1, 2012 are not reversed and, therefore, the financial statements of prior periods, including comparative information, have not been restated.

As at June 30, 2013 and for the year then ended, financial instruments are accounted for prospectively in accordance with public sector accounting standards as described in Note 3(c).

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.

**NOTE 4**      **ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

|  | <b>June 30, 2013</b> | <b>June 30, 2012</b> | <b>July 1, 2011</b> |
|--|----------------------|----------------------|---------------------|
| Due from Federal Government              | \$ 211,770           | \$ 297,967           | \$ 306,662          |
| Due from Other Educational Institutions  | 133,073              | 155,188              | 164,561             |
| Due from school parent advisory councils | 8,586                | 15,796               | 25,694              |
| Due from rental agreements               | 6,852                | 11,544               | 12,138              |
| Other                                    | 389,441              | 187,526              | 204,876             |
|  | <b>\$ 749,722</b>    | <b>\$ 668,021</b>    | <b>\$ 713,931</b>   |

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

**NOTE 5 PORTFOLIO INVESTMENTS**

|                           | June 30, 2013        | June 30, 2012        | July 1, 2011         |
|---------------------------|----------------------|----------------------|----------------------|
| Term deposits             | \$ 13,307,991        | \$ 14,838,142        | \$ 12,559,580        |
| Fixed income fund         | 47,840               | 93,841               | 87,074               |
| Canadian equity fund      | 26,497               | 52,137               | 55,521               |
| U.S. Equity fund          | 15,145               | 19,475               | 18,021               |
| International equity fund | 14,258               | 21,543               | 22,558               |
|                           | <b>\$ 13,411,731</b> | <b>\$ 15,025,138</b> | <b>\$ 12,742,754</b> |

Term deposits held within our portfolio investments are held with local banking institutions for a period not exceeding 1 year from the statement of financial position date and are earning average interest of 1.93% (2012 – 1.79%, 2011 – 1.77%).

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

|                               | June 30, 2013        | June 30, 2012       | July 1, 2011        |
|-------------------------------|----------------------|---------------------|---------------------|
| Trade payables                | \$ 3,366,818         | \$ 3,088,769        | \$ 1,849,341        |
| Salaries and benefits payable | 4,288,029            | 4,631,920           | 4,726,233           |
| Accrued vacation pay          | 1,030,271            | 1,030,271           | 999,094             |
| Other                         | 1,590,962            | 515,973             | 386,532             |
|                               | <b>\$ 10,276,080</b> | <b>\$ 9,266,933</b> | <b>\$ 7,961,200</b> |

**NOTE 7 UNEARNED REVENUE**

|                                    | June 30, 2013       | June 30, 2012       |
|------------------------------------|---------------------|---------------------|
| Balance, beginning of year         | \$ 4,450,082        | \$ 4,466,331        |
| Tuition fees received              | 5,073,033           | 8,784,982           |
| Tuition fees recognized as revenue | (6,346,477)         | (8,801,231)         |
| <b>Balance, end of year</b>        | <b>\$ 3,176,638</b> | <b>\$ 4,450,082</b> |

**NOTE 8 DEFERRED REVENUE**

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

|                             | June 30, 2013       | June 30, 2012       |
|-----------------------------|---------------------|---------------------|
| Balance, beginning of year  | \$ 2,201,669        | \$ 5,454,136        |
| Grants received:            |                     |                     |
| Provincial grants           | 3,447,740           | 1,959,684           |
| Other grants                | 4,328,421           | 4,001,904           |
| Investment income           | 18,438              | 12,004              |
| Subtotal grants received    | 7,794,599           | 5,973,592           |
| Revenue recognized          | (7,535,639)         | (9,226,059)         |
| <b>Balance, end of year</b> | <b>\$ 2,460,629</b> | <b>\$ 2,201,669</b> |

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**NOTE 9      DEFERRED CAPITAL REVENUE**

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

|  | <b>June 30, 2013</b>  | <b>June 30, 2012</b>  |
|--|-----------------------|-----------------------|
| <b><u>Deferred capital revenue subject to amortization</u></b> |                       |                       |
| Balance, beginning of year                                     | \$ 121,497,194        | \$ 124,628,649        |
| Transfers from deferred revenue – capital additions            | 2,377,041             | 2,474,742             |
| Amortization of deferred capital revenue                       | (5,592,046)           | (5,606,197)           |
| <b>Balance, end of year</b>                                    | <b>\$ 118,282,189</b> | <b>\$ 121,497,194</b> |
| <br>   |                       |                       |
| <b><u>Deferred capital revenue – Work in Progress</u></b>      |                       |                       |
| Work in Progress, beginning of year                            | \$ -                  | \$ -                  |
| Transfer in from deferred revenue – work in progress           | 382,514               | -                     |
| Transfer to spent deferred capital                             | -                     | -                     |
| <b>Balance, end of year</b>                                    | <b>\$ 382,514</b>     | <b>\$ -</b>           |
| <br>   |                       |                       |
| <b><u>Deferred capital revenue – Unspent portion</u></b>       |                       |                       |
| Unspent Deferred Capital, beginning of year                    | \$ 5,482,501          | \$ 5,238,749          |
| Provincial Grant – Ministry of Education                       | 2,604,774             | 1,808,071             |
| Other  | 516,619               | 498,550               |
| Investment Income  | 69,108                | 61,464                |
| Transfer to Deferred Capital Revenue – Capital Additions       | (2,377,041)           | (2,124,333)           |
| Transfer to Deferred Capital Revenue – Work in Progress        | (382,514)             | -                     |
| <b>Balance, end of year</b>                                    | <b>\$ 5,913,447</b>   | <b>\$ 5,482,501</b>   |
| <br>   |                       |                       |
| <b>Total deferred capital revenue balance, end of year</b>     | <b>\$ 124,578,150</b> | <b>\$ 126,979,695</b> |



**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

**NOTE 10 EMPLOYEE FUTURE BENEFITS**

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

|   | <u>June 30, 2013</u>    | <u>June 30, 2012</u>  |
|---|-------------------------|-----------------------|
| <b><i>Reconciliation of Accrued Benefit Obligation</i></b>          |                         |                       |
| Accrued Benefit Obligation – April 1                                | \$ 5,988,898            | \$ 5,166,512          |
| Non-vested Benefit Obligation – July 1, 2011                        | -                       | 425,833               |
| Final quarter contributions – July 1, 2011                          | -                       | 247,894               |
| Service Cost  | 394,930                 | 367,744               |
| Interest Cost   | 252,833                 | 269,161               |
| Benefit Payments  | (517,097)               | (475,093)             |
| Increase (Decrease) in obligation due to Plan Amendment             | (18,569)                | -                     |
| Actuarial (Gain) Loss   | 1,498,325               | (13,153)              |
| Accrued Benefit Obligation – March 31                               | <u>\$ 7,599,320</u>     | <u>\$ 5,988,898</u>   |
| <br>  |                         |                       |
| <b><i>Reconciliation of Funded Status at End of Fiscal Year</i></b> |                         |                       |
| Accrued Benefit Obligation – March 31                               | \$ 7,599,320            | \$ 5,988,898          |
| Market Value of Plan Assets – March 31                              | -                       | -                     |
| Funded Status – Surplus (Deficit)                                   | (7,599,320)             | (5,988,898)           |
| Unamortized Net Actuarial (Gain) Loss                               | 1,486,623               | (13,152)              |
| Accrued Benefit Asset (Liability) – June 30                         | <u>\$ (\$6,112,697)</u> | <u>\$ (6,002,050)</u> |
| <br>  |                         |                       |
| <b><i>Reconciliation of Change in Accrued Benefit Liability</i></b> |                         |                       |
| Accrued Benefit Liability – July 1, 2011                            | \$ 6,002,050            | \$ 5,450,512          |
| Recognize Non-Vested Benefits – July 1, 2011                        | -                       | 425,833               |
| Recognize Unamortized Gains– July 1, 2011                           | -                       | (317,774)             |
| Final quarter contributions – July 1, 2011                          | -                       | 247,894               |
| Accrued Benefit Liability – July 1 (restated)                       | 6,002,050               | 5,806,465             |
| Net expense for Fiscal Year   | 627,749                 | 636,905               |
| Employer Contributions  | (517,102)               | (441,320)             |
| Accrued Benefit Liability – June 30                                 | <u>\$6,112,697</u>      | <u>\$ 6,002,050</u>   |
| <br>  |                         |                       |
| <b>Components of Net Benefit Expense</b>                            |                         |                       |
| Service Cost  | \$ 394,930              | \$ 367,744            |
| Interest Cost   | 252,833                 | 269,161               |
| Immediate Recognition of Plan Amendment                             | (18,569)                | -                     |
| Amortization of Net Actuarial Gain                                  | (1,445)                 | -                     |
| Net Benefit Expense   | <u>\$ 627,749</u>       | <u>\$ 636,905</u>     |

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

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

|                                    | <u>June 30, 2013</u> | <u>June 30, 2012</u> |
|------------------------------------|----------------------|----------------------|
| 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                   | 9.2 years            | 9.1 years            |

**NOTE 11 DEBT**

The School District has an approved line of credit of \$6.5 million with interest at prime rate plus 0.25%. The available borrowing consists of \$2.5 million of line of credit and \$4.0 million of additional funds for meeting current operating and debt service expenditures. As of June 30, 2013, the School District had nil borrowings (2012: \$ nil; 2011: \$ nil) under these facilities.

