

School District Statement of Financial Information (SOFI)

School District No. 85 (Vancouver Island North)

Fiscal Year Ended June 30, 2013

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SCHOOL DISTRICT STATEMENT OF FINANCIAL INFORMATION

6049

SCHOOL DISTRICT NUMBER 85	NAME OF SCHOOL DISTRICT VANCOUVER ISLAND NORTH	YEAR 2012/13
OFFICE LOCATION (s) 6975 Rupert Street	TELEPHONE NUMBER (250) 949-6618	
MAILING ADDRESS P.O. Box 90		
CITY Port Hardy	PROVINCE B. C.	POSTAL CODE V0N 2P0
NAME OF SUPERINTENDENT Scott Benwell		TELEPHONE NUMBER 250.949.6618, Ext. 2236
NAME OF SECRETARY-TREASURER John Martin		TELEPHONE NUMBER 250.949.6618, Ext. 2222

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. 85 as required under Section 2 of the Financial Information Act.

NAME OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED Nov. 4/13
NAME OF SUPERINTENDENT	DATE SIGNED Nov. 4/13
NAME OF SECRETARY-TREASURER	DATE SIGNED Nov. 4/13

Statement of Financial Information for Year Ended June 30, 2013

Financial Information Act - Submission Checklist

Due Date: September 30, 2013

- a) A statement of assets and liabilities (audited financial statements).
- b) An operational statement including,
 - i) a Statement of Income and
 - ii) a Statement of Changes in Financial Position (audited financial statements).
- c) A schedule of debts (audited financial statements).
- d) 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).

Due Date: December 31, 2013

- e) A schedule of remuneration and expenses, including:
 - 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,
 - 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 and
 - 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) 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.
- g) Approval of Statement of Financial Information.
- h) A management report approved by the Chief Financial Officer.

School District Statement of Financial Information (SOFI)

School District No. 85 (Vancouver Island North)

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 accounting principle generally accepted for British Columbia school districts as prescribed or permitted by the Ministry of Education 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 that 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 School Trustees is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, Chan Nowosad Boates Chartered Accountants of Campbell River, B.C., 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. 85 (Vancouver Island North):

Scott Benwell
Superintendent of Schools
November 4, 2013

J.R. Martin
Secretary-Treasurer
November 4, 2013

Audited Financial Statements of

School District No. 85 (Vancouver Island North)

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

School District No. 85 (Vancouver Island North)

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

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School District No. 85 (Vancouver Island North)

MANAGEMENT REPORT

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 85 (Vancouver Island North) have been prepared by management in accordance with in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia 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. 85 (Vancouver Island North) (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, Chan Nowosad Boates, 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. 85 (Vancouver Island North) 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. 85 (Vancouver Island North)

Signature of the Chairperson of the Board of Education Date Signed

Signature of the Superintendent Date Signed

Signature of the Secretary Treasurer Date Signed



Chan
Nowosad
Boates

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To: The Board of Education of
School District No. 85 (Vancouver Island North)
and the Minister of Education

We have audited the accompanying financial statements of School District No. 85 (Vancouver Island North) 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, statement of cash flows and schedules 3A, 4C and 4D 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, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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 fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of School District No. 85 (Vancouver Island North) as at and 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, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Schedule 1, 2, 2A, 2B, 2C, 3, 4, 4A and 4B is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Chartered Accountants
Campbell River, BC

September 18, 2013

School District No. 85 (Vancouver Island North)

Statement of Financial Position

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

	June 30, 2013	June 30, 2012 (Restated-Note 2)	July 1, 2011 (Restated-Note 2)
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	1,855,941	2,453,554	2,506,324
Accounts Receivable			
Other (Note 4)	34,396	47,187	190,342
Portfolio Investments (Note 5)	3,212,662	3,212,546	3,212,393
Total Financial Assets	5,102,999	5,713,287	5,909,059
Liabilities			
Accounts Payable and Accrued Liabilities			
Other (Note 6)	1,539,620	1,515,594	1,723,583
Deferred Revenue (Note 7)	461,330	367,316	412,156
Deferred Capital Revenue (Note 8)	17,614,432	17,553,798	18,048,666
Employee Future Benefits	1,308,522	1,358,507	1,236,189
Total Liabilities	20,923,904	20,795,215	21,420,594
Net Financial Assets (Debt)	(15,820,905)	(15,081,928)	(15,511,535)
Non-Financial Assets			
Tangible Capital Assets (Note 10)	27,914,238	27,645,433	28,090,550
Prepaid Expenses	50,234	25,643	40,253
Total Non-Financial Assets	27,964,472	27,671,076	28,130,803
Accumulated Surplus (Deficit)	12,143,567	12,589,148	12,619,268

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. 85 (Vancouver Island North)

Statement 2

Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Unaudited-Note 14)	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	19,606,303	19,213,634	19,181,540
Other		40,584	24,478
Other Revenue	405,000	434,219	366,937
Rentals and Leases	105,000	124,158	115,468
Investment Income	76,500	77,342	79,611
Amortization of Deferred Capital Revenue	914,456	914,456	938,917
Total Revenue	<u>21,107,259</u>	<u>20,804,393</u>	<u>20,706,951</u>
Expenses (Note 15)			
Instruction	15,485,703	15,569,989	15,068,007
District Administration	980,541	983,761	871,220
Operations and Maintenance	4,095,259	3,970,282	4,039,696
Transportation and Housing	735,298	725,942	758,148
Total Expense	<u>21,296,801</u>	<u>21,249,974</u>	<u>20,737,071</u>
Surplus (Deficit) for the year	<u>(189,542)</u>	<u>(445,581)</u>	<u>(30,120)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		12,589,148	12,619,268
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>12,143,567</u></u>	<u>12,589,148</u>

