

**School District
Statement of Financial Information (SOFI)**

School District No. 05 (Southeast Kootenay)

Fiscal Year Ended June 30, 2013

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 - Reconciliation or explanation of differences to Audited Financial Statements
8. Schedule of Payments for the Provision of Goods and Services including:
 - Reconciliation or explanation of differences to Audited Financial Statements



Ministry of Education

SCHOOL DISTRICT STATEMENT OF FINANCIAL INFORMATION (SOFI)

6049

SCHOOL DISTRICT NUMBER 05	NAME OF SCHOOL DISTRICT Southeast Kootenay	YEAR 2012/2013
OFFICE LOCATION(S) 940 Industrial Road #1		TELEPHONE NUMBER 250-426-4201
MAILING ADDRESS		
CITY Cranbrook	PROVINCE BC	POSTAL CODE V1C 4C8
NAME OF SUPERINTENDENT Lynn Hauptman		TELEPHONE NUMBER 250-417-2079
NAME OF SECRETARY TREASURER Robert G. Norum		TELEPHONE NUMBER 250-417-2054

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information for the year ended June 30, 2013 for School District No. 05 as required under Section 2 of the Financial Information Act.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED
SIGNATURE OF SUPERINTENDENT	DATE SIGNED
SIGNATURE OF SECRETARY TREASURER	DATE SIGNED

Statement of Financial Information for Year Ended June 30, 2013

Financial Information Act-Submission Checklist

	<i>Due Date</i>
a) <input checked="" type="checkbox"/> A statement of assets and liabilities (audited financial statements).	<i>September 30</i>
b) <input checked="" type="checkbox"/> An operational statement including, i) a Statement of Income and ii) a Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to Financial Statements (audited financial statements)	<i>September 30</i>
c) <input checked="" type="checkbox"/> A schedule of debts (audited financial statements).	<i>September 30</i>
d) <input checked="" type="checkbox"/> A schedule of guarantee and indemnity agreements including the names of the entities involved and the amount of money involved. (Note: Nil schedules can be submitted December 31).	<i>September 30</i>
e) A schedule of remuneration and expenses, including:	<i>December 31</i>
<input checked="" type="checkbox"/> i) an alphabetical list of employees earning over \$75,000, the total amount of expenses paid to or on behalf of each employee for the year reported and a consolidated total for employees earning under \$75,000. If the total wages and expenses differs from the audited financial statements, an explanation is required.	
<input checked="" type="checkbox"/> ii) a list by name and position of Board Members with the amount of any salary and expenses paid to or on behalf of the member	
<input checked="" type="checkbox"/> iii) the number of severance agreements started during the fiscal year and the range of months' pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required	
f) <input checked="" type="checkbox"/> An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required.	<i>December 31</i>
g) <input checked="" type="checkbox"/> Approval of Statement of Financial Information.	<i>December 31</i>
h) <input checked="" type="checkbox"/> A management report approved by the Chief Financial Officer	<i>December 31</i>

School District Number & Name School District No. 5 (Southeast Kootenay)

**School District
Statement of Financial Information (SOFI)**

School District No. 5 (Southeast Kootenay)

Fiscal Year Ended June 30, 2013

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Education is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

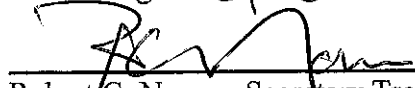
The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements as required by the *School Act*. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the board's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of School District No. 5 (Southeast Kootenay)



Lynn Hauptman, Superintendent

Date: Nov 26, 2013



Robert G. Norum, Secretary Treasurer

Date: Nov 26, 2013

Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

Audited Financial Statements of

School District No. 5 (Southeast Kootenay)

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

School District No. 5 (Southeast Kootenay)

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

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School District No. 5 (Southeast Kootenay)

MANAGEMENT REPORT

Version: 2401-1655-8673

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 5 (Southeast Kootenay) have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.


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

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

The Board of Education of School District No. 5 (Southeast Kootenay) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 5 (Southeast Kootenay) 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. 5 (Southeast Kootenay)



Signature of the Chairperson of the Board of Education

Sept 25/13

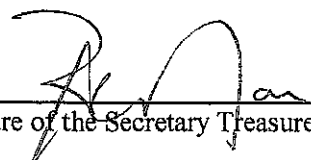
Date Signed



Signature of the Superintendent

Sept 24/13

Date Signed



Signature of the Secretary Treasurer

Sept 24/13

Date Signed



Tel: 250 426 4285
Fax: 250 426 8886
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BDO Canada LLP
35 - 10th Avenue S
Cranbrook BC V1C 2M9 Canada

Independent Auditor's Report

To the Board of Trustees of School District No. 5 (Southeast Kootenay) and
the Minister of Education of the Province of British Columbia

We have audited the accompanying financial statements of the School District No. 5 (Southeast Kootenay), which comprise the statements of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011 and the statements of operations, changes in net debt and cash flows for the years ended June 30, 2013 and June 30, 2012, 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 presentation of these financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards modified by B.C. Regulation 198/2011 "Restricted Contributions", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and 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 presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the School District No. 5 (Southeast Kootenay) for the years ended June 30, 2013 and June 30, 2012 are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 2 and 3(a) to the financial statements which describe the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants

Cranbrook, BC
September 23, 2013

School District No. 5 (Southeast Kootenay)

Statement 1

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
		(Restated)	(Restated)
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	9,182,654	10,455,615	11,121,133
Accounts Receivable			
Due from LEA/Direct Funding (Note 4)	332,715	221,278	374,119
Other (Note 4)	904,882	569,662	831,629
Total Financial Assets	10,420,251	11,246,555	12,326,881
Liabilities			
Accounts Payable and Accrued Liabilities			
Other (Note 5)	4,000,398	3,473,513	3,656,059
Unearned Revenue (Note 6)	637,720	362,506	510,560
Deferred Revenue (Note 7)	1,918,734	1,909,845	2,444,001
Deferred Capital Revenue (Note 8)	58,283,833	59,466,556	60,733,817
Employee Future Benefits (Note 9)	338,191	335,690	360,224
Total Liabilities	65,178,876	65,548,110	67,704,661
Net Financial Assets (Debt)	(54,758,625)	(54,301,555)	(55,377,780)
Non-Financial Assets			
Tangible Capital Assets (Note 10)	73,695,482	73,308,928	73,083,445
Prepaid Expenses	297,724	280,905	243,782
Total Non-Financial Assets	73,993,206	73,589,833	73,327,227
Accumulated Surplus (Deficit)	19,234,581	19,288,278	17,949,447

Contractual Obligations and Contingencies (Note 13&14)

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. 5 (Southeast Kootenay)

Statement 2

Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	51,577,023	51,299,918	51,519,296
Other	109,720	339,780	550,811
Tuition	1,432,550	1,428,396	1,376,589
Other Revenue	2,073,174	3,283,986	2,612,278
Rentals and Leases	101,875	134,812	68,174
Investment Income	50,500	77,307	78,267
Amortization of Deferred Capital Revenue	2,523,448	2,561,902	2,523,448
MBSS Bus Loan	8,000	8,000	8,000
Total Revenue	57,876,290	59,134,101	58,736,863
Expenses			
Instruction	46,272,224	47,038,830	45,601,879
District Administration	1,654,928	1,717,086	1,682,573
Operations and Maintenance	8,893,030	8,801,954	8,547,357
Transportation and Housing	1,651,870	1,629,928	1,566,223
Total Expense	58,472,052	59,187,798	57,398,032
Surplus (Deficit) for the year	(595,762)	(53,697)	1,338,831
Accumulated Surplus (Deficit) from Operations, beginning of year		19,288,278	17,949,447
Accumulated Surplus (Deficit) from Operations, end of year		19,234,581	19,288,278

School District No. 5 (Southeast Kootenay)