**NOTE 12 CAPITAL LEASE OBLIGATIONS**

The School District currently has three capital leases that are held by the M.F.A. Leasing Corporation. The leases are for computers and multi business devices. A fourth lease of computers has been entered into commencing July 2014.

Repayments are due as follows:

|   | <u>June 30, 2013</u>     |
|---|--------------------------|
| 2014  | \$ 265,985               |
| 2015  | 210,211                  |
| 2016  | 158,903                  |
| 2017  | 83,917                   |
| Total minimum lease payments                        | <u>\$ 719,016</u>        |
| Less amounts representing interest at 1.5% - 2.0%   | <u>(19,458)</u>          |
| Present value of net minimum capital lease payments | <u><b>\$ 699,558</b></u> |

For the year ended June 30, 2013, interest expense in capital lease obligations was \$16,405 (2012: \$17,913).

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

**NOTE 13 TANGIBLE CAPITAL ASSETS**

**June 30, 2013**

| <b>Cost:</b>                     | <b>Balance at<br/>July 1, 2012</b> | <b>Additions</b>    | <b>Disposals</b>  | <b>Balance at<br/>June 30, 2013</b> |
|----------------------------------|------------------------------------|---------------------|-------------------|-------------------------------------|
| Sites                            | \$ 29,183,232                      | \$ -                | \$ -              | \$ 29,183,232                       |
| Buildings                        | 248,224,576                        | 2,366,850           | -                 | 250,591,426                         |
| Buildings – work in progress     | -                                  | 382,514             | -                 | 382,514                             |
| Furniture & Equipment            | 10,213,496                         | 689,666             | 578,215           | 10,324,947                          |
| Vehicles                         | 251,836                            | 108,513             | -                 | 360,349                             |
| Computer Software                | 434,460                            | 31,545              | 160,414           | 305,591                             |
| Computer Hardware                | 1,219,264                          | 1,215,244           | 69,101            | 2,365,407                           |
| Capital leased Computer hardware | 2,457,241                          | 48,054              | -                 | 2,505,295                           |
| <b>Total</b>                     | <b>\$ 291,984,105</b>              | <b>\$ 4,842,386</b> | <b>\$ 807,730</b> | <b>\$ 296,018,761</b>               |

| <b>Accumulated Amortization:</b> | <b>Balance at<br/>July 1, 2012</b> | <b>Additions</b>    | <b>Disposals</b>  | <b>Balance at<br/>June 30, 2013</b> |
|----------------------------------|------------------------------------|---------------------|-------------------|-------------------------------------|
| Buildings                        | \$ 102,683,802                     | \$ 5,783,742        | \$ -              | \$ 108,467,544                      |
| Furniture & Equipment            | 5,392,584                          | 1,106,577           | 578,215           | 5,920,946                           |
| Vehicles                         | 106,902                            | 22,416              | -                 | 129,318                             |
| Computer Software                | 281,197                            | 91,767              | 160,414           | 212,550                             |
| Computer Hardware                | 634,013                            | 363,123             | 69,101            | 928,035                             |
| Capital leased Computer hardware | 1,016,864                          | 124,196             | -                 | 1,141,060                           |
| <b>Total</b>                     | <b>\$ 110,115,362</b>              | <b>\$ 7,491,821</b> | <b>\$ 807,730</b> | <b>\$ 116,799,453</b>               |

**June 30, 2012**

| <b>Cost:</b>                     | <b>Balance at<br/>July 1, 2011</b> | <b>Additions</b>    | <b>Disposals</b>    | <b>Balance at<br/>June 30, 2012</b> |
|----------------------------------|------------------------------------|---------------------|---------------------|-------------------------------------|
| Sites                            | \$ 29,183,232                      | \$ -                | \$ -                | \$ 29,183,232                       |
| Buildings                        | 244,393,434                        | 3,831,142           | -                   | 248,224,576                         |
| Buildings – work in progress     | -                                  | -                   | -                   | -                                   |
| Furniture & Equipment            | 10,651,258                         | 170,450             | 608,212             | 10,213,496                          |
| Vehicles                         | 215,866                            | 35,970              | -                   | 251,836                             |
| Computer Software                | 774,465                            | 60,631              | 400,636             | 434,460                             |
| Computer Hardware                | 1,035,757                          | 221,036             | 37,529              | 1,219,264                           |
| Capital leased Computer hardware | 1,986,132                          | 471,109             | -                   | 2,457,241                           |
| <b>Total</b>                     | <b>\$ 288,240,144</b>              | <b>\$ 4,790,338</b> | <b>\$ 1,046,377</b> | <b>\$ 291,984,105</b>               |

| <b>Accumulated Amortization:</b> | <b>Balance at<br/>July 1, 2011</b> | <b>Additions</b>    | <b>Disposals</b>    | <b>Balance at<br/>June 30, 2012</b> |
|----------------------------------|------------------------------------|---------------------|---------------------|-------------------------------------|
| Buildings                        | 97,003,342                         | 5,680,460           | -                   | 102,683,802                         |
| Furniture & Equipment            | 5,047,975                          | 952,821             | 608,212             | 5,392,584                           |
| Vehicles                         | 83,525                             | 23,377              | -                   | 106,902                             |
| Computer Software                | 560,941                            | 120,892             | 400,636             | 281,197                             |
| Computer Hardware                | 399,880                            | 271,662             | 37,529              | 634,013                             |
| Capital leased Computer hardware | 776,982                            | 239,882             | -                   | 1,016,864                           |
| <b>Total</b>                     | <b>\$ 103,872,645</b>              | <b>\$ 7,289,094</b> | <b>\$ 1,046,377</b> | <b>\$ 110,115,362</b>               |

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**NOTE 13 TANGIBLE CAPITAL ASSETS *(Continued)***

| <b>Net Book Value:</b>           | <b>June 30, 2013</b>  | <b>June 30, 2012</b> | <b>July 1, 2011</b>   |
|----------------------------------|-----------------------|----------------------|-----------------------|
| Sites                            | \$ 29,183,232         | \$ 29,183,232        | \$ 29,183,232         |
| Buildings                        | 142,123,882           | 145,540,774          | 147,390,092           |
| Buildings – work in progress     | 382,514               | -                    | -                     |
| Furniture & Equipment            | 4,609,123             | 4,820,912            | 5,603,283             |
| Vehicles                         | 231,031               | 144,934              | 132,341               |
| Computer Software                | 95,743                | 153,263              | 213,524               |
| Computer Hardware                | 1,598,333             | 585,251              | 635,877               |
| Capital leased Computer hardware | 1,364,235             | 1,440,377            | 1,209,150             |
| <b>Total</b>                     | <b>\$ 179,219,308</b> | <b>\$181,868,743</b> | <b>\$ 184,367,499</b> |

**NOTE 14 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 in 2013. Defined contribution plan accounting is applied to the plans as the plans expose the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The School District paid \$ 11,523,963 for employer contributions to these plans in the year ended June 30, 2013 (2012: \$ 11,324,683).

