

# SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2009/2010

SCHOOL DISTRICT NUMBER 05	NAME OF SCHOOL DISTRICT Southeast Kootenay	YEAR 2009/2010
OFFICE LOCATION 940 Industrial Road #1		TELEPHONE NUMBER 250-426-4201
CITY/PROVINCE Cranbrook, BC		POSTAL CODE V1C 4C6
WEBSITE ADDRESS www.sd5.bc.ca		
NAME OF SUPERINTENDENT Bill Gook		NAME OF SECRETARY-TREASURER Rob Norum

## DECLARATION AND SIGNATURES

### SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of Education of School District No. 05 (Southeast Kootenay) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

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

#### **The Board's Responsibility**

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


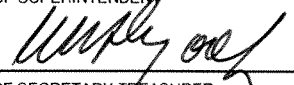

#### **External Auditors**

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

#### **Declaration of Management and Board Chairperson**

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

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 05 (Southeast Kootenay) for the year ended June 30, 2010.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED Sept 30/10
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED Sept. 30/10
SIGNATURE OF SECRETARY-TREASURER 	DATE SIGNED SEPT 30, 2010

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
2009/2010 AUDITED FINANCIAL STATEMENTS**

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## Auditors' Report

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**To the Board of Education of  
School District No. 5 (Southeast Kootenay)**

We have audited the statement of financial position of School District No. 5 (Southeast Kootenay) as at June 30, 2010 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended. The financial statements are the responsibility of the School District's management. 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 plan and perform an audit to obtain reasonable assurance whether these financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of School District No. 5 (Southeast Kootenay) as at June 30, 2010, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Chartered Accountants

Cranbrook, BC  
August 20, 2010



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Cranbrook BC V1C 2M9 Canada

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## Auditors' Comments on Supplementary Financial Information

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To the Board of Education of  
School District No. 5 (Southeast Kootenay)

We have audited the financial statements of School District No. 5 (Southeast Kootenay) as at June 30, 2010 and reported thereon dated August 20, 2010. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

*BDO Canada LLP*

Chartered Accountants

Cranbrook, BC  
August 20, 2010

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2010**

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 5,328,976	\$ 628,790		\$ 5,957,766	\$ 5,376,701
Short Term Investments (Note 3)	5,500,008	283,443		5,783,451	8,207,147
Accounts Receivable					
Due from LEA/Direct Funding	277,048			277,048	373,424
Other Receivables (Note 4)	415,998	3,245	11,653	430,896	617,118
Interfund Loans		1,906,903	-4,040,978		
Prepaid Expenses	319,838			319,838	148,164
	<u>11,841,868</u>	<u>2,822,381</u>	<u>-4,052,631</u>	<u>12,768,999</u>	<u>14,722,554</u>
Capital Assets - Net (Note 5)			72,430,409	72,430,409	72,132,735
<b>TOTAL ASSETS</b>	<b>\$ 11,841,868</b>	<b>\$ 2,822,381</b>	<b>\$ 76,483,040</b>	<b>\$ 85,199,408</b>	<b>\$ 86,855,289</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	326,212	24,793	1,004	352,009	727,035
Interfund Loans	5,947,881				
Other Current Liabilities	2,779,744			2,779,744	2,832,692
	<u>9,053,837</u>	<u>24,793</u>	<u>1,004</u>	<u>3,131,753</u>	<u>3,559,727</u>
Deferred Revenue	584,046			584,046	493,165
Deferred Contributions					
Ministry of Education (Note 6)		1,217,049	2,541,810	3,758,859	4,672,950
Province - Other		11,479		11,479	22,058
Other		1,569,060		1,569,060	1,536,601
Accrued Employee Future Benefits (Note 7)	127,102			127,102	130,646
Deferred Capital Contributions			59,695,673	59,695,673	61,545,071
<b>TOTAL LIABILITIES</b>	<u>9,764,985</u>	<u>2,822,381</u>	<u>62,238,487</u>	<u>68,877,972</u>	<u>71,960,218</u>
Fund Balances					
Invested in Capital Assets			12,734,736	12,734,736	10,587,664
Internally Restricted	1,301,487		1,509,817	2,811,304	2,847,727
Unrestricted	775,396			775,396	1,459,680
<b>TOTAL FUND BALANCES</b>	<u>2,076,883</u>	<u>-</u>	<u>14,244,553</u>	<u>16,321,436</u>	<u>14,895,071</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,841,868</b>	<b>\$ 2,822,381</b>	<b>\$ 76,483,040</b>	<b>\$ 85,199,408</b>	<b>\$ 86,855,289</b>

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)**  
**STATEMENT OF REVENUE AND EXPENSE**  
**YEAR ENDED JUNE 30, 2010**