Statement of Changes in Net Financial Assets (Debt)
 Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(595,762)</u>	<u>(53,697)</u>	<u>1,338,831</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,481,714)	(3,323,135)	(3,036,281)
Amortization of Tangible Capital Assets	2,810,798	2,936,581	2,810,798
Total Effect of change in Tangible Capital Assets	<u>329,084</u>	<u>(386,554)</u>	<u>(225,483)</u>
Acquisition of Prepaid Expenses	(243,782)	(297,724)	(280,905)
Use of Prepaid Expenses	243,782	280,905	243,782
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(16,819)</u>	<u>(37,123)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(266,678)</u>	<u>(457,070)</u>	<u>1,076,225</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(457,070)</u>	<u>1,076,225</u>
Net Financial Assets (Debt), beginning of year		<u>(54,301,555)</u>	<u>(55,377,780)</u>
Net Financial Assets (Debt), end of year		<u><u>(54,758,625)</u></u>	<u><u>(54,301,555)</u></u>

School District No. 5 (Southeast Kootenay)

Statement 5

Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual (Restated)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(53,697)	1,338,831
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(446,657)	414,808
Prepaid Expenses	(16,819)	(37,123)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	526,885	(182,546)
Unearned Revenue	275,214	(148,054)
Deferred Revenue	8,889	(534,156)
Employee Future Benefits	2,501	(24,534)
Amortization of Tangible Capital Assets	2,936,581	2,810,798
Amortization of Deferred Capital Revenue	(2,561,902)	(2,523,448)
Total Operating Transactions	<u>670,995</u>	<u>1,114,576</u>
Capital Transactions		
Tangible Capital Assets Purchased	(3,323,135)	(3,036,281)
Total Capital Transactions	<u>(3,323,135)</u>	<u>(3,036,281)</u>
Financing Transactions		
Capital Revenue Received	1,379,179	1,256,187
Total Financing Transactions	<u>1,379,179</u>	<u>1,256,187</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,272,961)	(665,518)
Cash and Cash Equivalents, beginning of year	10,455,615	11,121,133
Cash and Cash Equivalents, end of year	<u>9,182,654</u>	<u>10,455,615</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	5,412,830	5,150,339
Cash Equivalents	3,769,824	5,305,276
	<u>9,182,654</u>	<u>10,455,615</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

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 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

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

The School District has elected to use the following exemptions available as 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 until June 30, 2013 to coincide with the March 31, 2013 valuation;
 - b. The School District has elected to recognize all cumulative actuarial gains and losses at July 1, 2011 directly in accumulated surplus (deficit); and
- Tangible capital asset impairment:
 - a. The School District has elected to apply the conditions for a write-down of tangible capital assets in *Section PS 3150* on a prospective basis from the date of transition.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS
(Continued)

Key adjustments on the School District's financial statements resulting from the adoption of these accounting standards are as follows:

- Previously, the School District was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. PSA standards require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the School District in return for the benefits. An adjustment of \$204,190 was made to recognize a liability and an expense related to accumulated sick leave entitlements. Also, in accordance with the first time elections, the School District recognized all previous cumulative actuarial gains and losses relating to employee future benefits of \$25,059 at July 1, 2011 resulting in an increase to the Employee Future Benefits liability and a decrease in accumulated surplus. The total adjustment to the liability for employee future benefits at July 1, 2011 was \$229,249 resulting in a revised liability of \$360,224. An additional recovery of \$14,601 was recognized in the 2012 fiscal year resulting in a revised liability for employee future benefits at June 30, 2012 of \$ 335,690 related to the accrual for accumulated sick leave entitlements, determined by an actuarial valuation.

	Previously stated July 1, 2011	Adjustment July 1, 2011	Restated July 1, 2011
	\$	\$	\$
Employee Future Benefits	130,975	229,249	360,224

	Previously stated June 30, 2012	Adjustment June 30, 2012	Restated June 30, 2012
	\$	\$	\$
Employee Future Benefits	121,042	214,648	335,690

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS
(Continued)

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

Accumulated surplus (deficit) as originally reported, July 1, 2011	\$18,178,696
Adjustments to accumulated surplus (deficit)	
Add non-vested benefits to Employee Future Benefits	(204,190)
Recognize cumulative unamortized actuarial gain/loss on Employee Future Benefits	<u>(25,059)</u>
Accumulated surplus (deficit) as restated, July 1, 2011	<u>\$17,949,447</u>
Annual surplus (deficit) as originally reported for the year ended June 30, 2012	 \$19,502,926
Adjustments to annual surplus (deficit) for the year	
Add non-vested benefits to Employee Future Benefits	<u>(214,648)</u>
Accumulated surplus (deficit), end of year as restated, June 30, 2012	<u>\$19,288,278</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

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

July 1, 2011	- understatement of accumulated surplus and an overstatement of deferred capital revenue by \$59,096,288
Year-ended June 30, 2012	- overstatement of revenue and annual surplus of \$281,512
June 30, 2012	- understatement of accumulated surplus and an overstatement of deferred capital revenue by \$58,814,776
Year-ended June 30, 2013	- overstatement of revenue and annual surplus of \$1,227,268
June 30, 2013	- understatement of accumulated surplus and an overstatement of deferred capital revenue by \$57,587,508

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments 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.

c) Accounts Receivable

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

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for which there is an obligation to deliver services or products in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 3 (j).

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Employee Future Benefits

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

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

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

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

The School district and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

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

g) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

h) Prepaid Expenses

Prepaid membership dues, insurance, travel expenses and software licencing fees are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

i) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund within accumulated surplus when approved (see Note 16 – Internally Restricted Surplus).

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

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

j) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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

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

- Non-capital contributions restricted 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.

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

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.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

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

k) Expenditures

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

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

Categories of Salaries

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

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

l) 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, accounts payable and accrued liabilities, and other liabilities.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

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 above.

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

m) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 3 (a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2013	June 30, 2012	July 1, 2011
Due from Federal Government	\$218,163	\$247,210	\$302,323
LEA	332,715	221,278	374,119
Other	686,719	322,452	529,306
	<u>\$1,237,597</u>	<u>\$790,940</u>	<u>\$1,205,748</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2013	June 30, 2012	July 1, 2011
Trade payables	\$ 558,903	\$356,073	\$901,755
Salaries and benefits payable	3,441,495	3,117,440	2,754,284
	<u>\$4,000,398</u>	<u>\$3,473,513</u>	<u>\$3,656,059</u>

NOTE 6 UNEARNED REVENUE

	June 30, 2013	June 30, 2012	July 1, 2011
Balance, beginning of year	\$362,506	\$510,560	\$584,046
Changes for the year:			
Increase:			
Tuition fees received	1,703,610	1,228,535	1,287,678
Decrease:			
Tuition fees recognized	(1,428,396)	(1,376,589)	(1,361,164)
Balance, end of year	<u>\$637,720</u>	<u>\$362,506</u>	<u>\$510,560</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 7 DEFERRED REVENUE

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

	June 30, 2013	June 30, 2012	July 1, 2011
Balance, beginning of year	\$1,909,845	\$2,444,001	\$2,797,588
Changes for the year:			
Increase:			
Grants and contributions received	4,712,326	3,301,813	3,331,238
Decrease:			
Grants and contributions recognized	(4,703,437)	(3,835,969)	(3,684,825)
Balance, end of year	<u>\$1,918,734</u>	<u>\$1,909,845</u>	<u>\$2,444,001</u>

NOTE 8 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	June 30, 2013	June 30, 2012	July 1, 2011
Balance, beginning of year	\$59,466,556	\$60,733,817	\$60,134,432
Changes for the year:			
Increase:			
Grants and contributions received	1,379,179	1,256,187	1,914,917
Decrease:			
Amortization of deferred capital revenue	(2,561,902)	(2,523,448)	(2,514,302)
Balance, end of year	<u>\$58,283,833</u>	<u>\$59,466,556</u>	<u>\$60,733,817</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 9 EMPLOYEE FUTURE BENEFITS

