

Audited Financial Statements of

School District No. 51 (Boundary)

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

School District No. 51 (Boundary)

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

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School District No. 51 (Boundary)

MANAGEMENT REPORT

Version: 5399-4653-2671

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 51 (Boundary) 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. 51 (Boundary) (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, Grant Thornton 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. 51 (Boundary) 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. 51 (Boundary)

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed



Independent auditors' report

To the Board of Education of
School District No. 51 (Boundary) and the Ministry of Education

We have audited the accompanying financial statements of School District No. 51 (Boundary), which comprise the statement of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011, and the statement of operations, statement of changes in net financial assets (debt) and statement of 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 of these financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 District's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 School District No. 51 (Boundary) for the years ended June 30, 2013 and June 30, 2012 and the statement of financial position as at July 1, 2011 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 3 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subject to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.



Kelowna, BC
September 10, 2013

Chartered Accountants

School District No. 51 (Boundary)

Statement of Financial Position

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

	June 30, 2013	June 30, 2012 (Restated)	July 1, 2011 (Restated)
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	3,443,790	3,107,280	3,447,886
Accounts Receivable			
Due from Province - Ministry of Education	45,042	3,254	3,254
Due from Province - Other	15,561	36,415	
Other (Note 4)	147,547	210,003	355,614
Total Financial Assets	3,651,940	3,356,952	3,806,754
Liabilities			
Accounts Payable and Accrued Liabilities			
Other (Note 5)	844,423	808,622	1,129,734
Unearned Revenue (Note 6)	44,280		
Deferred Revenue (Note 7)	291,640	269,950	326,961
Deferred Capital Revenue (Note 8)	12,095,872	12,103,916	12,449,425
Employee Future Benefits (Note 9)	296,739	285,818	283,686
Capital Lease Obligations (Note 10)	364,090	395,053	425,857
Total Liabilities	13,937,044	13,863,359	14,615,663
Net Financial Assets (Debt)	(10,285,104)	(10,506,407)	(10,808,909)
Non-Financial Assets			
Tangible Capital Assets (Note 11)	20,597,406	20,491,401	20,829,880
Prepaid Expenses	1,899		14,025
Total Non-Financial Assets	20,599,305	20,491,401	20,843,905
Accumulated Surplus (Deficit) (Note 2)	10,314,201	9,984,994	10,034,996

Contractual Obligations and Contingencies

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. 51 (Boundary)

Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Audited)	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	16,225,358	16,399,178	16,144,103
Other	44,746	189,659	129,423
Tuition		41,450	20,600
Other Revenue	246,863	286,271	277,103
Rentals and Leases	48,133	61,009	59,584
Investment Income	30,000	45,703	41,938
Amortization of Deferred Capital Revenue	667,553	667,553	686,640
Total Revenue	<u>17,262,653</u>	<u>17,690,823</u>	<u>17,359,391</u>
Expenses (Note 17)			
Instruction	12,662,802	12,472,758	12,579,390
District Administration	835,118	806,190	776,061
Operations and Maintenance	3,533,776	3,461,996	3,396,611
Transportation and Housing	640,348	618,635	657,331
Debt Services	2,037	2,037	
Total Expense	<u>17,674,081</u>	<u>17,361,616</u>	<u>17,409,393</u>
Surplus (Deficit) for the year	<u>(411,428)</u>	<u>329,207</u>	<u>(50,002)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		9,984,994	10,034,996
Accumulated Surplus (Deficit) from Operations, end of year		<u>10,314,201</u>	<u>9,984,994</u>

School District No. 51 (Boundary)

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2013

	2013
	Actual
	\$
Accumulated Remeasurement Gains (Losses) at beginning of year	
Net Remeasurement Gains (Losses) for the year	<u>-</u>
Accumulated Remeasurement Gains (Losses) at end of year	<u><u>-</u></u>

School District No. 51 (Boundary)

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

	2013 Budget (Audited)	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(411,428)</u>	<u>329,207</u>	<u>(50,002)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 11)	(859,765)	(1,285,508)	(830,691)
Amortization of Tangible Capital Assets (Note 11)	1,166,712	1,179,503	1,169,170
Total Effect of change in Tangible Capital Assets	<u>306,947</u>	<u>(106,005)</u>	<u>338,479</u>
Acquisition of Prepaid Expenses		(1,899)	
Use of Prepaid Expenses			14,025
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(1,899)</u>	<u>14,025</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(104,481)</u>	<u>221,303</u>	<u>302,502</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>221,303</u>	<u>302,502</u>
Net Financial Assets (Debt), beginning of year		(10,506,407)	(10,808,909)
Net Financial Assets (Debt), end of year		<u>(10,285,104)</u>	<u>(10,506,407)</u>