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	\$ 48,709,071	\$ 1,643,623		\$ 50,352,694	\$ 50,478,964
Provincial Grants - Other		334,966		334,966	101,623
Other Revenue	1,757,606	2,409,028	84,354	4,250,988	3,959,346
Rentals and Leases	39,491			39,491	41,200
Investment Income	56,163	6,255	6,511	68,929	396,435
Amortization of Deferred Capital Contributions			2,521,517	2,521,517	2,118,468
Gain (Loss) on Disposal of Capital Assets				-	184,959
	<u>50,562,331</u>	<u>4,393,872</u>	<u>2,612,382</u>	<u>57,568,585</u>	<u>57,280,995</u>
<b>EXPENSE</b>					
<b>Salaries</b>					
Teachers	21,836,712	21,772		21,858,484	21,569,574
Principals and Vice Principals	2,930,248			2,930,248	2,793,014
Educational Assistants	2,954,798	271,105		3,225,903	3,271,122
Support Staff	5,079,169			5,079,169	4,913,234
Other Professionals	1,623,912	85,203		1,709,115	1,622,644
Substitutes	1,569,756	6,318		1,576,074	1,739,651
	<u>35,994,595</u>	<u>384,398</u>		<u>36,378,993</u>	<u>35,909,239</u>
Employee Benefits	8,286,978	98,055		8,385,033	8,161,134
Services and Supplies	6,173,514	2,514,006		8,687,520	11,586,490
Amortization of Capital Assets			2,690,674	2,690,674	2,300,361
	<u>50,455,087</u>	<u>2,996,459</u>	<u>2,690,674</u>	<u>56,142,220</u>	<u>57,957,224</u>
<b>NET REVENUE (EXPENSE)</b>	<u>\$ 107,244</u>	<u>\$ 1,397,413</u>	<u>\$ (78,292)</u>	<u>\$ 1,426,365</u>	<u>\$ (676,229)</u>

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2010**

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
<b>FUND BALANCES, BEGINNING OF YEAR</b>	\$ 2,224,416		\$ 12,716,432	\$ 14,940,848	\$ 15,571,300
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>					
PAC Playground funds to DCC (Note 16)	(45,777)			(45,777)	
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>2,178,639</u>	-	<u>12,716,432</u>	<u>14,895,071</u>	<u>15,571,300</u>
<b>Changes for the Year</b>					
Net Revenue (Expense) for the Year	107,244	1,397,413	(78,292)	1,426,365	(676,229)
Intertfund Transfers					
Capital Assets Purchased		(1,397,413)	1,397,413	-	
Local Capital (Note 10)	(209,000)		209,000	-	
<b>Net Changes for the Year</b>	<u>(101,756)</u>	<u>-</u>	<u>1,528,121</u>	<u>1,426,365</u>	<u>(676,229)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><b>\$ 2,076,883</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 14,244,553</b></u>	<u><b>\$ 16,321,436</b></u>	<u><b>\$ 14,895,071</b></u>

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2010**

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
<b>CASH PROVIDED BY (USED FOR) OPERATIONS</b>					
Net Revenue (Expense) for the Year	\$ 107,244	\$ 1,397,413	\$ (78,292)	\$ 1,426,365	\$ (676,229)
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	280,496	871	1,231	282,598	818,443
Interfund Loans	(1,658,832)	708,772	950,060	-	-
Prepaid Expenses	(171,674)			(171,674)	(41,912)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	(234,164)	6,359	(147,221)	(375,026)	(492,482)
Other Current Liabilities	(52,948)			(52,948)	(15,034)
Deferred Revenue	90,881			90,881	297,045
Deferred Contributions		(661,315)		(661,315)	(464,356)
Accrued Employee Future Benefits	(3,544)			(3,544)	(8,770)
Loss (Gain) on Disposal of Capital Assets				-	(184,959)
Items Not Involving Cash					
Amortization of Capital Assets			2,690,674	2,690,674	2,300,361
Amortization of Deferred Capital Contributions			(2,521,517)	(2,521,517)	(2,118,468)
Interfund Transfers	(209,000)	(1,397,413)	1,606,413	-	-
	(1,851,541)	54,687	2,501,348	704,494	(586,361)
<b>FINANCING</b>					
Deferred Contributions Received - Capital			441,223	441,223	4,629,986
Proceeds from Disposal of Capital Assets				-	799,836
MEd Restricted Portion of Proceeds on Disposal				-	(599,877)
			441,223	441,223	4,829,945
<b>INVESTING</b>					
Capital Assets Purchased - Special Purpose			(1,397,413)	(1,397,413)	
Capital Assets Purchased - Local Capital			(918,816)	(918,816)	(40,064)
Capital Assets Purchased - Deferred Contributions - Capital			(672,119)	(672,119)	(4,746,046)
Decrease (Increase) in Investments	2,500,002	(76,306)		2,423,696	2,001,496
	2,500,002	(76,306)	(2,988,348)	(564,652)	(2,784,614)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 648,461</b>	<b>\$ (21,819)</b>	<b>\$ (45,777)</b>	<b>\$ 581,065</b>	<b>\$ 1,458,970</b>



**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2010**

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
<b>NET INCREASE (DECREASE) IN CASH</b>	\$ 648,461	\$ (21,619)	\$ (45,777)	\$ 581,065	\$ 1,458,970
<b>Net Cash, Beginning of Year</b>	12,726,302	857,546		13,583,848	14,126,374
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>					
Restatement Handbook Section 1540	(8,000,010)	(207,137)		(8,207,147)	(10,208,643)
PAC Playground funds to DCC	(45,777)		45,777	-	
<b>Net Cash, Beginning of Year, as Restated</b>	4,680,515	650,409	45,777	5,376,701	3,917,731
<b>NET CASH, END OF YEAR</b>	<b>\$ 5,328,976</b>	<b>\$ 628,790</b>	<b>\$ -</b>	<b>\$ 5,957,766</b>	<b>\$ 5,376,701</b>
Cash	\$ 5,328,976	\$ 628,790		\$ 5,957,766	\$ 5,376,701
<b>NET CASH, END OF YEAR</b>	<b>\$ 5,328,976</b>	<b>\$ 628,790</b>	<b>\$ -</b>	<b>\$ 5,957,766</b>	<b>\$ 5,376,701</b>