**NOTE 15 RELATED PARTY TRANSACTIONS**

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

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**NOTE 16 CONTRACTUAL OBLIGATIONS**

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

|                                 | <b>2014</b>       | <b>2015</b>      | <b>2016</b>      | <b>2017</b>      | <b>2018</b>     | <b>Thereafter</b> |
|---------------------------------|-------------------|------------------|------------------|------------------|-----------------|-------------------|
| Future Operating Lease Payments | \$ 24,452         | \$ 6,650         | \$ -             | \$ -             | \$ -            | \$ -              |
| MFA Computer Equipment Lease    | 52,671            | 58,124           | 59,297           | 60,494           | 5,096           | -                 |
| Capital Contractor Commitments  | 751,095           | -                | -                | -                | -               | -                 |
|                                 | <b>\$ 828,218</b> | <b>\$ 64,774</b> | <b>\$ 59,297</b> | <b>\$ 60,494</b> | <b>\$ 5,096</b> | <b>\$ -</b>       |

**NOTE 17 CONTINGENCIES**

In the normal course of business, lawsuits and claims have been brought against the School District. The School District contests these lawsuits and claims. Management believes that the results of any pending legal proceeding will not have a material effect on the financial position of the School District.

In 2011, the School District was served a writ of summons in a class action lawsuit involving 25 other school districts throughout the Province, seeking recovery of tuition fees paid for summer school courses in prior fiscal periods. The parties are in the midst of a settlement process. Based on the information available at this time and the settlement offers being negotiated, the District has accrued its best estimate of the net liability, after considering Provincial funding and settlement costs in the financial statements.

**NOTE 18 BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of the preliminary annual budget on June 27, 2012.

**NOTE 19 ASSET RETIREMENT OBLIGATION**

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of this liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2013, a liability is not reasonably determinable (2012 – nil; 2011 – nil).

**NOTE 20 EXPENSE BY OBJECT**

|                       | <b>June 30, 2013</b>  | <b>June 30, 2012</b>  |
|-----------------------|-----------------------|-----------------------|
| Salaries and benefits | \$ 114,790,420        | \$ 112,616,079        |
| Services and supplies | 16,809,949            | 19,859,252            |
| Interest              | 16,405                | 17,913                |
| Amortization          | 7,540,228             | 7,361,444             |
|                       | <b>\$ 139,157,002</b> | <b>\$ 139,854,688</b> |

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

**NOTE 21 ACCUMULATED SURPLUS**

|  | <b>June 30, 2013</b> | <b>June 30, 2012</b> |
|--|----------------------|----------------------|
| <b>Operating Fund Accumulated Surplus</b>                    |                      |                      |
| Internally Restricted (appropriated) by Board for:           |                      |                      |
| Schools  | \$ 383,834           | \$ 468,752           |
| Special projects   | 421,024              | 184,448              |
| Aboriginal education   | 54,908               | 142,999              |
| Personal professional development                            | 147,677              | 156,852              |
| Contingency reserve  |                      | 975,000              |
| Transfer from contingency reserve to fund next year's budget | 1,514,543            | -                    |
| Total Internally Restricted Operating Surplus                | 2,521,986            | 1,928,051            |
| Unrestricted Operating Surplus ( <i>restated</i> )           | -                    | 1,847,212            |
| <b>Total Operating Fund Accumulated Surplus</b>              | <b>2,521,986</b>     | <b>3,775,263</b>     |
| <b>Special Purpose Fund Accumulated Surplus</b>              | <b>-</b>             | <b>-</b>             |
| <b>Capital Fund Accumulated Surplus</b>                      |                      |                      |
| Local Capital and Contingency Reserve                        | 1,767,075            | 1,041                |
| Invested in Capital Assets                                   | 59,855,063           | 59,479,494           |
| <b>Total Capital Fund Accumulated Surplus</b>                | <b>61,622,138</b>    | <b>59,480,535</b>    |
| <b>Total Accumulated Surplus</b>                             | <b>\$64,144,124</b>  | <b>\$63,255,798</b>  |

**NOTE 22 ECONOMIC DEPENDENCE**

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

**NOTE 23 RISK MANAGEMENT**

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

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

a) Credit risk:

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

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

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

**SCHOOL DISTRICT No. 42 (Maple Ridge – Pitt Meadows)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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**NOTE 23 RISK MANAGEMENT *(Continued)***

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.

c) **Currency 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.

d) **Interest rate risk :**

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 and term deposits that have a maturity date of no more than 1 year.

e) **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.

**NOTE 24 SUPPLEMENTARY CASH FLOW INFORMATION**

|                                     | <u>June 30, 2013</u> | <u>June 30, 2012</u> |
|-------------------------------------|----------------------|----------------------|
| Interest paid                       | \$ 16,405            | \$ 17,913            |
| Interest received                   | 364,830              | 296,818              |
| Assets acquired under capital lease | -                    | 471,109              |
| Adjustment to capital lease for PST | 48,054               | -                    |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 1 (Unaudited)

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

|  | Operating Fund     | Special Purpose Fund | Capital Fund      | 2013 Actual       | 2012 Actual      |
|--|--------------------|----------------------|-------------------|-------------------|------------------|
|  | \$                 | \$                   | \$                | \$                | \$               |
| <b>Accumulated Surplus (Deficit), beginning of year</b>              | 3,775,263          |                      | 59,480,535        | <b>63,255,798</b> | 61,453,815       |
| Change in Accounting Policies/Prior Period Adjustments               |                    |                      |                   |                   | (673,727)        |
| Add non-vested benefits to Employee Future Benefits                  |                    |                      |                   |                   | 317,774          |
| Recognize unamortized gain (loss) on Employee Future Benefits        |                    |                      |                   |                   |                  |
| <b>Accumulated Surplus (Deficit), beginning of year, as restated</b> | <b>3,775,263</b>   | -                    | <b>59,480,535</b> | <b>63,255,798</b> | 61,097,862       |
| <b>Changes for the year</b>  |                    |                      |                   |                   |                  |
| Surplus (Deficit) for the year                                       | 2,403,499          | 401,007              | (1,916,180)       | <b>888,326</b>    | 2,157,936        |
| Interfund Transfers  |                    |                      |                   |                   |                  |
| Tangible Capital Assets Purchased                                    | (1,633,770)        | (401,007)            | 2,034,777         | -                 |                  |
| Local Capital  | (1,766,034)        |                      | 1,766,034         | -                 |                  |
| Other  | (256,972)          |                      | 256,972           | -                 |                  |
| <b>Net Changes for the year</b>                                      | <b>(1,253,277)</b> | -                    | <b>2,141,603</b>  | <b>888,326</b>    | <b>2,157,936</b> |
| <b>Accumulated Surplus (Deficit), end of year - Statement 2</b>      | <b>2,521,986</b>   | -                    | <b>61,622,138</b> | <b>64,144,124</b> | 63,255,798       |



# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

|  | 2013<br>Budget     | 2013<br>Actual            | 2012<br>Actual     |
|--|--------------------|---------------------------|--------------------|
|  | \$                 | \$                        | \$                 |
| <b>Revenues</b>  |                    |                           |                    |
| Provincial Grants  |                    |                           |                    |
| Ministry of Education  | 116,655,397        | <b>117,881,733</b>        | 117,259,178        |
| Other  | 314,117            | <b>449,281</b>            | 328,606            |
| Federal Grants   | 100,000            | <b>162,110</b>            | 129,995            |
| Tuition  | 8,906,725          | <b>6,988,534</b>          | 9,480,215          |
| Other Revenue  | 646,826            | <b>729,271</b>            | 787,689            |
| Rentals and Leases   | 320,040            | <b>311,274</b>            | 343,156            |
| Investment Income  | 250,000            | <b>347,033</b>            | 286,242            |
| <b>Total Revenue</b>   | <u>127,193,105</u> | <u><b>126,869,236</b></u> | <u>128,615,081</u> |
| <b>Expenses</b>  |                    |                           |                    |
| Instruction  | 110,902,980        | <b>106,429,579</b>        | 109,065,848        |
| District Administration  | 4,794,589          | <b>4,671,250</b>          | 4,219,014          |
| Operations and Maintenance   | 12,937,835         | <b>12,162,260</b>         | 12,052,403         |
| Transportation and Housing   | 1,257,163          | <b>1,202,648</b>          | 1,228,719          |
| <b>Total Expense</b>   | <u>129,892,567</u> | <u><b>124,465,737</b></u> | <u>126,565,984</u> |
| <b>Operating Surplus (Deficit) for the year</b>                    | <u>(2,699,462)</u> | <u><b>2,403,499</b></u>   | <u>2,049,097</u>   |
| <b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>    | <u>3,370,065</u>   |                           |                    |
| <b>Net Transfers (to) from other funds</b>                         |                    |                           |                    |
| Tangible Capital Assets Purchased                                  |                    | <b>(1,633,770)</b>        |                    |
| Local Capital  | (670,603)          | <b>(1,766,034)</b>        | (591,995)          |
| Other  |                    | <b>(256,972)</b>          |                    |
| <b>Total Net Transfers</b>   | <u>(670,603)</u>   | <u><b>(3,656,776)</b></u> | <u>(591,995)</u>   |
| <b>Total Operating Surplus (Deficit), for the year</b>             | <u>-</u>           | <u><b>(1,253,277)</b></u> | <u>1,457,102</u>   |
| <b>Operating Surplus (Deficit), beginning of year</b>              |                    | <b>3,775,263</b>          | 2,674,114          |
| Change in Accounting Policies/Prior Period Adjustments             |                    |                           |                    |
| Add non-vested benefits to Employee Future Benefits                |                    |                           | (673,727)          |
| Recognize unamortized gain (loss) on Employee Future Benefits      |                    |                           | 317,774            |
| Reclassify Deferred Contributions                                  |                    |                           | -                  |
| <b>Operating Surplus (Deficit), beginning of year, as restated</b> |                    | <u><b>3,775,263</b></u>   | <u>2,318,161</u>   |
| <b>Operating Surplus (Deficit), end of year</b>                    |                    | <u><b>2,521,986</b></u>   | <u>3,775,263</u>   |
| <b>Operating Surplus (Deficit), end of year</b>                    |                    |                           |                    |
| Internally Restricted  |                    | <b>2,521,986</b>          | 1,928,051          |
| Unrestricted   |                    |                           | 1,847,212          |
| <b>Total Operating Surplus (Deficit), end of year</b>              |                    | <u><b>2,521,986</b></u>   | <u>3,775,263</u>   |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