School District No. 51 (Boundary)

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	329,207	(50,002)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	41,522	109,196
Prepaid Expenses	(1,899)	14,025
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	35,801	(321,112)
Unearned Revenue	44,280	
Deferred Revenue	21,690	(57,011)
Employee Future Benefits	10,921	2,132
Amortization of Tangible Capital Assets	1,179,503	1,169,170
Amortization of Deferred Capital Revenue	(667,553)	(686,640)
Total Operating Transactions	<u>993,472</u>	<u>179,758</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,285,508)	(830,691)
Total Capital Transactions	<u>(1,285,508)</u>	<u>(830,691)</u>
Financing Transactions		
Capital Revenue Received	659,509	341,131
Capital Lease Payment	(30,963)	(30,804)
Total Financing Transactions	<u>628,546</u>	<u>310,327</u>
Net Increase (Decrease) in Cash and Cash Equivalents	336,510	(340,606)
Cash and Cash Equivalents, beginning of year	3,107,280	3,447,886
Cash and Cash Equivalents, end of year	<u>3,443,790</u>	<u>3,107,280</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	3,329,005	2,993,134
Cash Equivalents	114,785	114,146
	<u>3,443,790</u>	<u>3,107,280</u>

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 2, 1996 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. 51 (Boundary)", and operates as "School District No. 51 (Boundary)." A board of education ("Board") elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 51 (Boundary) is exempt from federal and provincial corporate income taxes.

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) or within three years of the transition date to PSA standards, whichever is sooner;
 - 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 *Section PS 3150* on a prospective basis from the date of transition.

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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 was made to recognize a liability and an expense related to accumulated sick leave entitlements. The adjustment to the liability for employee future benefits at July 1, 2011 was \$72,324 resulting in a revised liability of \$283,686. An additional expense of \$13,485 was recognized in the 2012 fiscal year resulting in a revised liability for employee future benefits at June 30, 2012 of \$285,818 related to the accrual for accumulated sick leave entitlements, determined by an actuarial valuation.
- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains and losses relating to employee future benefits of \$72,406 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. An additional reduction in expense of \$8,044 was recognized in the 2012 fiscal year as a result of removing the amortization of those cumulative actuarial gains and losses.

	Previously stated July 1, 2011	Adjustment July 1, 2011	Restated July 1, 2011
Deferred Revenue (formerly Deferred Contribution)	\$ 332,310	\$ (5,349)	\$ 326,961
Employee Future Benefits	\$ 283,768	\$ (82)	\$ 283,686
	Previously stated June 30, 2012	Adjustment June 30, 2012	Restated June 30, 2012
Deferred Revenue (formerly Deferred Contributions)	\$ 272,422	\$ (2,472)	\$ 269,950
Employee Future Benefits	\$ 280,460	\$ 5,358	\$ 285,818

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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	\$	10,029,565
Adjustments to accumulated surplus (deficit)		
Add non-vested benefits to Employee Future Benefits		(72,324)
Recognize cumulative unamortized actuarial gain/loss on Employee Future Benefits		72,406
Reclassify Deferred Contributions		5,349
Accumulated surplus (deficit) as restated, July 1, 2011	\$	10,034,996
Annual surplus (deficit) as originally reported for the year ended June 30, 2012	\$	(47,034)
Adjustments to annual surplus (deficit) for the year		
Employee Future Benefits amortization expense/revenue		(5,440)
Reclassify Deferred Contributions		2,472
Annual surplus (deficit) for the year as restated for the year ended June 30, 2012	\$	(50,002)
Accumulated surplus (deficit), end of year as restated, June 30, 2012	\$	9,984,994

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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(h) and 3(r).

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(l).

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 (l), 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 - increase in accumulated surplus and decrease in deferred contributions by \$12,333,519
- Year-ended June 30, 2012 - decrease in annual surplus by \$347,418
- June 30, 2012 - increase in accumulated surplus and decrease in deferred contributions by \$11,986,101
- June 30, 2013 – decrease in annual surplus by \$10,071
- June 30, 2013 – increase in accumulated surplus and decrease in deferred contributions by \$11,976,030

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash balances and term deposits 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 revenue for services to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the services 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 (1).

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. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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.

g) Asset Retirement Obligations

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

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

h) 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.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the 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 Software	5 years
Computer Hardware	5 years

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

i) Capital Leases

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

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

j) Prepaid Expenses

Prepaid maintenance 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.

k) 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 when approved (see Notes 20 – Interfund Transfers and Note 28 – Internally Restricted Surplus).

l) 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.