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

**NOTE 1      AUTHORITY AND PURPOSE**

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 5 (Southeast Kootenay)", and operates as "School District No. 5 (Southeast Kootenay)." A board of education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

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

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

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

a) Fund Accounting

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

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts. (See Note 4)

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

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

d) Prepaid Expenses

Materials and supplies held for use within the district are included as a prepaid expense and stated at acquisition cost. Other prepaid expenses include insurance, dues and fees, and licenses.

e) Capital Assets

The following criteria apply:

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

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

f) Revenue Recognition

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

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

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

g) Expenditures

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

h) Financial Instruments

The School District complies with CICA Handbook Section 3861 - *Financial Instruments – Disclosure and Presentation*, for the presentation and disclosure of financial instruments. Financial instruments are defined as a contractual right to either receive or deliver cash or another financial instrument to another party.

The School District utilizes various financial instruments. 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 and the carrying amounts approximate fair values.

The School District classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The School District's accounting policy for each category is as follows:

*Held-for-trading*

Any financial instrument whose fair value can be reliably measured may be designated as held-for-trading on initial recognition or adoption of this new standard. The School District has designated short term investments as held-for trading. These financial instruments are carried on the balance sheet at fair value and net gains and losses arising from changes in fair value, determined by published price quotations in an active market, are recognized immediately in income. Transaction costs related to these instruments are recognized as expense on the settlement date.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

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

*Loans and receivables*

These assets result from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets. The School District has designated accounts receivable as loans and receivables. These instruments are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment.

*Other financial liabilities*

Other financial liabilities include all financial liabilities other than those classified as held-for-trading and is comprised of accounts payable. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

i) Use of Estimates

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

j) Employee Future Benefits

The School District provides certain post-employment benefits including vacation pay and retirement allowances for certain employees pursuant to certain contracts and union agreements.

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

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 8.0 years.

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

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

k) Capital Disclosures

The School District's primary objective when managing capital is to safeguard its ability to provide services to students. The School District considers its capital to be net assets invested in capital assets and other net assets. The School District is not subject to any externally imposed capital requirements.

The School District's object when managing capital is to maintain a stable financial structure by matching its capital to the underlying nature and terms of the asset being funded and to hold sufficient unrestricted net assets to enable it to withstand negative unexpected financial events. The School District seeks to maintain sufficient liquidity to enable it to meet its obligations as they become due and follows a prudent investment policy designed to ensure a low risk return on investment consistent with the long-term goals and future obligations of the School District.

**NOTE 3 SHORT TERM INVESTMENTS**

Short term investments consist of Guaranteed Investment Certificates that bear interest at 1.5% and mature within the next fiscal period.

**NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2010	2009
Other	\$430,896	\$617,118

**NOTE 5 CAPITAL ASSETS**

	Cost	2010 Accumulated Amortization	Net Book Value	2009 Net Book Value
Sites	\$5,987,977	0	\$5,987,977	\$ 5,987,977
Buildings	115,423,132	51,693,475	63,729,657	63,804,994
Furniture & Equipment	1,363,613	457,980	905,633	876,686
Vehicles	2,599,369	846,806	1,752,563	1,431,106
Computer Hardware	112,901	58,322	54,579	31,972
	\$125,486,992	\$53,056,583	\$72,430,409	\$72,132,735

**NOTE 6 DEFERRED CONTRIBUTIONS**

The nature and amount of changes in deferred contribution balances are disclosed in accordance with *CICA Handbook* section 4410.53-.54.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

**NOTE 7 EMPLOYEE FUTURE BENEFITS**

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

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

	2010	2009
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$105,794	\$ 125,449
Service Cost	7,537	8,129
Interest Cost	7,154	6,617
Benefit Payments	(16,248)	(23,336)
Actuarial (Gain)/Loss	66,630	(11,065)
Accrued Benefit Obligation – March 31	<u>\$170,687</u>	<u>\$105,794</u>

**Reconciliation of Funded Status at End of Fiscal Year**

	2010	2009
Accrued Benefit Obligation – March 31	\$170,687	\$ 105,794
Market Value of Plan Assets – March 31	0	0
Funded Status - Surplus/(Deficit)	\$170,687	105,794
Employer Contributions After Measurement Date	0	0
Unamortized Net Actuarial (Gain)/Loss	(43,585)	24,852
Accrued Benefit Asset/(Liability) – June 30	<u>\$127,102</u>	<u>\$130,646</u>

**Components of Net Benefit Expense**

Service Cost	\$ 7,537	\$ 8,129
Interest Cost	7,154	6,617
Amortization of Net Actuarial (Gain)/Loss	(1,807)	(180)
Net Benefit Expense (Income)	<u>\$12,884</u>	<u>\$ 14,566</u>

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

	<u>2010</u>	<u>2009</u>
Discount Rate – April 1	7.00%	5.50%
Discount Rate – March 31	5.00%	7.00%
Long Term Salary Growth – April 1	3.25% + seniority	3.25% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	3.25% + seniority
EARSL – March 31	8.0	7.9

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

**NOTE 8      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 48,000 active members from school districts, and approximately 27,000 retired members from school districts. The Municipal Plan has about 158,000 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 valuation of the Teachers' Plan as at December 31, 2008 indicated a \$291 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in late 2012. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. School District No. 5 (Southeast Kootenay) paid \$4,176,324 for employer contributions to these plans in the year ended June 30, 2010.



