

Audited Financial Statements of

School District No. 43 (Coquitlam)

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

School District No. 43 (Coquitlam)

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

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School District No. 43 (Coquitlam)

MANAGEMENT REPORT

Version: 2163-1418-8435

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 43 (Coquitlam) 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. 43 (Coquitlam) (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, KPMG 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. 43 (Coquitlam) 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. 43 (Coquitlam)

ORIGINAL SIGNED BY M. HYNDES 2013-09-10

Signature of the Chairperson of the Board of Education

Date Signed

ORIGINAL SIGNED BY T. GRANT 2013-09-10

Signature of the Superintendent

Date Signed

ORIGINAL SIGNED BY G. BONNEFOY 2013-09-10

Signature of the Secretary Treasurer

Date Signed



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INDEPENDENT AUDITORS' REPORT

To the Board of Education of the School District No. 43 (Coquitlam)

To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 43 (Coquitlam), which comprise the statements of financial position as at June 30, 2013 and the statements of operations, changes in net debt and cash flows for the year ended June 30, 2013, and notes, comprising 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.

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 our 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, we consider internal control relevant to the entity'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 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements of School District No. 43 (Coquitlam) and the statement of financial position as at June 30, 2013 and its statement of operations, changes in net debt and cash flows for the year ended June 30, 2013 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 Schedules 1 through 4D 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.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that the School District No. 43 (Coquitlam) adopted 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 on July 1, 2012 with a transition date of July 1, 2011. These standards were applied retroactively by management to the comparative information in these financial statements, including the statements of financial position as at June 30, 2012 and July 1, 2011, and the statements of operations, changes in net debt, and cash flows for the year ended June 30, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

September 10, 2013
Burnaby, Canada

School District No. 43 (Coquitlam)

Statement 1

Statement of Financial Position

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

	June 30, 2013	June 30, 2012	July 1, 2011
		(Note 2)	(Note 2)
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	18,439,519	23,651,631	41,682,561
Accounts Receivable			
Due from Province - Ministry of Education	4,109,272	1,677,735	115,918
Due from Province - Other		388,287	
Other (Note 4)	5,029,064	5,527,503	5,698,885
Portfolio Investments (Note 5)	35,711,522	27,284,995	11,003,778
Inventories for Resale	69,514	29,353	16,437
Total Financial Assets	63,358,891	58,559,504	58,517,579
Liabilities			
Accounts Payable and Accrued Liabilities			
Other (Note 6)	18,650,750	16,007,962	15,884,081
Unearned Revenue (Note 7)	13,310,743	9,691,716	9,498,967
Deferred Revenue (Note 8)	7,885,178	8,609,469	8,855,524
Deferred Capital Revenue (Note 9)	287,609,859	259,944,749	243,467,288
Employee Future Benefits (Note 10)	41,258,748	38,873,673	38,484,294
Capital Lease Obligations (Note 11)	1,630,688	384,949	321,415
Other Liabilities (Note 6)	5,100,678	2,756,698	2,645,201
Total Liabilities	375,446,644	336,269,216	319,156,770
Net Financial Assets (Debt)	(312,087,753)	(277,709,712)	(260,639,191)
Non-Financial Assets			
Tangible Capital Assets (Note 12)	404,611,139	381,263,738	366,479,491
Prepaid Expenses	524,558	657,911	459,202
Total Non-Financial Assets	405,135,697	381,921,649	366,938,693
Accumulated Surplus (Deficit)	93,047,944	104,211,937	106,299,502

Contractual Obligations and Contingencies (Note 14)

Approved by the Board

ORIGINAL SIGNED BY M. HYNDES 2013-09-10

ite Signed

Signature of the Superintendent

ORIGINAL SIGNED BY T. GRANT 2013-09-10

Date Signed

Signature of the Secretary Treasurer

ORIGINAL SIGNED BY G. BONNEFOY 2013-09-10

Date Signed

School District No. 43 (Coquitlam)

Statement 2

Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Unaudited)	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	254,009,908	253,626,810	246,207,700
Other	851,070	51,072	51,072
Tuition	17,990,030	16,811,027	17,329,711
Other Revenue	13,744,332	14,595,504	16,188,592
Rentals and Leases	1,850,000	1,825,596	1,599,611
Investment Income	655,000	549,832	520,665
Amortization of Deferred Capital Revenue	10,720,674	9,647,392	9,332,402
Total Revenue	<u>299,821,014</u>	<u>297,107,233</u>	<u>291,229,753</u>
Expenses			
Instruction	253,457,251	256,636,381	246,256,753
District Administration	6,672,388	9,552,285	6,351,093
Operations and Maintenance	39,072,191	40,613,819	39,360,077
Transportation and Housing	1,388,182	1,391,119	1,349,395
Debt Services		77,622	
Total Expense	<u>300,590,012</u>	<u>308,271,226</u>	<u>293,317,318</u>
Surplus (Deficit) for the year	<u>(768,998)</u>	<u>(11,163,993)</u>	<u>(2,087,565)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		104,211,937	106,299,502
Accumulated Surplus (Deficit) from Operations, end of year		<u>93,047,944</u>	<u>104,211,937</u>

School District No. 43 (Coquitlam)**Statement 4**

Statement of Changes in Net Financial Assets (Debt)

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Unaudited)	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(768,998)</u>	<u>(11,163,993)</u>	<u>(2,087,565)</u>
Effect of change in Tangible Capital Assets (Note 12)			
Acquisition of Tangible Capital Assets	(3,995,223)	(34,187,118)	(25,751,006)
Amortization of Tangible Capital Assets	10,720,674	11,215,231	10,966,759
Prior Period Adjustment Reclassification - See Schedule 4A		(375,514)	
Total Effect of change in Tangible Capital Assets	<u>6,725,451</u>	<u>(23,347,401)</u>	<u>(14,784,247)</u>
Acquisition of Prepaid Expenses		(524,558)	(657,911)
Use of Prepaid Expenses		657,911	459,202
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>133,353</u>	<u>(198,709)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>5,956,453</u>	<u>(34,378,041)</u>	<u>(17,070,521)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(34,378,041)</u>	<u>(17,070,521)</u>
Net Financial Assets (Debt), beginning of year		<u>(277,709,712)</u>	<u>(260,639,191)</u>
Net Financial Assets (Debt), end of year		<u><u>(312,087,753)</u></u>	<u><u>(277,709,712)</u></u>

School District No. 43 (Coquitlam)

Statement 5

Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual (Note 2)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(11,163,993)	(2,087,565)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,544,811)	(1,778,723)
Inventories for Resale	(40,161)	(12,916)
Prepaid Expenses	133,353	198,709
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,642,788	123,881
Unearned Revenue	3,619,027	192,749
Deferred Revenue	(724,291)	(343,834)
Employee Future Benefits	2,385,075	389,379
Other Liabilities	1,968,466	(378,885)
Amortization of Tangible Capital Assets	11,215,231	10,966,759
Amortization of Deferred Capital Revenue	(9,647,392)	(9,332,402)
Total Operating Transactions	(1,156,708)	(2,062,848)
Capital Transactions		
Tangible Capital Assets Purchased	(4,435,593)	
Tangible Capital Assets -WIP Purchased	(27,824,275)	(25,174,666)
Total Capital Transactions	(32,259,868)	(25,174,666)
Financing Transactions		
Capital Revenue Received	37,179,159	25,809,863
Capital Lease Repayment	(548,168)	(322,062)
Total Financing Transactions	36,630,991	25,487,801
Investing Transactions		
Investments in Portfolio Investments	(8,426,527)	(16,281,217)
Total Investing Transactions	(8,426,527)	(16,281,217)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,212,112)	(18,030,930)
Cash and Cash Equivalents, beginning of year	23,651,631	41,682,561
Cash and Cash Equivalents, end of year	18,439,519	23,651,631
Cash and Cash Equivalents, end of year, is made up of:		
Cash	18,439,519	23,651,631
	18,439,519	23,651,631

SCHOOL DISTRICT NO.43 (COQUITLAM)
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, 1946 operates under the authority of the *School Act of British Columbia* as a corporation under the name of "The Board of Education of School District No. 43 (Coquitlam)", and operates as "School District No. 43 (Coquitlam)". A board of education ("Board") which is 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. 43 (Coquitlam) is exempt from federal and provincial corporate income taxes.