School District No. 85 (Vancouver Island North)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Unaudited-Note 14)	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Surplus (Deficit) for the year	(189,542)	(445,581)	(30,120)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(953,669)	(1,529,519)	(833,368)
Amortization of Tangible Capital Assets	1,253,972	1,260,716	1,278,485
Total Effect of change in Tangible Capital Assets	300,303	(268,803)	445,117
Acquisition of Prepaid Expenses		(50,236)	(25,643)
Use of Prepaid Expenses		25,643	40,253
Total Effect of change in Other Non-Financial Assets	-	(24,593)	14,610
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>110,761</u>	(738,977)	429,607
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(738,977)	429,607
Net Financial Assets (Debt), beginning of year		(15,081,928)	(15,511,535)
Net Financial Assets (Debt), end of year		(15,820,905)	(15,081,928)

School District No. 85 (Vancouver Island North)

Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(445,581)	(30,120)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	12,791	143,155
Prepaid Expenses	(24,593)	14,610
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	24,026	(207,989)
Deferred Revenue	94,014	(44,840)
Employee Future Benefits	(49,985)	122,318
Amortization of Tangible Capital Assets	1,260,716	1,278,485
Amortization of Deferred Capital Revenue	(914,456)	(938,917)
Total Operating Transactions	<u>(43,068)</u>	<u>336,702</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,529,519)	(833,368)
Total Capital Transactions	<u>(1,529,519)</u>	<u>(833,368)</u>
Financing Transactions		
Capital Revenue Received	975,090	444,049
Total Financing Transactions	<u>975,090</u>	<u>444,049</u>
Investing Transactions		
Investments in Portfolio Investments	(116)	(153)
Total Investing Transactions	<u>(116)</u>	<u>(153)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(597,613)</u>	<u>(52,770)</u>
Cash and Cash Equivalents, beginning of year	<u>2,453,554</u>	<u>2,506,324</u>
Cash and Cash Equivalents, end of year	<u><u>1,855,941</u></u>	<u><u>2,453,554</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>1,855,941</u>	<u>2,453,554</u>
	<u><u>1,855,941</u></u>	<u><u>2,453,554</u></u>

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on July 1, 1965 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. 85 (Vancouver Island North)", and operates as "School District No. 85 (Vancouver Island North)." 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. 85 (Vancouver Island North) 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.

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 \$67,707. An additional expense of \$8,256 was recognized in the 2012 fiscal year.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

(Continued)

- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains and losses relating to employee future benefits of \$589,901 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. Additional revenue of \$52,974 was recognized in the 2012 fiscal year as a result of removing the amortization of those cumulative actuarial gains and losses.

Adoption of PSA standards resulted in a revised liability for employee future benefits of \$1,236,189 at July 1, 2011 and \$1,358,507 at June 30, 2012.

	Previously stated July 1, 2011	Adjustment July 1, 2011	Restated July 1, 2011
	\$	\$	\$
Employee Future Benefits	1,758,383	522,194	1,236,189

	Previously stated June 30, 2012	Adjustment June 30, 2012	Restated June 30, 2012
	\$	\$	\$
Employee Future Benefits	1,835,983	477,476	1,358,507

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	\$12,097,074
Adjustments to accumulated surplus (deficit)	
Add non-vested benefits to Employee Future Benefits	\$ (67,707)
Recognize cumulative unamortized actuarial gain/loss on Employee Future Benefits	<u>\$ 589,901</u>
Accumulated surplus (deficit) as restated, July 1, 2011	<u>\$12,619,268</u>
Annual surplus (deficit) as originally reported for the year ended June 30, 2012	\$ 14,598
Adjustments to annual surplus (deficit) for the year	
Employee Future Benefits amortization expense/revenue	<u>\$ (44,718)</u>
Annual surplus (deficit) for the year as restated for the year ended June 30, 2012	<u>\$ (30,120)</u>
Accumulated surplus (deficit), end of year as restated, June 30, 2012	<u><u>\$12,589,148</u></u>

SCHOOL DISTRICT NO. 85
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(f) and 3(k).

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(f) and 3(k).

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

As noted in notes 3 (f) and 3 (k), 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 \$18,048,666
- Year-ended June 30, 2012 - increase in annual surplus by \$494,868
- June 30, 2012 - increase in accumulated surplus and decrease in deferred contributions by \$17,553,798
- Year-ended June 30, 2013 – decrease in annual surplus by \$60,634
- June 30, 2013 – increase in accumulated surplus and decrease in deferred contributions by \$17,614,432

SCHOOL DISTRICT NO. 85
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 and highly liquid securities 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) Portfolio Investments

The School District has investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. GIC's and other investments not quoted in an active market are reported at cost or amortized cost.

Detailed information regarding portfolio investments is disclosed in Note 5.

e) Unearned Revenue

Unearned revenue would include tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue would be recognized in that future period when the courses, services, or products are provided.

f) 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 (k).

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

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.

g) 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. 85
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.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- 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

i) Prepaid Expenses

Prepaid expenses for services that extend beyond the current period, such as insurance premiums and membership fees, are included as prepaid expenses and stated at acquisition cost and are charged to expense over the periods expected to benefit from them.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

j) 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 13 – Interfund Transfers and Note 17 – Internally Restricted Surplus).

k) 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 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.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

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.

l) 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.