|  | 2013<br>Budget     | 2013<br>Actual     | 2012<br>Actual |
|--|--------------------|--------------------|----------------|
|  | \$                 | \$                 | \$             |
| <b>Provincial Grants - Ministry of Education</b>       |                    |                    |                |
| Operating Grant, Ministry of Education                 | 114,986,517        | <b>115,913,078</b> | 115,315,154    |
| AANDC/LEA Recovery                                     | (385,586)          | <b>(385,586)</b>   | (385,586)      |
| Other Ministry of Education Grants                     |                    |                    |                |
| Pay Equity   | 1,874,966          | <b>1,874,965</b>   | 1,874,965      |
| Other  |                    | <b>67,503</b>      | 18,503         |
| Education Guarantee                                    | 129,500            | <b>322,427</b>     | 363,261        |
| Carbon Tax   | 50,000             | <b>89,346</b>      | 72,881         |
| <b>Total Provincial Grants - Ministry of Education</b> | <b>116,655,397</b> | <b>117,881,733</b> | 117,259,178    |
| <b>Provincial Grants - Other</b>                       | <b>314,117</b>     | <b>449,281</b>     | 328,606        |
| <b>Federal Grants</b>                                  | <b>100,000</b>     | <b>162,110</b>     | 129,995        |
| <b>Tuition</b>   |                    |                    |                |
| Summer School Fees                                     | -                  | <b>20,580</b>      | 22,855         |
| Continuing Education                                   | 709,638            | <b>533,609</b>     | 616,713        |
| Offshore Tuition Fees                                  | 8,157,087          | <b>6,346,477</b>   | 8,801,231      |
| Adult Highschool Completion                            | 40,000             | <b>87,868</b>      | 39,416         |
| <b>Total Tuition</b>                                   | <b>8,906,725</b>   | <b>6,988,534</b>   | 9,480,215      |
| <b>Other Revenues</b>                                  |                    |                    |                |
| LEA/Direct Funding from First Nations                  | 385,586            | <b>446,029</b>     | 435,608        |
| Miscellaneous  |                    |                    |                |
| Miscellaneous Other                                    | 261,240            | <b>283,242</b>     | 352,081        |
| <b>Total Other Revenue</b>                             | <b>646,826</b>     | <b>729,271</b>     | 787,689        |
| <b>Rentals and Leases</b>                              | <b>320,040</b>     | <b>311,274</b>     | 343,156        |
| <b>Investment Income</b>                               | <b>250,000</b>     | <b>347,033</b>     | 286,242        |
| <b>Total Operating Revenue</b>                         | <b>127,193,105</b> | <b>126,869,236</b> | 128,615,081    |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 2B (Unaudited)

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

|                                     | 2013<br>Budget     | 2013<br>Actual     | 2012<br>Actual |
|-------------------------------------|--------------------|--------------------|----------------|
|                                     | \$                 | \$                 | \$             |
| <b>Salaries</b>                     |                    |                    |                |
| Teachers                            | 59,417,154         | <b>59,345,908</b>  | 58,702,575     |
| Principals and Vice Principals      | 5,690,526          | <b>5,671,476</b>   | 5,681,148      |
| Educational Assistants              | 8,754,786          | <b>8,952,176</b>   | 8,491,486      |
| Support Staff                       | 10,524,244         | <b>10,360,870</b>  | 10,600,688     |
| Other Professionals                 | 2,753,189          | <b>2,805,254</b>   | 2,644,032      |
| Substitutes                         | 4,005,344          | <b>3,974,126</b>   | 3,836,057      |
| <b>Total Salaries</b>               | <b>91,145,243</b>  | <b>91,109,810</b>  | 89,955,986     |
| <b>Employee Benefits</b>            | 22,050,685         | <b>21,159,125</b>  | 21,499,184     |
| <b>Total Salaries and Benefits</b>  | <b>113,195,928</b> | <b>112,268,935</b> | 111,455,170    |
| <b>Services and Supplies</b>        |                    |                    |                |
| Services                            | 6,502,182          | <b>4,543,573</b>   | 5,956,912      |
| Student Transportation              | 1,270,780          | <b>1,232,943</b>   | 1,252,153      |
| Professional Development and Travel | 952,532            | <b>538,801</b>     | 619,547        |
| Rentals and Leases                  | 453,253            | <b>52,863</b>      | 546,503        |
| Dues and Fees                       | 248,716            | <b>237,777</b>     | 237,168        |
| Insurance                           | 752,774            | <b>292,361</b>     | 685,991        |
| Supplies                            | 4,246,376          | <b>3,109,445</b>   | 3,658,396      |
| Utilities                           | 2,270,026          | <b>2,189,039</b>   | 2,154,144      |
| <b>Total Services and Supplies</b>  | <b>16,696,639</b>  | <b>12,196,802</b>  | 15,110,814     |
| <b>Total Operating Expense</b>      | <b>129,892,567</b> | <b>124,465,737</b> | 126,565,984    |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