NOTE 2 CONVERSIONS TO NEW ACCOUNTING FRAMEWORK

Commencing with the 2012/13 fiscal year, the School District has adopted accounting standards in accordance with 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 as described in Note 3 a). Previously, the School District's financial statements were prepared in accordance with Part V of Canadian generally accepted accounting principles ("Part V Canadian GAAP").

These standards were applied retroactively by management to the comparative information in these financial statements, including the statements of financial position as at June 30, 2012 and July 1, 2011, and the statements of operations, changes in net debt, and cash flows for the year ended June 30, 2012 and related disclosures. The restated comparative information is unaudited.

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:
 - c) The School District has elected to apply the impairment provisions of 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:

Teachers Employee Future Benefit Plans:

- 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 \$23,904 resulting in a revised liability of \$19,462,339.
- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains relating to employee future benefits of \$7,092,775 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. An additional expense of \$454,167 was recognized in the 2012 fiscal year as a result of eliminating the amortization of the actuarial gain for fiscal 2011/12.

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 2 CONVERSIONS TO NEW ACCOUNTING FRAMEWORK (Continued)

Non-Teachers Employee Future Benefit Plans:

- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains relating to the non-teachers post-retirement benefits of \$3,617,000 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in accumulated surplus. An additional expense of \$116,000 was recognized in the 2012 fiscal year as a result of eliminating the amortization of the actuarial gain for fiscal 2011/12.
- Under the previous GAAP, the District adjusted the employee future benefit to reflect contributions made in the period between the valuation date and the fiscal year end. Under PS Section 3255, no adjustment is permitted, this resulted in an increase to the liability and decrease to accumulated surplus of \$105,000 on transition.

Non-Teachers Pension Plans:

- In accordance with the first time elections, the School District recognized all previous cumulative actuarial gains relating to the non-teachers pension plans of \$1,022,000 at July 1, 2011 resulting in a decrease to the Employee Future Benefits liability and an increase in the accumulated surplus. There was no change to the statement of operation for fiscal 2012 as a result of this plan.
- Under the previous GAAP, the District adjusted the employee future benefit to reflect contributions made in the period between the valuation date and the fiscal year end. Under PS Section 3255, no adjustment is permitted, this resulted in an increase to the liability and decrease to accumulated surplus of \$1,443,000 on transition.

	Previously stated July 1, 2011	Adjustments July 1, 2011	Restated July 1, 2011
Employee Future Benefits			
- Employee non-vested sick leave		23,904	
- Employee cumulative unamortized actuarial loss		(7,092,775)	
- Non-teachers benefits unamortized actuarial gain		(3,617,000)	
- Non-teachers pension unamortized actuarial loss		(1,022,000)	
- Non-teachers pension plan – Q4 contributions		1,443,000	
- Non-teachers benefit plan – Q4 contributions			
	\$48,644,165	<u>105,000</u> (10,159,871)	\$38,484,294

	Previously stated June 30, 2012	Adjustment June 30, 2012	Restated June 30, 2012
Employee Future Benefits			
Transitional adjustments at July 1, 2011		\$(10,159,871)	
Employee actuarial loss – amortization reduction		454,167	
Non-teachers benefits– amortization reduction	-	116,000	-
Non-teachers pension plan – Q4 contributions	-	(577,548)	-
Non-teachers benefit plan – Q4 contributions	-	<u>46,000</u>	-
	\$48,994,925	\$(10,121,252)	\$38,873,673

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 2 CONVERSIONS TO NEW ACCOUNTING FRAMEWORK *(Continued)*

Key adjustments on the School District's financial statements resulting from prior period restatements are as follows:

Tangible capital assets and deferred capital revenue:

- Previously the District commenced amortization of tangible capital assets and deferred capital revenue in the period following its commencement of use. The District has begun amortizing in the year of service as it better reflects the utilization of the assets over its useful life. This resulted in a decrease to tangible capital assets at July 1, 2011 of \$5,586,971, decrease to deferred capital revenue of \$3,717,819 and reduction in accumulated surplus of \$1,869,152.

Deferred contributions:

- As part of the transition, the District reviewed its previous grants and identified amounts totaling \$97,779, which were recognized as revenue in 2012 and should have been treated as deferred contributions.

The impact of the conversion to the new framework and the prior period adjustments on the accumulated surplus 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 as originally reported, July 1, 2011	\$98,008,783
Adjustments to accumulated surplus for new accounting framework	
Add non-vested benefits to Employee Future Benefits	(23,904)
Recognize cumulative unamortized actuarial gains on Employee Future Benefits	11,731,775
Adjust April to June 2011 contributions for non-teachers pension and benefit plans	(1,548,000)
Adjustments for prior period restatements	
Adjust accumulated amortization of tangible capital assets	(5,586,971)
Adjust accumulated amortization of deferred capital contributions	<u>3,717,819</u>
Accumulated surplus as restated, July 1, 2011	\$106,299,502
Annual deficit as originally reported for the year ended June 30, 2012	(\$2,383,543)
Adjust Employee Future Benefits expense	(570,167)
Adjust Employee Future Benefit contributions	531,548
Defer special purpose funds	(97,779)
Reclassify presentation of equity adjustments to the Statement of operations	<u>432,376</u>
Annual deficit for the year as restated for the year ended June 30, 2012	(\$2,087,565)
Accumulated surplus, end of year as restated, June 30, 2012	<u>\$104,211,937</u>

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with 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. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District does not administer any trust activities on behalf of external parties.

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

c) 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.

d) Accounts Receivable

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

e) Inventories for Resale

Inventories for resale include cafeteria materials and supplies and are measured at lower of cost and net realizable value. Net realizable value is the expected selling price in the ordinary course of business.

f) Portfolio Investments

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

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations.

g) Unearned Revenue

Unearned revenue includes 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 will be recognized in that future period when the services or products are provided.

h) 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.

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.

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

i) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated sick leave, accumulated vacation pay, overtime, death benefits, early retirement, and severance/retirement allowances for certain employees pursuant to certain contracts and union agreements. The most recent actuarial valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2017. 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 provides a defined benefit pension plan for non-teaching employees. An actuarial valuation is conducted every three years. The most recent valuation of the obligation was performed at December 31, 2011 and projected for use at June 30, 2012 and 2013.

The School District provides for non-teaching employees a defined benefit plan, including health, dental and MSP premiums during retirement. An actuarial valuation is conducted every three years. The most recent valuation of the obligation was performed at December 31, 2011 and projected for use at June 30, 2012 and 2013.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. The future 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 and 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 (EARSLS) of active employees covered under the plan.

