

# LearnNowBC

Ministry of Education

Business, Technology and Online Service

## LNBC Monthly Statistical Report and Financial Statements

Fiscal Year April 2011– March 2012

**LearnNowBC**  
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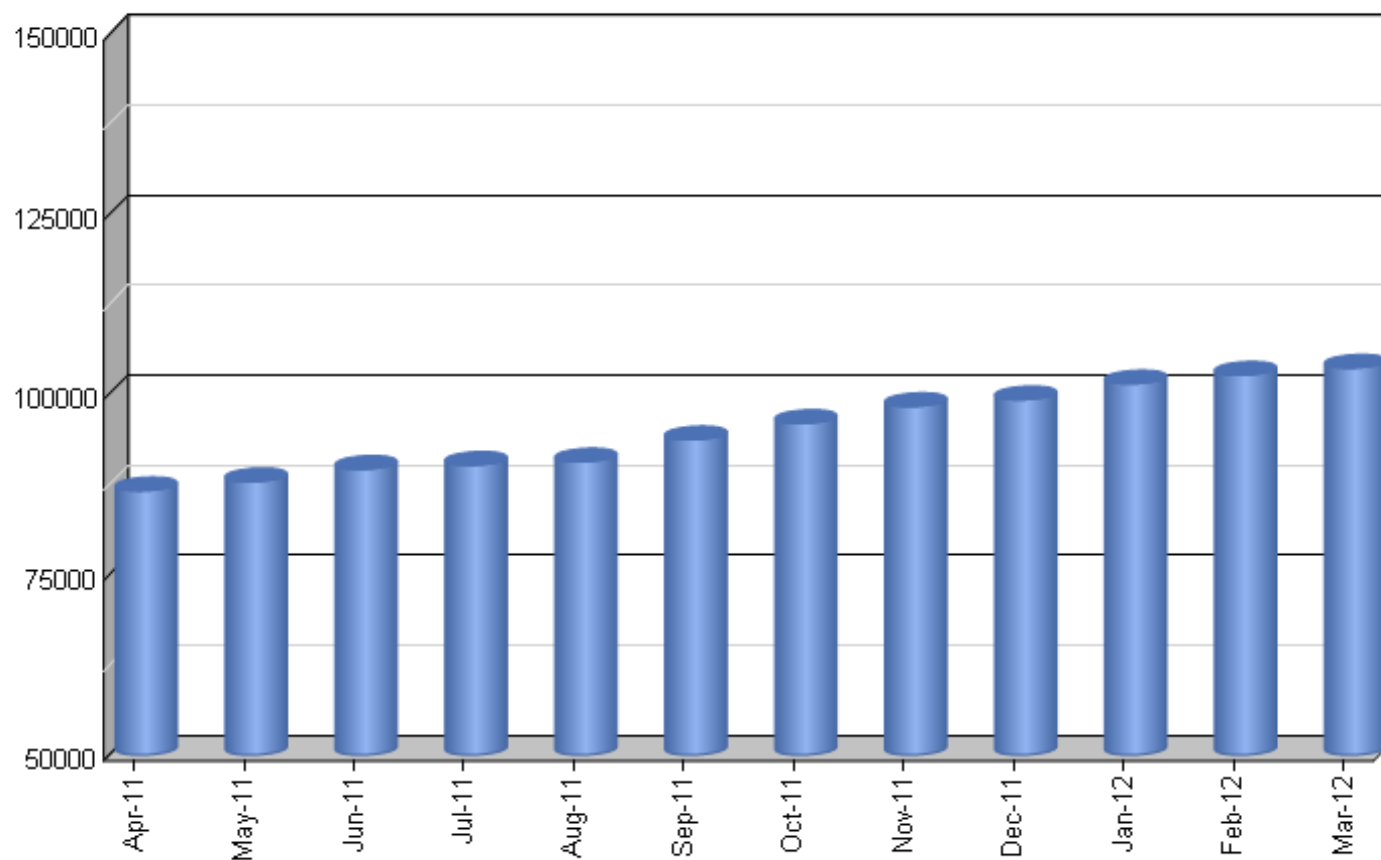
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## Summary of LNBC Statistics Fiscal 2011-2012