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.

m) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and other liabilities.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

m) Financial Instruments (cont'd)

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.

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.

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.

n) 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. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

a) LEA/Direct Funding Receivable	June 30, 2013	June 30, 2012	July 1, 2011
Due from Direct Funding (2002-2003)	\$79,245	\$79,245	\$79,245
Allowance for Doubtful Accounts	79,245	79,245	79,245
	<u>\$</u>	<u>\$</u>	<u>\$</u>
b) Other Receivables	June 30, 2013	June 30, 2012	July 1, 2011
Due from Federal Government	\$33,065	\$37,521	\$115,293
Due from Other School Districts	\$	\$	\$ 49
Due from Other	\$ 1,331	\$ 9,666	\$ 75,000
	<u>\$34,396</u>	<u>\$47,187</u>	<u>\$190,342</u>

NOTE 5 PORTFOLIO INVESTMENTS

	June 30, 2013	Cost June 30, 2012	July 1, 2011
Investments in the cost and amortized cost category:			
GIC's	\$3,212,662	\$3,212,546	\$3,212,393
	<u>\$3,212,662</u>	<u>\$3,212,546</u>	<u>\$3,212,393</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2013	June 30, 2012	July 1, 2011
Trade payables	\$ 206,418	\$ 153,214	\$ 388,568
Salaries and benefits payable	1,022,666	1,147,738	1,107,202
Accrued vacation pay	292,958	187,890	185,360
Other payables	17,578	26,752	42,453
	<u>\$1,539,620</u>	<u>\$1,515,594</u>	<u>\$1,723,583</u>

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

SCHOOL DISTRICT NO. 85
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	\$1,362,135	\$1,239,905
Non-vested Benefit Obligation – July 1, 2011	██████████	67,707
Service Cost	102,945	95,704
Interest Cost	58,930	63,251
Benefit Payments	-115,083	-103,135
Increase (Decrease) in obligation due to Plan Amendment		
Actuarial (Gain) Loss	43,938	-1,297
Accrued Benefit Obligation – March 31	\$1,452,865	\$1,362,135
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,452,865	\$1,362,135
Market Value of Plan Assets – March 31		
Funded Status – Surplus (Deficit)	-1,452,865	-1,362,135
Employer Contributions After Measurement Date	101,576	4,925
Unamortized Net Actuarial (Gain) Loss	42,767	-1,297
Accrued Benefit Asset (Liability) – June 30	-\$1,308,522	-\$1,358,507
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$1,358,507	\$1,758,383
Recognize Non-Vested Benefits – July 1, 2011	██████████	67,707
Recognize Unamortized (Gains) Losses – July 1, 2011		-589,901
Accrued Benefit Liability – July 1 (restated)	1,358,507	1,236,189
Net expense for Fiscal Year	161,749	158,955
Employer Contributions	-211,734	-36,637
Accrued Benefit Liability – June 30	\$1,308,522	\$1,358,507

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 9 EMPLOYEE FUTURE BENEFITS *(Continued)*

	June 30, 2013	June 30, 2012
Components of Net Benefit Expense		
Service Cost	\$ 102,945	\$ 95,704
Interest Cost	58,930	63,251
Immediate Recognition of Plan Amendment		
Amortization of Net Actuarial (Gain)/Loss	-126	
Net Benefit Expense (Income)	<u>\$ 161,749</u>	<u>\$ 158,955</u>

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	10.4	10.3

NOTE 10 TANGIBLE CAPITAL ASSETS

June 30, 2013

Cost:	Balance at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 2,891,161	\$	\$	\$	\$ 2,891,161
Buildings	52,853,334	1,042,531			53,895,865
Buildings – work in progress					
Furniture & Equipment	704,718	151,547	2,635		853,630
Vehicles	1,260,060	324,847	197,344		1,387,563
Computer Software	7,069				7,069
Computer Hardware	262,511	10,594	25,235		247,870
Total	\$57,978,853	\$1,529,519	\$225,214	\$	\$59,283,158

Accumulated Amortization:	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Sites	\$	\$	\$	\$
Buildings	29,301,512	1,010,322		30,311,834
Furniture & Equipment	311,192	70,472	2,635	379,029
Vehicles	652,550	126,006	197,344	581,212
Computer Software	1,414	1,414		2,828
Computer Hardware	66,750	52,202	25,235	94,017
Total	\$30,333,418	\$1,260,716	\$225,214	\$31,368,920

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2012

Cost:	Balance at July 1, 2011	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2012
Sites	\$ 2,891,161	\$	\$	\$	\$ 2,891,161
Buildings	52,136,900	716,434			52,853,334
Furniture & Equipment	705,823	17,956	19,061		704,718
Vehicles	1,461,466	30,882	232,288		1,260,060
Computer Software	7,069				7,069
Computer Hardware	279,839	68,096	85,424		262,511
Total	\$57,482,258	\$833,368	\$336,773	\$	\$57,978,853

Accumulated Amortization:	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Sites	\$	\$	\$	\$
Buildings	28,297,138	1,004,374		29,301,512
Furniture & Equipment	259,673	70,582	19,061	311,194
Vehicles	738,691	146,147	232,288	652,550
Computer Software		1,414		1,414
Computer Hardware	96,206	55,968	85,424	66,750
Total	\$29,391,708	\$1,278,485	\$336,773	\$30,333,420

Net Book Value:

	Net Book Value June 30, 2013	Net Book Value June 30, 2012	Net Book Value July 1, 2011
Sites	\$ 2,891,161	\$ 2,891,161	\$ 2,891,161
Buildings	23,584,031	23,551,822	23,839,760
Buildings – work in progress			
Furniture & Equipment	474,601	393,524	446,153
Vehicles	806,351	607,510	722,775
Computer Software	4,241	5,655	7,068
Computer Hardware	153,853	195,761	183,633
Total	\$27,914,238	\$27,645,433	\$28,090,550

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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. 85 (Vancouver Island North) paid \$1,566,351 for employer contributions to these plans in the year ended June 30, 2013.