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.

j) 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.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

k) Tangible Capital Assets

- 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

l) 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.

m) Prepaid Expenses

Materials, supplies and services held for use by the School District in the following fiscal year are included as a prepaid expense and stated at acquisition cost. Such items are charged to expense over the periods expected to benefit from it.

n) 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.

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

o) 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.

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.

p) Expenses

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.

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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

p) Expenses (continued)

Allocation of Costs (continued)

- 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.

q) 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 capital lease obligations.

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 and amortized using the effective interest rate method. 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.

r) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 3a) 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.

s) Adoption of New Accounting Policy

On July 1, 2012, the School District adopted PS3450, Financial Instruments. 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. Although, the fair value changes previously recognized as an adjustment to accumulated surplus are now presented as investment income in the statement of operations.

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 in note 3 p).

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Adoption of New Accounting Policy (continued)

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.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30 2013	June 30 2012	July 1 2011
Other receivables	\$4,600,560	\$5,068,830	\$5,050,310
Allowance for doubtful accounts	(65,000)	(65,000)	(65,000)
Capital due from third parties	493,504	523,675	713,575
	<u>\$5,029,064</u>	<u>\$5,527,505</u>	<u>\$5,698,885</u>

NOTE 5 PORTFOLIO INVESTMENTS

	June 30 2013	June 30 2012	July 1 2011
Investments in the cost and amortized cost category:			
Certificate of Deposit (Ministry of Finance)	\$ 24,000,000	\$ 15,000,000	\$ -
Guaranteed investment certificates (GIC's)	7,716,522	1,671,995	1,524,482
Bonds	3,995,000	10,613,000	9,479,296
	<u>\$35,711,522</u>	<u>\$27,284,995</u>	<u>\$11,003,778</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30 2013	June 30 2012	July 1 2011
Trade Payables	4,404,657	3,656,480	3,931,620
Salary & Benefits Payable	14,246,093	12,351,482	11,952,461
Balance - Accounts Payable & Accrued Liabilities	<u>18,650,750</u>	<u>16,007,962</u>	<u>15,884,081</u>
Asset Retirement Obligations	673,815	783,815	783,815
Accrued Vacation Pay	3,877,683	1,591,766	1,591,766
Other	549,180	381,117	269,620
Balance - Total Other Liabilities	<u>5,100,678</u>	<u>2,756,698</u>	<u>2,645,201</u>
Total Accounts Payable and Accrued Liabilities	<u>23,751,428</u>	<u>18,764,660</u>	<u>18,529,282</u>

NOTE 7 UNEARNED REVENUE

	June 30 2013	June 30 2012
Balance, beginning of year	<u>\$ 9,691,716</u>	<u>\$9,498,967</u>
Tuition fees received	20,430,054	17,522,460
Tuition revenue recognized	(16,811,027)	(17,329,711)
Balance, end of year	<u>\$13,310,743</u>	<u>\$ 9,691,716</u>

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 8 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.

	2013	2012
Balance, beginning of year	\$8,609,469	\$8,855,524
Increases:		
Provincial grants	6,636,530	4,806,963
Other	11,451,709	12,181,649
Investment income	43,923	8,918
	18,132,162	16,997,530
Revenue recognized	18,856,453	17,243,585
Balance, end of year	\$7,885,178	\$8,609,469

NOTE 9 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.

	2013	2012
Deferred capital revenue subject to amortization		
Balance, beginning of year	\$220,483,104	\$220,358,794
Increases:		
Capital additions	4,435,593	-
Transfer from work in progress	24,673,414	9,456,712
Donated capital assets	133,343	-
	29,242,350	9,456,712
Decreases:		
Amortization	9,647,392	9,332,402
Net change for the year	19,594,958	3,720,186
Balance, end of year	\$240,078,062	\$220,483,104
Deferred capital revenue - Work in Progress		
Balance, beginning of year	\$26,912,089	\$10,855,812
Increases: Transfers from deferred contributions	27,824,275	25,512,989
Decrease: Transfer to DCC subject to amortization	24,673,414	9,456,712
Net change for the year	3,150,861	-
Balance, end of year	\$30,062,950	\$26,912,089
Unspent deferred capital revenue	\$17,468,847	\$12,549,556
Total deferred capital revenue balance, end of year	\$287,609,859	\$259,944,749

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 10 EMPLOYEE FUTURE BENEFITS

Employee future benefit plan obligations consist of three plans as summarized.

	June 30 2013	June 30 2012	July 1 2011
Employee future benefit plans	\$ 20,580,800	\$ 19,686,673	\$ 19,339,294
Non-Teaching pension plan (asset)	(5,139,000)	(4,708,000)	(3,392,000)
Non-Teaching retirement benefit plan	25,816,948	23,895,000	22,537,000
	<u>\$ 41,258,748</u>	<u>\$ 38,873,673</u>	<u>\$ 38,484,294</u>

a) Employee Future Benefit Plan

Benefits include vested sick leave, early retirement incentive 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	\$20,620,282	\$19,438,435
Non-vested benefit obligation – July 1, 2011		23,904
Service cost	1,530,891	1,414,064
Interest cost	901,132	944,546
Benefits payments	(1,457,292)	(2,001,625)
Actuarial (gain) / loss	2,950,636	800,958
Accrued benefit obligation – March 31	<u>\$24,545,649</u>	<u>\$20,620,282</u>
Reconciliation of Funded Status at End of Fiscal Year:		
Accrued benefit obligation – March 31	\$24,545,649	\$20,620,282
Market value of plan assets – March 31	-	-
Funded status – surplus / (deficit)	<u>\$(24,545,649)</u>	<u>\$(20,620,282)</u>
Employer contributions after measurement date	282,903	132,651
Unamortized net actuarial (gain) / loss	3,681,946	800,958
Accrued benefit asset / (liability) – June 30	<u>\$(20,580,800)</u>	<u>\$(19,686,673)</u>
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability – July 1	\$19,686,673	\$26,408,164
Recognize non-vested benefits – July 1, 2011		23,904
Recognize unamortized (gains) / losses – July 1, 2011		(7,092,775)
Accrued benefit liability – July 1 (restated)	<u>\$19,686,673</u>	<u>\$19,339,293</u>
Net expense for the year	2,501,672	2,358,610
Employer contributions	(1,607,544)	(2,011,230)
Accrued benefit liability – June 30	<u>\$20,580,800</u>	<u>\$19,686,673</u>

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 10 **EMPLOYEE FUTURE BENEFITS** *(continued)*

Components of net benefit expense:

	June 30, 2013	June 30, 2012
Service Cost	\$1,530,891	\$1,414,064
Interest Cost	901,132	944,546
Amortization of net actuarial loss	69,649	-
Net benefit expense	<u>\$2,501,672</u>	<u>\$2,358,610</u>

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations other than in respect of certain post-retirement benefits for non-teaching employees are:

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
EARS L – March 31	11.4	11.5

a) Non-Teaching Pension Plan

The School District sponsors a defined benefit pension plan available to all non-teaching employees, the Retirement Plan for Non-Teaching Employees of School District #43 (Coquitlam). An actuarial valuation of the Retirement Plan for Non-Teaching Employees is conducted every 3 years. The actuarial valuation performed as at December 31, 2011 indicated a funding surplus of \$3.4 million and a deficit on a solvency basis of \$44.7 million. The School District is in the process of addressing the solvency deficiency and related requirements.