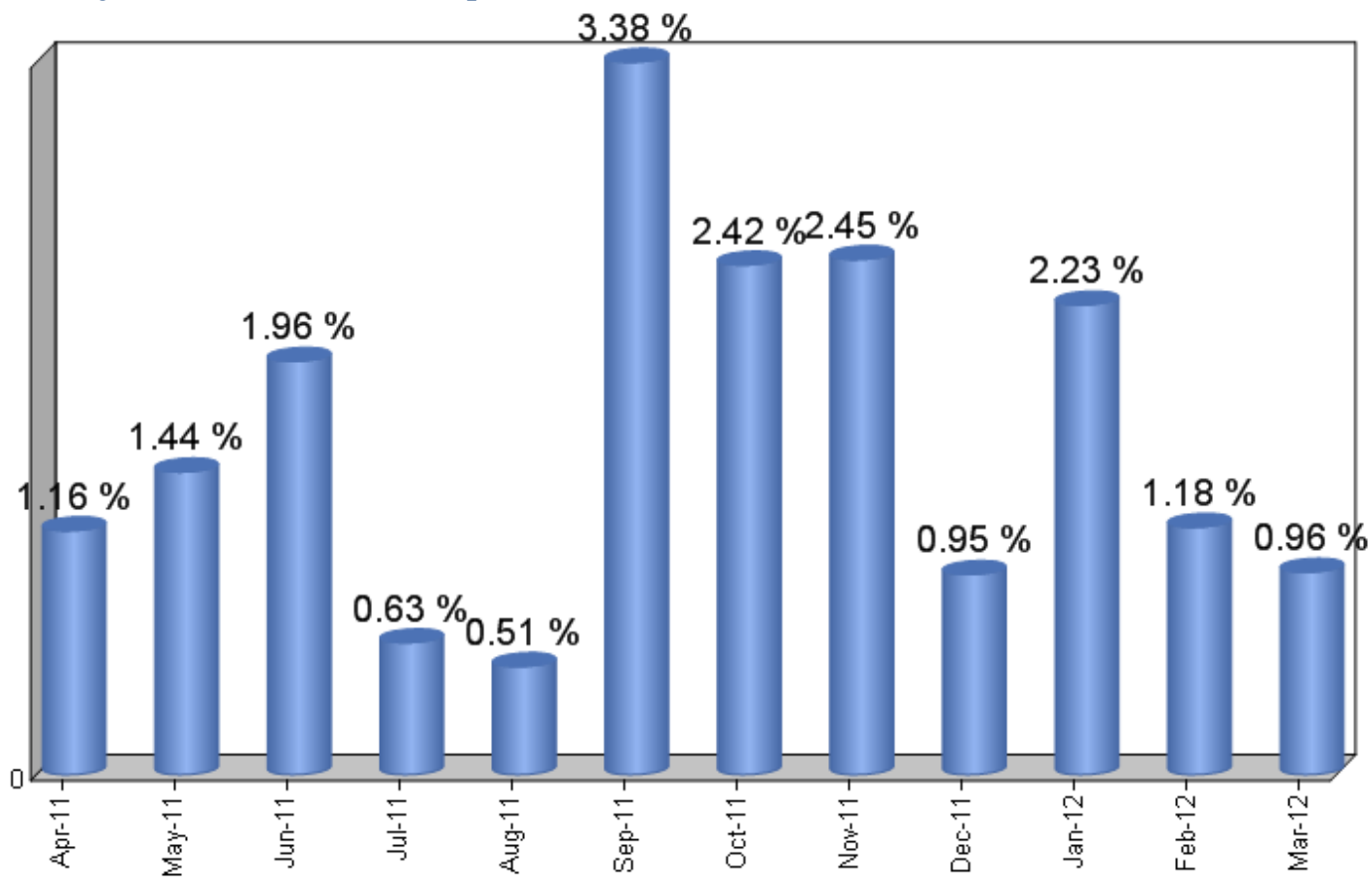
	April	May	June	July	August	September	October	November	December	January	February	March
<b>LearnNowBC - 2011/2012</b>												
Students	78075	79136	80703	81189	81536	84149	85989	87982	88798	90691	91668	92445
Parents	2331	2369	2401	2419	2443	2499	2539	2607	2620	2669	2707	2731
Educators	5810	5949	6073	6218	6128	6485	6729	6958	7040	7249	7380	7502
Other, CEET	472	480	483	486	488	620	765	824	848	912	960	1026
Total	86688	87934	89660	90312	90595	93753	96022	98371	99306	101521	102715	103704
<b>Course Finder Detail</b>												
Number of Views	26761	31193	38644	22710	21929	46134	28407	18756	15056	26265	21580	18614
Number of Detail Views	52145	58227	63094	64736	62378	66902	47352	26536	17648	36734	34045	25892
Total Views	78906	89420	101738	87446	84307	113036	75759	45292	32704	62999	55625	44506
<b>Tutoring Sessions</b>												
One to One Tutoring	3401	3662	3293	1635	601	3799	2578	4349	1664	3653	3244	1585
Success Checker	2038	2080	9122	732	684	1283	1035	1907	1821	7216	1240	1018
Charged up For Math and Science	2550	2821	3573	1124	723	2264	1645	2298	1311	2905	1891	1574
Overall Views	7989	8563	15988	3491	2008	7346	5258	8554	4796	13774	6375	4177
<b>Parent Information Network</b>												
Parent Views	2239	3928	1340	1985	2065	2611	2435	2874	2022	2366	2287	2123
Total Views	2239	3928	1340	1985	2065	2611	2435	2874	2022	2366	2287	2123
<b>Educator Network</b>												
Educator View	12884	13156	2596	7903	10912	19220	22873	22376	15865	26068	28929	27461
Early Learning Views	25351	29575	21264	15364	17050	31788	33001	36678	24705	26068	28929	27461
Total Views	38235	42731	23860	23267	27962	51008	55874	59054	40570	26068	28929	27461
<b>Daily Physical Activity</b>												
	Sept 10-June11	July/11 - June/12										
Logs	15,000		16787									
Schools	352		590									
Activities	1648481		1914185									
Collaborator	38902	37306	20883	15515	7854	32651	39603	41525	38565	20154	36089	20271
<b>Young Learning Center</b>												
	21195	24327	7854	6080	5695	19802	19881	26670	15241	27018	25969	15834