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

	June 30, 2013	June 30, 2012
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	354,177	156,034
Non-vested Benefit Obligation - July 1, 2011	██████████	204,190
Service Cost	21,988	20,519
Interest Cost	15,065	16,814
Benefit Payments	(36,863)	(61,867)
Actuarial (Gain) Loss	193,123	18,487
Accrued Benefit Obligation – March 31	547,490	354,177
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	547,490	354,177
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(547,490)	(354,177)
Employer Contributions After Measurement Date	0	0
Unamortized Net Actuarial (Gain) Loss	209,299	18,487
Accrued Benefit Asset (Liability) - June 30	(338,191)	(335,690)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	335,690	130,975
Recognize Non-Vested Benefits - July 1, 2011	██████████	204,190
Recognize Unamortized (Gains) Losses - July 1, 2011	██████████	25,059
Accrued Benefit Liability (Asset) - July 1 (restated)	335,690	360,224
Net Expense for Fiscal Year	39,364	37,333
Employer Contributions	(36,863)	(61,867)
Accrued Benefit Liability (Asset) - June 30	338,191	335,690
Components of Net Benefit Expense		
Service Cost	21,988	20,519
Interest Cost	15,065	16,814
Amortization of Net Actuarial (Gain)/Loss	2,311	0
Net Benefit Expense (Income)	39,364	37,333

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 9 EMPLOYEE FUTURE BENEFITS (Continued)

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

	June 30, 2013	June 30, 2012
Discount Rate – April 1	4.25%	4.75%
Discount Rate – March 31	3.00%	4.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.1	8.0

NOTE 10 TANGIBLE CAPITAL ASSETS

June 30, 2013

Cost:	Balance at June 30, 2012	Additions	Disposals	Balance at June 30, 2013
Sites	\$ 5,987,977	\$	\$	\$ 5,987,977
Buildings	120,733,901	1,895,480		122,629,381
Furniture & Equipment	1,502,293	65,271	412,797	1,154,767
Vehicles	3,189,355	344,972	76,097	3,458,230
Computer Hardware	142,899	1,017,412		1,160,311
Total	\$131,556,425	\$3,323,135	\$488,894	\$134,390,666

Accumulated Amortization:	Balance at June 30, 2012	Additions	Disposals	Balance at June 30, 2013
Sites	\$	\$	\$	\$
Buildings	56,416,840	2,438,836		58,855,676
Furniture & Equipment	676,538	150,229	412,797	413,970
Vehicles	1,138,119	318,936	76,097	1,380,958
Computer Hardware	16,000	28,580		44,580
Total	\$58,247,497	\$2,936,581	\$488,894	\$60,695,184

Net Book Value	Net Book Value June 30, 2012	Net Book Value June 30, 2013
Sites	\$ 5,987,977	\$ 5,987,977
Buildings	64,317,061	63,773,705
Furniture & Equipment	825,755	740,797
Vehicles	2,051,236	2,077,272
Computer Hardware	126,899	1,115,731
Total	\$73,308,928	\$73,695,482

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2012

Cost:	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Sites	\$ 5,987,977	\$	\$	\$ 5,987,977
Buildings	118,276,127	2,457,774		120,733,901
Furniture & Equipment	1,456,879	61,300	15,886	1,502,293
Vehicles	2,715,416	473,939		3,189,355
Computer Hardware	99,631	43,268		142,899
Total	\$128,536,030	\$3,036,281	\$15,886	\$131,556,425

Accumulated Amortization:	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Sites	\$	\$	\$	\$
Buildings	54,0341,272	2,385,568		56,416,840
Furniture & Equipment	546,736	145,688	15,886	676,538
Vehicles	866,577	271,542		1,138,119
Computer Hardware	8,000	8,000		16,000
Total	\$55,452,585	\$2,810,798	\$15,886	\$58,247,497

Net Book Value	Net Book Value July 1, 2011	Net Book Value June 30, 2012
Sites	\$ 5,987,977	\$ 5,987,977
Buildings	64,244,855	64,317,061
Furniture & Equipment	910,143	825,755
Vehicles	1,848,839	2,051,236
Computer Hardware	91,631	126,899
Total	\$73,083,445	\$73,308,928

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 11 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 plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

School District No. 5 (Southeast Kootenay) paid \$4,643,528 (2012 - \$ 4,470,029) for employer contributions to these plans in the year ended June 30, 2013.

NOTE 12 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.

NOTE 13 CONTRACTUAL OBLIGATIONS

Lease Commitments:

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

Fiscal Year	Amount
2013-14	\$107,790
2014-15	\$116,320
2015-16	\$116,320
2016-17	\$116,320
2017-18	\$ 9,693

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 14 CONTINGENCIES

In the ordinary course of operations, the School District has legal proceedings brought against it which remain outstanding at the year end. It is the opinion of management that final determination of these claims will not have material effect on the financial position or operations of the School District.

NOTE 15 EXPENSE BY OBJECT

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Salaries and benefits	\$ 46,954,865	\$ 45,646,416
Services and supplies	9,296,352	8,940,818
Amortization	2,936,581	2,810,798
	<u>\$ 59,187,798</u>	<u>\$ 57,398,032</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 16 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

Subtotal Internally Restricted (see below)	\$ 1,980,062
Unrestricted Operating Surplus (Deficit)	<u>264,151</u>
Total Available for Future Operations	\$2,244,213

Appropriations June 30, 2012

Summary	<u>June 2013</u>	<u>June 2012</u>
Admin Pro-D	\$ 103,191	\$ 92,586
Aboriginal Education	216,156	246,898
Special Education		
District	115,608	180,227
District 0707	154,965	169,306
Schools	79,990	62,773
	<hr/>	<hr/>
	350,563	412,306
Schools		
Operating	235,539	224,643
Learning Resources	77,199	89,860
Growth Plans	78,793	69,053
	<hr/>	<hr/>
	391,531	383,556
Operating Projects (see following)	187,523	534,461
Resource Centre	7,196	5,211
International Education		(48,509)
Technology Plan	143,150	567,850
Technology Implementation Yr 1,2	120,000	
Software Upgrades (complete callout)	60,000	227,257
Achievement Contract	122,787	86,708
Funds Allocated to future year	<hr/>	<hr/>
	277,965	927,878
Appropriations - Restricted	<hr/>	<hr/>
	1,980,062	3,436,202
Reserve Allocation		
ST01 30 June 2013	1,844,704	3,172,977
ST04 30 June 2012	525,231	(2,221,855)
Operating Surplus (Acct: 87000)	(125,722)	2,690,993
	<hr/>	<hr/>
	2,244,213	3,642,115
Appropriations – Restricted	1,980,062	3,436,202
Appropriations - Unrestricted	264,151	205,913
	<hr/>	<hr/>
	2,244,213	3,642,115

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 16 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND
(Continued)

Appropriations
Operating Projects
June 30, 2012

	June 2013	June 2012
450 Hockey School	3,128	8,595
452 Ready Set Learn	(4,349)	33,467
456 Found Skill Asst - FSA	15,145	12,752
534 Speech to Text	(1,221)	17,180
540 WIATT-III Level 2	660	15,656
545 Literacy Innovation 08/09	5,283	17,454
546 Sound Connections	(1,595)	653
548 Literacy Innovation 09/10	-	12,115
560 Climate Action	93,902	373,521
563 Yes-to-it	599	(769)
566 Wild Voices for Kids	(834)	1,729
569 Reference and Regulate	(2,327)	11,542
570 Teck Coal AED Units	-	4,777
621 Ace-It Training	(26,471)	655
622 Roots of Empathy	6,610	9,751
805 Art Starts in Schools	55	827
807 One to One Reading	1,587	1,217
460 CES SEC School Appr	(16,133)	-
463 Non-violent Crisis Intervention	59,045	-
464 At Risk ERASE	71,149	-
468 Dist Stud Adv Council	7,445	-
539 Strong Start Centres	(19,200)	-
561 SSEAC	(15,576)	-
830 Elementary Band	10,621	13,339
	<u>\$187,523</u>	<u>\$534,461</u>

NOTE 17 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 financial statements have been prepared on a going concern basis.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 18 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit 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 term deposits.

b) 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.