**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010**

**NOTE 9      OPERATING FUND BALANCE, END OF YEAR**

Internally Restricted (appropriated) by Board for:

Subtotal Internally Restricted ( <b>see below</b> )	\$1,301,487
Unrestricted Operating Surplus (Deficit)	\$ 775,396
Total Available for Future Operations	\$2,076,883

**Appropriations 2009-2010**

<b>Summary</b>	<u>2009/2010</u>	<u>2008/2009</u>
Admin Pro-D	\$ 84,382	\$ 70,892
Aboriginal Education	17,065	46,897
Special Education		
District	264,408	138,752
Schools	37,472	48,058
	<hr/>	<hr/>
	301,880	186,810
Schools		
Operating	48,388	10,408
Learning Resources	38,201	61,439
Growth Plans	12,686	20,732
	<hr/>	<hr/>
	99,275	92,579
Operating Projects (see below)	211,715	327,219
Education Project Accounts		
Resource Centre	5,405	9,807
International Education	(35,922)	
School Photocopier Agreement		5,091
Climate Action	252,687	25,441
	<hr/>	<hr/>
		30,532
Funds Allocated to 2010-2011	365,000	-
Appropriations - Restricted	<hr/>	<hr/>
	1,301,487	764,736

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

**Appropriations**  
**Operating Projects**  
**2009-2010**

	2009-2010	2008-2009
427 Legacies Now GTES	969	\$ 5,951
450 Hockey School	3,668	-
452 Ready Set Learn	27,759	42,404
456 Found Skill Asst - FSA	5,204	-
460 CES Sec School Apprentice	13,767	(10,339)
461 UBC Sensory Impairment	2,992	
462 Great Conferences	2,873	
527 Jaffray Playground		38,950
537 Literacy Innovation 07/08		17,280
538 BCSTA Early Learning Grant	7,867	7,867
542 Crystal Methamphetamine	1,885	2,040
543 Social Justice Draft Course	1,105	1,105
544 Tobacco Reduction Grant	520	595
545 Literacy Innovation 08/09	18,149	40,240
546 Sound Connections	15,525	62,653
548 Literacy Innovation Grant	25,240	51,538
553 Kootenay Boundary AGM	350	
554 Full Day K	(1,357)	
555 Reserve Allocation	-	37,998
560 Carbon Tax	49,515	10,929
566 Wild Voices for Kids	3,050	
617 Ed Change Elementary	-	(1,691)
618 Ed Change Secondary	84	9,776
621 Ace-It Training	5,864	(15,067)
622 Roots of Empathy	10,033	10,408
805 Art Starts in Schools	2,486	2,769
807 One to One Reading	1,866	298
830 Elementary Band	9,946	7,690
836 Delt Fund	-	504
914 Cupe Pro-D Trust	2,355	3,321
	<u>\$211,715</u>	<u>\$ 327,219</u>

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010**

**NOTE 10 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2010, transfers were as follows:

- \$209,000 from Operating Fund to Capital Fund

**NOTE 11 RELATED PARTY TRANSACTIONS**

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

**NOTE 12 CONTRACTUAL OBLIGATIONS**

Lease Commitments:

The School District has equipment under operating leases. Lease commitments over the next four years are due as follows:

Year	Amount
2010	\$128,739
2011	\$128,739
2012	\$128,739
2013	\$ 21,457

**NOTE 13 BUDGET FIGURES**

Budget figures included in the financial statement schedules are not audited. They were approved by the Board through the adoption of an amended annual budget on February 9, 2010.

**NOTE 14 ECONOMIC DEPENDENCE**

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

**NOTE 15 COMPARATIVE FIGURES**

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

**NOTE 16 PRIOR PERIOD ADJUSTMENT**

Adjustment to Operating Other income (45,777) and adjustment to Other Capital -Deferred Contributions 45,777 for PAC Playground contributions received in Operating in the 2008/09 fiscal year and appropriated in the 2009/10 fiscal year.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

**NOTE 17      SUPPLEMENTARY CASHFLOW INFORMATION**

Section 4400.46 of the CICA Handbook, effective for School District's year ending June 30, 2010, requires the Statement of Cash Flows to be prepared in accordance with Handbook section 1540. This will result in the exclusion of short term investments in the definition of cash on Statement 4.2.

Net cash, beginning of year will need to be restated to exclude the June 2009 Short term Investment balance on Statement 4.2. The change in Short Term Investments will now be shown on the "Decrease (Increase) - Short Term Investments" on Statement 4.1.