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

l) Revenue Recognition (cont'd)

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

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

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

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.

m) Expenditures

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

Categories of Salaries

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

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

m) Expenditures (cont'd)

Allocation of Costs

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

n) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

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

n) Financial Instruments (cont'd)

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.

o) 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.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2013	June 30, 2012
HST /GST rebate	\$ 101,773	\$ 120,880
PAC receivable	3,497	-
City of Grand Forks receivable	-	-
BFISS receivable	-	-
BDTA receivable	10,656	43,805
SSEAC receivable	-	-
Miscellaneous receivables	11,383	32,700
School Community Connections Grant	4,375	-
School based funds	15,863	12,618
	\$ 147,547	\$ 210,003

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2013	June 30, 2012
Trade payables and other	\$ 368,605	\$ 329,329
Salaries and benefits payable	134,541	150,175
Accrued vacation pay	65,072	65,847
Teacher 12 month pay accrual	276,205	263,271
	\$ 844,423	\$ 808,622

NOTE 6 UNEARNED REVENUE

	June 30, 2013	June 30, 2012
Balance, beginning of year	\$ -	\$ -
Changes for the year:		
Increase: Community Network	44,280	
	\$ 44,280	\$ -

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
Balance, beginning of year (original)	\$ 269,950	\$ 332,310
Reclassification of deferred contributions	-	(5,349)
Balance, beginning of year (restated)	269,950	326,961
Add: Restricted grants	1,050,815	554,721
Less: Allocated to revenue	(1,029,125)	(611,732)
	\$ 291,640	\$ 269,950

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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.

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Balance, beginning of year	\$ 12,103,916	\$ 12,449,425
Add: Deferred revenue – capital additions	657,482	339,222
Add: Interest income	2,027	1,909
Less: Amortization of deferred capital revenue	(667,553)	(686,640)
	<hr/>	<hr/>
Balance, end of year	<u>\$ 12,095,872</u>	<u>\$ 12,103,916</u>

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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	\$ 293,733	\$ 213,675
Non-vested Benefit Obligation - July 1, 2011	-	72,324
Service Cost	23,512	21,980
Interest Cost	12,434	13,780
Benefit Payments	(25,267)	(22,857)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	160,175	(5,169)
Accrued Benefit Obligation – March 31	464,587	293,733
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	464,587	293,733
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(464,587)	(293,733)
Employer Contributions After Measurement Date	12,241	13,084
Unamortized Net Actuarial (Gain) Loss	155,607	(5,169)
Accrued Benefit Asset (Liability) - June 30	(296,739)	(285,818)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	285,818	283,768
Recognize Non-Vested Benefits - July 1, 2011	-	72,324
Recognize Unamortized (Gains) Losses - July 1, 2011	-	(72,406)
Accrued Benefit Liability (Asset) - July 1 (restated)	285,818	283,686
Net Expense for Fiscal Year	35,345	35,760
Employer Contributions	(24,424)	(33,628)
Accrued Benefit Liability (Asset) - June 30	296,739	285,818
Components of Net Benefit Expense		
Service Cost	23,512	21,980
Interest Cost	12,434	13,780
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	(601)	-
Net Benefit Expense (Income)	35,345	35,760

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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	8.0	8.6

NOTE 10 CAPITAL LEASE OBLIGATIONS

	June 30, 2013	June 30, 2012
June 30, 2013	\$ -	\$ 33,000
June 30, 2014	33,000	33,000
June 30, 2015	33,000	33,000
June 30, 2016	33,000	33,000
June 30, 2017	33,000	33,000
June 30, 2018	33,000	33,000
Thereafter	243,800	243,800
Total minimum lease payments	375,800	408,800
Less amount representing interest at 0.516%	(11,710)	(13,747)
Balance of the obligation	\$ 364,090	\$ 395,053

NOTE 11 TANGIBLE CAPITAL ASSETS

	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Cost				
Sites	\$ 2,059,384	\$ -	\$ -	\$ 2,059,384
Buildings	33,635,607	628,961	-	34,264,568
Vehicles	989,970	166,065	-	1,156,035
Furniture and equipment	1,498,977	340,335	-	1,839,312
Computer Hardware	1,062,370	150,147	(85,222)	1,127,295
Computer Software	56,067	-	(32,245)	23,822
Total	\$ 39,302,375	\$ 1,285,508	\$ (117,467)	\$ 40,470,416