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Cranbrook BC V1C 2M9 Canada

Independent Auditor's Comments on Supplementary Financial Information

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

We have audited the financial statements of School District No.5 (Southeast Kootenay), which comprise the statement of financial position as at June 30, 2013 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated September 23, 2013 which contained an unmodified opinion on those financial statements. The audit was performed to form an opinion on the financial statements as a whole. The supplementary schedules presented hereinafter are for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

BDO Canada LLP

Chartered Accountants

Cranbrook, BC
September 23, 2013

School District No. 5 (Southeast Kootenay)
 Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Years Ending June 30, 2013 and June 30, 2012

	Operating Fund	Special Purpose Fund	Capital Fund	2013 Actual	2012 Actual (Restated)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	3,427,467		15,860,811	19,288,278	18,178,696
Change in Accounting Policies/Prior Period Adjustments					
Add non-vested benefits to Employee Future Benefits					(229,249)
Accumulated Surplus (Deficit), beginning of year, as restated	3,427,467	-	15,860,811	19,288,278	17,949,447
Changes for the year					
Surplus (Deficit) for the year	(332,005)	624,188	(345,880)	(53,697)	1,338,831
Interfund Transfers					
Tangible Capital Assets Purchased	(795,107)	(680,330)	680,330	-	-
Local Capital	(56,142)	56,142	795,107	-	-
Other	(1,183,254)	-	1,129,557	(53,697)	1,338,831
Net Changes for the year	2,244,213	-	16,990,368	19,234,581	19,288,278
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 5 (Southeast Kootenay)

Schedule 2

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	49,406,668	49,778,283	50,285,542
Tuition	1,432,550	1,428,396	1,376,589
Other Revenue	368,674	447,552	571,201
Rentals and Leases	101,875	134,812	68,174
Investment Income	30,000	50,920	48,744
Total Revenue	51,339,767	51,839,963	52,350,250
Expenses			
Instruction	42,958,115	42,972,269	42,399,172
District Administration	1,589,928	1,704,398	1,682,573
Operations and Maintenance	6,067,732	5,865,373	5,736,559
Transportation and Housing	1,651,870	1,629,928	1,566,223
Total Expense	52,267,645	52,171,968	51,384,527
Operating Surplus (Deficit) for the year	(927,878)	(332,005)	965,723
Budgeted Appropriation (Retirement) of Surplus (Deficit)	927,878		
Net Transfers (to) from other funds			
Local Capital	-	(795,107)	
Other	-	(56,142)	
Total Net Transfers	-	(851,249)	-
Total Operating Surplus (Deficit), for the year	-	(1,183,254)	965,723
Operating Surplus (Deficit), beginning of year		3,427,467	2,690,993
Change in Accounting Policies/Prior Period Adjustments			
Add non-vested benefits to Employee Future Benefits			(229,249)
Reclassify Deferred Contributions			-
Operating Surplus (Deficit), beginning of year, as restated		3,427,467	2,461,744
Operating Surplus (Deficit), end of year		2,244,213	3,427,467
Operating Surplus (Deficit), end of year			
Internally Restricted		1,980,062	3,436,202
Unrestricted		264,151	205,913
Unfunded Accrued Employee Future Benefits			(214,648)
Total Operating Surplus (Deficit), end of year		2,244,213	3,427,467

School District No. 5 (Southeast Kootenay)

Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	49,435,336	49,378,427	49,917,942
AANDC/LEA Recovery	(335,894)	(335,894)	(335,894)
Other Ministry of Education Grants			
Pay Equity	457,171	457,171	457,171
Education Guarantee		20,076	12,737
Ready Set Learn			29,400
Strong Start Centre			128,000
Carbon Tax Rebate	45,000	85,381	67,490
FSA Scorer		8,696	8,696
February/May CE FTE Adjustments	(194,945)	164,426	
Total Provincial Grants - Ministry of Education	49,406,668	49,778,283	50,285,542
Tuition			
Offshore Tuition Fees	1,432,550	1,428,396	1,376,589
Total Tuition	1,432,550	1,428,396	1,376,589
Other Revenues			
LEA/Direct Funding from First Nations	335,894	341,488	316,831
Miscellaneous			
Hockey School	21,780	23,414	9,123
Miscellaneous	11,000	20,256	68,748
Industry Training Authority		40,000	75,000
Career Education Society		-	21,070
Utility Rebates		22,394	80,429
Total Other Revenue	368,674	447,552	571,201
Rentals and Leases	101,875	134,812	68,174
Investment Income	30,000	50,920	48,744
Total Operating Revenue	51,339,767	51,839,963	52,350,250

School District No. 5 (Southeast Kootenay)

Schedule 2B

Schedule of Operating Expense by Object

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Salaries			
Teachers	22,499,376	22,359,596	22,005,644
Principals and Vice Principals	2,832,096	2,823,976	2,832,563
Educational Assistants	2,909,206	3,250,280	3,263,915
Support Staff	5,031,364	5,052,988	4,781,165
Other Professionals	1,802,781	1,696,871	1,858,880
Substitutes	1,695,069	1,759,649	1,530,136
Total Salaries	36,769,892	36,943,360	36,272,303
Employee Benefits	9,051,875	8,922,781	8,892,952
Total Salaries and Benefits	45,821,767	45,866,141	45,165,255
Services and Supplies			
Services	1,570,787	2,086,504	2,117,936
Student Transportation	42,500	56,773	54,291
Professional Development and Travel	538,760	535,019	486,439
Rentals and Leases	55,600	65,577	50,363
Dues and Fees	70,300	60,304	59,596
Insurance	242,100	228,804	187,715
Supplies	2,788,331	2,236,660	2,113,497
Utilities	1,137,500	1,036,186	1,149,435
Total Services and Supplies	6,445,878	6,305,827	6,219,272
Total Operating Expense	52,267,645	52,171,968	51,384,527

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	18,839,031	969,167		274,319	195,049	1,133,267	21,410,833
1.03 Career Programs	75,080					4,885	79,965
1.07 Library Services	574,134			122,692		32,313	729,139
1.08 Counselling	657,175					31,160	688,335
1.10 Special Education	2,143,985		2,783,161	13,762	345,767	331,553	5,618,228
1.30 English Language Learning	18,770					25,745	44,515
1.31 Aboriginal Education			416,979		128,022		545,001
1.41 School Administration		1,854,809		783,531			2,672,365
1.60 Summer School	23,287					547	23,834
1.62 Off Shore Students	28,134		50,140	211,988		2,018	292,280
Total Function 1	22,359,596	2,823,976	3,250,280	1,406,292	668,838	1,595,513	32,104,495
4 District Administration							
4.11 Educational Administration					223,352		223,352
4.40 School District Governance					116,001		116,001
4.41 Business Administration				281,214	420,144	17,888	719,246
Total Function 4	-	-	-	281,214	759,497	17,888	1,058,599
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				65,974	205,247	1,024	272,245
5.50 Maintenance Operations				2,363,798		106,281	2,470,079
5.52 Maintenance of Grounds				105,011		942	105,953
5.56 Utilities							-
Total Function 5	-	-	-	2,534,783	205,247	108,247	2,848,277
7 Transportation and Housing							
7.41 Transportation and Housing Administration					63,289	339	63,628
7.70 Student Transportation				830,699		37,662	868,361
Total Function 7	-	-	-	830,699	63,289	38,001	931,989
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	22,359,596	2,823,976	3,250,280	5,052,988	1,696,871	1,759,649	36,943,360