## Total Users – April 2011- March 2012

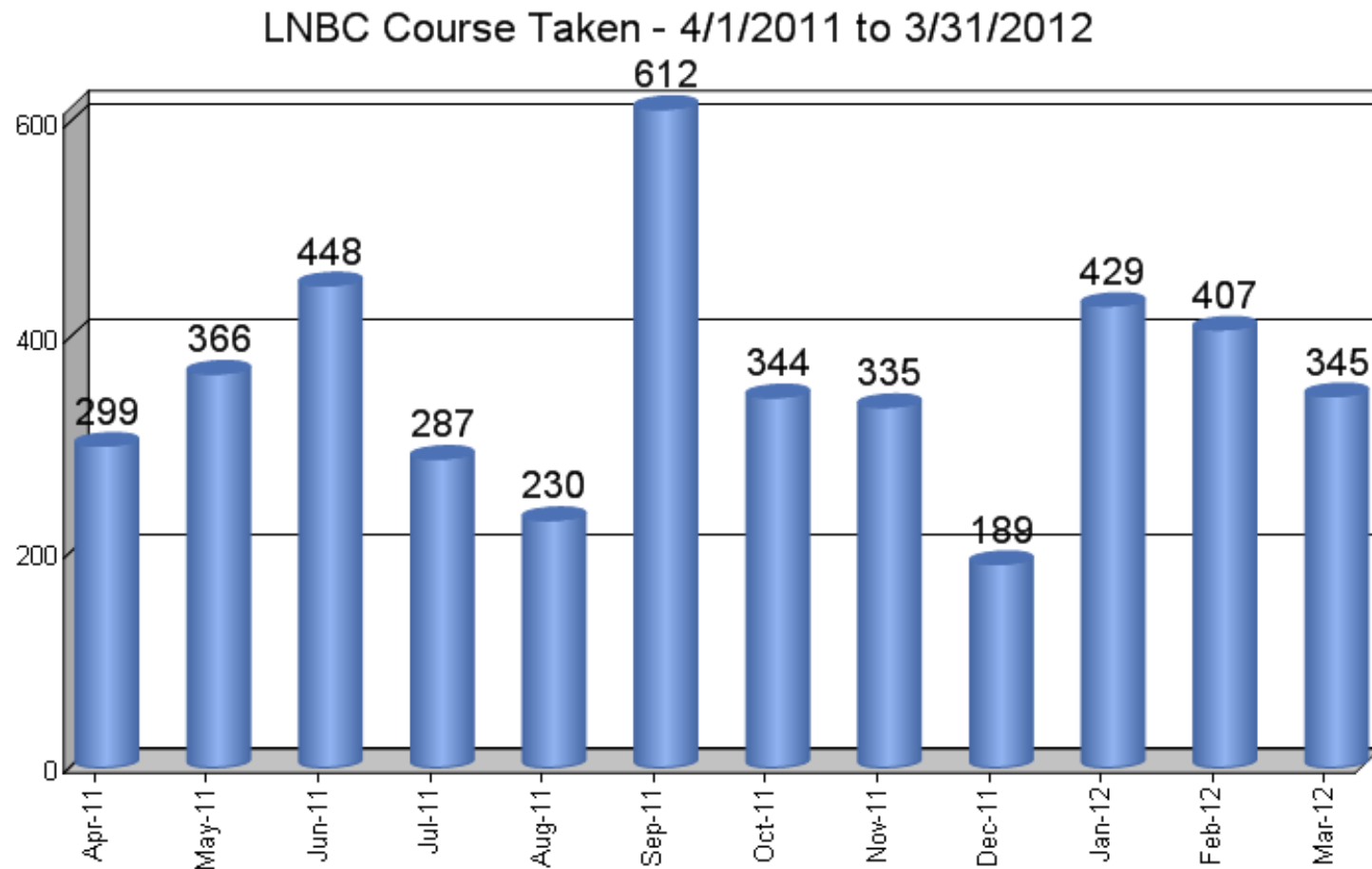


Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
86692	87938	89664	90226	90689	93757	96026	98375	99310	101525	102718	103706