|  | Teachers<br>Salaries | Principals and<br>Vice Principals<br>Salaries | Educational<br>Assistants<br>Salaries | Support<br>Staff<br>Salaries | Other<br>Professionals<br>Salaries | Substitutes<br>Salaries | Total<br>Salaries |
|--|----------------------|---|---------------------------------------|------------------------------|------------------------------------|-------------------------|-------------------|
|  | \$                   | \$  | \$                                    | \$                           | \$                                 | \$                      | \$                |
| <b>1 Instruction</b>                           |                      |   |                                       |                              |                                    |                         |                   |
| 1.02 Regular Instruction                       | 43,053,203           | 1,300,040                                     | 499,583                               | 487,755                      |                                    | 2,387,963               | 47,728,544        |
| 1.03 Career Programs                           | 2,104,277            |   | 459,186                               |                              |                                    | 92,166                  | 2,655,629         |
| 1.07 Library Services                          | 1,072,770            |   |                                       | 7,619                        |                                    | 52,504                  | 1,132,893         |
| 1.08 Counselling                               | 1,363,982            |   |                                       |                              |                                    | 66,796                  | 1,430,778         |
| 1.10 Special Education                         | 8,239,915            | 223,762                                       | 7,498,087                             | 1,326,627                    | 5,429                              | 937,834                 | 18,231,654        |
| 1.30 English Language Learning                 | 976,254              |   |                                       |                              |                                    | 48,057                  | 1,024,311         |
| 1.31 Aboriginal Education                      | 389,571              | 91,582  | 487,260                               | 42,455                       |                                    | 38,071                  | 1,048,939         |
| 1.41 School Administration                     |                      | 3,831,360                                     |                                       | 2,149,204                    |                                    | 88,019                  | 6,068,583         |
| 1.60 Summer School                             | 161,905              | 9,677   |                                       | 6,875                        |                                    |                         | 178,457           |
| 1.61 Continuing Education                      | 209,277              |   |                                       | 91,963                       | 70,748                             |                         | 371,988           |
| 1.62 Off Shore Students                        | 1,774,754            | 97,490  | 8,060                                 | 407,889                      | 172,108                            | 6,155                   | 2,466,456         |
| 1.64 Other                                     |                      |   |                                       |                              |                                    |                         | -                 |
| <b>Total Function 1</b>                        | <b>59,345,908</b>    | <b>5,553,911</b>                              | <b>8,952,176</b>                      | <b>4,520,387</b>             | <b>248,285</b>                     | <b>3,717,565</b>        | <b>82,338,232</b> |
| <b>4 District Administration</b>               |                      |   |                                       |                              |                                    |                         |                   |
| 4.11 Educational Administration                |                      |   |                                       | 93,926                       | 732,997                            | 14,914                  | 841,837           |
| 4.40 School District Governance                |                      |   |                                       |                              | 139,369                            |                         | 139,369           |
| 4.41 Business Administration                   |                      | 117,565                                       |                                       | 462,619                      | 928,200                            | 60,049                  | 1,568,433         |
| <b>Total Function 4</b>                        | <b>-</b>             | <b>117,565</b>                                | <b>-</b>                              | <b>556,545</b>               | <b>1,800,566</b>                   | <b>74,963</b>           | <b>2,549,639</b>  |
| <b>5 Operations and Maintenance</b>            |                      |   |                                       |                              |                                    |                         |                   |
| 5.41 Operations and Maintenance Administration |                      |   |                                       | 200,023                      | 490,898                            | 14,091                  | 705,012           |
| 5.50 Maintenance Operations                    |                      |   |                                       | 4,755,899                    | 234,293                            | 167,507                 | 5,157,699         |
| 5.52 Maintenance of Grounds                    |                      |   |                                       | 328,016                      |                                    |                         | 328,016           |
| 5.56 Utilities                                 |                      |   |                                       |                              |                                    |                         | -                 |
| <b>Total Function 5</b>                        | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>5,283,938</b>             | <b>725,191</b>                     | <b>181,598</b>          | <b>6,190,727</b>  |
| <b>7 Transportation and Housing</b>            |                      |   |                                       |                              |                                    |                         |                   |
| 7.41 Transportation and Housing Administration |                      |   |                                       |                              | 31,212                             |                         | 31,212            |
| 7.70 Student Transportation                    |                      |   |                                       |                              |                                    |                         | -                 |
| <b>Total Function 7</b>                        | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>-</b>                     | <b>31,212</b>                      | <b>-</b>                | <b>31,212</b>     |
| <b>9 Debt Services</b>                         |                      |   |                                       |                              |                                    |                         |                   |
| <b>Total Function 9</b>                        | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>-</b>                     | <b>-</b>                           | <b>-</b>                | <b>-</b>          |
| <b>Total Functions 1 - 9</b>                   | <b>59,345,908</b>    | <b>5,671,476</b>                              | <b>8,952,176</b>                      | <b>10,360,870</b>            | <b>2,805,254</b>                   | <b>3,974,126</b>        | <b>91,109,810</b> |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

|  | Total Salaries    | Employee Benefits | Total Salaries and Benefits | Services and Supplies | 2013 Actual        | 2013 Budget | 2012 Actual |
|--|-------------------|-------------------|-----------------------------|-----------------------|--------------------|-------------|-------------|
|  | \$                | \$                | \$                          | \$                    | \$                 | \$          | \$          |
| <b>1 Instruction</b>                           |                   |                   |                             |                       |                    |             |             |
| 1.02 Regular Instruction                       | 47,728,544        | 10,703,438        | 58,431,982                  | 1,948,008             | 60,379,990         | 61,634,427  | 60,507,453  |
| 1.03 Career Programs                           | 2,655,629         | 631,061           | 3,286,690                   | 370,115               | 3,656,805          | 3,699,648   | 3,737,174   |
| 1.07 Library Services                          | 1,132,893         | 256,568           | 1,389,461                   | 143,441               | 1,532,902          | 1,568,051   | 1,517,351   |
| 1.08 Counselling                               | 1,430,778         | 324,985           | 1,755,763                   | 33,725                | 1,789,488          | 1,824,488   | 1,680,962   |
| 1.10 Special Education                         | 18,231,654        | 4,414,054         | 22,645,708                  | 277,101               | 22,922,809         | 23,057,996  | 22,416,095  |
| 1.30 English Language Learning                 | 1,024,311         | 231,574           | 1,255,885                   | 11,691                | 1,267,576          | 1,234,777   | 1,324,533   |
| 1.31 Aboriginal Education                      | 1,048,939         | 235,126           | 1,284,065                   | 85,827                | 1,369,892          | 1,374,700   | 1,292,263   |
| 1.41 School Administration                     | 6,068,583         | 1,573,495         | 7,642,078                   | 405,660               | 8,047,738          | 8,335,861   | 8,382,880   |
| 1.60 Summer School                             | 178,457           | 33,889            | 212,346                     | 22,815                | 235,161            | 299,057     | 171,131     |
| 1.61 Continuing Education                      | 371,988           | 54,761            | 426,749                     | 265,342               | 692,091            | 710,435     | 687,829     |
| 1.62 Off Shore Students                        | 2,466,456         | 558,608           | 3,025,064                   | 1,510,063             | 4,535,127          | 7,143,540   | 7,314,769   |
| 1.64 Other                                     | -                 | -                 | -                           | -                     | -                  | 20,000      | 33,408      |
| <b>Total Function 1</b>                        | <b>82,338,232</b> | <b>19,017,559</b> | <b>101,355,791</b>          | <b>5,073,788</b>      | <b>106,429,579</b> | 110,902,980 | 109,065,848 |
| <b>4 District Administration</b>               |                   |                   |                             |                       |                    |             |             |
| 4.11 Educational Administration                | 841,837           | 258,346           | 1,100,183                   | 81,035                | 1,181,218          | 1,503,469   | 1,221,612   |
| 4.40 School District Governance                | 139,369           | 2,440             | 141,809                     | 87,068                | 228,877            | 276,076     | 289,837     |
| 4.41 Business Administration                   | 1,568,433         | 390,551           | 1,958,984                   | 1,302,171             | 3,261,155          | 3,015,044   | 2,707,565   |
| <b>Total Function 4</b>                        | <b>2,549,639</b>  | <b>651,337</b>    | <b>3,200,976</b>            | <b>1,470,274</b>      | <b>4,671,250</b>   | 4,794,589   | 4,219,014   |
| <b>5 Operations and Maintenance</b>            |                   |                   |                             |                       |                    |             |             |
| 5.41 Operations and Maintenance Administration | 705,012           | 155,101           | 860,113                     | 381,700               | 1,241,813          | 1,381,920   | 1,189,598   |
| 5.50 Maintenance Operations                    | 5,157,699         | 1,253,726         | 6,411,425                   | 1,793,664             | 8,205,089          | 8,579,740   | 8,074,275   |
| 5.52 Maintenance of Grounds                    | 328,016           | 74,519            | 402,535                     | 123,784               | 526,319            | 706,149     | 634,385     |
| 5.56 Utilities                                 | -                 | -                 | -                           | 2,189,039             | 2,189,039          | 2,270,026   | 2,154,145   |
| <b>Total Function 5</b>                        | <b>6,190,727</b>  | <b>1,483,346</b>  | <b>7,674,073</b>            | <b>4,488,187</b>      | <b>12,162,260</b>  | 12,937,835  | 12,052,403  |
| <b>7 Transportation and Housing</b>            |                   |                   |                             |                       |                    |             |             |
| 7.41 Transportation and Housing Administration | 31,212            | 6,883             | 38,095                      | 2,064                 | 40,159             | 44,353      | 40,487      |
| 7.70 Student Transportation                    | -                 | -                 | -                           | 1,162,489             | 1,162,489          | 1,212,810   | 1,188,232   |
| <b>Total Function 7</b>                        | <b>31,212</b>     | <b>6,883</b>      | <b>38,095</b>               | <b>1,164,553</b>      | <b>1,202,648</b>   | 1,257,163   | 1,228,719   |
| <b>9 Debt Services</b>                         |                   |                   |                             |                       |                    |             |             |
| <b>Total Function 9</b>                        | <b>-</b>          | <b>-</b>          | <b>-</b>                    | <b>-</b>              | <b>-</b>           | <b>-</b>    | <b>-</b>    |
| <b>Total Functions 1 - 9</b>                   | <b>91,109,810</b> | <b>21,159,125</b> | <b>112,268,935</b>          | <b>12,196,802</b>     | <b>124,465,737</b> | 129,892,567 | 126,565,984 |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 3 (Unaudited)