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2013 Actual	2013 Budget	2012 Actual (Restated)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,410,833	4,971,898	26,382,731	1,877,302	28,260,033	28,815,822	28,141,068
1.03 Career Programs	79,965	18,360	98,325	65,080	163,405	212,872	151,442
1.07 Library Services	729,139	182,895	912,034	96,895	1,008,929	914,711	944,459
1.08 Counselling	688,335	160,706	849,041	1,979	851,020	856,115	900,151
1.10 Special Education	5,618,228	1,483,579	7,101,807	205,990	7,307,797	6,780,314	7,153,519
1.30 English Language Learning	44,515	9,025	53,540	1,838	55,378	58,420	59,949
1.31 Aboriginal Education	545,001	157,729	702,730	126,089	828,819	839,840	719,922
1.41 School Administration	2,672,365	708,957	3,381,322	10,880	3,392,202	3,446,496	3,326,263
1.60 Summer School	23,834	4,037	27,871	2,372	30,243	39,800	29,627
1.62 Off Shore Students	292,280	75,744	368,024	706,419	1,074,443	993,725	972,772
Total Function 1	32,104,495	7,772,930	39,877,425	3,094,844	42,972,269	42,958,115	42,399,172
4 District Administration							
4.11 Educational Administration	223,352	42,092	265,444	40,413	305,857	292,702	289,580
4.40 School District Governance	116,001	2,188	118,189	88,666	206,855	204,877	224,678
4.41 Business Administration	719,246	161,791	881,037	310,649	1,191,686	1,092,349	1,168,315
Total Function 4	1,058,599	206,071	1,264,670	439,728	1,704,398	1,589,928	1,682,573
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	272,245	65,121	337,366	120,902	458,268	450,880	434,211
5.50 Maintenance Operations	2,470,079	601,969	3,072,048	870,972	3,943,020	4,043,128	3,874,272
5.52 Maintenance of Grounds	105,953	24,938	130,891	209,648	340,539	327,724	278,641
5.56 Utilities	-	-	-	1,123,546	1,123,546	1,246,000	1,149,435
Total Function 5	2,848,277	692,028	3,540,305	2,325,068	5,865,373	6,067,732	5,736,559
7 Transportation and Housing							
7.41 Transportation and Housing Administration	63,628	17,041	80,669	5,153	85,822	81,567	79,437
7.70 Student Transportation	868,361	234,711	1,103,072	441,034	1,544,106	1,570,303	1,486,786
Total Function 7	931,989	251,752	1,183,741	446,187	1,629,928	1,651,870	1,566,223
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	36,943,360	8,922,781	45,866,141	6,305,827	52,171,968	52,267,645	51,384,527

School District No. 5 (Southeast Kootenay)

Schedule 3

Schedule of Special Purpose Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,170,355	1,521,635	1,233,754
Other	109,720	339,780	550,811
Other Revenue	1,704,500	2,836,434	2,041,077
Investment Income	2,500	5,588	10,327
Total Revenue	3,987,075	4,703,437	3,835,969
Expenses			
Instruction	3,314,109	4,066,561	3,202,707
District Administration	65,000	12,688	
Operations and Maintenance	14,500		
Total Expense	3,393,609	4,079,249	3,202,707
Special Purpose Surplus (Deficit) for the year	593,466	624,188	633,262
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(593,466)	(680,330)	(633,262)
Other		56,142	
Total Net Transfers	(593,466)	(624,188)	(633,262)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year			
Special Purpose Surplus (Deficit), end of year			
Total Special Purpose Surplus (Deficit), end of year			

School District No. 5 (Southeast Kootenay)

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

Schedule 3A

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	331,142		26,330	732,515		
Add: Restricted Grants						
Provincial Grants - Ministry of Education	199,983	635,216	11,926		132,000	26,950
Provincial Grants - Other	201,232			2,625,033		
Other	5,588					
Investment Income	190,553					
District Entered	597,356	635,216	11,926	2,625,033	132,000	26,950
Less: Allocated to Revenue	680,330	635,216	12,116	2,542,305	129,708	(10,851)
Deferred Revenue, end of year	<u>248,168</u>	<u>-</u>	<u>26,140</u>	<u>815,243</u>	<u>2,292</u>	<u>37,801</u>
Revenues						
Provincial Grants - Ministry of Education	473,510	635,216	12,116		129,708	(10,851)
Provincial Grants - Other	201,232			2,542,305		
Other Revenue	5,588					
Investment Income	680,330	635,216	12,116	2,542,305	129,708	(10,851)
Expenses						
Salaries						
Teachers		206,861				
Principals and Vice Principals		13,580				
Educational Assistants		220,582				
Other Professionals		17,539				
Substitutes		458,562				
Employee Benefits		125,981				
Services and Supplies		50,673	12,116	2,542,305	129,708	22,616
Net Revenue (Expense) before Interfund Transfers	<u>680,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,467)</u>
Interfund Transfers						
Tangible Capital Assets Purchased	(680,330)					33,467
Other	(680,330)					33,467
Net Revenue (Expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

School District No. 5 (Southeast Kootenay)

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

	OLEP	Community- LINK	Key City Theatre	Journey With Elders	Dietmar Sobriety	Scholarships	MCF Programs
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	138,929	52,792	1,493			613,366	13,278
Add:							
Restricted Grants							
Provincial Grants - Ministry of Education		348,001					99,360
Provincial Grants - Other	146,540		12,001	20,000	1,500	47,260	
Other						9,183	
Investment Income							
District Entered							
Less:							
Allocated to Revenue	146,540	348,001	12,001	20,000	1,500	56,443	99,360
	148,596	400,793	12,688	20,000	1,500	58,709	72,327
Deferred Revenue, end of year	136,873	-	806	-	-	611,100	40,311
Revenues							
Provincial Grants - Ministry of Education		400,793					72,327
Provincial Grants - Other	148,596		12,688	20,000	1,500	58,709	
Other Revenue							
Investment Income							
Expenses							
Salaries							
Teachers	14,704						
Principals and Vice Principals							
Educational Assistants	14,913	294,543			137		42,296
Other Professionals							
Substitutes	7,496	1,260					
Employee Benefits	37,113	295,803			137		42,296
Services and Supplies	11,003	101,057			4		16,768
	100,480	26,608	12,688	20,000	1,359	58,709	13,263
	148,596	423,468	12,688	20,000	1,500	58,709	72,327
Net Revenue (Expense) before Interfund Transfers	-	(22,675)	-	-	-	-	-
Interfund Transfers							
Tangible Capital Assets Purchased		22,675					
Other		22,675					
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 5 (Southeast Kootenay)

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

	<u>TOTAL</u>
	\$
Deferred Revenue, beginning of year	1,909,845
Add: Restricted Grants	
Provincial Grants - Ministry of Education	1,354,076
Provincial Grants - Other	245,900
Other	2,907,026
Investment Income	14,771
District Entered	190,553
	<u>4,712,326</u>
	<u>4,703,437</u>
Less: Allocated to Revenue	
Deferred Revenue, end of year	<u>1,918,734</u>
Revenues	
Provincial Grants - Ministry of Education	1,521,635
Provincial Grants - Other	339,780
Other Revenue	2,836,434
Investment Income	5,588
	<u>4,703,437</u>
Expenses	
Salaries	
Teachers	221,565
Principals and Vice Principals	13,580
Educational Assistants	530,175
Other Professionals	42,296
Substitutes	26,295
	<u>833,911</u>
Employee Benefits	254,813
Services and Supplies	2,990,525
	<u>4,079,249</u>
Net Revenue (Expense) before Interfund Transfers	<u>624,188</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(680,330)
Other	56,142
	<u>(624,188)</u>
Net Revenue (Expense)	<u>-</u>