NOTE 12 INTERFUND TRANSFERS

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

1. Transfer from Operating Fund to Capital Fund	\$ 300,000
2. Transfer from Special Purpose Funds to Capital Fund	175,900

These transfers were made in order to fund the cost of capital building programs and the acquisition costs of furniture, equipment, vehicles and computer hardware.

NOTE 13 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. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 14 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget bylaw on February 12, 2013. The amended budget is based on a more accurate estimation of revenue and expenditure than the budget approved before the commencement of the fiscal year.

NOTE 15 EXPENSE BY OBJECT

	June 30, 2013	June 30, 2012
Salaries and benefits	\$16,767,449	\$16,352,627
Services and supplies	3,221,809	3,061,241
Amortization	1,260,716	1,278,485
Other (see Note 2 – EFB Adjustment)		44,718
	\$21,249,974	\$20,737,071

NOTE 16 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by the Board
for:

Appropriation to 2013 – 2014 Annual Budget	\$ 181,984
School-Based Budgets Carried Forward	79,291
Unspent Inquiry Budgets	32,343
Unspent Literacy Innovation Grant	9,845
District Budgets Carried Forward	24,403
Pro-D Allocations Carried Forward	21,077
Internally Restricted Surplus	\$ 348,943
Unrestricted Operating Surplus	1,382,228
Total Available for Future Operations	\$1,731,171

NOTE 17 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.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 17 RISK MANAGEMENT *(Continued)*

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 not exposed to significant credit risk associated with its amounts receivable.

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

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 it invests solely in guaranteed investment certificates that have a maturity date of no more than 5 years.

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. 85 (Vancouver Island North)

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-Note 2)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,306,756		10,282,392	12,589,148	12,619,268
Changes for the year					
Surplus (Deficit) for the year	(275,585)	175,900	(345,896)	(445,581)	(30,120)
Interfund Transfers					
Tangible Capital Assets Purchased		(175,900)	175,900	-	
Local Capital	(300,000)		300,000	-	
Net Changes for the year	(575,585)	-	130,004	(445,581)	(30,120)
Accumulated Surplus (Deficit), end of year - Statement 2	1,731,171	-	10,412,396	12,143,567	12,589,148

School District No. 85 (Vancouver Island North)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	18,247,271	18,394,701	18,519,440
Other		40,584	24,478
Other Revenue	5,000	33,743	39,273
Rentals and Leases	105,000	124,158	115,468
Investment Income	75,000	76,978	78,871
Total Revenue	18,432,271	18,670,164	18,777,530
Expenses			
Instruction	14,430,340	14,526,480	14,317,654
District Administration	980,541	983,761	871,220
Operations and Maintenance	2,967,293	2,835,572	2,907,358
Transportation and Housing	609,292	599,936	612,001
Total Expense	18,987,466	18,945,749	18,708,233
Operating Surplus (Deficit) for the year	(555,195)	(275,585)	69,297
Budgeted Appropriation (Retirement) of Surplus (Deficit)	855,195		
Net Transfers (to) from other funds			
Local Capital	(300,000)	(300,000)	(100,000)
Total Net Transfers	(300,000)	(300,000)	(100,000)
Total Operating Surplus (Deficit), for the year	-	(575,585)	(30,703)
Operating Surplus (Deficit), beginning of year		2,306,756	2,337,459
Change in Accounting Policies/Prior Period Adjustments			
Reclassify Deferred Contributions			-
Operating Surplus (Deficit), beginning of year, as restated		2,306,756	2,337,459
Operating Surplus (Deficit), end of year		1,731,171	2,306,756
Operating Surplus (Deficit), end of year			
Internally Restricted		348,943	867,416
Unrestricted		1,382,228	1,439,340
Total Operating Surplus (Deficit), end of year		1,731,171	2,306,756

School District No. 85 (Vancouver Island North)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	18,132,055	18,252,089	18,372,170
Other Ministry of Education Grants			
Pay Equity	115,216	115,216	115,216
FSA		7,972	7,972
Carbon Tax Refund		19,424	16,074
Rural/Remote District Innovative Practices			7,813
Smart Tool			195
Total Provincial Grants - Ministry of Education	<u>18,247,271</u>	<u>18,394,701</u>	<u>18,519,440</u>
Provincial Grants - Other		40,584	24,478
Other Revenues			
Miscellaneous			
Sales	5,000	4,557	12,803
Miscellaneous		29,186	26,470
Total Other Revenue	<u>5,000</u>	<u>33,743</u>	<u>39,273</u>
Rentals and Leases	<u>105,000</u>	<u>124,158</u>	<u>115,468</u>
Investment Income	<u>75,000</u>	<u>76,978</u>	<u>78,871</u>
Total Operating Revenue	<u><u>18,432,271</u></u>	<u><u>18,670,164</u></u>	<u><u>18,777,530</u></u>