	June 30, 2013	June 30, 2012
Change in benefit obligation:		
Accrued benefit obligation – April 1st	\$121,557,000	\$115,494,000
Service Cost	5,708,000	5,323,000
Interest Cost	6,702,000	6,379,000
Transfer into Plan	-	349,000
Benefit payments	(5,105,000)	(4,696,000)
Actuarial Gains	(7,203,000)	(1,22,000)
Accrued benefit obligation – March 31st	<u>\$121,659,000</u>	<u>\$121,557,000</u>
Accrued benefit obligation – March 31 st	<u>\$(121,659,000)</u>	<u>\$(121,557,000)</u>
Market value of plan assets – March 31 st	<u>130,014,000</u>	<u>121,009,000</u>
Funded status – Surplus / (Deficit)	<u>\$8,355,000</u>	<u>\$(548,000)</u>
Funded status – Surplus / (Deficit)	\$8,355,000	\$(548,000)
Unamortized net actuarial (gain) / loss	(3,216,000)	5,256,000
Accrued benefit asset / (liability) – June 30 th	<u>\$5,139,000</u>	<u>\$4,708,000</u>
Current service cost – net of employee's contributions	\$3,229,000	\$2,919,000
Interest cost	6,702,000	6,379,000
Actual return on plan assets	(7,289,000)	(7,178,000)
Actuarial (gains) / losses	501,000	-
Defined benefit costs recognized	<u>\$3,143,000</u>	<u>\$2,120,000</u>

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 10 **EMPLOYEE FUTURE BENEFITS** *(continued)*

	June 30, 2013	June 30, 2012
Change in plan assets:		
Market value – beginning of year	\$121,009,452	\$118,886,000
Actual return on plan assets	8,057,000	630,000
Employer's contributions	3,574,000	3,436,452
Employee's contributions	2,479,000	2,404,000
Transfer into plan	-	349,000
Benefits paid	(5,105,000)	(4,696,000)
Market value – end of year	\$130,014,452	\$121,009,452
Plan assets at end of year consist of:		
Equity securities	56%	57%
Debt securities	44%	41%
Real estate	0%	0%
Other	0%	2%
	100%	100%
Discount Rate	6.00%	5.50%
Expected long-term rate of return on plan assets	6.00%	6.00%
EARSL	10.5 years	10.5 years

b) Post-Retirement Health and Dental Benefits (Non-Pension Benefits)

In addition to the Retirement for Non-Teaching Employees, there is also a non-pension benefits obligation that represents the Board's share of premiums payable in respect of current and future retirees for the Medical Services Plan, Extended Health Benefits and Dental Benefits for non-teaching staff only. As at June 30, 2013 no funds have been internally designated to fund this liability.

	June 30, 2013	June 30, 2012
Change in benefit obligation:		
Accrued benefit obligation – April 1st	\$30,348,000	\$22,537,000
Service Cost	317,948	649,000
Interest Cost	1,450,000	1,243,000
Benefit payments	(461,000)	(534,000)
Actuarial (Gains) / Losses	1,735,000	6,453,000
Accrued benefit obligation – March 31st	\$33,389,948	\$30,348,000
Accrued benefit obligation – March 31 st	\$(33,389,948)	\$(30,348,000)
Market value of plan assets – March 31 st	-	-
Funded status – Surplus / (Deficit)	\$(33,389,948)	\$(30,348,000)
Funded status – Surplus / (Deficit)	\$(33,389,948)	\$(30,348,000)
Unamortized net actuarial (gain) / loss	7,573,000	6,453,000
Accrued benefit asset / (liability) – June 30 th	\$(25,816,948)	\$(23,895,000)
Current service cost – net of employee's contributions	\$317,948	\$649,000
Interest cost	1,450,000	1,243,000
Amortize actuarial (gains) / losses	615,000	-
Defined benefit costs recognized	\$2,382,948	\$1,892,000

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 10 EMPLOYEE FUTURE BENEFITS (continued)

	June 30, 2013	June 30, 2012
Discount Rate	4.20%	4.75%
Expected long-term rate of return on plan assets	N/A	N/A
Rate of compensation increase	2.5%	2.5%
MSP	3.0% for one year	3.0% for one year
Dental	3.5% for one year	3.5% for one year
Extended Health	7.0% initially grading down to 5.0% over 2 years	8.0% initially grading down to 5.0% over 3 years
Estimated annual claim cost		
Extended Health – couple	1,817	\$1,817
Extended Health - single	909	\$909
Dental – couple	944	\$944
Dental – single	472	\$472
EARSL	10.5 years	10.5 years

c) BC Teachers Pension Plan

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 43 (Coquitlam) paid \$18,163,419 (2012 - \$17,910,427) for employer contributions to this plan in the year ended June 30, 2013.

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 11 CAPITAL LEASE OBLIGATIONS

The School District leases several assets under capital leases. The leases expire on various dates through 2013 to 2017. All capital leases provide for a transfer of ownership of the asset to the School District through a bargain purchase option, or after the last lease payment has been made. The interest rates implicit in the leases vary from 3.31% to 5.00%. The School District has certain other leasing agreements with third parties; assets under these other agreements and respective liabilities are not material.

Total future minimum lease payments are as follows:	June 30, 2013	June 30, 2012
2012-13	-	194,625
2013-14	691,434	186,820
2014-15	524,051	19,437
2015-16	521,570	16,956
2016-17	6,515	16,956
Total minimum lease payments	\$1,743,570	\$434,794
Less interest at the average implicit interest rate of 3.59%	\$112,882	\$49,845
Net present value of lease obligations	\$1,630,688	\$384,949

Total interest on leases for the year was \$61,043 (2012: \$8,352).

NOTE 12 TANGIBLE CAPITAL ASSETS

Costs:	Balance at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$107,351,439	\$ -	\$ -	\$ -	\$107,351,439
Buildings	418,908,149	28,997,287	-	-	447,905,436
Furniture & Equipment	9,942,403	245,063	719,805	-	9,467,661
Vehicles	1,391,768	-	-	-	1,391,768
Computer Software	191,820	-	-	-	191,820
Computer Hardware	1,190,405	1,793,907	82,994	-	2,901,318
	\$538,975,984	\$31,036,257	\$802,799		\$569,209,442
Work in progress	25,174,666	27,824,275		(24,673,414)	28,325,527
	\$564,150,650	\$58,860,532	\$802,799	(24,673,414)	\$597,534,969

Accumulated Amortization:	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Buildings	175,166,861	9,741,760	-	184,908,621
Furniture & Equipment	5,523,116	968,154	719,805	5,771,465
Vehicles	722,824	228,872	-	951,696
Computer Software	147,337	38,364	-	185,701
Computer Hardware	951,260	238,081	82,994	1,106,347
	\$182,511,398	\$11,215,231	\$802,799	\$192,923,830

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 12 TANGIBLE CAPITAL ASSETS (continued)

Costs:	Balance at July 1, 2011	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2012
Sites	\$107,351,439	\$ -	\$ -	\$ -	\$107,351,439
Buildings	406,320,369	12,587,780	-	-	418,908,149
Furniture & Equipment	9,978,528	613,762	1,025,401	-	9,566,889
Vehicles	2,269,413	89,063	966,708	-	1,391,768
Computer Software	191,820	-	-	-	191,820
Computer Hardware	1,819,615	-	629,210	-	1,190,405
	\$527,931,184	\$13,290,605	\$2,621,319	\$-	\$538,600,470
Work in progress	12,714,265	25,512,989		(13,052,588)	25,174,666
	\$527,931,184	\$58,860,532	\$2,621,319	(13,052,588)	\$563,775,136