### Monthly User Growth from April 2012 – March 2013



## Distributed Learning - Enrolments through LearnNowBC - April 2011- 2012

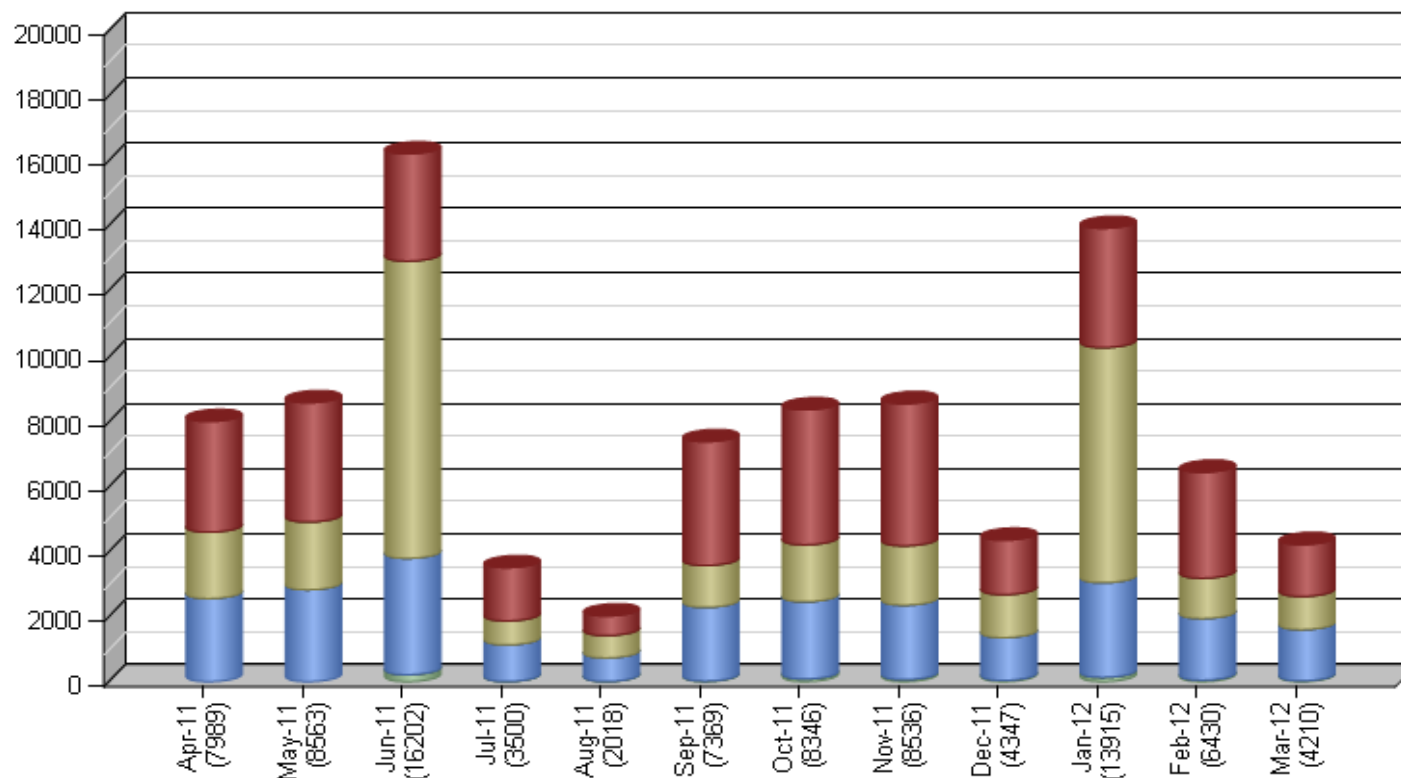


## LearnNowBC - Most Frequently Requested Distributed Learning Courses 2011/12

### Most Frequently Requested Courses

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Biology 12	35	27	13	16	14	19	12	19	8	32	33	23
Principles of Mathematics 11	33	38	23	17	6		10	9				
Introductory Spanish 11						17	9					
Physics 12		16							7	10		
Physical Education 10						16	8			11	9	
English Language Arts 11		15		10			7					11
Foundations of Mathematics 11						15			6		11	14
Chemistry 11	14	16			7	29	21	15	11	25	10	14
English Language Arts 12	13	14	15	16	15	22	15	15	14	23	12	14
Physics 11	13	12	21	15		23	17	13	5	13	23	11
Principles of Mathematics 12	13	19	25	12	8	21	15	11	14	16	21	16
Mathematics 9			13									
Social Studies 10			13									
Core French 12										13		
Science 10			12	9					5			
English Language Arts 9								12				
Law 12												11
Calculus 12	10											
Foundations of Math and Pre-Calculus 10	10	9	14	11							10	
Applications of Mathematics 11					10							
Biology 11					10	18	10	9		13		12
Planning 10	9	8	50	9	5	13				11	14	
English Language Arts 10								9			11	
Geography 12								9				
Chemistry 12	8			7								11
Mandarin 12									7			
Pre-Calculus 11					6				8			

