

School District No. 10 (Arrow Lakes)

**INFORMATION SUBMITTED
FOR THE FISCAL YEAR
ENDING JUNE 30, 2015
PURSUANT TO THE
REQUIREMENTS OF THE
“FINANCIAL INFORMATION ACT”**

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

School District No.10 (Arrow Lakes)

Fiscal Year Ended June 30, 2015

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SCHOOL DISTRICT STATEMENT OF FINANCIAL INFORMATION (SOFI)

6049

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT	YEAR
OFFICE LOCATION(S)		TELEPHONE NUMBER
MAILING ADDRESS		
CITY	PROVINCE	POSTAL CODE
NAME OF SUPERINTENDENT		TELEPHONE NUMBER
NAME OF SECRETARY TREASURER		TELEPHONE NUMBER

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

for School District No. _____ as required under Section 2 of the Financial Information Act.

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

**Statement of Financial Information for Year Ended June 30, 2015
Financial Information Act-Submission Checklist**

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

School District No 10 (Arrow Lakes)

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

School District No. 10 (Arrow Lakes)

Fiscal Year Ended June 30, 2015

MANAGEMENT REPORT

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

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

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

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

On behalf of School District

Name, Superintendent

Date:

Name, Secretary Treasurer

Date:

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

Audited Financial Statements of

School District No. 10 (Arrow Lakes)

June 30, 2015

School District No. 10 (Arrow Lakes)

June 30, 2015

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 5180-4435-2452

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 10 (Arrow Lakes) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, 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. 10 (Arrow Lakes) (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 externally 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. 10 (Arrow Lakes) and meet when required. The accompanying Independent Auditors' 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. 10 (Arrow Lakes)

Signature of the Chairperson of the Board of Education	Date Signed
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Signature of the Superintendent	Date Signed
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Signature of the Secretary Treasurer	Date Signed
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INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 10 (Arrow Lakes), and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 10 (Arrow Lakes), which comprise the statement of financial position as at June 30, 2015, the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, 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 financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements of School District No. 10 (Arrow Lakes) as at and for the year ended June 30, 2015 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Other Matter

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 to 4 are presented for purposes of additional analysis and is not a required part of the financial statements. Such 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font.

Chartered Professional Accountants

September 29, 2015

Kelowna, Canada

School District No. 10 (Arrow Lakes)

Statement of Financial Position

As at June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	1,195,273	1,249,245
Accounts Receivable		
Other (Note 3)	103,869	114,850
Portfolio Investments (Note 4)	2,077,037	2,050,299
Total Financial Assets	3,376,179	3,414,394
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	-	158,537
Other (Note 5)	684,615	571,622
Unearned Revenue (Note 6)	13,000	12,000
Deferred Revenue (Note 7)	249,794	214,161
Deferred Capital Revenue (Note 8)	5,013,207	5,051,003
Employee Future Benefits (Note 9)	165,606	142,692
Total Liabilities	6,126,222	6,150,015
Net Financial Assets (Debt)	(2,750,043)	(2,735,621)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	7,914,872	8,040,321
Prepaid Expenses	43,647	33,557
Total Non-Financial Assets	7,958,519	8,073,878
Accumulated Surplus (Deficit) (Note 16)	5,208,476	5,338,257

Contractual Obligations and Contingencies (Note 18)

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. 10 (Arrow Lakes)

Statement of Operations
Year Ended June 30, 2015

	2015 Budget (Note 13)	2015 Actual	2014 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	7,512,660	7,563,499	7,504,829
Tuition	36,000	33,945	24,000
Other Revenue	230,315	187,057	253,221
Rentals and Leases	6,000	5,610	1,150
Investment Income	50,002	55,718	48,818
Amortization of Deferred Capital Revenue	336,848	336,848	356,188
Total Revenue	<u>8,171,825</u>	<u>8,182,677</u>	<u>8,188,206</u>
Expenses (Note 15)			
Instruction	6,131,574	5,670,717	5,439,847
District Administration	730,272	704,665	612,364
Operations and Maintenance	1,610,639	1,601,961	1,574,217
Transportation and Housing	376,240	335,115	355,921
Total Expense	<u>8,848,725</u>	<u>8,312,458</u>	<u>7,982,349</u>
Surplus (Deficit) for the year	<u>(676,900)</u>	<u>(129,781)</u>	<u>205,857</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		5,338,257	5,132,400
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>5,208,476</u></u>	<u>5,338,257</u>

School District No. 10 (Arrow Lakes)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget (Note 13)	2015 Actual	2014 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(676,900)</u>	<u>(129,781)</u>	<u>205,857</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(65,183)	(362,076)	(339,382)
Amortization of Tangible Capital Assets	487,525	487,525	512,195
Total Effect of change in Tangible Capital Assets	<u>422,342</u>	<u>125,449</u>	<u>172,813</u>
Acquisition of Prepaid Expenses		(10,090)	(4,524)
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(10,090)</u>	<u>(4,524)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(254,558)</u>	<u>(14,422)</u>	<u>374,146</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(14,422)</u>	<u>374,146</u>
Net Financial Assets (Debt), beginning of year		<u>(2,735,621)</u>	<u>(3,109,767)</u>
Net Financial Assets (Debt), end of year		<u>(2,750,043)</u>	<u>(2,735,621)</u>