School District No. 85 (Vancouver Island North)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Salaries			
Teachers	6,509,400	6,797,222	6,676,942
Principals and Vice Principals	1,384,880	1,400,809	1,326,241
Educational Assistants	1,419,645	1,488,248	1,531,586
Support Staff	2,284,729	2,425,476	2,421,078
Other Professionals	667,271	682,834	672,205
Substitutes	662,564	564,758	511,910
Total Salaries	12,928,489	13,359,347	13,139,962
Employee Benefits	3,138,839	2,867,803	2,964,938
Total Salaries and Benefits	16,067,328	16,227,150	16,104,900
Services and Supplies			
Services	675,091	686,044	637,239
Student Transportation	45,790	36,589	37,186
Professional Development and Travel	376,194	340,223	241,527
Rentals and Leases	10,200	4,556	6,712
Dues and Fees	19,298	18,807	17,864
Insurance	57,400	64,655	71,037
Supplies	978,565	845,223	825,022
Utilities	757,600	722,502	766,746
Total Services and Supplies	2,920,138	2,718,599	2,603,333
Total Operating Expense	18,987,466	18,945,749	18,708,233

School District No. 85 (Vancouver Island North)

Schedule 2C (Unaudited)

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	5,257,240	493,381		84,870		249,356	6,084,847
1.03 Career Programs							-
1.07 Library Services	209,003			85,829		11,692	306,524
1.08 Counselling	194,881					9,123	204,004
1.10 Special Education	1,005,471	95,771	1,360,191	31,533	78,474	162,680	2,734,120
1.30 English Language Learning	122,860					5,752	128,612
1.31 Aboriginal Education	7,767	95,771	128,057	36,371		14,176	282,142
1.41 School Administration		715,886		383,624		47,331	1,146,841
1.64 Other							-
Total Function 1	6,797,222	1,400,809	1,488,248	622,227	78,474	500,110	10,887,090
4 District Administration							
4.11 Educational Administration					314,452		314,452
4.40 School District Governance					78,708		78,708
4.41 Business Administration				136,617	126,874		263,491
Total Function 4	-	-	-	136,617	520,034	-	656,651
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				73,368	41,820		115,188
5.50 Maintenance Operations				1,207,484		51,791	1,259,275
5.52 Maintenance of Grounds				33,678			33,678
5.56 Utilities							-
Total Function 5	-	-	-	1,314,530	41,820	51,791	1,408,141
7 Transportation and Housing							
7.41 Transportation and Housing Administration				28,851	42,506		71,357
7.70 Student Transportation				323,251		12,857	336,108
Total Function 7	-	-	-	352,102	42,506	12,857	407,465
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	6,797,222	1,400,809	1,488,248	2,425,476	682,834	564,758	13,359,347

School District No. 85 (Vancouver Island North)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2013 Actual	2013 Budget	2012 Actual (Restated-Note 2)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	6,084,847	1,216,514	7,301,361	710,937	8,012,298	8,100,561	7,946,861
1.03 Career Programs	-	-	-	2,450	2,450	8,500	217
1.07 Library Services	306,524	72,133	378,657	18,348	397,005	401,003	417,868
1.08 Counselling	204,004	44,716	248,720	2,644	251,364	244,604	246,949
1.10 Special Education	2,734,120	625,107	3,359,227	128,859	3,488,086	3,361,829	3,480,896
1.30 English Language Learning	128,612	28,190	156,802	15,534	172,336	164,215	108,372
1.31 Aboriginal Education	282,142	58,623	340,765	365,430	706,195	691,132	676,854
1.41 School Administration	1,146,841	258,772	1,405,613	48,363	1,453,976	1,412,496	1,398,207
1.64 Other	-	-	-	42,770	42,770	46,000	41,430
Total Function 1	10,887,090	2,304,055	13,191,145	1,335,335	14,526,480	14,430,340	14,317,654
4 District Administration							
4.11 Educational Administration	314,452	69,783	384,235	43,709	427,944	429,332	398,491
4.40 School District Governance	78,708	1,963	80,671	45,555	126,226	126,779	128,218
4.41 Business Administration	263,491	60,107	323,598	105,993	429,591	424,430	344,511
Total Function 4	656,651	131,853	788,504	195,257	983,761	980,541	871,220
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	115,188	28,825	144,013	64,287	208,300	209,606	234,456
5.50 Maintenance Operations	1,259,275	287,987	1,547,262	281,830	1,829,092	1,912,374	1,835,658
5.52 Maintenance of Grounds	33,678	9,053	42,731	32,946	75,677	87,713	70,498
5.56 Utilities	-	-	-	722,503	722,503	757,600	766,746
Total Function 5	1,408,141	325,865	1,734,006	1,101,566	2,835,572	2,967,293	2,907,358
7 Transportation and Housing							
7.41 Transportation and Housing Administration	71,357	18,306	89,663	1,443	91,106	94,915	124,346
7.70 Student Transportation	336,108	87,724	423,832	84,998	508,830	514,377	487,655
Total Function 7	407,465	106,030	513,495	86,441	599,936	609,292	612,001
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	13,359,347	2,867,803	16,227,150	2,718,599	18,945,749	18,987,466	18,708,233