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

Accumulated Amortization	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	17,283,802	706,921	-	17,990,723
Vehicles	639,804	98,997	-	738,801
Furniture and equipment	509,578	149,898	-	659,476
Computer Hardware	342,759	212,474	(85,222)	470,011
Computer Software	35,031	11,213	(32,245)	13,999
Total	\$ 18,810,974	1,179,503	(117,467)	\$ 19,873,010

Net Book Value	Balance at June 30, 2013
Sites	\$ 2,059,384
Buildings	16,273,845
Vehicles	417,234
Furniture and equipment	1,179,836
Computer Hardware	657,284
Computer Software	9,823
Total	\$ 20,597,406

Cost	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Sites	\$ 2,059,384	\$ -	\$ -	\$ 2,059,384
Buildings	33,292,617	342,990	-	33,635,607
Vehicles	1,209,245	-	(219,275)	989,970
Furniture and equipment	1,422,720	76,257	-	1,498,977
Computer Hardware	940,218	407,891	(285,739)	1,062,370
Computer Software	72,072	3,553	(19,558)	56,067
Total	\$ 38,996,256	\$ 830,691	\$ (524,572)	\$ 39,302,375

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Accumulated Amortization				
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	16,580,286	703,516		17,283,802
Vehicles	738,154	120,925	(219,275)	639,804
Furniture and equipment	367,306	142,272		509,578
Computer Hardware	440,455	188,043	(285,739)	342,759
Computer Software	40,175	14,414	(19,558)	35,031
Total	\$ 18,166,376	\$ 1,169,170	\$ (524,572)	\$ 18,810,974

	Balance at June 30, 2012
Net Book Value	
Sites	\$ 2,059,384
Buildings	16,351,805
Vehicles	350,166
Furniture and equipment	989,399
Computer Hardware	719,611
Computer Software	21,038
Total	\$ 20,491,401

- Contributed tangible capital assets
Additions to computer hardware include the following contributed tangible capital assets:

	June 30, 2013	June 30, 2012
<i>Computer Hardware</i>	\$ 8,632	\$ -

- Included in sites are assets held under capital lease with a cost of \$184,053 (2012 - \$184,053). Included in buildings are assets held under capital lease with a cost of \$335,939 (2012 - \$335,939) and accumulated amortization of \$33,592 (2012 - \$25,194)

NOTE 12 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trusted 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.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 12 EMPLOYEE PENSION PLANS *(Continued)*

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.

The School District paid \$1,295,513 (2012 - \$1,334,884) for employer contributions to these plans in the year ended June 30, 2013.

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2013, were as follows:

- Operating funds transferred to local capital - \$158,000 (2012 - \$125,000)
- Tangible capital assets purchased from special purpose funds - \$131,934 (2012 - \$5,741)
- Capital assets purchased from operating funds - \$168,122 (2012 - \$211,504)

NOTE 14 RELATED PARTY TRANSACTIONS

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

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012**

NOTE 15 BUDGET FIGURES

Budget figures included in the financial statements are the original planned budget approved by the Board through the adoption of an annual budget on June 7, 2012. While PSAS require the presentation of the originally planned budget, an amended budget based on more accurate enrollment numbers was approved by the Board and filed with the Ministry of Education on February 12, 2013. Significant changes between the original and amended budget are as follows:

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants MOE	\$ 16,225,358	\$ 16,241,727	\$ 16,369
Amortization of deferred capital revenue	667,553	643,657	(23,896)
Other	369,742	534,880	165,138
	<u>\$ 17,262,653</u>	<u>\$ 17,420,264</u>	<u>\$ 157,611</u>
Expenses			
Instruction	\$ 12,662,802	\$ 12,862,551	\$ 199,749
District Administration	835,118	872,053	36,935
Operations and Maintenance	3,533,776	3,594,774	60,998
Transportation and Housing	640,348	643,875	3,527
Debt services	2,037	2,037	-
	<u>\$ 17,674,081</u>	<u>\$ 17,975,290</u>	<u>\$ 301,209</u>

NOTE 16 ASSET RETIREMENT OBLIGATION

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

NOTE 17 EXPENSE BY OBJECT

	June 30, 2013	June 30, 2012
Salaries and benefits	\$ 13,546,187	\$ 13,692,845
Services and supplies	2,633,889	2,551,399
Interest	2,037	2,196
Amortization	1,179,503	1,169,170
	<u>\$ 17,361,616</u>	<u>\$ 17,415,610</u>

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 18 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	June 30, 2013	June 30, 2012
Internally restricted (appropriated) by Board for:		
Schools and other programs	\$ 101,581	\$ 77,075
Aboriginal programs	60,155	59,254
2 nd Language programs	7,242	18,800
Playground equipment	5,000	15,000
Cultural	1,220	-
Speech services	2,547	1,152
Auditorium Trust	18,643	-
Community Network	20,961	-
2013/2014 budget appropriation	171,562	-
2012/2013 budget appropriation	-	103,232
Subtotal internally restricted	388,911	274,513
Unrestricted operating surplus	1,021,147	762,798
 Total available for future operations	 \$ 1,410,058	 \$ 1,037,311

NOTE 19 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. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 20 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in term deposits that have a maturity date of no more than 3 years.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 20 **RISK MANAGEMENT** *(Continued)*

c) 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.