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

|   | 2013<br>Budget   | 2013<br>Actual          | 2012<br>Actual     |
|---|------------------|-------------------------|--------------------|
|   | \$               | \$                      | \$                 |
| <b>Revenues</b>   |                  |                         |                    |
| Provincial Grants   |                  |                         |                    |
| Ministry of Education                                       | 3,289,297        | <b>3,188,903</b>        | 3,470,045          |
| Other   |                  |                         | 1,862              |
| Other Revenue   | 4,770,000        | <b>4,328,939</b>        | 4,236,512          |
| Investment Income   |                  | <b>17,797</b>           | 10,576             |
| <b>Total Revenue</b>  | <u>8,059,297</u> | <u><b>7,535,639</b></u> | <u>7,718,995</u>   |
| <b>Expenses</b>   |                  |                         |                    |
| Instruction   | 7,369,808        | <b>6,839,884</b>        | 5,300,334          |
| Operations and Maintenance                                  | 469,489          | <b>294,748</b>          | 609,013            |
| <b>Total Expense</b>  | <u>7,839,297</u> | <u><b>7,134,632</b></u> | <u>5,909,347</u>   |
| <b>Special Purpose Surplus (Deficit) for the year</b>       | <u>220,000</u>   | <u><b>401,007</b></u>   | <u>1,809,648</u>   |
| <b>Net Transfers (to) from other funds</b>                  |                  |                         |                    |
| Tangible Capital Assets Purchased                           | (220,000)        | <b>(401,007)</b>        | (1,809,648)        |
| <b>Total Net Transfers</b>                                  | <u>(220,000)</u> | <u><b>(401,007)</b></u> | <u>(1,809,648)</u> |
| <b>Total Special Purpose Surplus (Deficit) for the year</b> | <u>-</u>         | <u>-</u>                | <u>-</u>           |
| <b>Special Purpose Surplus (Deficit), beginning of year</b> |                  |                         |                    |
| <b>Special Purpose Surplus (Deficit), end of year</b>       |                  | <u>-</u>                | <u>-</u>           |
| <b>Special Purpose Surplus (Deficit), end of year</b>       |                  |                         |                    |
| <b>Total Special Purpose Surplus (Deficit), end of year</b> |                  | <u>-</u>                | <u>-</u>           |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 3A (Unaudited)

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

|  | Annual<br>Facility<br>Grant | Learning<br>Improvement<br>Fund | Special<br>Education<br>Equipment | School<br>Generated<br>Funds | Strong<br>Start |
|--|-----------------------------|---------------------------------|-----------------------------------|------------------------------|-----------------|
|  | \$                          | \$                              | \$                                | \$                           | \$              |
| <b>Deferred Revenue, beginning of year</b>                   | 42,983                      | -                               | 68,176                            | 1,878,247                    | 46,629          |
| <b>Adjust to reflect additional quarter to June 20, 2013</b> |                             |                                 |                                   | (447,504)                    |                 |
| <b>Deferred Revenue, beginning of year, as restated</b>      | 42,983                      | -                               | 68,176                            | 1,430,743                    | 46,629          |
| <b>Add:</b> Restricted Grants                                |                             |                                 |                                   |                              |                 |
| Provincial Grants - Ministry of Education                    | 866,711                     | 1,468,294                       | 35,365                            |                              | 256,000         |
| Other  |                             |                                 |                                   | 3,914,424                    |                 |
| Investment Income  | 4,158                       |                                 | 705                               |                              | 645             |
|  | 870,869                     | 1,468,294                       | 36,070                            | 3,914,424                    | 256,645         |
| <b>Less:</b> Allocated to Revenue                            | 381,920                     | 1,468,294                       | 49,307                            | 3,929,516                    | 253,053         |
| <b>Deferred Revenue, end of year</b>                         | <b>531,932</b>              | <b>-</b>                        | <b>54,939</b>                     | <b>1,415,651</b>             | <b>50,221</b>   |
| <b>Revenues</b>  |                             |                                 |                                   |                              |                 |
| Provincial Grants - Ministry of Education                    | 377,762                     | 1,468,294                       | 48,602                            |                              | 252,408         |
| Other Revenue  |                             |                                 |                                   | 3,929,516                    |                 |
| Investment Income  | 4,158                       |                                 | 705                               |                              | 645             |
|  | 381,920                     | 1,468,294                       | 49,307                            | 3,929,516                    | 253,053         |
| <b>Expenses</b>  |                             |                                 |                                   |                              |                 |
| Salaries   |                             |                                 |                                   |                              |                 |
| Teachers   |                             | 674,289                         |                                   |                              |                 |
| Educational Assistants                                       |                             | 509,678                         |                                   | 27,434                       | 168,096         |
| Support Staff  | 102,637                     |                                 |                                   | 6,604                        | 15,662          |
| Substitutes  |                             | 22,760                          |                                   | 12,226                       |                 |
|  | 102,637                     | 1,206,727                       | -                                 | 46,264                       | 183,758         |
| Employee Benefits  | 21,104                      | 261,567                         |                                   | 9,967                        | 51,388          |
| Services and Supplies  | 171,007                     |                                 | 49,307                            | 3,873,285                    | 17,907          |
|  | 294,748                     | 1,468,294                       | 49,307                            | 3,929,516                    | 253,053         |
| <b>Net Revenue (Expense) before Interfund Transfers</b>      | 87,172                      | -                               | -                                 | -                            | -               |
| <b>Interfund Transfers</b>                                   |                             |                                 |                                   |                              |                 |
| Tangible Capital Assets Purchased                            | (87,172)                    |                                 |                                   |                              |                 |
|  | (87,172)                    | -                               | -                                 | -                            | -               |
| <b>Net Revenue (Expense)</b>                                 | -                           | -                               | -                                 | -                            | -               |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 3A (Unaudited)

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

|  | Ready,<br>Set,<br>Learn | OLEP          | Community-<br>LINK | Youth Education<br>Support Fund | Literacy<br>Initiative |
|--|-------------------------|---------------|--------------------|---------------------------------|------------------------|
|  | \$                      | \$            | \$                 | \$                              | \$                     |
| <b>Deferred Revenue, beginning of year</b>                   | 119,780                 | 182,302       | 10,451             | 218,365                         | 52,320                 |
| <b>Adjust to reflect additional quarter to June 20, 2013</b> |                         |               |                    |                                 |                        |
| <b>Deferred Revenue, beginning of year, as restated</b>      | 119,780                 | 182,302       | 10,451             | 218,365                         | 52,320                 |
| <b>Add:</b> Restricted Grants                                |                         |               |                    |                                 |                        |
| Provincial Grants - Ministry of Education                    | 49,000                  | 238,478       | 533,892            |                                 |                        |
| Other  |                         |               |                    | 413,997                         |                        |
| Investment Income  | 1,121                   |               | 264                | 10,904                          | 252                    |
|  | 50,121                  | 238,478       | 534,156            | 424,901                         | 252                    |
| <b>Less:</b> Allocated to Revenue                            | 82,456                  | 404,005       | 524,050            | 410,075                         | 32,963                 |
| <b>Deferred Revenue, end of year</b>                         | <b>87,445</b>           | <b>16,775</b> | <b>20,557</b>      | <b>233,191</b>                  | <b>19,609</b>          |
| <b>Revenues</b>  |                         |               |                    |                                 |                        |
| Provincial Grants - Ministry of Education                    | 81,335                  | 404,005       | 523,786            |                                 | 32,711                 |
| Other Revenue  |                         |               |                    | 399,171                         | 252                    |
| Investment Income  | 1,121                   |               | 264                | 10,904                          |                        |
|  | 82,456                  | 404,005       | 524,050            | 410,075                         | 32,963                 |
| <b>Expenses</b>  |                         |               |                    |                                 |                        |
| Salaries   |                         |               |                    |                                 |                        |
| Teachers   | 37,792                  | 38,650        | 22,020             |                                 |                        |
| Educational Assistants                                       | 5,466                   |               | 454,044            |                                 |                        |
| Support Staff  |                         |               |                    |                                 |                        |
| Substitutes  | 8,514                   | 19,681        |                    |                                 | 23,062                 |
|  | 51,772                  | 58,331        | 476,064            | -                               | 23,062                 |
| Employee Benefits  | 11,693                  | 13,510        |                    |                                 | 3,641                  |
| Services and Supplies  | 18,991                  | 153,266       | 47,986             | 275,138                         | 6,260                  |
|  | 82,456                  | 225,107       | 524,050            | 275,138                         | 32,963                 |
| <b>Net Revenue (Expense) before Interfund Transfers</b>      | -                       | 178,898       | -                  | 134,937                         | -                      |
| <b>Interfund Transfers</b>                                   |                         |               |                    |                                 |                        |
| Tangible Capital Assets Purchased                            |                         | (178,898)     |                    | (134,937)                       |                        |
|  | -                       | (178,898)     | -                  | (134,937)                       | -                      |
| <b>Net Revenue (Expense)</b>                                 | -                       | -             | -                  | -                               | -                      |