## LearnNowBC Study Centre – April 2011 – March 2012

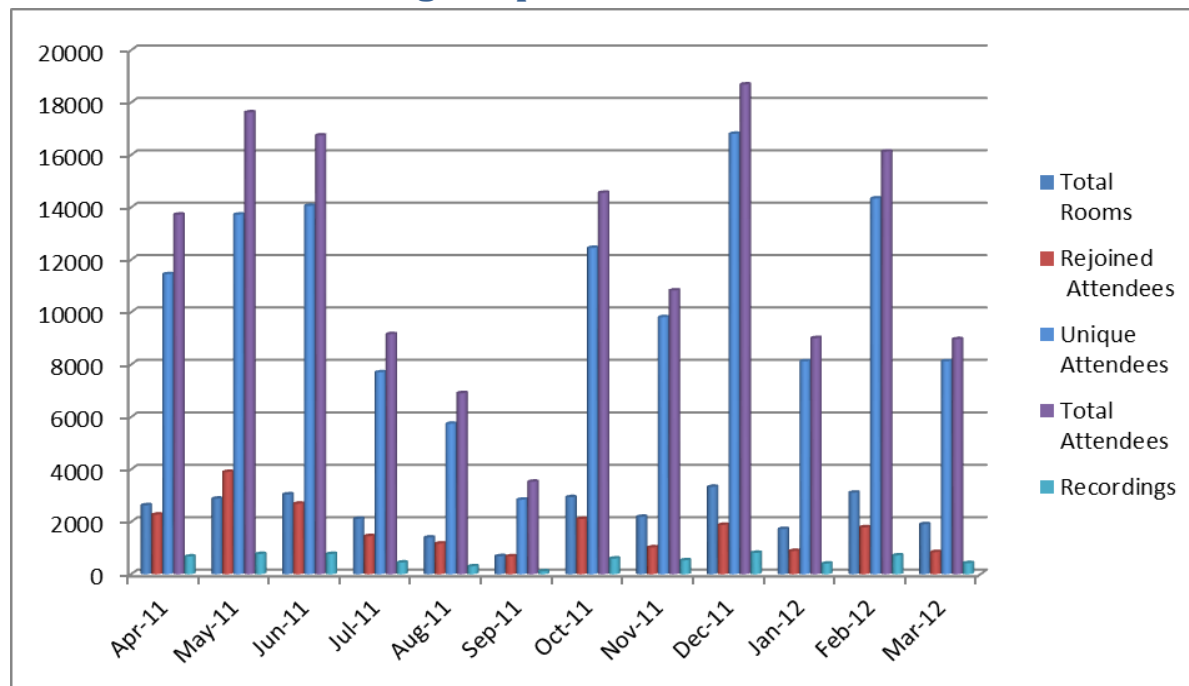


	Apr-11 (7989)	May-11 (8563)	Jun-11 (16202)	Jul-11 (3500)	Aug-11 (2018)	Sep-11 (7369)	Oct-11 (8346)	Nov-11 (8536)	Dec-11 (4347)	Jan-12 (13915)	Feb-12 (6430)	Mar-12 (4210)
Live Tutor	3401	3662	3293	1635	603	3802	4145	4368	1676	3660	3252	1593
Success Checker	2038	2080	9122	732	684	1283	1744	1820	1319	7216	1240	1018
Charged up for Math and Science	2550	2821	3573	1124	723	2264	2373	2284	1311	2905	1891	1574
French Immersion			214	9	8	20	84	64	41	134	47	25



# LN BC

## Collaborate Usage - April 2011 - March 2012



	Total Rooms	Rejoined Attendees	Unique Attendees	Total Attendees	Recordings
Apr-11	2632	2273	11449	13722	675
May-11	2881	3902	13722	17624	773
Jun-11	3046	2691	14053	16744	772
Jul-11	2116	1454	7706	9160	447
Aug-11	1398	1168	5740	6908	301
Sep-11	688	685	2843	3528	110
Oct-11	2939	2107	12450	14557	598
Nov-11	2190	1021	9807	10828	532
Dec-11	3334	1884	16805	18689	813
Jan-12	1725	887	8125	9012	405
Feb-12	3112	1792	14338	16130	717
Mar-12	1907	845	8126	8971	422
Totals	27968	20709	125164	145873	6565

**THE VIRTUAL SCHOOL SOCIETY**

**FINANCIAL STATEMENTS**

**Year Ended July 31, 2012**



# MANTELL | DICKSON | BLADES | DUSANJ

Chartered Accountants

202-4430 Chatterton Way Victoria, BC V8X 5J2

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## INDEPENDENT AUDITORS' REPORT

**To: The Members of The Virtual School Society**

### ***Report on Financial Statements***

We have audited the accompanying financial statements of The Virtual School Society (the "Society"), which comprise the statement of financial position as at July 31, 2012 and the statements of operations and changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at July 31, 2012 and the results of its operations and changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### ***Report on Other Legal and Regulatory Requirements***

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles applied by The Virtual School Society in preparing and presenting the financial statements in accordance with Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Victoria, B.C.  
December 5, 2012

Chartered Accountants

JULY 31,

2011  
\$

## CURRENT ASSETS

Equipment (Note 3)Intangible assets (Note 4)