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)**  
**OPERATING FUND**  
**SURPLUS (DEFICIT)**  
**YEAR ENDED JUNE 30, 2010**

Schedule A1

	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	\$ 48,709,071	\$ 48,363,515	\$ 48,556,786
Other Revenue	1,757,606	1,656,817	1,504,000
Rentals and Leases	39,491	32,400	41,200
Investment Income	56,163	60,000	317,413
	<u>50,562,331</u>	<u>50,112,732</u>	<u>50,419,399</u>
<b>EXPENSE</b>			
Salaries			
Teachers	21,836,712	21,701,036	21,548,718
Principals and Vice Principals	2,930,248	3,007,487	2,793,014
Educational Assistants	2,954,798	2,973,160	2,969,579
Support Staff	5,079,169	5,372,960	4,913,234
Other Professionals	1,623,912	1,590,831	1,540,510
Substitutes	1,569,756	1,755,565	1,736,211
	<u>35,994,595</u>	<u>36,401,039</u>	<u>35,501,266</u>
Employee Benefits	8,286,978	7,771,562	8,062,645
Services and Supplies	6,173,514	7,146,771	7,198,765
	<u>50,455,087</u>	<u>51,319,372</u>	<u>50,762,676</u>
<b>NET REVENUE (EXPENSE), FOR THE YEAR</b>	107,244	(1,206,640)	(343,277)
<b>INTERFUND TRANSFERS</b>			
Local Capital	(209,000)	(247,950)	(792,690)
<b>OTHER ADJUSTMENTS TO OPERATING FUND BALANCE</b>			
<b>BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)</b>		1,454,590	
<b>SURPLUS (DEFICIT), FOR THE YEAR</b>	<u>(101,756)</u>	<u>\$ -</u>	<u>(1,135,967)</u>
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	2,224,416		3,314,606
<b>Changes in Accounting Policies/Prior Period Adjustments</b>			
PAC Playground funds to DCC	(45,777)		
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED</b>	<u>2,178,639</u>		<u>3,314,606</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
(Section 156 (12) of School Act)	<u>\$ 2,076,883</u>		<u>\$ 2,178,639</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
Internally Restricted	1,301,487		
Unrestricted	775,396		
	<u>\$ 2,076,883</u>		

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF REVENUE BY SOURCE**  
**YEAR ENDED JUNE 30, 2010**

Schedule A2

	2010	2010	2009
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
<b>PROVINCIAL GRANTS - MINISTRY OF EDUCATION</b>			
Operating Grant, Ministry of Education	\$ 48,323,652	\$ 48,088,140	\$ 48,073,589
INAC/LEA Recovery	(301,686)	(349,296)	(349,296)
Other Ministry of Education Grants			
Pay Equity	457,171	457,171	457,171
Ready Set Learn	29,400	27,500	27,500
Strong Start Centres	130,250	140,000	108,000
Sound Connections			69,000
Literacy Innovations			56,538
Carbon Tax Rebate	38,586		10,929
FSA Scorer	8,696		7,200
Exam Marker Training			3,800
Education Guarantee	23,002		1,819
Trades LMA			90,536
	<u>48,709,071</u>	<u>48,363,515</u>	<u>48,556,786</u>
<b>PROVINCIAL GRANTS - OTHER</b>			
<b>FEDERAL GRANTS</b>			
<b>OTHER REVENUE</b>			
Offshore Tuition Fees	1,113,273	1,144,379	950,858
LEA/Direct Funding from First Nations	301,686	349,296	349,296
Miscellaneous			
HockeySchool	26,400	27,000	
IndustryTraining	59,931	1,000	46,042
AllDayK	38,150	26,250	21,600
SSEACSecSkills	42,466	5,000	
KMA/HVAC/Trades	81,156	93,892	
Miscellaneous	94,544	10,000	136,204
	<u>1,757,606</u>	<u>1,656,817</u>	<u>1,504,000</u>
<b>RENTALS AND LEASES</b>	<u>39,491</u>	<u>32,400</u>	<u>41,200</u>
<b>INVESTMENT INCOME</b>	<u>56,163</u>	<u>60,000</u>	<u>317,413</u>
<b>TOTAL OPERATING REVENUE</b>	<u>\$ 50,562,331</u>	<u>\$ 50,112,732</u>	<u>\$ 50,419,399</u>

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT**  
**YEAR ENDED JUNE 30, 2010**

Schedule A3

	2010	2010	2009
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
<b>SALARIES</b>			
Teachers	\$ 21,836,712	\$ 21,701,036	\$ 21,548,718
Principals and Vice Principals	2,930,248	3,007,487	2,793,014
Educational Assistants	2,954,798	2,973,160	2,969,579
Support Staff	5,079,169	5,372,960	4,913,234
Other Professionals	1,623,912	1,590,831	1,540,510
Substitutes	1,569,756	1,755,565	1,736,211
	<u>35,994,595</u>	<u>36,401,039</u>	<u>35,501,266</u>
<b>EMPLOYEE BENEFITS</b>	8,286,978	7,771,562	8,062,645
<b>TOTAL SALARIES AND BENEFITS</b>	<u>44,281,573</u>	<u>44,172,601</u>	<u>43,563,911</u>
<b>SERVICES AND SUPPLIES</b>			
Services	1,867,729	1,976,450	2,113,572
Student Transportation	58,660	54,500	90,359
Professional Development and Travel	544,857	629,465	588,911
Rentals and Leases	60,844	51,750	83,353
Dues and Fees	58,466	68,300	73,274
Insurance	178,189	177,650	164,920
Supplies	2,342,615	2,873,815	2,779,817
Utilities	1,062,154	1,314,841	1,304,559
<b>TOTAL SERVICES AND SUPPLIES</b>	<u>6,173,514</u>	<u>7,146,771</u>	<u>7,198,765</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>\$ 50,455,087</u>	<u>\$ 51,319,372</u>	<u>\$ 50,762,676</u>