School District No. 51 (Boundary)

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	1,037,311		8,947,683	9,984,994	10,029,565
Change in Accounting Policies/Prior Period Adjustments					
Add non-vested benefits to Employee Future Benefits					(72,324)
Recognize unamortized gain (loss) on Employee Future Benefits					72,406
Reclassify Deferred Contributions					5,349
Accumulated Surplus (Deficit), beginning of year, as restated	1,037,311	-	8,947,683	9,984,994	10,034,996
Changes for the year					
Surplus (Deficit) for the year	698,869	131,934	(501,596)	329,207	(50,002)
Interfund Transfers					
Tangible Capital Assets Purchased	(168,122)	(131,934)	300,056	-	-
Local Capital	(125,000)		125,000	-	-
Other	(33,000)		33,000	-	-
Net Changes for the year	372,747	-	(43,540)	329,207	(50,002)
Accumulated Surplus (Deficit), end of year - Statement 2	1,410,058	-	8,904,143	10,314,201	9,984,994

School District No. 51 (Boundary)

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

Schedule 2

	2013 Budget	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	15,614,789	15,708,847	15,816,875
Other	44,746	102,556	81,161
Tuition		41,450	20,600
Other Revenue	2,400	34,580	47,078
Rentals and Leases	48,133	61,009	59,584
Investment Income	20,000	33,312	27,705
Total Revenue	15,730,068	15,981,754	16,053,003
Expenses			
Instruction	11,928,921	11,671,533	11,979,616
District Administration	835,118	806,190	776,061
Operations and Maintenance	2,245,913	2,186,527	2,227,441
Transportation and Housing	640,348	618,635	657,331
Total Expense	15,650,300	15,282,885	15,640,449
Operating Surplus (Deficit) for the year	79,768	698,869	412,554
Budgeted Appropriation (Retirement) of Surplus (Deficit)	103,232		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(25,000)	(168,122)	(211,504)
Local Capital	(125,000)	(125,000)	(125,000)
Other	(33,000)	(33,000)	(30,804)
Total Net Transfers	(183,000)	(326,122)	(367,308)
Total Operating Surplus (Deficit), for the year	-	372,747	45,246
Operating Surplus (Deficit), beginning of year		1,037,311	986,634
Change in Accounting Policies/Prior Period Adjustments			
Add non-vested benefits to Employee Future Benefits			(72,324)
Recognize unamortized gain (loss) on Employee Future Benefits			72,406
Reclassify Deferred Contributions			5,349
Operating Surplus (Deficit), beginning of year, as restated		1,037,311	992,065
Operating Surplus (Deficit), end of year		1,410,058	1,037,311
Operating Surplus (Deficit), end of year			
Internally Restricted		388,911	274,513
Unrestricted		1,021,147	762,798
Total Operating Surplus (Deficit), end of year		1,410,058	1,037,311

School District No. 51 (Boundary)

Schedule 2A

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	15,509,544	15,568,321	15,680,744
Other Ministry of Education Grants			
Pay Equity	105,245	105,245	105,245
Carbon Tax Rebate		26,755	22,731
FSA		7,972	7,972
Miscellaneous		554	183
Total Provincial Grants - Ministry of Education	15,614,789	15,708,847	15,816,875
Provincial Grants - Other	44,746	102,556	81,161
Tuition			
Offshore Tuition Fees		41,450	20,600
Total Tuition	-	41,450	20,600
Other Revenues			
Miscellaneous			
Art Start	2,400	2,100	2,400
Benefit Increase Reimbursement		10,194	
Career Education Society		10,000	16,724
Sale of Assets		5,641	
SSEAC			16,914
Miscellaneous		6,645	8,988
LMA Adjustment			2,052
Total Other Revenue	2,400	34,580	47,078
Rentals and Leases	48,133	61,009	59,584
Investment Income	20,000	33,312	27,705
Total Operating Revenue	15,730,068	15,981,754	16,053,003

School District No. 51 (Boundary)