School District No. 5 (Southeast Kootenay)

Schedule of Capital Operations
 Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual			2012 Actual (Restated)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Investment Income	18,000		20,799	20,799	19,196
Amortization of Deferred Capital Revenue	2,523,448	2,561,902		2,561,902	2,523,448
MBSS Bus Loan	8,000		8,000	8,000	8,000
Total Revenue	2,549,448	2,561,902	28,799	2,590,701	2,550,644
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,810,798	2,936,581		2,936,581	2,810,798
Total Expense	2,810,798	2,936,581	-	2,936,581	2,810,798
Capital Surplus (Deficit) for the year	(261,350)	(374,679)	28,799	(345,880)	(260,154)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	593,466	680,330		680,330	633,262
Local Capital			795,107	795,107	
Total Net Transfers	593,466	680,330	795,107	1,475,437	633,262
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,308,171	(1,308,171)	-	
Total Other Adjustments to Fund Balances		1,308,171	(1,308,171)	-	
Total Capital Surplus (Deficit) for the year	332,116	1,613,822	(484,265)	1,129,557	373,108
Capital Surplus (Deficit), beginning of year		14,494,152	1,366,659	15,860,811	15,487,703
Capital Surplus (Deficit), end of year		16,107,974	882,394	16,990,368	15,860,811

School District No. 5 (Southeast Kootenay)

Tangible Capital Assets
Year Ended June 30, 2013

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,987,977	120,733,901	1,502,293	3,189,355	-	142,899	131,556,425
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,013,453	41,070	270,262			1,324,785
Deferred Capital Revenue - Other			9,849				9,849
Special Purpose Funds		680,330					680,330
Local Capital		201,697	14,352	74,710		1,017,412	1,308,171
	-	1,895,480	65,271	344,972	-	1,017,412	3,323,135
Decrease:							
Deemed Disposals			412,797	76,097			488,894
	-	-	412,797	76,097	-	-	488,894
Cost, end of year	5,987,977	122,629,381	1,154,767	3,458,230	-	1,160,311	134,390,666
Work in Progress, end of year							
Cost and Work in Progress, end of year	5,987,977	122,629,381	1,154,767	3,458,230	-	1,160,311	134,390,666
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year			150,229	318,936		28,580	2,936,581
Decrease:							
Deemed Disposals			412,797	76,097			488,894
	-	-	412,797	76,097	-	-	488,894
Accumulated Amortization, end of year			413,970	1,380,958		44,580	60,695,184
Tangible Capital Assets - Net	5,987,977	63,773,705	740,797	2,077,272	-	1,115,731	73,695,482

School District No. 5 (Southeast Kootenay)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2013

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year					-
Changes for the Year					
Net Changes for the Year	-	-	-	-	-
Work in Progress, end of year	-	-	-	-	-

School District No. 5 (Southeast Kootenay)

Deferred Capital Revenue
Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	56,367,869	1,924,417	522,490	58,814,776
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,324,785	-	9,849	1,334,634
	<u>1,324,785</u>	<u>-</u>	<u>9,849</u>	<u>1,334,634</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,441,110	48,750	72,042	2,561,902
	<u>2,441,110</u>	<u>48,750</u>	<u>72,042</u>	<u>2,561,902</u>
Net Changes for the Year	<u>(1,116,325)</u>	<u>(48,750)</u>	<u>(62,193)</u>	<u>(1,227,268)</u>
Deferred Capital Revenue, end of year	<u>55,251,544</u>	<u>1,875,667</u>	<u>460,297</u>	<u>57,587,508</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	<u>55,251,544</u>	<u>1,875,667</u>	<u>460,297</u>	<u>57,587,508</u>

School District No. 5 (Southeast Kootenay)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2013

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	16,070	635,710				651,780
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,358,715				9,849	1,358,715
Other		10,615				9,849
Investment Income	1,358,715	10,615			9,849	1,379,179
Decrease:						
Transferred to DCR - Capital Additions	1,324,785				9,849	1,334,634
	1,324,785				9,849	1,334,634
Net Changes for the Year	33,930	10,615				44,545
Balance, end of year	50,000	646,325				696,325

**School District
Statement of Financial Information (SOFI)**

School District No. 5 (Southeast Kootenay)

Fiscal Year Ended June 30, 2013

SCHEDULE OF DEBT

Information on all long term debt is included in the School District Audited Financial Statements.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 4

**School District
Statement of Financial Information (SOFI)**

School District No. 5 (Southeast Kootenay)

Fiscal Year Ended June 30, 2013

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

School District No. 5 (Southeast Kootenay) has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 5

**School District
Statement of Financial Information (SOFI)**

School District No. 5 (Southeast Kootenay)

Fiscal Year Ended June 30, 2013

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between School District No.5 (Southeast Kootenay) and its non-unionized employees during fiscal year 2012/2013.

Prepared as required by *Financial Information Regulation*, Schedule 1, subsection 6(7)

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)		
SCHEDULE OF REMUNERATION & EXPENSE		
YEAR ENDED JUNE 30, 2013		
ELECTED OFFICIALS		
	Remuneration	Expenses
Ayling, Trina	12,625.08	3,856.57
Belina, Beverley	12,625.08	11,857.81
Besanger, Olivia	12,625.08	1,264.48
Brown, Gail	12,625.08	1,582.59
Damstrom, Shaun	12,625.08	985.13
Helgesen, Curtis	12,625.08	1,423.90
Johns, Chris	12,625.08	866.67
Lento, Frank	15,000.00	4,938.54
Whalen, Patricia	12,625.08	4,067.18
		-
TOTAL ELECTED OFFICIALS	\$ 116,000.64	30,842.87
		-
ACKERT, HEATHER L.	77,217.50	-
ADACHI, JANE	79,448.70	-
ANDERSEN, LEZLEY	89,310.70	-
ANDERSON, TRINA	77,925.87	1,518.09
ASHBRIDGE, JOHN	80,594.84	-
ASTON, GREG	100,750.05	30.00
BALFOUR, JOHN	77,691.71	-
BALFOUR, SHELLEY	83,721.35	-
BASARAB, RONALD	89,946.30	264.00
BATY, ERNIE	78,848.70	-
BEDELL, KAREN	86,724.92	-
BELL, WILLIAM AGARD	78,237.10	-
BENDKOWSKI, RICK	77,691.53	-
BESANGER, GERMAINE	77,009.93	-
BEWSKI, CATHERINE	79,039.20	-
BIAFORE, MICHAEL	82,350.98	-
BISHOP, JANET	86,008.38	-
BLAIS, DEBORAH MARIE	88,720.43	274.00
BOCK, JULIA ANNE	75,840.10	-
BOEHM, ERIN	91,887.72	-
BOWKER, WANITA	80,262.37	-
BRADFORD, JULIE TR	78,051.23	-
BROWN, CHERYL	79,448.70	-
BRUDERLEIN, ALEXANDRA	89,010.70	-
BUCHAN, NANCY	79,256.09	283.00