**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
OPERATING FUND  
EXPENSE BY FUNCTION, PROGRAM AND OBJECT  
YEAR ENDED JUNE 30, 2010**

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	\$ 18,412,416	\$ 1,100,305		\$ 266,137	\$ 154,499	\$ 1,095,373	\$ 21,028,730
1.03 Career Programs	72,574					9,968	76,542
1.07 Library Services	525,506			101,462		32,877	659,845
1.08 Counselling	652,295					34,936	687,231
1.10 Special Education	2,102,539		2,598,149	15,166	299,495	259,040	5,274,389
1.30 English as a Second Language	21,773					9,597	31,370
1.31 Aboriginal Education		51,974	331,244		54,377	1,000	438,595
1.41 School Administration		1,751,669		810,607		34,085	2,536,381
1.60 Summer School	30,563					2,404	32,967
1.62 Off Shore Students	19,046		25,405		181,578		226,962
<b>Total Function 1</b>	21,836,712	2,903,968	2,954,798	1,193,372	889,949	1,474,213	31,053,012
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration					198,688		198,688
4.40 School District Governance					112,844		112,844
4.41 Business Administration				287,323	398,744	8,250	694,317
<b>Total Function 4</b>				287,323	710,276	8,250	1,005,849
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration		26,280		47,403	167,562	270	241,515
5.50 Maintenance Operations				2,615,256		54,382	2,669,638
5.52 Maintenance of Grounds				122,012			122,012
<b>Total Function 5</b>		26,280		2,784,671	167,562	54,652	3,033,165
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration					56,125	5,178	61,303
7.70 Student Transportation				813,803		27,483	841,286
<b>Total Function 7</b>				813,803	56,125	32,641	902,569
<b>9 DEBT SERVICES (OPERATING)</b>							
<b>Total Function 9</b>							
<b>TOTAL FUNCTIONS 1 - 9</b>	\$ 21,836,712	\$ 2,930,248	\$ 2,954,798	\$ 5,079,169	\$ 1,623,912	\$ 1,569,756	\$ 35,994,595



**SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
OPERATING FUND  
EXPENSE BY FUNCTION, PROGRAM AND OBJECT  
YEAR ENDED JUNE 30, 2010**

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	\$ 21,028,730	\$ 4,733,285	\$ 25,762,015	\$ 2,294,962	\$ 28,056,977	\$ 27,829,282	\$ 28,248,144
1.03 Career Programs	76,542	15,539	92,081	87,065	179,146	196,477	150,452
1.07 Library Services	659,845	142,158	802,003	94,958	896,961	911,982	854,251
1.08 Counselling	687,231	139,665	826,896	2,677	829,573	832,971	730,427
1.10 Special Education	5,274,389	1,290,592	6,564,981	190,508	6,755,489	7,071,542	6,782,735
1.30 English as a Second Language	31,370	4,972	36,342	948	37,290	34,500	30,174
1.31 Aboriginal Education	436,595	125,653	562,248	65,041	629,289	647,692	599,366
1.41 School Administration	2,596,381	602,909	3,199,290	12,509	3,211,799	3,276,093	3,144,403
1.60 Summer School	32,967	5,675	38,642	1,114	39,756	27,000	38,300
1.62 Off Shore Students	226,962	46,016	272,978	594,016	866,994	872,179	743,376
<b>Total Function 1</b>	<b>31,053,012</b>	<b>7,106,464</b>	<b>38,159,476</b>	<b>3,343,798</b>	<b>41,503,274</b>	<b>41,701,828</b>	<b>41,321,648</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration	198,686	47,942	246,630	39,150	285,780	294,552	264,300
4.40 School District Governance	112,844	2,026	114,870	98,907	213,777	231,047	256,545
4.41 Business Administration	694,317	159,253	853,570	239,447	1,093,017	1,229,948	1,270,739
<b>Total Function 4</b>	<b>1,005,847</b>	<b>209,221</b>	<b>1,215,070</b>	<b>377,504</b>	<b>1,592,574</b>	<b>1,755,547</b>	<b>1,791,584</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration	241,515	53,982	295,497	88,573	364,070	412,308	406,618
5.50 Maintenance Operations	2,669,638	648,378	3,318,016	750,951	4,068,967	4,091,838	4,018,779
5.52 Maintenance of Grounds	122,012	24,636	146,648	128,832	275,480	346,912	302,560
5.56 Utilities	-	-	-	1,062,154	1,062,154	1,325,770	1,304,559
<b>Total Function 5</b>	<b>3,033,165</b>	<b>726,996</b>	<b>3,760,161</b>	<b>2,030,510</b>	<b>5,790,671</b>	<b>6,176,828</b>	<b>6,034,516</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration	61,303	16,592	77,895	3,091	80,946	84,726	79,465
7.70 Student Transportation	841,266	227,745	1,069,011	418,611	1,487,622	1,600,441	1,535,463
<b>Total Function 7</b>	<b>902,569</b>	<b>244,297</b>	<b>1,146,866</b>	<b>421,702</b>	<b>1,568,568</b>	<b>1,685,169</b>	<b>1,614,928</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
<b>Total Function 9</b>							
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>\$ 35,994,595</b>	<b>\$ 8,286,978</b>	<b>\$ 44,281,573</b>	<b>\$ 6,173,514</b>	<b>\$ 50,455,087</b>	<b>\$ 51,319,372</b>	<b>\$ 50,762,676</b>

SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
OPERATING FUND  
CHANGES IN DEFERRED CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2010

Schedule A5

BALANCE, BEGINNING OF YEAR

Changes for the Year

Increase:

Decrease:

Net Changes for the Year

BALANCE, END OF YEAR

_____	-
_____	-
_____	-
_____	-
_____	-
<b>\$</b>	<b>-</b>

SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
SPECIAL PURPOSE FUNDS  
SUMMARY OF CHANGES  
YEAR ENDED JUNE 30, 2010

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>					
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 1,617,815	\$ 990,679	\$ 650,403		\$ 3,458,933
Add: Contributions Received					
Provincial Grants - Ministry of Education	699,653	261,545			960,428
Provincial Grants - Other		324,367			324,367
Other	23,439	144,217	2,273,771		2,441,487
Investment Income	3,663	2,372			6,255
	726,265	732,521	2,273,771		3,732,557
Less: Allocated to Revenue	1,404,763	693,699	2,295,390		4,393,872
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	\$ 1,397,297	\$ 1,029,501	\$ 626,790	\$ -	\$ 2,797,588
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	\$ 1,377,401	\$ 266,222			\$ 1,643,623
Provincial Grants - Other		334,966			334,966
Other Revenue	23,439	90,139	2,295,390		2,409,028
Investment Income	3,663	2,372			6,255
	1,404,763	693,699	2,295,390		4,393,872
<b>EXPENSE</b>					
Salaries					
Teachers		21,772			21,772
Educational Assistants		271,105			271,105
Other Professionals		85,203			85,203
Substitutes		6,318			6,318
Employee Benefits		364,398			364,398
Services and Supplies	7,370	96,055			103,425
	7,370	211,246	2,235,390		2,514,006
	7,370	693,699	2,295,390		2,996,459
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	1,397,413	-	-	-	1,397,413
<b>INTERFUND TRANSFERS</b>					
Capital Assets Purchased	(1,397,413)				(1,397,413)
	(1,397,413)				(1,397,413)
<b>NET REVENUE (EXPENSE)</b>	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
SPECIAL PURPOSE FUNDS  
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS  
YEAR ENDED JUNE 30, 2010

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>			
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>			
<b>Add:</b> Contributions Received	\$ 1,803,796	\$ 14,019	\$ 1,817,815
Provincial Grants - Ministry of Education	687,117	11,766	698,883
Other	23,499		23,499
Investment Income	3,883		3,883
	714,499	11,766	726,265
<b>Less:</b> Allocated to Revenue	1,397,413	7,370	1,404,783
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>\$ 1,120,882</b>	<b>\$ 18,415</b>	<b>\$ 1,139,297</b>
<b>REVENUE AND EXPENSE</b>			
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	1,370,031	7,370	1,377,401
Other Revenue	23,499		23,499
Investment Income	3,883		3,883
<b>EXPENSE</b>	1,397,413	7,370	1,404,783
Salaries			
Services and Supplies			
		7,370	7,370
		7,370	7,370
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	1,397,413		1,397,413
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	(1,397,413)		(1,397,413)
	(1,397,413)		(1,397,413)
<b>NET REVENUE (EXPENSE)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
 SPECIAL PURPOSE FUNDS  
 CHANGES IN OTHER SPECIAL PURPOSE FUNDS  
 YEAR ENDED JUNE 30, 2010

Schedule B3

	DSLP	Federal French	KeyCity Theatre	MCF Programs	Community Link	Scholarships	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>							
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>							
Add: Contributions Received	\$ 207,137	\$ 52,410	\$ 498	\$ 22,058	\$ 30,019	\$ 678,557	\$ 990,679
Provincial Grants - Ministry of Education		138,929			122,616		261,545
Provincial Grants - Other		15,300	12,001	99,360	225,027		324,587
Other	76,306				1,000	39,610	144,217
Investment Income	76,306	154,229	12,001	99,360	348,043	2,372	732,521
Less: Allocated to Revenue		128,887	11,292	109,939	378,662	64,919	633,699
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>\$ 263,443</b>	<b>\$ 77,752</b>	<b>\$ 1,207</b>	<b>\$ 11,479</b>	<b>\$ -</b>	<b>\$ 655,620</b>	<b>\$ 1,029,501</b>
<b>REVENUE AND EXPENSE</b>							
<b>REVENUE</b>							
Provincial Grants - Ministry of Education		113,587			152,635		266,222
Provincial Grants - Other				109,939	225,027		334,966
Other Revenue		15,300	11,292		1,000	62,547	90,139
Investment Income		128,887	11,292	109,939	378,662	64,919	633,699
<b>EXPENSE</b>							
Salaries							
Teachers		21,772					21,772
Educational Assistants		13,721			257,364		271,105
Other Professionals				68,620	16,583		85,203
Substitutes		2,372			3,946		6,318
Employee Benefits		37,865		68,620	277,913		384,398
Services and Supplies		10,680		17,808	69,567		98,055
		80,342	11,292	23,511	31,182	64,919	211,246
		128,887	11,292	109,939	378,662	64,919	633,699
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>							
<b>INTERFUND TRANSFERS</b>							
<b>NET REVENUE (EXPENSE)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
 CAPITAL FUND  
 CAPITAL ASSETS  
 YEAR ENDED JUNE 30, 2010