Accumulated Amortization:	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	165,853,279	9,313,582	-	175,166,861
Furniture & Equipment	5,531,410	1,017,107	1,025,401	5,523,116
Vehicles	1,455,749	233,783	966,708	722,824
Computer Software	108,973	38,364	-	147,337
Computer Hardware	1,216,547	363,923	629,210	951,260
	\$174,165,958	\$10,966,759	\$2,621,319	\$182,511,398

Net Book Value:	Net Book Value at July 1, 2011	Net Book Value at June 30, 2012	Net Book Value at June 30, 2013
Sites	\$107,351,439	\$107,351,439	\$107,351,439
Buildings	252,758,465	268,915,954	291,322,342
Furniture & Equipment	4,867,008	4,043,773	3,696,196
Vehicles	813,664	668,944	440,072
Computer Software	82,847	44,483	6,119
Computer Hardware	603,068	239,145	1,794,971
	\$366,476,491	\$381,263,738	\$404,611,139

Included in Capital Assets is equipment under Capital Lease with a cost of \$5,085,763 (2012 - \$4,257,562) and accumulated amortization of \$681,174 (2012 - \$593,951).

Contributed tangible capital assets - additions to equipment include the following contributed tangible capital assets:

	June 30, 2013	June 30, 2012
Playground Equipment	\$133,343	\$148,954

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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.

NOTE 14 COMMITMENTS AND CONTINGENCIES

- a) The School District has committed to capital expenditures to construct new facilities and upgrade current facilities. The outstanding capital commitments as at June 30, 2013 are \$27,499,887 (2012 - \$25,239,133). These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Funding approval for these committed projects has been received from the Ministry of Education, the expenditures will be funded from available Capital Funds, and the proceeds of new capital funding will be provided by the Ministry.

The School District has no significant operating leases.

The collective agreement between the School District and the Coquitlam Teachers' Association allows teachers to be paid over 12 months. As at June 30, 2013, the amount held by the School District and included in cash and accounts payable was \$5,591,203 (2012 - \$5,146,197).

Contractual obligations	2014	2015	2016	2017	2018	Thereafter
Pitt River Middle	\$ 7,372,263	\$ -	\$ -	\$ -	\$ -	\$ -
Moody Middle	1,009,044	256,435	-	-	-	-
Eagle Mountain Middle	18,532,000	200,000	-	-	-	-
Banting Middle	39,732	-	-	-	-	-
Irvine Elementary	3,350	-	-	-	-	-
Minnekhada Middle	31,924	-	-	-	-	-
Montgomery Middle	37,300	-	-	-	-	-
Maple Creek Middle	2,619	-	-	-	-	-
Leigh Phase 1 Portables	15,220	-	-	-	-	-
	\$ 27,043,452	\$ 456,435	\$ -	\$ -	\$ -	\$ -

- b) Ongoing legal proceedings: In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.
- c) Class action lawsuit: In 2011, the School District was served a writ of summons in a class action lawsuit involving 25 other school districts throughout the Province, seeking recovery of tuition fees paid for summer school courses in prior fiscal periods. The action has not yet been certified as a class action. The parties are in the midst of a settlement process. Based on the information available at this time and the settlement offers being negotiated, the District has made an appropriate provision for its best estimate of the net liability, after considering Provincial funding and settlement costs of in the financial statements.

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 15 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of the preliminary annual budget on May 9, 2012. While PSAB financial reporting requires the District's Annual (Preliminary) Budget to be used as the comparator, an Amended Budget based upon revised enrolment information is filed with the Ministry of Education by February 28th of each year. While the filing of the Amended Budget satisfies a legislative requirement, it also serves as the basis for the District's revised estimates to the end of the fiscal year. The Amended Budget and Preliminary Budgets are presented here (in thousands of dollars) for information.

	Operating Account		Special Purpose		Capital	
	Amended Budget	Preliminary Budget	Amended Budget	Preliminary Budget	Amended Budget	Preliminary Budget
Ministry Operating Grant						
Funded FTE's						
School-Age	30,600.44	30,823.50				
Adult	214.25	230.00				
Other	514.06	444.75				
Total Grant Funded FTE's	<u>31,328.75</u>	<u>31,498.25</u>				
Revenue						
Provincial Grants						
Ministry of Education	245,322,705	247,206,708	6,196,238	6,803,200	-	-
Other	51,070	51,070	655,000	800,000	-	-
Tuition	17,027,649	17,990,030	-	-	-	-
Other Revenue	1,974,332	1,924,332	10,748,000	11,820,000	-	-
Rentals and Leases	1,700,000	1,850,000	-	-	-	-
Investment Income	600,000	650,000	-	5,000	-	-
Amortization of Deferred Capital Revenue	-	-	-	-	10,779,822	10,720,674
Total Revenue	<u>266,675,756</u>	<u>269,672,140</u>	<u>17,599,238</u>	<u>19,428,200</u>	<u>10,779,822</u>	<u>10,720,674</u>
Expenses						
Instruction	231,969,540	235,393,273	16,642,530	18,063,978	-	-
District Administration	7,235,648	6,672,388	90,000	-	-	-
Operations and Maintenance	26,017,731	26,987,295	866,708	1,364,222	-	-
Transportation and Housing	1,414,020	1,388,182	-	-	-	-
Amortization of Capital Assets	-	-	-	-	10,779,822	10,720,674
Total Expense	<u>266,636,939</u>	<u>270,441,138</u>	<u>17,599,238</u>	<u>19,428,200</u>	<u>10,779,822</u>	<u>10,720,674</u>
Net Revenue (Expense)	<u>38,817</u>	<u>(768,998)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Allocation of PY Surplus	111,183	918,998	-	-	-	-
Reduction of Unfunded EFB	(150,000)	(150,000)	-	-	-	-
Budgeted Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 16 ASSET RETIREMENT OBLIGATION

As at June 30, 2013, there is a liability of \$673,815 (2012 - \$783,815) related to asset retirement obligations. The associated asset retirement costs relate to the betterment of schools and are capitalized as part of the carrying value of the long-lived asset and subsequently amortized over the asset's useful life. This amount is considered to approximate fair value of the liability as the School District is expected to complete the upgrades to the related schools within the next fiscal year. There may be additional asset retirement costs that cannot be estimated at this point in time.

NOTE 17 EXPENSE BY OBJECT

	June 30, 2013	June 30, 2012
Salaries and benefits	\$258,787,089	\$244,506,436
Services and supplies	38,268,906	37,844,123
Amortization	11,215,231	10,966,759
	<u>\$308,271,226</u>	<u>\$293,317,318</u>

NOTE 18 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.

NOTE 19 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 therefore, are collectible. It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and portfolio investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates, term deposits, and bonds.

(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 guaranteed investment certificates, term deposits, and bonds that have a maturity date of no more than 7 years.