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

	2013 Budget	2013 Actual	2012 Actual (Restated)
	\$	\$	\$
Salaries			
Teachers	6,020,744	6,003,102	6,121,050
Principals and Vice Principals	1,108,903	1,101,522	1,108,541
Educational Assistants	765,037	703,249	862,521
Support Staff	2,026,715	2,043,334	2,055,587
Other Professionals	478,988	475,925	475,315
Substitutes	514,264	457,136	472,208
Total Salaries	10,914,651	10,784,268	11,095,222
Employee Benefits	2,516,487	2,412,997	2,465,487
Total Salaries and Benefits	13,431,138	13,197,265	13,560,709
Services and Supplies			
Services	446,336	527,699	424,768
Student Transportation	83,655	95,200	82,104
Professional Development and Travel	192,395	245,089	233,229
Rentals and Leases	-	753	3,024
Dues and Fees	71,790	62,217	68,797
Insurance	67,400	59,989	58,129
Supplies	873,586	663,632	747,857
Utilities	484,000	431,041	461,832
Total Services and Supplies	2,219,162	2,085,620	2,079,740
Total Operating Expense	15,650,300	15,282,885	15,640,449

School District No. 51 (Boundary)
 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	4,979,077	235,503	3,644	80,559		363,790	5,662,573
1.03 Career Programs	18,484						18,484
1.07 Library Services	97,673			29,042			126,715
1.08 Counselling	144,653		9,608				154,261
1.10 Special Education	623,977	99,973	596,629	130,091		46,151	1,496,821
1.31 Aboriginal Education	139,238		93,368			4,106	236,712
1.41 School Administration		727,476		312,847		14,786	1,055,109
1.64 Other							-
Total Function 1	6,003,102	1,062,952	703,249	552,539	-	428,833	8,750,675
4 District Administration							
4.11 Educational Administration		38,570		50,459	131,484		220,513
4.40 School District Governance					74,334		74,334
4.41 Business Administration				123,608	94,616		218,224
Total Function 4	-	38,570	-	174,067	300,434	-	513,071
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				20,734	47,695		68,429
5.50 Maintenance Operations				913,678	80,100	19,932	1,013,710
5.52 Maintenance of Grounds				63,132		1,518	64,650
5.56 Utilities							-
Total Function 5	-	-	-	997,544	127,795	21,450	1,146,789
7 Transportation and Housing							
7.41 Transportation and Housing Administration				7,452	47,696		55,148
7.70 Student Transportation				311,732		6,853	318,585
Total Function 7	-	-	-	319,184	47,696	6,853	373,733
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	6,003,102	1,101,522	703,249	2,043,334	475,925	457,136	10,784,268

School District No. 51 (Boundary)

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	5,662,573	1,276,313	6,938,886	649,921	7,588,807	7,631,831	7,717,072
1.03 Career Programs	18,484	4,089	22,573	272	22,845	12,194	33,181
1.07 Library Services	126,715	30,294	157,009	14,474	171,483	169,433	159,259
1.08 Counselling	154,261	38,045	192,306	1,014	193,320	245,297	221,938
1.10 Special Education	1,496,821	362,252	1,859,073	60,857	1,919,930	2,064,722	2,016,387
1.31 Aboriginal Education	236,712	58,483	295,195	95,984	391,179	411,800	406,827
1.41 School Administration	1,055,109	233,847	1,288,956	93,493	1,382,449	1,379,244	1,415,882
1.64 Other	-	-	-	1,520	1,520	14,400	9,070
Total Function 1	8,750,675	2,003,323	10,753,998	917,535	11,671,533	11,928,921	11,979,616
4 District Administration							
4.11 Educational Administration	220,513	22,217	242,730	38,028	280,758	277,704	273,595
4.40 School District Governance	74,334	1,076	75,410	42,976	118,386	139,982	137,380
4.41 Business Administration	218,224	45,734	263,958	143,088	407,046	417,432	365,086
Total Function 4	513,071	69,027	582,098	224,092	806,190	835,118	776,061
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	68,429	14,466	82,895	34,866	117,761	119,389	117,758
5.50 Maintenance Operations	1,013,710	230,403	1,244,113	268,353	1,512,466	1,523,839	1,525,539
5.52 Maintenance of Grounds	64,650	14,483	79,133	24,384	103,517	108,685	99,726
5.56 Utilities	-	-	-	452,783	452,783	494,000	484,418
Total Function 5	1,146,789	259,352	1,406,141	780,386	2,186,527	2,245,913	2,227,441
7 Transportation and Housing							
7.41 Transportation and Housing Administration	55,148	11,020	66,168	1,898	68,066	68,474	66,280
7.70 Student Transportation	318,585	70,275	388,860	161,709	550,569	571,874	591,051
Total Function 7	373,733	81,295	455,028	163,607	618,635	640,348	657,331
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	10,784,268	2,412,997	13,197,265	2,085,620	15,282,885	15,650,300	15,640,449