1,346,315	1,014,733
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### CURRENT LIABILITIES

703,151	497,162
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## Invested in equipment

Invested in intangible assetsUnrestricted

643,164	517,571
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1,346,315	1,014,733
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COMMITMENT (Note 6)

APPROVED BY THE BOARD:

Sh. Gandy Director

Director

See accompanying notes

# THE VIRTUAL SCHOOL SOCIETY

## STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED JULY 31, 2012

	Investment in Equipment \$	Invested in Intangible Assets \$	Unrestricted \$	2012 \$	2011 \$
NET ASSETS, beginning of year	16,856	389,632	111,083	517,571	1,265,787
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(12,005)	(267,641)	405,239	125,593	(748,216)
INVESTED IN EQUIPMENT	2,175	-	(2,175)	-	-
INVESTED IN INTANGIBLE ASSETS	-	134,354	(134,354)	-	-
NET ASSETS, end of year	7,026	256,345	379,793	643,164	517,571

See accompanying notes

# THE VIRTUAL SCHOOL SOCIETY

## STATEMENT OF OPERATIONS

YEAR ENDED JULY 31,

	2012 \$	2011 \$
<b>REVENUES</b>		
Grants - Province of British Columbia	2,431,351	1,476,218
Interest earned	9,101	6,437
Conference income	1,000	2,918
Rent	16,920	16,260
Services	29,000	45,250
Total revenues	2,487,372	1,547,083
<b>EXPENSES</b>		
Programs		
Academic advisors	45,263	43,375
Amortization of equipment	12,005	21,781
Amortization of intangible assets	267,641	407,270
Daily physical activity	646	3,491
Learning object repository	32,288	27,684
Learn Now BC website	780,864	694,534
On-Line classrooms	427,876	397,551
Parent information	46,072	56,218
Professional development	7,375	-
Rural educators	31,131	-
Tutoring	506,390	490,912
Total program costs	2,157,551	2,142,816
Administration		
Board services	10,748	11,802
Contracted management services	37,110	25,696
Office	59,015	26,990
Professional and marketing services	33,555	22,736
Rent	59,421	57,004
Training	-	361
Travel	4,379	7,894
Total administrative costs	204,228	152,483
Total expenditures	2,361,779	2,295,299
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>125,593</b>	<b>(748,216)</b>

See accompanying notes

# THE VIRTUAL SCHOOL SOCIETY

## STATEMENT OF CASH FLOWS

YEAR ENDED JULY 31,	2012 \$	2011 \$
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Adjustments for:		
Excess (deficiency) of revenues over expenses	125,593	(748,216)
Amortization of equipment	12,005	21,781
Amortization of intangible assets	267,641	407,270
	405,239	(319,165)
Changes in non-cash working capital:		
HST recoverable	(25,982)	(38,421)
Accounts receivable	(1,701)	(1,779)
Prepaid licenses and services	(10,773)	(41,747)
Accounts payable and accrued liabilities	33,192	59,454
Deferred operating grants	172,797	(426,218)
Net cash from operations	572,772	(767,876)
<b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		
Purchase of equipment	(2,175)	(1,166)
Purchase of intangible assets	(134,354)	(205,308)
	(136,529)	(206,474)
INCREASE (DECREASE) IN CASH	436,243	(974,350)
CASH, beginning of year	335,844	1,310,194
CASH, end of year	772,087	335,844

See accompanying notes

# THE VIRTUAL SCHOOL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2012

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### 1. Description of Society

The Virtual School Society ("the Society") is a non-profit organization incorporated under the Society Act (British Columbia). As a non-profit organization pursuant to paragraph 149(l) of the Income Tax Act, no tax is payable by the Society under Part I of the Act.

The purposes of the Society are (a) to enhance the educational achievement of students taking educational programs through distributed learning, (b) to make British Columbia a recognized world leader in the delivery of education programs through distributed learning, and (c) to enhance the use of distributed learning to make British Columbia the best educated and most literate jurisdiction in North America.

The constitution of the Society requires that any profits or other accretions be used for the purposes of the Society.