School District No. 85 (Vancouver Island North)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	838,861	818,933	662,100
Other Revenue	400,000	400,476	327,664
Total Revenue	<u>1,238,861</u>	<u>1,219,409</u>	<u>989,764</u>
Expenses			
Instruction	1,055,363	1,043,509	750,353
Total Expense	<u>1,055,363</u>	<u>1,043,509</u>	<u>750,353</u>
Special Purpose Surplus (Deficit) for the year	<u>183,498</u>	<u>175,900</u>	<u>239,411</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(183,498)	(175,900)	(239,411)
Total Net Transfers	<u>(183,498)</u>	<u>(175,900)</u>	<u>(239,411)</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. 85 (Vancouver Island North)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds
	\$	\$	\$	\$
Deferred Revenue, beginning of year			14,318	257,031
Add: Restricted Grants				
Provincial Grants - Ministry of Education	257,105	232,986	4,550	
Other				374,812
Investment Income				
	257,105	232,986	4,550	374,812
Less: Allocated to Revenue	158,589	232,986	17,311	349,415
Deferred Revenue, end of year	98,516	-	1,557	282,428
Revenues				
Provincial Grants - Ministry of Education	158,589	232,986	17,311	
	158,589	232,986	17,311	349,415
Expenses				
Salaries				
Teachers		145,454		
Educational Assistants		23,257		
Support Staff				
Substitutes		6,810		
	-	175,521	-	-
Employee Benefits		40,134		
Services and Supplies		17,331		349,415
	-	232,986	-	349,415
Net Revenue (Expense) before Interfund Transfers	158,589	-	17,311	-
Interfund Transfers				
Tangible Capital Assets Purchased	(158,589)		(17,311)	
	(158,589)	-	(17,311)	-
Net Revenue (Expense)	-	-	-	-

School District No. 85 (Vancouver Island North)

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

	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$
Deferred Revenue, beginning of year		7,567	153	
Add: Restricted Grants				
Provincial Grants - Ministry of Education	96,000	19,600	10,224	296,553
Other			9,310	
Investment Income				
	96,000	19,600	19,534	296,553
Less: Allocated to Revenue	96,000	11,126	6,368	296,553
Deferred Revenue, end of year	-	16,041	13,319	-
Revenues				
Provincial Grants - Ministry of Education	96,000	11,126	6,368	296,553
	96,000	11,126	6,368	296,553
Expenses				
Salaries				
Teachers				114,387
Educational Assistants				99,635
Support Staff		3,558		
Substitutes				10,567
	-	3,558	-	224,589
Employee Benefits		25		67,470
Services and Supplies	96,000	7,543	6,368	4,494
	96,000	11,126	6,368	296,553
Net Revenue (Expense) before Interfund Transfers	-	-	-	-
Interfund Transfers				
Tangible Capital Assets Purchased				
	-	-	-	-
Net Revenue (Expense)	-	-	-	-

School District No. 85 (Vancouver Island North)

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

	Literacy Society	Scholarships	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	43,924	44,323	367,316
Add: Restricted Grants			
Provincial Grants - Ministry of Education			917,018
Other	10,676	1,450	396,248
Investment Income		157	157
	10,676	1,607	1,313,423
Less: Allocated to Revenue	35,911	15,150	1,219,409
Deferred Revenue, end of year	18,689	30,780	461,330
Revenues			
Provincial Grants - Ministry of Education			818,933
	35,911	15,150	1,219,409
Expenses			
Salaries			
Teachers			259,841
Educational Assistants			122,892
Support Staff	27,487		31,045
Substitutes			17,377
	27,487	-	431,155
Employee Benefits	1,515		109,144
Services and Supplies	6,909	15,150	503,210
	35,911	15,150	1,043,509
Net Revenue (Expense) before Interfund Transfers	-	-	175,900
Interfund Transfers			
Tangible Capital Assets Purchased			(175,900)
	-	-	(175,900)
Net Revenue (Expense)	-	-	-

School District No. 85 (Vancouver Island North)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual			2012 Actual (Restated-Note 2)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	520,171			-	
Investment Income	1,500		364	364	740
Amortization of Deferred Capital Revenue	914,456	914,456		914,456	938,917
Total Revenue	1,436,127	914,456	364	914,820	939,657
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,127,966	1,134,710		1,134,710	1,132,338
Transportation and Housing	126,006	126,006		126,006	146,147
Total Expense	1,253,972	1,260,716	-	1,260,716	1,278,485
Capital Surplus (Deficit) for the year	182,155	(346,260)	364	(345,896)	(338,828)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	183,498	175,900		175,900	239,411
Local Capital	300,000		300,000	300,000	100,000
Total Net Transfers	483,498	175,900	300,000	475,900	339,411
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		378,529	(378,529)	-	
Total Other Adjustments to Fund Balances		378,529	(378,529)	-	
Total Capital Surplus (Deficit) for the year	665,653	208,169	(78,165)	130,004	583
Capital Surplus (Deficit), beginning of year		10,104,393	177,999	10,282,392	10,281,809
Capital Surplus (Deficit), end of year		10,312,562	99,834	10,412,396	10,282,392

School District No. 85 (Vancouver Island North)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2013