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>COST, BEGINNING OF YEAR</b>	\$ 5,987,977	\$ 113,192,876	\$ 1,243,706	\$ 2,433,184		\$ 86,358	\$ 122,944,701
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		162,413		390,564			552,977
Deferred Contributions - Other		13,035	106,107				119,142
Special Purpose Funds		1,397,413					1,397,413
Local Capital		657,395	47,211	174,211		39,999	918,816
Decrease:							
Deemed Disposals		2,230,256	153,318	564,775		39,999	2,988,348
			33,411	398,590		14,056	446,057
			33,411	398,590		14,056	446,057
<b>COST, END OF YEAR</b>	5,987,977	115,423,132	1,363,613	2,599,369		112,901	125,486,992
<b>WORK IN PROGRESS, END OF YEAR</b>							
<b>COST AND WORK IN PROGRESS, END OF YEAR</b>	\$ 5,987,977	\$ 115,423,132	\$ 1,363,613	\$ 2,599,369	\$	\$ 112,901	\$ 125,486,992
<b>ACCUMULATED AMORTIZATION, BEGINNING OF YEAR</b>							
<b>Changes for the Year</b>							
Increase: Amortization for the Year	\$	49,387,882	\$ 367,020	\$ 1,002,078		\$ 54,966	\$ 50,811,966
Decrease:							
Deemed Disposals		2,305,593	124,371	243,318		17,392	2,690,674
			33,411	398,590		14,056	446,057
			33,411	398,590		14,056	446,057
<b>ACCUMULATED AMORTIZATION, END OF YEAR</b>	\$	51,693,475	\$ 457,980	\$ 846,806	\$	\$ 58,322	\$ 53,056,583
<b>CAPITAL ASSETS - NET</b>	\$ 5,987,977	\$ 63,729,657	\$ 905,633	\$ 1,752,563	\$	\$ 54,579	\$ 72,430,409

SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
 CAPITAL FUND  
 CAPITAL ASSETS - WORK IN PROGRESS  
 YEAR ENDED JUNE 30, 2010

Schedule C2

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

**CAPITAL FUND  
DEFERRED CAPITAL CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2010**

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 60,968,979	\$ -	\$ 578,092	\$ 61,545,071
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Contributions - Capital Additions	552,977	13,035	106,107	672,119
	<u>552,977</u>	<u>13,035</u>	<u>106,107</u>	<u>672,119</u>
Decrease				
Amortization of Deferred Capital Contributions	2,463,708	-	57,809	2,521,517
	<u>2,463,708</u>	<u>-</u>	<u>57,809</u>	<u>2,521,517</u>
<b>Net Changes for the Year</b>	<u>(1,910,731)</u>	<u>13,035</u>	<u>48,298</u>	<u>(1,849,398)</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>\$ 59,056,248</u>	<u>\$ 13,035</u>	<u>\$ 626,390</u>	<u>\$ 59,695,673</u>
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>				\$ -
<b>Changes for the Year</b>				
Increase	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Decrease	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes for the Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>WORK IN PROGRESS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>\$ 59,056,248</u>	<u>\$ 13,035</u>	<u>\$ 626,390</u>	<u>\$ 59,695,673</u>



SCHOOL DISTRICT No. 05 (SOUTHEAST KOOTENAY)  
 CAPITAL FUND  
 CHANGES IN DEFERRED CONTRIBUTIONS  
 YEAR ENDED JUNE 30, 2010

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 198,921	\$ 2,528,008			\$ -	\$ 2,726,929
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>			45,777			45,777
PAC funds for Playground						
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	198,921	2,528,008	-	-	45,777	2,772,706
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	370,780	10,113				370,780
Investment Income					60,330	10,113
Playground fundraising	370,780	10,113			60,330	60,330
Decrease:						
Transferred to DCC - Capital Additions	552,977	13,035			106,107	672,119
	552,977	13,035			106,107	672,119
<b>Net Changes for the Year</b>	(182,197)	(2,922)			(45,777)	(230,896)
<b>BALANCE, END OF YEAR</b>	\$ 16,724	\$ 2,525,086	\$ -	\$ -	\$ -	\$ 2,541,810

BALANCE, BEGINNING OF YEAR

Changes in Accounting Policies/  
 Prior Period Adjustments  
 PAC funds for Playground

BALANCE, BEGINNING OF YEAR, AS RESTATED

Changes for the Year

Increase:  
 Provincial Grants - Ministry of Education  
 Investment Income  
 Playground fundraising

Decrease:  
 Transferred to DCC - Capital Additions

Net Changes for the Year

BALANCE, END OF YEAR

**CAPITAL FUND  
CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010**

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 10,587,664	\$ 2,128,768	\$ 12,716,432
<b>Changes for the Year</b>			
Investment Income		6,511	6,511
Amortization of Deferred Capital Contributions	2,521,517		2,521,517
Capital Assets Purchased from Local Capital	918,816	(918,816)	-
Interfund Transfers - Capital Assets Purchased	1,397,413		1,397,413
Interfund Transfers - Local Capital		209,000	209,000
Amortization of Capital Assets	(2,690,674)		(2,690,674)
Insurance claim - Muriel Baxter fire		76,815	76,815
Repayment of MBSS sports bus		7,539	7,539
<b>Net Changes for the Year</b>	<u>2,147,072</u>	<u>(618,951)</u>	<u>1,528,121</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 12,734,736</u>	<u>\$ 1,509,817</u>	<u>\$ 14,244,553</u>