### 2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and include the following significant accounting policies.

#### (a) Equipment

Equipment of the Society is recorded at cost. Amortization is based on the estimated useful life and is recorded using the methods indicated at the following annual rates:

Computer equipment	3 years straight-line
Furniture and equipment	5 years straight-line

In the year of acquisition only one-half the normal rate is applied.

#### (b) Intangible Assets

Intangible assets are recorded at cost. Amortization is based on their estimated useful life and is recorded using the following annual rates:

Learn Now BC Website	3 years straight-line
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In the year of acquisition only one-half the normal rate is applied.

#### (c) Revenue Recognition

The Society uses the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue when the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or when pledged if the amount pledged can be reasonably estimated and collection is reasonably assured.

Contributions of equipment are recognized only when a fair value as of the date of contribution can be reasonably estimated, the equipment is to be used in the normal course of operations and would otherwise have been purchased.



# THE VIRTUAL SCHOOL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2012

(d) Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Actual results may vary from the current estimates.

(e) Financial Instruments

The Society has chosen to apply Section 3861, *Financial Instruments – Disclosure and Presentation*, in place of Sections 3862, *Financial Instruments – Disclosures* and 3863, *Financial Instruments – Presentation*.

The Society's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The Society classifies its financial instruments as held-for-trading.

(f) Future Accounting Changes

The Accounting Standards Board ("AcSB") released accounting standards impacting the future financial reporting framework for not-for-profit organizations. The standards require that not-for-profit organizations choose between International Financial Reporting Standards contained in the CICA Handbook – Part I and Accounting Standards for Not-for-Profit Organizations contained in the CICA Handbook – Part III. This is effective for fiscal years beginning on or after January 1, 2012.

The Society will adopt Accounting Standards for Not-for-Profit Organizations effective for the fiscal period commencing August 1, 2012. The impact of the adoption of these standards is being evaluated and is not known or reasonably estimated at this time.

3. Equipment

	2012		2011	
	\$		\$	
	Cost	Accumulated Amortization	Net	Net
Computer equipment	23,551	(20,947)	2,604	4,514
Furniture and equipment	39,742	(35,320)	4,422	12,342
	63,293	(56,267)	7,026	16,856

# THE VIRTUAL SCHOOL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2012

### 4. Intangible Assets

	2012		2011	
	\$		\$	
	Cost	Accumulated Amortization	Net	Net
Learn Now BC Website	1,143,434	(887,089)	256,345	389,632

### 5. Deferred Operating Grants

Deferred operating grants are comprised of restricted funding received during the current period which will be recognized as revenue in a subsequent period when the related expenses are incurred. Changes in deferred operating grants are as follows:

	2012	2011
	\$	\$
Balance, beginning of year	305,077	731,296
Additions	300,000	50,000
Recognized in revenue	(127,203)	(476,219)
Balance, end of year	477,874	305,077

The balance in deferred operating grants consists of the following:

	2012	2011
	\$	\$
Restricted for development of a Parent Information Center website	19,583	65,655
Restricted for centralization and development of a Rural Education Network website	158,291	189,422
Restricted for August and September 2012 operations	300,000	-
Restricted for services to the Ministry of Education	-	50,000
Balance, end of year	477,874	305,077

### 6. Commitment

The Society leases its premises under an agreement which expires March 31, 2013. The total minimum annual rent per year consists of basic rent of \$25,536, plus additional rent including tenant's proportionate share of operating costs, all related taxes, charges, and other costs per rental agreement.

# THE VIRTUAL SCHOOL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2012

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7. Economic Dependence

The Society receives substantially all its operating funds from the Province of British Columbia, Ministry of Education, on which it is economically dependent for continued operation.

8. Financial Instruments

The carrying values of cash, accounts payable and accrued liabilities approximate their fair values due to the short term nature of these assets and liabilities.

Unless otherwise noted, it is management's opinion that under normal circumstances, the Society is not exposed to significant interest or currency risks arising from its financial instruments.

9. Subsequent Event

By an agreement dated July 31, 2012, the Society agreed to transfer to the School District No. 73 Business Corporation all of the properties, assets, and undertakings of the Society. This transfer will occur on August 1, 2012, or on such date agreed upon by both parties.