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,891,161	52,853,334	704,718	1,260,060	7,069	262,511	57,978,853
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		575,243	75,000	324,847			975,090
Special Purpose Funds		158,589	17,311				175,900
Local Capital		308,699	59,236			10,594	378,529
	-	1,042,531	151,547	324,847	-	10,594	1,529,519
Decrease:							
Deemed Disposals			2,635	197,344		25,235	225,214
	-	-	2,635	197,344	-	25,235	225,214
Cost, end of year	2,891,161	53,895,865	853,630	1,387,563	7,069	247,870	59,283,158
Work in Progress, end of year							-
Cost and Work in Progress, end of year	2,891,161	53,895,865	853,630	1,387,563	7,069	247,870	59,283,158
Accumulated Amortization, beginning of year		29,301,512	311,192	652,550	1,414	66,750	30,333,418
Changes for the Year							
Increase: Amortization for the Year		1,010,322	70,472	126,006	1,414	52,502	1,260,716
Decrease:							
Deemed Disposals			2,635	197,344		25,235	225,214
			-	2,635	-	25,235	225,214
Accumulated Amortization, end of year		30,311,834	379,029	581,212	2,828	94,017	31,368,920
Tangible Capital Assets - Net	2,891,161	23,584,031	474,601	806,351	4,241	153,853	27,914,238

School District No. 85 (Vancouver Island North)

Schedule 4B (Unaudited)

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. 85 (Vancouver Island North)

Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	17,541,042			17,541,042
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	975,090			975,090
	975,090	-	-	975,090
Decrease:				
Amortization of Deferred Capital Revenue	914,456			914,456
	914,456	-	-	914,456
Net Changes for the Year	60,634	-	-	60,634
Deferred Capital Revenue, end of year	17,601,676	-	-	17,601,676
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	17,601,676	-	-	17,601,676

School District No. 85 (Vancouver Island North)

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	\$	\$ 12,756	\$	\$	\$	\$ 12,756
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	975,090					975,090
	975,090	-	-	-	-	975,090
Decrease:						
Transferred to DCR - Capital Additions	975,090					975,090
	975,090	-	-	-	-	975,090
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	12,756	-	-	-	12,756

School District Statement of Financial Information (SOFI)

School District No. 85 (Vancouver Island North)

Fiscal Year Ended June 30, 2013

Schedule of Debt

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

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

School District Statement of Financial Information (SOFI)

School District No. 85 (Vancouver Island North)

Fiscal Year Ended June 30, 2013

Schedule of Guarantee and Indemnity Agreements

School District No. 85 (Vancouver Island North) 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. 85 (Vancouver Island North)

Fiscal Year Ended June 30, 2013

Statement of Severance Agreements

There were no severance agreements between School District No. 85 (Vancouver Island North) and its non-unionized employees during the 2012 - 2013 fiscal year.

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

NAME	POSITION	REMUNERATION	EXPENSE
ELECTED OFFICIALS :			
Field, Jeffrey G.	VICE CHAIR	11,860.08	3,473.47
Garrett, Lawrence	TRUSTEE	10,782.00	3,736.75
Hunter, Eric	TRUSTEE	10,782.00	3,346.52
Manke, Werner	TRUSTEE	10,782.00	5,429.64
Prescott, Carol	TRUSTEE	10,782.00	3,148.56
Schmidt, Danita	TRUSTEE	10,782.00	4,042.63
Wishart, Leightan	CHAIR	12,938.04	1,962.30
TOTAL ELECTED OFFICIALS		78,708.12	25,139.87
DETAILED EMPLOYEES > 75,000.00 :			
Amodeo, Kelly		97,597.68	9,401.25
Baker, Daniel		97,597.68	3,082.09
Benwell, Scott		129,082.31	16,710.29
Bohn, Nicole		87,618.09	7,032.14
Bono, Tammy		85,127.75	6,008.80
Bragan, Sheila		88,044.40	11,155.51
Bramham, John		83,010.65	7,092.22
Brand, Kevin		87,275.70	7,164.26
Brown, Jillian		83,010.65	7,000.00
Carlson, Tanya		88,946.60	4,123.88
Casson, Nimfa		82,877.00	228.86
Child, Kaleb		96,533.64	11,760.27
Cole, Gloria		88,479.71	2,100.00
Cook, Jill		94,502.70	4,432.32
Deadman, Lauren J.		111,803.46	1,459.48
Dixon, Jay		101,182.56	6,955.89
Drysdale, Dale M.		82,179.50	6,100.00
Dunlap, Francis		82,877.00	16.22
Fleeton, Malcolm		99,773.16	3,878.59
Fyles, Robert G		82,877.00	180.05
Gildersleeve, Darby		91,702.49	3,411.12
Glos, Wendy L		79,481.86	4,053.77
Gordon, Robyn L.		82,299.20	9,343.31
Gough, Shawn		83,012.79	100.10
Gray, Margaret		81,587.75	4,000.00
Gray, Steven		111,803.46	4,252.91
Gunson, Sandra		89,285.76	6,252.62
Hagen, Angela		81,587.75	9,424.76
Heller, Brian W.		87,934.17	10,049.40
Henderson, Gail		90,632.12	2,534.86
Hitch, Elizabeth		82,877.00	6,070.22
Janveau, Deborah		82,877.00	2.13
Johnson, Heather		83,144.33	106.13
Johnson, Stacia		82,299.20	6,278.88
Langrish, Alan K		82,917.05	221.66

School District No. 85
 SCHEDULE OF REMUNERATION AND EXPENSE
 YEAR ENDED JUNE 30,2013