	Remuneration	Expenses
BUECKERT, EVAN	77,709.54	-
CAMERON, DONNA LYNN	89,199.00	-
CAMPBELL, DENISE	75,551.42	380.00
CARLEY, JILL	86,574.20	-
CASAULT, DIANE	126,067.64	19,892.28
CATHERALL, CHRIS	87,508.54	-
CHARDONNENS, PAULA	78,652.14	-
CHAREST, SHARLENE	87,843.03	1,300.64
CHECHOTKO, TAMI	89,933.75	-
CHOW, PAUL	81,885.10	-
CHRISTENSON, LINDA	91,893.10	1,042.96
COLONELLO, TRUDY	100,315.93	1,898.43
CONLIN, KATHERINE	80,222.13	-
COOLBAUGH, JEFFREY	104,048.34	-
CROSS, CAROLYN G.	85,951.03	-
DE KLERK, INGRID	82,258.39	-
DECKER, BRIAN	81,661.96	-
DEIBERT, KAREN	85,160.75	-
DILTS, MORGAN	75,580.66	-
DOLL, DAVID	87,510.37	-
DONALDSON, ALISON J.	85,990.40	-
DUCHSCHERER, VALERIE	77,706.38	-
DUCZEK, PAUL H.	76,546.26	-
DUPLEY, DEBRA	77,707.29	-
DURAND, ELIZABETH	88,630.88	205.00
DURESKI, LARRY	77,646.70	-
DYCK, NANCY GAIL	85,213.33	-
ERICHSEN, CARLA	85,361.08	-
FAIRBAIRN, STEPHEN	89,459.20	420.00
FAUCHER, SHELLEY	79,685.20	-
FAY, BEN	79,495.46	-
FENWICK, DAWN	85,968.16	272.60
FISHER, DIANNE	86,610.58	-
FLOYD, SHERRI LYN	77,676.29	-
FRANKLIN, LEE-ANNE	77,356.28	-
FRASER, JANE	78,649.68	100.00
GALVIN, DOROTHY	77,591.08	124.00
GARTSIDE, OREN	77,421.10	-
GEDDES, DANA	83,472.83	-
GERMAINE, KARLA M	83,024.22	64.00
GIETZ, FRED	90,294.66	-
GIETZ, KIM	79,642.17	-
GILES, KAREN	98,896.93	1,258.66
GLEB, CINDY	80,270.11	-
GLOVER, BRIAN	89,569.10	96.00

	Remuneration	Expenses
GONSALVEZ, BETTY	88,187.99	194.00
GONSALVEZ, LOUISE	87,553.34	120.00
GOODWIN, CHRIS	75,802.12	-
GRADY, JAN	76,446.70	-
GRAHAM, ANDREA	86,886.17	-
GRAHAM, LORRAINE	86,576.85	-
GRASDAL, COLETTE D.	78,313.36	-
GUILLEN, BARBARA	85,096.26	-
HAMAGAMI, KAREN A.	76,356.63	-
HAMILTON, RYAN	88,008.19	-
HILL, DAVID MICHAEL	82,618.36	30.00
HILLS, NEIL R.H.	86,757.02	-
HOGG, WENDY E.	100,278.94	3,620.22
HOLT, SCOTT	104,415.59	563.41
JAKOBSEN, ELIZABETH	76,856.20	-
JOHNS, CAROL	77,531.27	-
JOHNS, JENNIFER	76,856.20	-
JOHNSON, ANGELA	76,097.71	1,418.49
JOHNSON, CHRISTIE LOUISE	78,786.65	-
JOHNSON, WILLIAM	107,145.68	1,214.95
JONES, JAMIE ANNE	78,826.67	-
KELLINGTON, FRANCES	103,656.21	407.06
KENNEDY, DEBRA	85,966.92	4,568.46
KETTENACKER, KAREN	86,437.29	3,753.57
KIELPINSKI, CHRISTOPHER	87,062.38	-
KING, JANET E.	76,433.80	-
KITT, RAYMOND	101,223.82	3,727.42
KNIFE, PAUL	87,509.57	-
KNUDSGAARD, ELAINE J.	82,010.13	62.00
KUIJT, JANET	75,807.99	-
LAROSE, KIMBERLY	79,890.42	1,691.75
LE GRANDEUR, JO-ANNA	86,756.85	-
LESAGE, MICHELLE	85,155.96	-
LIGHTFOOT, STEVEN	100,462.93	525.82
LINDSAY-TADEY, MAGGIE	86,143.16	4,477.75
LOWE, PENNY	79,065.35	-
LUND, JAMES	78,400.17	-
LUXTON, TERESA	87,696.03	-
MACKIE, BRIAN	76,856.20	-
MADELL, ROBERT	77,706.47	-
MAHER, DONNA M.	76,065.70	-
MALETTA, COLLEEN M.	75,840.10	-
MARSHALL, RAYMOND LLOYD	86,519.43	608.50
MARTIN, DAVID	95,042.63	2,304.16
MARTIN, SCOTT T.	77,646.70	-

	Remuneration	Expenses
MATTHEWS, DEANNA	77,652.86	-
MAYER, JANICE	77,558.35	-
MCANERNEY, BRUCE	85,274.64	-
MCGALE, SHIRLEY	99,679.93	3,038.17
MCKENZIE, HEATHER	86,676.36	-
MCKIE, CHRISTINE	91,996.64	1,366.29
MCLEOD, PAMELA ANN	77,077.64	-
MCPHEE, E. DOUGLAS	126,899.60	15,566.90
MILL, JOHN	80,495.30	-
MILLER, BENDINA	127,529.60	9,451.20
MINTO, ADELE	85,614.20	2,964.00
MITCHELL, ALLAN	77,220.71	2,909.75
MITCHELL, PATTI	77,558.17	100.00
MORRISON, DANA	80,239.20	50.00
NAHM, MARIANNE	77,272.60	-
NEUFELD, NICOLE	79,033.94	3,006.88
NIELSEN, DIANA K.	77,317.69	-
NOAKES, KATHLEEN	96,792.70	-
NOBLE, DANIEL	94,836.46	3,595.93
NOHELS, STACEY	78,704.44	132.00
NORUM, ROBERT	136,578.58	8,149.62
OLSEN, CHRISTIN V.	86,612.17	-
OLSON, CHRISTINE	87,247.29	40.00
PARON, MARK	85,934.14	-
PASSEY, SUSY	85,202.04	750.16
PATERSON, MICHELLE	79,440.29	-
PELTON, DAWN D.	77,529.14	-
PENDRY, ANDREA	77,484.44	-
PEPPER, LORRAINE MARIE	87,089.79	-
PHILLIPS, ALLAN LLOYD	80,090.70	200.00
PHILLIPS, LAURA-LEE	78,031.84	316.94
PIDGEON, GAIL	91,785.62	2,660.56
POCHA, FILOMENA	82,976.54	-
POULIN, ANICK	77,029.52	-
REGULAR, ANNE	78,208.20	210.00
REGULAR, KEITH	104,527.08	5,418.59
REIMER, BRENT	126,138.10	15,268.65
ROBERTS, TRUDY	78,658.20	-
ROBERTSON, ROSS	86,691.20	-
ROBERTSON, SHERRILL	78,358.20	-
ROBINSON, KARIN	85,767.70	-
ROGERS, ANNETTE	85,207.00	-
ROGERS, G. STEPHEN	100,315.93	285.27
ROKOSH, MARGARET	77,376.47	-
ROSS, MARTIN	96,443.27	1,690.62