School District No. 51 (Boundary)

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	610,569	690,331	327,228
Other		87,103	48,262
Other Revenue	244,463	251,691	230,025
Total Revenue	<u>855,032</u>	<u>1,029,125</u>	<u>605,515</u>
Expenses			
Instruction	733,881	801,225	599,774
Operations and Maintenance	121,151	95,966	
Total Expense	<u>855,032</u>	<u>897,191</u>	<u>599,774</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>131,934</u>	<u>5,741</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(131,934)	(5,741)
Total Net Transfers	<u>-</u>	<u>(131,934)</u>	<u>(5,741)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), end of year			
Total Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 51 (Boundary)

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

Deferred Revenue, beginning of year
Transfer (to) from Operating Surplus - as at July 1, 2011
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012
Deferred Revenue, beginning of year, as restated

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	School Generated Funds	Strong Start
	\$ 10	\$ 6,009	\$ 7,834	\$ 237,898		\$
	10	-	6,009	7,834	237,898	-
Add: Restricted Grants						
Provincial Grants - Ministry of Education	196,410	199,289		2,344		128,000
Provincial Grants - Other						
Other	498				267,845	
Investment Income					1,487	
Less: Allocated to Revenue						
Deferred Revenue, end of year	196,908	199,289	-	2,344	269,332	128,000
	196,410	199,289	6,009	993	251,691	128,000
	508	-	-	9,185	255,539	-
Revenues						
Provincial Grants - Ministry of Education	196,410	199,289	6,009	993		128,000
Provincial Grants - Other						
Other Revenue	196,410	199,289	6,009	993	251,691	128,000
Expenses						
Salaries						
Teachers		7,471				
Educational Assistants		150,947				
Support Staff	17,971					
Substitutes			3,338			
Employee Benefits	17,971	158,418	3,338			
Services and Supplies	3,051	40,871	986			
	74,944		1,685	993	237,701	128,000
	95,966	199,289	6,009	993	237,701	128,000
Net Revenue (Expense) before Interfund Transfers	100,444	-	-	-	13,990	-
Interfund Transfers						
Tangible Capital Assets Purchased	(100,444)				(13,990)	
	(100,444)				(13,990)	
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 51 (Boundary)

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

Ready, Set, Learn	OLEP	Community- LINK	Community Connections	Health Coordinator	Dash BC
\$	\$	\$	\$	\$	\$
	6,929			6,641	
	4,629				
-	11,558	-	-	6,641	-

Deferred Revenue, beginning of year
Transfer (to) from Operating Surplus - as at July 1, 2011
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012
Deferred Revenue, beginning of year, as restated

Add: Restricted Grants
Provincial Grants - Ministry of Education
Provincial Grants - Other
Other
Investment Income

Less: Allocated to Revenue
Deferred Revenue, end of year

19,600	10,846	133,530	17,500	30,466	43,000
19,600	10,846	133,530	17,500	30,466	43,000
19,600	6,500	133,530	17,500	26,603	43,000
-	15,904	-	-	10,504	-

Revenues

Provincial Grants - Ministry of Education
Provincial Grants - Other
Other Revenue

19,600	6,500	133,530	17,500	26,603	43,000
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Expenses

Salaries
Teachers
Educational Assistants
Support Staff
Substitutes

Employee Benefits
Services and Supplies

1,415	2,509			20,939	
1,415	2,509	74,476		20,939	
18,185	3,991	39,730		40	43,000
19,600	6,500	133,530		26,603	43,000

Net Revenue (Expense) before Interfund Transfers

-	-	-	17,500	-	-
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Interfund Transfers

Tangible Capital Assets Purchased

			(17,500)		
-	-	-	(17,500)	-	-

Net Revenue (Expense)

-	-	-	-	-	-
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School District No. 51 (Boundary)

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

	Auditorium Trust	Community Network	TOTAL
Deferred Revenue, beginning of year	\$ 15,286	\$ 4,093	\$ 277,771
Transfer (to) from Operating Surplus - as at July 1, 2011	(12,278)	-	(5,349)
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012	(3,008)	(4,093)	(2,472)
Deferred Revenue, beginning of year, as restated	-	-	269,950
Add: Restricted Grants			
Provincial Grants - Ministry of Education			690,019
Provincial Grants - Other			90,966
Other			267,845
Investment Income			1,985
Less: Allocated to Revenue	-	-	1,050,815
Deferred Revenue, end of year	-	-	1,029,125
Revenues			291,640
Provincial Grants - Ministry of Education			690,331
Provincial Grants - Other			87,103
Other Revenue			251,691
Expenses			1,029,125
Salaries			
Teachers			7,471
Educational Assistants			225,423
Support Staff			38,910
Substitutes			7,262
Employee Benefits			279,066
Services and Supplies			69,856
			548,269
			897,191
Net Revenue (Expense) before Interfund Transfers	-	-	131,934
Interfund Transfers			
Tangible Capital Assets Purchased			(131,934)
			(131,934)
Net Revenue (Expense)	-	-	-