NAME	POSITION	REMUNERATION	EXPENSE
Lok, Jennifer		77,853.17	5,017.67
Lutz, Ulla		84,040.60	7,244.13
MacDonald, Christina		99,367.68	2,734.48
MacLean, W.Frank		107,996.06	1,412.38
MacLaren, Robena		82,929.76	595.31
Martin, John R		119,623.21	12,927.90
McCrae, Ricki-Lyn		82,877.00	53.46
McIntosh, Katherine		118,203.95	17,511.62
Monckton, Gail		88,950.96	2.13
Mork, Casey		83,010.65	7,000.00
Morton, Cecil		89,311.86	8,616.22
Murray, Gregory N.		88,950.96	
Neilson, Andrew		95,873.80	3,804.89
Nield, Terrance E		82,877.00	46.65
Ogren, Kevin		83,033.66	783.81
Purdey, Charleen		89,662.41	2.13
Purdon, Francis C		82,877.00	3,679.95
Randall, Marilyn		81,286.13	25.10
Robertson, Fred		89,662.41	6,538.13
Ropponen, Eleanor		82,877.00	319.56
Sedola, Michelle		77,853.17	8,048.17
Soltau-Heller, Sarah		83,357.75	7,021.84
Stevenson, David F.		89,528.76	6,029.36
Svatos, Shelley		82,575.38	5,889.12
Sweeney, Rena		108,218.46	6,244.31
Voth, Jason		83,010.65	8,016.22
walker, David A		88,950.96	7,090.01
walkus, Jillian		86,417.00	6,663.05
watson, Melody Lynn		77,701.65	7,169.16
williams, Andrea Lea		90,088.01	6,177.86
williams, Micah		89,486.72	5,057.22
williamson, Holly		93,202.41	8,112.04
TOTAL DETAILED EMPLOYEES > 75,000.00		6,005,495.36	341,817.87
TOTAL EMPLOYEES <= 75,000.00		8,206,819.90	223,884.75
TOTAL		14,291,023.38	590,842.49
TOTAL EMPLOYER PREMIUM FOR CPP/EI			713,000.16

VENDOR NAME -----	EXPENSE -----
DETAILED VENDORS > 25,000.00 :	
ABERNETHY CONTRACTING LTD	38,760.28
ACME SUPPLIES LTD	40,502.80
BC HYDRO & POWER AUTHORITY	407,549.83
BC LIFE & CASUALTY CO	62,061.06
CANON BUSINESS SOLUTIONS CANADA	30,762.79
CDW CANADA INC	39,325.54
CHAN NOWOSAD BOATES	33,973.07
CHEVRON CANADA LTD	51,719.64
CONTI ELECTRONICS LTD	33,945.00
DISTRICT OF PORT HARDY	31,035.31
DOR TEC SECURITY LTD	33,639.41
FIRST TRUCK CENTRE	328,625.46
FLYNN CANADA	171,360.00
FOX'S DISPOSAL SERVICE	37,032.96
FURNEY DISTRIBUTING LTD	47,555.59
GWA'SALA-'NAKWAXDA'XW NATIONS	228,642.00
HABITAT SYSTEMS INC	27,789.44
HARRIS COMPUTER SYSTEMS	47,009.56
HENDERSON RECREATION EQUIP. LTD	52,312.76
IRC BUILDING SCIENCES BC INC	53,176.34
K&K ELECTRIC LTD	58,184.00
LINDA WEAVER	63,060.08
MUNICIPAL PENSION PLAN	394,518.14
N I COMMUNITY SERVICES	89,600.00
N I CRISIS & COUNSELLING CNTR	31,808.17
NAMGIS FIRST NATION	83,396.00
NELSON ROOFING & SHEET METAL LTD	619,244.64
PACIFIC BLUE CROSS	181,507.60
PORT ALICE GAS INC	43,689.10
PUBLIC EDUCATION BENEFITS TRUST	186,073.45
ROCKY POINT ENGINEERING LTD	68,880.00
SUPERIOR PROPANE INC.	180,889.52
TEACHER PENSION PLAN	1,171,833.13
TELUS COMMUNICATIONS COMPANY	61,475.09
TORRY & SONS PLUMBING & HEATING LTD	70,442.40
US BANK OF CANADA - P CARD	321,218.94
VINTA - PRO D	69,200.00
WORKSAFE BC	73,991.82

TOTAL DETAILED VENDORS > 25,000.00	5,565,790.92
TOTAL VENDORS <= 25,000.00	933,547.13
	=====
TOTAL PAYMENTS FOR THE GOODS AND SERVICES	6,499,338.05

SCHEDULED PAYMENTS

REMUNERATION	14,291,023.38
EMPLOYEE EXPENSES	590,842.49
EMPLOYER CPP/EI	713,000.16
PAYMENTS FOR GOODS AND SERVICES	6,499,338.05
TOTAL SCHEDULED PAYMENTS	----- 22,094,204.08

RECONCILIATION ITEMS

NONCASH ITEMS:	
ACCOUNTS PAYABLE ACCRUALS	24,026.00
PAYROLL ACCRUALS	0.00
INVENTORIES AND PREPAIDS	0.00
PAYMENTS INCLUDED:	
TAXABLE BENEFITS	253,049.79-
OTHER:	
THIRD PARTY RECOVERIES	139,915.23-
GST/HST REBATE	285,163.11-
RECOVERIES OF EXPENSES	29,870.19-
MISCELLANEOUS	108,545.24
TOTAL RECONCILIATION ITEMS	----- 575,427.08-

FINANCIAL STATEMENT EXPENDITURES

OPERATING FUND	18,945,749.00
TRUST FUND	1,043,509.00
CAPITAL FUND	1,529,519.00
TOTAL FINANCIAL STATEMENT EXPENDITURES	----- 21,518,777.00

BALANCE

=====

0.00