# School District No. 42 (Maple Ridge - Pitt Meadows)

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

|  | <b>Building<br/>Envelope<br/>Design</b> | <b>TOTAL</b>     |
|--|---|------------------|
|  | \$                                      | \$               |
| <b>Deferred Revenue, beginning of year</b>                   | 29,920                                  | 2,649,173        |
| <b>Adjust to reflect additional quarter to June 20, 2013</b> |   | (447,504)        |
| <b>Deferred Revenue, beginning of year, as restated</b>      | 29,920                                  | 2,201,669        |
| <br>   |   |                  |
| <b>Add:</b> Restricted Grants                                |   |                  |
| Provincial Grants - Ministry of Education                    |   | 3,447,740        |
| Other  |   | 4,328,421        |
| Investment Income  | 389                                     | 18,438           |
|  | 389                                     | 7,794,599        |
| <b>Less:</b> Allocated to Revenue                            | -                                       | 7,535,639        |
| <b>Deferred Revenue, end of year</b>                         | <b>30,309</b>                           | <b>2,460,629</b> |
| <br>   |   |                  |
| <b>Revenues</b>  |   |                  |
| Provincial Grants - Ministry of Education                    |   | 3,188,903        |
| Other Revenue  |   | 4,328,939        |
| Investment Income  |   | 17,797           |
|  | -                                       | 7,535,639        |
| <br>   |   |                  |
| <b>Expenses</b>  |   |                  |
| Salaries   |   |                  |
| Teachers   |   | 772,751          |
| Educational Assistants                                       |   | 1,164,718        |
| Support Staff  |   | 124,903          |
| Substitutes  |   | 86,243           |
|  | -                                       | 2,148,615        |
| Employee Benefits  |   | 372,870          |
| Services and Supplies  |   | 4,613,147        |
|  | -                                       | 7,134,632        |
| <br>   |   |                  |
| <b>Net Revenue (Expense) before Interfund Transfers</b>      | -                                       | 401,007          |
| <br>   |   |                  |
| <b>Interfund Transfers</b>                                   |   |                  |
| Tangible Capital Assets Purchased                            |   | (401,007)        |
|  | -                                       | (401,007)        |
| <br>   |   |                  |
| <b>Net Revenue (Expense)</b>                                 | -                                       | -                |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

|   | 2013<br>Budget     | 2013 Actual                            |                  |                    | 2012<br>Actual     |
|---|--------------------|--|------------------|--------------------|--------------------|
|   |                    | Invested in Tangible<br>Capital Assets | Local<br>Capital | Fund<br>Balance    |                    |
|   | \$                 | \$                                     | \$               | \$                 | \$                 |
| <b>Revenues</b>                                     |                    |  |                  |                    |                    |
| Provincial Grants                                   |                    |  |                  |                    |                    |
| Investment Income                                   | 1,000              |  |                  | -                  |                    |
| Amortization of Deferred Capital Revenue            | 5,245,942          | 5,592,046                              |                  | 5,592,046          | 5,606,197          |
| <b>Total Revenue</b>                                | <b>5,246,942</b>   | <b>5,592,046</b>                       | <b>-</b>         | <b>5,592,046</b>   | <b>5,606,197</b>   |
| <b>Expenses</b>                                     |                    |  |                  |                    |                    |
| Amortization of Tangible Capital Assets             |                    |  |                  |                    |                    |
| Operations and Maintenance                          | 6,849,852          | 7,491,821                              |                  | 7,491,821          | 7,289,093          |
| Debt services                                       |                    |  |                  |                    |                    |
| Capital Lease Interest                              | 17,871             |  | 16,405           | 16,405             | 17,913             |
| <b>Total Expense</b>                                | <b>6,867,723</b>   | <b>7,491,821</b>                       | <b>16,405</b>    | <b>7,508,226</b>   | <b>7,307,006</b>   |
| <b>Capital Surplus (Deficit) for the year</b>       | <b>(1,620,781)</b> | <b>(1,899,775)</b>                     | <b>(16,405)</b>  | <b>(1,916,180)</b> | <b>(1,700,809)</b> |
| <b>Net Transfers (to) from other funds</b>          |                    |  |                  |                    |                    |
| Tangible Capital Assets Purchased                   | 220,000            | 2,034,777                              |                  | 2,034,777          | 1,809,648          |
| Local Capital                                       | 670,603            |  | 1,766,034        | 1,766,034          | 591,995            |
| Capital Lease Payment                               |                    |  | 256,972          | 256,972            |                    |
| <b>Total Net Transfers</b>                          | <b>890,603</b>     | <b>2,034,777</b>                       | <b>2,023,006</b> | <b>4,057,783</b>   | <b>2,401,643</b>   |
| <b>Other Adjustments to Fund Balances</b>           |                    |  |                  |                    |                    |
| Principal Payment                                   |                    |  |                  |                    |                    |
| Capital Lease                                       |                    | 240,567                                | (240,567)        | -                  |                    |
| <b>Total Other Adjustments to Fund Balances</b>     |                    | <b>240,567</b>                         | <b>(240,567)</b> | <b>-</b>           |                    |
| <b>Total Capital Surplus (Deficit) for the year</b> | <b>(730,178)</b>   | <b>375,569</b>                         | <b>1,766,034</b> | <b>2,141,603</b>   | <b>700,834</b>     |
| <b>Capital Surplus (Deficit), beginning of year</b> |                    | <b>59,479,494</b>                      | <b>1,041</b>     | <b>59,480,535</b>  | <b>58,779,701</b>  |
| <b>Capital Surplus (Deficit), end of year</b>       |                    | <b>59,855,063</b>                      | <b>1,767,075</b> | <b>61,622,138</b>  | <b>59,480,535</b>  |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2013