SCHOOL DISTRICT NO.43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 19 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. 43 (Cocuitlam)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 (Note 2)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year					
Change in Accounting Policies/Prior Period Adjustments	(28,626,417)		132,838,354	104,211,937	96,139,631
Add non-vested benefits to Employee Future Benefits					(23,904)
Recognize unamortized gain (loss) on Employee Future Benefits					11,731,775
Employee Future Benefit Adjustment					(1,548,000)
Accumulated Surplus (Deficit), beginning of year, as restated	(28,626,417)	-	132,838,354	104,211,937	106,299,502
Changes for the year					
Surplus (Deficit) for the year	(7,977,739)		(3,186,254)	(11,163,993)	(2,087,565)
Interfund Transfers					
Other	(250,752)		250,752	-	-
Net Changes for the year	(8,228,491)	-	(2,935,502)	(11,163,993)	(2,087,565)
Accumulated Surplus (Deficit), end of year - Statement 2	(36,854,908)	-	129,902,852	93,047,944	104,211,937
Accumulated Remeasurement Gains (Losses) - Statement 3	-	-	129,902,852	93,047,944	104,211,937

School District No. 43 (Coquitlam)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	247,206,708	246,614,569	243,597,249
Other	51,070	51,072	51,072
Tuition	17,990,030	16,811,027	17,329,711
Other Revenue	1,924,332	2,104,394	1,874,351
Rentals and Leases	1,850,000	1,825,596	1,599,611
Investment Income	650,000	548,562	518,530
Total Revenue	269,672,140	267,955,220	264,970,524
Expenses			
Instruction	235,393,273	239,403,294	232,220,773
District Administration	6,672,388	9,552,285	6,351,093
Operations and Maintenance	26,987,295	25,586,261	25,935,061
Transportation and Housing	1,388,182	1,391,119	1,349,395
Total Expense	270,441,138	275,932,959	265,856,322
Operating Surplus (Deficit) for the year	(768,998)	(7,977,739)	(885,798)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	918,998		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(150,000)		
Net Transfers (to) from other funds			
Other		(250,752)	
Total Net Transfers	-	(250,752)	-
Total Operating Surplus (Deficit), for the year	-	(8,228,491)	(885,798)
Operating Surplus (Deficit), beginning of year		(28,626,417)	(37,900,490)
Change in Accounting Policies/Prior Period Adjustments			
Add non-vested benefits to Employee Future Benefits			(23,904)
Recognize unamortized gain (loss) on Employee Future Benefits			11,731,775
Reclassify Deferred Contributions			-
Employee Future Benefit Adjustment			(1,548,000)
Operating Surplus (Deficit), beginning of year, as restated		(28,626,417)	(27,740,619)
Operating Surplus (Deficit), end of year		(36,854,908)	(28,626,417)
Operating Surplus (Deficit), end of year			
Internally Restricted		(10,037,919)	(1,809,429)
Unfunded Accrued Employee Future Benefits		(26,816,989)	(26,816,988)
Total Operating Surplus (Deficit), end of year		(36,854,908)	(28,626,417)

School District No. 43 (Coquitlam)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	245,200,355	244,020,151	240,898,942
Other Ministry of Education Grants			
Education Guarantee	1,300,000	1,609,782	1,441,688
Pay Equity	706,353	706,353	706,353
Teacher Quality		10,000	
French Funding			379,392
Skills Assessment - FSA Monitoring		32,437	
Carbon Tax Reimbursement		235,846	170,874
Total Provincial Grants - Ministry of Education	247,206,708	246,614,569	243,597,249
Provincial Grants - Other	51,070	51,072	51,072
Tuition			
Continuing Education	2,268,030	2,779,845	2,420,008
Offshore Tuition Fees	15,722,000	14,031,182	14,909,703
Total Tuition	17,990,030	16,811,027	17,329,711
Other Revenues			
Miscellaneous			
Cafeteria Revenue	1,650,000	1,750,154	1,686,499
Miscellaneous	274,332	354,240	187,852
Total Other Revenue	1,924,332	2,104,394	1,874,351
Rentals and Leases	1,850,000	1,825,596	1,599,611
Investment Income	650,000	548,562	518,530
Total Operating Revenue	269,672,140	267,955,220	264,970,524

School District No. 43 (Coquitlam)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Salaries			
Teachers	133,486,000	135,304,902	132,636,075
Principals and Vice Principals	11,770,448	12,064,205	11,681,920
Educational Assistants	12,529,479	13,338,558	12,769,213
Support Staff	23,035,632	22,701,560	22,557,403
Other Professionals	4,054,523	4,229,846	3,976,476
Substitutes	7,660,177	8,717,521	8,138,037
Total Salaries	192,536,259	196,356,592	191,759,124
Employee Benefits	52,685,268	56,490,741	49,594,921
Total Salaries and Benefits	245,221,527	252,847,333	241,354,045
Services and Supplies			
Services	4,222,485	2,984,944	4,127,024
Student Transportation	1,349,000	1,337,481	1,311,695
Professional Development and Travel	2,033,978	1,753,938	2,120,335
Rentals and Leases	729,792	292,320	234,076
Dues and Fees	1,377,682	1,485,979	1,203,236
Insurance	1,462,850	1,283,039	1,420,613
Supplies	9,278,335	8,764,793	9,231,266
Utilities	4,765,489	5,183,132	4,854,032
Total Services and Supplies	25,219,611	23,085,626	24,502,277
Total Operating Expense	270,441,138	275,932,959	265,856,322

School District No. 43 (Coquitlam)

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	94,650,829	2,517,696	1,392,104	4,219,764	53,996	4,458,761	107,293,150
1.03 Career Programs	227,489	-	41,086	-	-	11,990	280,565
1.07 Library Services	2,917,519	-	391,494	-	-	155,117	3,464,130
1.08 Counseling	3,977,851	-	-	-	-	178,307	4,156,158
1.10 Special Education	18,940,534	144,239	10,831,030	109,561	-	1,361,419	31,386,783
1.30 English Language Learning	4,220,764	-	-	-	-	190,988	4,411,752
1.31 Aboriginal Education	403,871	106,983	442,350	37,125	-	24,469	1,014,798
1.41 School Administration	-	8,435,834	-	2,656,675	-	380,501	11,473,010
1.60 Summer School	745,355	-	-	30,000	-	37,092	812,447
1.61 Continuing Education	2,347,042	203,455	-	562,061	82,840	116,675	3,312,073
1.62 Off Shore Students	6,492,867	208,702	84,249	281,882	179,100	380,598	7,627,398
1.64 Other	380,781	101,205	156,245	768,486	128,824	65,013	1,600,554
Total Function 1	135,304,902	11,718,114	13,338,558	8,665,554	444,760	7,360,930	176,832,818
4 District Administration							
4.11 Educational Administration	-	-	-	83,514	955,203	7,265	1,045,982
4.40 School District Governance	-	-	-	-	403,379	-	403,379
4.41 Business Administration	-	118,110	-	1,470,117	1,740,448	68,718	3,397,393
Total Function 4	-	118,110	-	1,553,631	3,099,030	75,983	4,846,754
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	322,559	291,764	18,110	632,433
5.50 Maintenance Operations	-	227,981	-	11,343,814	372,109	1,129,181	13,073,085
5.52 Maintenance of Grounds	-	-	-	805,947	-	132,869	938,816
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	227,981	-	12,472,320	663,873	1,280,160	14,644,334
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	10,055	22,183	-	32,238
7.70 Student Transportation	-	-	-	-	-	448	448
Total Function 7	-	-	-	10,055	22,183	448	32,686
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	135,304,902	12,064,205	13,338,558	22,701,560	4,229,846	8,717,521	196,356,592