	Remuneration	Expenses
RUOSS, KATE	81,627.29	-
RUSSCHEN, JULIE	84,967.89	-
SAARI, JEFF	76,675.80	-
SALANSKI, SHELLEY	79,448.70	112.00
SARTOREL, MICHELLE	100,425.94	1,822.66
SAVILLE, MIRIAM	86,575.79	843.78
SINCLAIR, LORIE	88,160.73	-
SINCLAIR, SEAN	75,047.98	-
SMITH, DONNA	79,610.10	-
SOPER, DARLENE	76,763.06	3,436.31
SOPKO, FRANK	96,397.06	679.00
STANDING, DAVID	104,508.73	2,055.07
STEELE, NADINE E.	81,625.26	7,322.20
STOCKNOW, RONALD A.	77,084.92	-
SUBRA, FREDERIC	86,731.25	-
SUTHERLAND, NICOLLE	80,045.90	-
TANK, DENNIS	78,054.24	-
TANK, JOSEPH	91,174.24	6,133.81
TAYLOR, DARRELL J.	86,757.39	68.00
TAYLOR, MICHAEL	92,568.62	294.50
THIELEN, DARALYN	89,436.14	-
THORN, AARON	92,568.62	2,369.79
TICHAUER, JASON	111,977.17	2,571.68
TOMNEY, MICHAEL	79,694.70	50.00
TRAVERSE, ADELAINÉ	80,246.84	50.00
TURNER, WENDY	86,592.59	-
TYSON, BRENDA	94,989.39	1,852.66
VAN HESTEREN, JULIE A.	77,756.24	-
VAN LEUSDEN, JACK	86,542.70	134.00
VERBEURGT, DARCY M.	104,460.38	8,924.51
VORDING, MONICA	77,802.94	-
VOYSEY, DAWN	100,462.93	2,483.39
WALES, SANDRA E.	86,592.71	-
WALKER, BILL	85,967.13	1,416.03
WALMSLEY, WAYNE	77,535.25	-
WALSH, CYNTHIA	80,925.87	-
WEATHERALL, JOANNE	77,666.95	-
WESTOVER, VICTORIA	85,919.54	-
WHALEN, SEAN	86,611.20	-
WHITE, CONNIE	75,189.89	230.85
WHYTE, MELONIE	87,344.61	-
WILKINSON, CHERYL	77,278.65	-
WILSON, STEWART	86,575.66	-
YUILL, SCOTT	77,466.41	-
ZIMICH, CAROLYNE	85,160.52	-

		Remuneration	Expenses
	TOTAL DETAILED EMPLOYEES > 75,000	17,524,332.00	\$ 178,732.99
	TOTAL EMPLOYEES < 75,000	20,845,581.94	126,182.71
	TOTAL	38,369,913.94	\$ 304,915.70
	TOTAL EMPLOYER PREMIUM FOR CPP/EI	\$ 2,002,549.36	

SD NO. 5 (SOUTHEAST KOOTENAY)		
SCHEDULE OF PAYMENTS FOR GOODS AND SERVICES		
YEAR ENDED JUNE 30, 2013		
DETAILED VENDORS > 25,000		
ACRODEX INC	30,933.71	
BC HYDRO	477,251.61	
BCCT	29,840.00	
BC SCHOOL TRUSTEE ASSOC	40,145.80	
BDO	25,480.00	
BEL-PAR INDUSTRIES LTD	33,355.11	
CAMERON ENTERPRISES	32,809.00	
CENTAUR PRODUCTS INC	119,702.24	
CFTA PRO-D	112,500.00	
CITY OF CRANBROOK	34,818.75	
CLARKSON CONTRACTING LTD	36,141.42	
COLLEGE OF THE ROCKIES	76,878.06	
COLUMBIA BASIN ALLIANCE	66,138.04	
COMMISSIONER OF MUNICIPAL SUPERANN	891,162.88	
COMMISSIONER TEACHERS PENSION PLAN	3,751,758.15	
CONTI ELECTRONICS LTD	99,087.63	
COOK'S ELECTRICAL SERVICE	154,366.29	
CRANBROOK & FERNIE TEACHER'S A	62,026.16	
CRANBROOK FLOORING	29,316.78	
DELL CANADA INC	134,844.81	
DISTRICT OF SPARWOOD	36,313.38	
DYTRICE SOLUTIONS	45,472.00	
EB HORSMAN & SON	63,534.60	
ELK VALLEY CONTRACTING	53,978.67	
EMCO CORPORATION	31,563.15	
FERNIE WOMEN'S CENTRE	62,673.64	
FOCUS	33,876.42	
FORTISBC	441,274.17	
FREPORT INDUSTRIES LTD	103,476.80	
GREAT WEST LIFE ASSURANCE CO. (employer only)	59,067.79	
HABITAT SYSTEMS INCORPORATED	30,230.22	
HARRIS & COMPANY	108,572.56	
HARRIS SCHOOL SOLUTIONS	27,779.96	
HUSKY OIL MARKETING COMPANY	45,471.71	
IBM CANADA LTD	757,312.91	
INLAND KENWORTH PARKER PACIFIC	51,999.11	
INTERIOR HEALTH	32,608.78	
INTERROUTE CONSTRUCTION LTD	386,500.14	
JEPSON PETROLEUM LTD	323,581.68	
JOHNSON'S HEATING	126,524.77	
KEY CITY THEATRE	30,000.00	
KIMCO CONTROLS LTD	142,582.52	

SD NO. 5 (SOUTHEAST KOOTENAY)		
SCHEDULE OF PAYMENTS FOR GOODS AND SERVICES		
YEAR ENDED JUNE 30, 2013		
KIRKMAN BUS SALES	298,126.37	
KMBR ARCHITECTS PLANNERS INC.	37,529.71	
KONE INC	24,616.67	
KOOTENAY INSURANCE SERVICES	45,755.00	
L4U LIBRARY SOFTWARE	25,536.00	
LAIRD PLASTICS (CANADA) INC	34,905.53	
M & K PLUMBING & HEATING	36,875.57	
MAKE A FUTURE	32,566.80	
MORNEAU SHEPELL	72,026.94	
MURRAY'S OFFICE PLUS	86,723.35	
NORTHSTAR MOTORS LTD.	77,796.80	
NUFLOORS	58,046.46	
PACIFIC BLUE CROSS	878,217.24	
PACIFIC CARBON TRUST	46,480.00	
PEBT IN TRUST	754,699.20	
POINTS WEST AUDIO VISUAL LTD	38,625.34	
QUANTUM LIGHTING INC	69,189.88	
SCHOOL PROTECTION PROGRAM	25,087.92	
SHELTER INDUSTRIES INC	139,486.06	
SPICERS CANADA LTD	49,377.74	
SRB EDUCATION	276,878.22	
STAPLES	36,902.53	
STRATTON PLUMBING AND HEATING	27,433.08	
TAILORED ENGINEERING	94,006.62	
TELUS	101,057.54	
TELUS MOBILITY	38,642.22	
TOMKO SPORTS SYSTEMS ALBERTA	93,634.80	
TOTAL MAINTENANCE SERVICES	27,026.44	
TRAIL ROOFING	268,788.52	
TRAVEL HEALTHCARE INSURANCE	45,481.75	
WESCLEAN EQUIPMENT	41,807.47	
WESTERN CAMPUS RESOURCES	55,841.11	
WOLSELEY MECHANICAL GROUP	76,476.93	
WOOD WYANT	129,319.88	
WORKSAFE BC ONLINE	211,933.11	
X10 NETWORKS	102,057.76	
XEROX CANADA LTD	162,996.13	
Total Detailed Vendors > 25,000	13,823,970.40	
Total Vendors < 25,000	2,661,753.85	
Total Payments for Goods & Services	16,485,724.25	

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
Statement of Financial Information
Year ended June 30, 2013

Reconciliation of Payments per SOFI to June 30, 2013 financial Statements

Remuneration - all employees	38,369,913.94
Employee Expenses	304,915.70
Total Employer Premium for CPP/EI (confirmed on PP basis, not paid basis)	2,002,549.36
Payments for Goods & Services	<u>16,485,724.25</u>
	<u><u>57,163,103.25</u></u>

Financial Statement Expenditures

Operating Fund	52,171,968.00
Special Purpose Funds (net of school generated funds & Scholarships)	1,478,235.00
Capital Asset Additions	3,323,135.00
	<u>\$ 56,973,338.00</u>

Difference **189,765.25**

The expenditures per the Schedule of Payments compared to expenditures per the Financial Statements will differ for the following reasons:

Schedule of Payments

cash basis
include HST and GST and PST
are gross payments paid to vendors and employees

Financial Statements

accrual basis
do not include rebates of HST and GST
include some expense recoveries credited directly to expense accounts