School District No. 51 (Boundary)

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	10,000		12,391	12,391	14,233
Amortization of Deferred Capital Revenue	667,553	667,553		667,553	686,640
Total Revenue	677,553	667,553	12,391	679,944	700,873
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,166,712	1,179,503		1,179,503	1,169,170
Debt services					
Capital Lease Interest	2,037		2,037	2,037	
Total Expense	1,168,749	1,179,503	2,037	1,181,540	1,169,170
Capital Surplus (Deficit) for the year	(491,196)	(511,950)	10,354	(501,596)	(468,297)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	25,000	300,056		300,056	217,245
Local Capital	125,000		125,000	125,000	125,000
Capital Lease Payment	33,000		33,000	33,000	30,804
Total Net Transfers	183,000	300,056	158,000	458,056	373,049
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		327,970	(327,970)	-	
Principal Payment					
Capital Lease		30,963	(30,963)	-	
Total Other Adjustments to Fund Balances		358,933	(358,933)	-	
Total Capital Surplus (Deficit) for the year	(308,196)	147,039	(190,579)	(43,540)	(95,248)
Capital Surplus (Deficit), beginning of year		8,110,245	837,438	8,947,683	9,042,931
Capital Surplus (Deficit), end of year		8,257,284	646,859	8,904,143	8,947,683

School District No. 51 (Boundary)

Tangible Capital Assets
Year Ended June 30, 2013

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
Cost, beginning of year	\$ 2,059,384	\$ 33,635,607	\$ 1,498,977	\$ 989,970	\$ 56,067	\$ 1,062,370	\$ 39,302,375
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		435,308	75,000	138,542			648,850
Deferred Capital Revenue - Other						8,632	8,632
Operating Fund		25,912	36,382			105,828	168,122
Special Purpose Funds		117,944	13,990				131,934
Local Capital		49,797	214,963	27,523		35,687	327,970
Decrease:							
Deemed Disposals		628,961	340,335	166,065		150,147	1,285,508
Cost, end of year	2,059,384	34,264,568	1,839,312	1,156,035	23,822	1,127,295	40,470,416
Work in Progress, end of year							
Cost and Work in Progress, end of year	2,059,384	34,264,568	1,839,312	1,156,035	23,822	1,127,295	40,470,416
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		17,283,802	509,578	639,804	35,031	342,759	18,810,974
Decrease:							
Deemed Disposals		706,921	149,898	98,997	11,213	212,474	1,179,503
Accumulated Amortization, end of year		17,990,723	659,476	738,801	13,999	470,011	19,873,010
Tangible Capital Assets - Net	2,059,384	16,273,845	1,179,836	417,234	9,823	657,284	20,597,406

School District No. 51 (Boundary)

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

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

School District No. 51 (Boundary)

Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	11,786,057		200,044	11,986,101
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	648,850		8,632	657,482
	<u>648,850</u>	<u>-</u>	<u>8,632</u>	<u>657,482</u>
Decrease:				
Amortization of Deferred Capital Revenue	643,657		23,896	667,553
	<u>643,657</u>	<u>-</u>	<u>23,896</u>	<u>667,553</u>
Net Changes for the Year	<u>5,193</u>	<u>-</u>	<u>(15,264)</u>	<u>(10,071)</u>
Deferred Capital Revenue, end of year	<u>11,791,250</u>	<u>-</u>	<u>184,780</u>	<u>11,976,030</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>11,791,250</u>	<u>-</u>	<u>184,780</u>	<u>11,976,030</u>

School District No. 51 (Boundary)

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	\$	117,815	\$	\$	\$	\$ 117,815
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	648,850					648,850
Other					8,632	8,632
Investment Income		2,027				2,027
	648,850	2,027	-	-	8,632	659,509
Decrease:						
Transferred to DCR - Capital Additions	648,850				8,632	657,482
	648,850	-	-	-	8,632	657,482
Net Changes for the Year	-	2,027	-	-	-	2,027
Balance, end of year	-	119,842	-	-	-	119,842