School District No. 43 (Cocuitlam)

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 (Note 2)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	107,293,150	30,626,837	137,919,987	5,343,932	143,263,919	149,955,391	146,043,489
1.03 Career Programs	280,565	81,172	361,737	31,099	392,836	140,266	97,981
1.07 Library Services	3,464,130	1,050,206	4,514,336	404,044	4,918,380	5,029,972	4,823,541
1.08 Counseling	4,156,158	1,191,128	5,347,286	1,236	5,348,522	7,305,989	6,668,915
1.10 Special Education	31,386,783	9,603,905	40,990,688	291,390	41,282,078	38,218,638	36,099,329
1.30 English Language Learning	4,411,752	1,276,975	5,688,727	15,473	5,704,200	5,358,783	6,040,490
1.31 Aboriginal Education	1,014,798	222,750	1,237,548	236,573	1,474,121	1,495,441	1,551,202
1.41 School Administration	11,473,010	3,151,017	14,624,027	562,849	15,186,876	11,577,698	11,366,501
1.60 Summer School	812,447	122,367	934,814	43,225	978,039	974,069	817,383
1.61 Continuing Education	3,312,073	663,764	3,975,837	813,461	4,789,298	3,097,242	4,367,933
1.62 Off Shore Students	7,627,398	1,843,325	9,470,723	3,706,348	13,177,071	10,057,512	12,516,538
1.64 Other	1,600,554	329,996	1,930,550	957,404	2,887,954	2,182,272	1,827,471
Total Function 1	176,832,818	50,163,442	226,996,260	12,407,034	239,403,294	235,393,273	232,220,773
4 District Administration							
4.11 Educational Administration	1,045,982	561,205	1,607,187	403,987	2,011,174	1,309,175	1,289,983
4.40 School District Governance	403,379	70,800	474,179	135,613	609,792	509,165	509,035
4.41 Business Administration	3,397,393	1,778,901	5,176,294	1,755,025	6,931,319	4,854,048	4,552,075
Total Function 4	4,846,754	2,410,906	7,257,660	2,294,625	9,552,285	6,672,388	6,351,093
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	632,433	283,989	916,422	605,889	1,522,311	1,321,587	1,399,384
5.50 Maintenance Operations	13,073,085	3,351,299	16,424,384	552,388	16,976,772	19,133,052	18,238,859
5.52 Maintenance of Grounds	938,816	260,153	1,198,969	792,878	1,991,847	1,954,361	1,523,482
5.56 Utilities	-	-	-	5,095,331	5,095,331	4,578,295	4,773,336
Total Function 5	14,644,334	3,895,441	18,539,775	7,046,486	25,586,261	26,987,295	25,935,061
7 Transportation and Housing							
7.41 Transportation and Housing Administration	32,238	-	32,238	-	32,238	31,298	32,146
7.70 Student Transportation	448	20,952	21,400	1,337,481	1,358,881	1,356,884	1,317,249
Total Function 7	32,686	20,952	53,638	1,337,481	1,391,119	1,388,182	1,349,395
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	196,356,592	56,490,741	252,847,333	23,085,626	275,932,959	270,441,138	265,856,322

School District No. 43 (Coquitlam)**Schedule 3 (Unaudited)**

Schedule of Special Purpose Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	6,803,200	7,012,241	2,610,451
Other	800,000		
Other Revenue	11,820,000	11,842,942	13,870,136
Investment Income	5,000	1,270	2,135
Total Revenue	<u>19,428,200</u>	<u>18,856,453</u>	<u>16,482,722</u>
Expenses			
Instruction	18,063,978	17,233,087	14,035,980
Operations and Maintenance	1,364,222	1,623,366	2,446,742
Total Expense	<u>19,428,200</u>	<u>18,856,453</u>	<u>16,482,722</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</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. 43 (Coquitlam)

Schedule 3A (Unaudited)

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

Deferred Revenue, beginning of year
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012
Deferred Revenue, beginning of year, as restated

Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community-LINK
\$	\$	\$	\$	\$	\$	\$	\$
466,707	-	81,271	4,783,541 (204)	182,180	12,125	-	38,389
-	-	-	-	-	-	-	-
466,707	-	81,271	4,783,337	182,180	12,125	-	38,389

Add: Restricted Grants

Provincial Grants - Ministry of Education
Other
Investment Income

Less: Allocated to Revenue
Deferred Revenue, end of year

1,156,659	3,106,338	47,429	-	416,000	110,250	265,574	1,415,180
-	-	-	8,988,806	-	-	-	58,766
-	-	-	-	-	-	-	-
1,156,659	3,106,338	47,429	8,988,806	416,000	110,250	265,574	1,473,946
1,623,366	3,106,338	34,508	9,704,842	398,530	122,375	204,295	1,463,516
-	-	94,192	4,067,301	199,650	-	61,279	48,819

Revenues

Provincial Grants - Ministry of Education
Other Revenue
Investment Income

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Substitutes
Employee Benefits
Services and Supplies

1,623,366	3,106,338	34,508	-	398,530	122,375	204,295	1,404,750
-	-	-	9,704,842	-	-	-	58,766
1,623,366	3,106,338	34,508	9,704,842	398,530	122,375	204,295	1,463,516

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

School District No. 43 (Cocuitlam)Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2013Deferred Revenue, beginning of year
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

Other

Investment Income

Less: Allocated to Revenue
Deferred Revenue, end of year**Revenues**

Provincial Grants - Ministry of Education

Other Revenue

Investment Income

Expenses

Salaries

Teachers

Principals and Vice Principals

Educational Assistants

Support Staff

Substitutes

Employee Benefits

Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

Day Treatment	Sundry Programs	Staff Development	Donations	Scholarships	Sick Leave Trust	Job Security	Contractual Reserve
\$	\$	\$	\$	\$	\$	\$	\$
(342)	108,155	278,940	22,042	556,022	219,785	16,404	964,198
-	120,057	14,690	(22,042)	1,483	199	(16,404)	-
(342)	228,212	293,630	-	557,505	219,984	-	964,198

119,100	-	-	-	11,655	168,362	-	539,955
-	186,204	415,553	-	6,808	1,270	-	35,845
119,100	186,204	415,553	-	18,463	169,632	-	575,800
118,079	273,528	475,252	-	15,930	338,809	-	10,652
679	140,888	233,931	-	560,038	50,807	-	1,529,346

118,079	-	-	-	15,930	337,539	-	10,652
-	273,528	475,252	-	-	1,270	-	-
118,079	273,528	475,252	-	15,930	338,809	-	10,652

83,351	99,326	-	-	-	321,938	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	59,810	-	-	-	321,938	-	-
-	-	-	-	-	-	-	-
83,351	159,136	-	-	-	321,938	-	-
20,834	24,582	-	-	-	-	-	-
13,894	89,810	475,252	-	15,930	16,871	-	10,652
118,079	273,528	475,252	-	15,930	338,809	-	10,652

-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

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

Schedule 3A (Unaudited)