|   | Sites             | Buildings          | Furniture and<br>Equipment | Vehicles       | Computer<br>Software | Computer<br>Hardware | Total              |
|---|-------------------|--------------------|----------------------------|----------------|----------------------|----------------------|--------------------|
|   | \$                | \$                 | \$                         | \$             | \$                   | \$                   | \$                 |
| <b>Cost, beginning of year</b>                                  | 33,005,034        | 248,069,224        | 8,069,871                  | 366,835        | 434,460              | 1,440,681            | <b>291,386,105</b> |
| <b>Changes in Accounting Policies/Prior Period Adjustments</b>  |                   |                    |                            |                |                      |                      |                    |
| Turf Field Restatement - July 1, 2011                           |                   |                    | 598,000                    |                |                      |                      | <b>598,000</b>     |
| Turf Fields   | (3,821,802)       | 155,352            | 3,666,450                  |                |                      |                      | -                  |
| <b>Cost, beginning of year, as restated</b>                     | 29,183,232        | 248,224,576        | 12,334,321                 | 366,835        | 434,460              | 1,440,681            | <b>291,984,105</b> |
| <b>Changes for the Year</b>                                     |                   |                    |                            |                |                      |                      |                    |
| Increase:   |                   |                    |                            |                |                      |                      |                    |
| Purchases from:   |                   |                    |                            |                |                      |                      |                    |
| Deferred Capital Revenue - Bylaw                                |                   | 2,279,679          | 97,362                     |                |                      |                      | <b>2,377,041</b>   |
| Operating Fund  |                   |                    | 471,726                    | 108,513        | 31,545               | 1,021,986            | <b>1,633,770</b>   |
| Special Purpose Funds   |                   | 87,171             | 120,578                    |                |                      | 193,258              | <b>401,007</b>     |
| Capital Lease addition  |                   |                    | 43,020                     |                |                      | 5,034                | <b>48,054</b>      |
|   | -                 | 2,366,850          | 732,686                    | 108,513        | 31,545               | 1,220,278            | <b>4,459,872</b>   |
| Decrease:   |                   |                    |                            |                |                      |                      |                    |
| Deemed Disposals  |                   |                    | 578,215                    |                | 160,414              | 69,101               | <b>807,730</b>     |
|   | -                 | -                  | 578,215                    | -              | 160,414              | 69,101               | <b>807,730</b>     |
| <b>Cost, end of year</b>  | 29,183,232        | 250,591,426        | 12,488,792                 | 475,348        | 305,591              | 2,591,858            | <b>295,636,247</b> |
| <b>Work in Progress, end of year</b>                            |                   | 382,514            |                            |                |                      |                      | <b>382,514</b>     |
| <b>Cost and Work in Progress, end of year</b>                   | 29,183,232        | 250,973,940        | 12,488,792                 | 475,348        | 305,591              | 2,591,858            | <b>296,018,761</b> |
| <b>Accumulated Amortization, beginning of year</b>              |                   | 99,907,202         | 4,181,394                  | 152,689        | 235,050              | 477,159              | <b>104,953,494</b> |
| <b>Changes in Accounting Policies/Prior Period Adjustments</b>  |                   |                    |                            |                |                      |                      |                    |
| Amortization Adjustments for Turf Fields and Half Year Rule     |                   | 2,776,600          | 2,142,664                  | 17,460         | 46,147               | 178,997              | <b>5,161,868</b>   |
| <b>Accumulated Amortization, beginning of year, as restated</b> |                   | 102,683,802        | 6,324,058                  | 170,149        | 281,197              | 656,156              | <b>110,115,362</b> |
| <b>Changes for the Year</b>                                     |                   |                    |                            |                |                      |                      |                    |
| Increase: Amortization for the Year                             |                   | 5,783,742          | 1,173,489                  | 39,342         | 91,767               | 403,481              | <b>7,491,821</b>   |
| Decrease:   |                   |                    |                            |                |                      |                      |                    |
| Deemed Disposals  |                   |                    | 578,215                    |                | 160,414              | 69,101               | <b>807,730</b>     |
|   |                   |                    | 578,215                    |                | 160,414              | 69,101               | <b>807,730</b>     |
| <b>Accumulated Amortization, end of year</b>                    |                   | 108,467,544        | 6,919,332                  | 209,491        | 212,550              | 990,536              | <b>116,799,453</b> |
| <b>Tangible Capital Assets - Net</b>                            | <b>29,183,232</b> | <b>142,506,396</b> | <b>5,569,460</b>           | <b>265,857</b> | <b>93,041</b>        | <b>1,601,322</b>     | <b>179,219,308</b> |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2013

|  | Buildings      | Furniture and<br>Equipment | Computer<br>Software | Computer<br>Hardware | Total          |
|--|----------------|----------------------------|----------------------|----------------------|----------------|
| <b>Work in Progress, beginning of year</b> | \$             | \$                         | \$                   | \$                   | \$             |
|  |                |                            |                      |                      | -              |
| <b>Changes for the Year</b>                |                |                            |                      |                      |                |
| Increase:                                  |                |                            |                      |                      |                |
| Deferred Capital Revenue - Bylaw           | 382,514        |                            |                      |                      | 382,514        |
|  | 382,514        | -                          | -                    | -                    | 382,514        |
| <b>Net Changes for the Year</b>            | 382,514        | -                          | -                    | -                    | 382,514        |
| <b>Work in Progress, end of year</b>       | <b>382,514</b> | -                          | -                    | -                    | <b>382,514</b> |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2013

|   | Bylaw<br>Capital | Other<br>Provincial | Other<br>Capital | Total<br>Capital |
|---|------------------|---------------------|------------------|------------------|
|   | \$               | \$                  | \$               | \$               |
| <b>Deferred Capital Revenue, beginning of year</b>              | 121,805,888      | 854,526             | 6,585            | 122,666,999      |
| <b>Changes in Accounting Policies/Prior Period Adjustments</b>  |                  |                     |                  |                  |
| Deferred Capital Revenue Amortization Adjustment                | (2,819,755)      |                     |                  | (2,819,755)      |
| Turf Fields Adjustments to July 1, 2013                         |                  |                     | 1,649,950        | 1,649,950        |
| <b>Deferred Capital Revenue, beginning of year, as restated</b> | 118,986,133      | 854,526             | 1,656,535        | 121,497,194      |
| <b>Changes for the Year</b>                                     |                  |                     |                  |                  |
| Increase:   |                  |                     |                  |                  |
| Transferred from Deferred Revenue - Capital Additions           | 2,377,041        |                     |                  | 2,377,041        |
|   | 2,377,041        | -                   | -                | 2,377,041        |
| Decrease:   |                  |                     |                  |                  |
| Amortization of Deferred Capital Revenue                        | 5,224,078        | 26,250              | 341,718          | 5,592,046        |
|   | 5,224,078        | 26,250              | 341,718          | 5,592,046        |
| <b>Net Changes for the Year</b>                                 | (2,847,037)      | (26,250)            | (341,718)        | (3,215,005)      |
| <b>Deferred Capital Revenue, end of year</b>                    | 116,139,096      | 828,276             | 1,314,817        | 118,282,189      |
| <b>Work in Progress, beginning of year</b>                      |                  |                     |                  | -                |
| <b>Changes for the Year</b>                                     |                  |                     |                  |                  |
| Increase  |                  |                     |                  |                  |
| Transferred from Deferred Revenue - Work in Progress            | 382,514          |                     |                  | 382,514          |
|   | 382,514          | -                   | -                | 382,514          |
| <b>Net Changes for the Year</b>                                 | 382,514          | -                   | -                | 382,514          |
| <b>Work in Progress, end of year</b>                            | 382,514          | -                   | -                | 382,514          |
| <b>Total Deferred Capital Revenue, end of year</b>              | 116,521,610      | 828,276             | 1,314,817        | 118,664,703      |

# School District No. 42 (Maple Ridge - Pitt Meadows)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2013

|   | Bylaw<br>Capital      | MEd<br>Restricted<br>Capital | Other<br>Provincial<br>Capital | Land<br>Capital         | Other<br>Capital | Total                   |
|---|-----------------------|------------------------------|--------------------------------|-------------------------|------------------|-------------------------|
| <b>Balance, beginning of year</b>         | \$ 692,979            | \$ 1,384,114                 | \$ -                           | \$ 3,405,408            | \$ -             | <b>5,482,501</b>        |
| <b>Changes for the Year</b>               |                       |                              |                                |                         |                  |                         |
| Increase:                                 |                       |                              |                                |                         |                  |                         |
| Provincial Grants - Ministry of Education | 2,604,774             |                              |                                |                         |                  | <b>2,604,774</b>        |
| Other                                     |                       |                              |                                | 516,619                 |                  | <b>516,619</b>          |
| Investment Income                         |                       | 18,122                       |                                | 50,986                  |                  | <b>69,108</b>           |
|   | <u>2,604,774</u>      | <u>18,122</u>                | <u>-</u>                       | <u>567,605</u>          | <u>-</u>         | <u><b>3,190,501</b></u> |
| Decrease:                                 |                       |                              |                                |                         |                  |                         |
| Transferred to DCR - Capital Additions    | 2,377,041             |                              |                                |                         |                  | <b>2,377,041</b>        |
| Transferred to DCR - Work in Progress     | 382,514               |                              |                                |                         |                  | <b>382,514</b>          |
|   | <u>2,759,555</u>      | <u>-</u>                     | <u>-</u>                       | <u>-</u>                | <u>-</u>         | <u><b>2,759,555</b></u> |
| <b>Net Changes for the Year</b>           | <u>(154,781)</u>      | <u>18,122</u>                | <u>-</u>                       | <u>567,605</u>          | <u>-</u>         | <u><b>430,946</b></u>   |
| <b>Balance, end of year</b>               | <u><b>538,198</b></u> | <u><b>1,402,236</b></u>      | <u><b>-</b></u>                | <u><b>3,973,013</b></u> | <u><b>-</b></u>  | <u><b>5,913,447</b></u> |