	Apprenticeship Program	Settlement Workers	TOTAL \$
Deferred Revenue, beginning of year	\$ 445,687	\$ 336,586	\$ 8,511,690
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012	-	-	97,779
Deferred Revenue, beginning of year, as restated	445,687	336,586	8,609,469
Add: Restricted Grants			6,636,530
Provincial Grants - Ministry of Education	221,775	860,633	11,451,709
Other	-	-	43,923
Investment Income	221,775	860,633	18,132,162
Less: Allocated to Revenue	223,049	743,384	18,856,453
Deferred Revenue, end of year	444,413	453,835	7,885,178
Revenues			
Provincial Grants - Ministry of Education	223,049	743,384	7,012,241
Other Revenue			11,842,942
Investment Income	223,049	743,384	1,270
Expenses			
Salaries			
Teachers	43,346	79,056	2,395,226
Principals and Vice Principals		75,720	75,720
Educational Assistants		318,884	1,349,569
Support Staff			861,686
Substitutes			4,700
Employee Benefits	43,346	473,660	4,686,901
Services and Supplies	9,605	132,626	1,252,855
	170,098	137,098	12,916,697
	223,049	743,384	18,856,453
Net Revenue (Expense) before Interfund Transfers	-	-	-
Interfund Transfers	-	-	-
Net Revenue (Expense)	-	-	-

School District No. 43 (Coquitlam)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual			2012 Actual (Note 2)
	\$	Invested in Tangible Capital Assets	Local Capital	Fund Balance	\$
Revenues					
Provincial Grants					
Other Revenue		548,168	100,000	648,168	444,105
Amortization of Deferred Capital Revenue	10,720,674	9,647,392		9,647,392	9,332,402
Total Revenue	10,720,674	10,195,560	100,000	10,295,560	9,776,507
Expenses					
Operations and Maintenance			2,188,961	2,188,961	11,515
Amortization of Tangible Capital Assets					
Operations and Maintenance	10,720,674	11,215,231		11,215,231	10,966,759
Debt services					
Capital Lease Interest			77,622	77,622	
Total Expense	10,720,674	11,215,231	2,266,583	13,481,814	10,978,274
Capital Surplus (Deficit) for the year	-	(1,019,671)	(2,166,583)	(3,186,254)	(1,201,767)
Net Transfers (to) from other funds					
Capital Lease Payment			250,752	250,752	
Total Net Transfers	-	-	250,752	250,752	-
Other Adjustments to Fund Balances					
Principal Payment					
Capital Lease		242,734	(242,734)	-	
Total Other Adjustments to Fund Balances		242,734	(242,734)	-	
Total Capital Surplus (Deficit) for the year	-	(776,937)	(2,158,565)	(2,935,502)	(1,201,767)
Capital Surplus (Deficit), beginning of year		132,491,369	346,985	132,838,354	134,040,121
Change in Accounting Policies/Prior Period Adjustments					
Reclassify Legal Fees		11,515	(11,515)	-	
Capital Surplus (Deficit), beginning of year, as restated		132,502,884	335,470	132,838,354	134,040,121
Capital Surplus (Deficit), end of year		131,725,947	(1,823,095)	129,902,852	132,838,354

School District No. 43 (Cognitlam)

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	107,351,439	418,908,149	9,566,889	1,391,768	191,820	1,190,405	538,600,470
Changes in Accounting Policies/Prior Period Adjustments							
Prior Period Adjustment - Reclassification			375,514				375,514
Cost, beginning of year, as restated	107,351,439	418,908,149	9,942,403	1,391,768	191,820	1,190,405	538,975,984
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		4,323,873	111,720				4,435,593
Donated Capital Assets			133,343				133,343
Information Systems Initiative (Capital Lease)						1,793,907	1,793,907
Transferred from Work in Progress		24,673,414					24,673,414
	-	28,997,287	245,063	-	-	1,793,907	31,036,257
Decrease:							
Deemed Disposals			719,805				802,799
	-	-	719,805	-	-	82,994	802,799
Cost, end of year	107,351,439	447,905,436	9,467,661	1,391,768	191,820	2,901,318	569,209,442
Work in Progress, end of year		28,325,527					28,325,527
Cost and Work in Progress, end of year	107,351,439	476,230,963	9,467,661	1,391,768	191,820	2,901,318	597,534,969
Accumulated Amortization, beginning of year		170,602,939	4,843,749	716,348	115,916	645,475	176,924,427
Changes in Accounting Policies/Prior Period Adjustments							
Prior Period Accumulated Amortization Adjustment		4,563,922	679,367	6,476	31,421	305,785	5,586,971
Accumulated Amortization, beginning of year, as restated		175,166,861	5,523,116	722,824	147,337	951,260	182,511,398
Changes for the Year							
Increase: Amortization for the Year		9,741,760	968,154	228,872	38,364	228,081	11,215,231
Decrease:							
Deemed Disposals			719,805				802,799
		-	719,805	-	-	82,994	802,799
Accumulated Amortization, end of year		184,908,621	5,771,465	951,696	185,701	1,106,347	192,923,830
Tangible Capital Assets - Net	107,351,439	291,322,342	3,696,196	440,072	6,119	1,794,971	404,611,139

School District No. 43 (Coquitlam)

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	25,174,666				25,174,666
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	27,824,275				27,824,275
	27,824,275	-	-	-	27,824,275
Decrease:					
Transferred to Tangible Capital Assets	24,673,414				24,673,414
	24,673,414	-	-	-	24,673,414
Net Changes for the Year	3,150,861	-	-	-	3,150,861
Work in Progress, end of year	28,325,527	-	-	-	28,325,527

School District No. 43 (Coquitlam)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	224,078,980			224,078,980
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,435,593			4,435,593
Transferred from Work in Progress	24,673,414			24,673,414
Donated Capital Assets			133,343	133,343
	29,109,007	-	133,343	29,242,350
Decrease:				
Amortization of Deferred Capital Revenue	9,647,392			9,647,392
	9,647,392	-	-	9,647,392
Net Changes for the Year	19,461,615	-	133,343	19,594,958
Deferred Capital Revenue, end of year	243,540,595	-	133,343	243,673,938
Work in Progress, beginning of year	19,720,337	3,595,876		23,316,213
Changes in Accounting Policies/Prior Period Adjustments				
Prior Period WIP Transfer Adjustment	3,595,876	(3,595,876)		-
Work in Progress, beginning of year, as restated	23,316,213	-	-	23,316,213
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	27,824,275			27,824,275
	27,824,275	-	-	27,824,275
Decrease				
Transferred to Deferred Capital Revenue	24,673,414			24,673,414
	24,673,414	-	-	24,673,414
Net Changes for the Year	3,150,861	-	-	3,150,861
Work in Progress, end of year	26,467,074	-	-	26,467,074
Total Deferred Capital Revenue, end of year	270,007,669	-	133,343	270,141,012

School District No. 43 (Coquitlam)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2013

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 6,325,992	\$ 942,092	\$ -	\$ 5,281,472	\$ -	\$ 12,549,556
Changes in Accounting Policies/Prior Period Adjustments						
Prior Period WIP Transfer Adjustment	(3,595,876)	3,595,876	-	-	-	-
Balance, beginning of year, as restated	2,730,116	4,537,968	-	5,281,472	-	12,549,556
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	35,928,142	-	-	1,251,017	-	35,928,142
Other	35,928,142	-	-	1,251,017	-	37,179,159
Decrease:						
Transferred to DCR - Capital Additions	4,435,593	-	-	-	-	4,435,593
Transferred to DCR - Work in Progress	27,824,275	-	-	-	-	27,824,275
	32,259,868	-	-	-	-	32,259,868
Net Changes for the Year	3,668,274	-	-	1,251,017	-	4,919,291
Balance, end of year	6,398,390	4,537,968	-	6,532,489	-	17,468,847