School District No. 10 (Arrow Lakes)

Statement of Cash Flows
Year Ended June 30, 2015

	2015 Actual	2014 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(129,781)	205,857
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	10,981	4,220
Prepaid Expenses	(10,090)	(4,524)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(45,544)	24,243
Unearned Revenue	1,000	12,000
Deferred Revenue	35,633	(28,310)
Employee Future Benefits	22,914	18,201
Amortization of Tangible Capital Assets	487,525	512,195
Amortization of Deferred Capital Revenue	(336,848)	(356,188)
Total Operating Transactions	35,790	387,694
Capital Transactions		
Tangible Capital Assets Purchased	(362,076)	(339,382)
Total Capital Transactions	(362,076)	(339,382)
Financing Transactions		
Capital Revenue Received	299,052	241,056
Total Financing Transactions	299,052	241,056
Investing Transactions		
Investments in Portfolio Investments	(26,738)	(237,161)
Total Investing Transactions	(26,738)	(237,161)
Net Increase (Decrease) in Cash and Cash Equivalents	(53,972)	52,207
Cash and Cash Equivalents, beginning of year	1,249,245	1,197,038
Cash and Cash Equivalents, end of year	1,195,273	1,249,245
Cash and Cash Equivalents, end of year, is made up of:		
Cash	1,195,273	1,249,245
	1,195,273	1,249,245

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 1 Authority and Purpose

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 10 (Arrow Lakes)", and operates as "School District No. 10 (Arrow Lakes)." A board of education ("Board") elected for a four-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. 10 (Arrow Lakes) is exempt from federal and provincial corporate income taxes.

Note 2 Summary of Significant Accounting Policies

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

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.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 2 Summary of Significant Accounting Policies *(Continued)*

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) 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 an allowance for doubtful accounts.

d) Portfolio Investments

The School District has investments in term deposits that have a maturity of greater than three months at the time of acquisition. Detailed information regarding portfolio investments is disclosed in Note 4.

e) 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 courses, services, or products are provided.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2015

Note 2 Summary of Significant Accounting Policies *(Continued)*

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in Regulation 198/2011 issued by the 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 2 (k).

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. (Note 2 a))

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.

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. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 2 Summary of Significant Accounting Policies (Continued)

h) 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.

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. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 2 Summary of Significant Accounting Policies (Continued)

i) Prepaid Expenses

Payments for insurance, water & sewer, garbage and licenses are included as a prepaid expense and recorded at acquisition cost and are charged to expense over the periods expected to benefit from it.

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 (Note 16).

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 (Note 2 a)).

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.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 2 Summary of Significant Accounting Policies (*Continued*)

k) Revenue Recognition (*Continued*)

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.

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.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 2 Summary of Significant Accounting Policies *(Continued)*

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, and accounts payable and accrued liabilities. Portfolio investments include GICs, term deposits and bonds that have a maturity of greater than 3 months at the time of acquisition.

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

For financial instruments recorded at fair value, unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. For the year ended June 30, 2015 the School District did not have any financial instruments recorded at fair value. Accordingly, a statement of remeasurement gains and losses has not been presented.

All financial assets 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.

n) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2 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, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 3 Accounts Receivable – Other Receivables

	2015	2014
Due from Federal Government	\$ 24,490	\$ 22,321
Other	79,379	92,529
	<u>\$ 103,869</u>	<u>\$ 114,850</u>

Note 4 Portfolio Investments

	2015	2014
Investments in the cost and amortized cost category:		
Term deposits	<u>\$ 2,077,037</u>	<u>\$ 2,050,299</u>

Note 5 Accounts Payable and Accrued Liabilities - Other

	2015	2014
Trade payables	\$ 136,731	\$ 100,768
Salaries and benefits payable	459,583	350,795
Accrued vacation pay	88,301	67,723
Other	-	52,336
	<u>\$ 684,615</u>	<u>\$ 571,622</u>

Note 6 Unearned Revenue

	2015	2014
Balance, beginning of year	\$ 12,000	\$ -
Increase: Tuition fees	34,945	36,000
Decrease: Tuition fees	(33,945)	(24,000)
	<u>\$ 13,000</u>	<u>\$ 12,000</u>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2015

Note 7 **Deferred Revenue**

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in Regulation 198/2011 issued by the 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 Regulation 198/2011 issued by the 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.

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.

	2015	2014
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 172,767	\$ 169,667
Service Cost	13,878	13,904
Interest Cost	5,863	5,312
Benefit Payments	(1,982)	(7,244)
Actuarial Loss (Gain)	2,666	(8,872)
	<hr/>	<hr/>
Accrued Benefit Obligation – March 31	\$ 193,192	\$ 172,767
	<hr/>	<hr/>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 193,192	\$ 172,767
Market Value of Plan Assets – March 31	-	-
Funded Status – (Deficit)	(193,192)	(172,767)
Employer Contributions After Measurement Date	33	-
Benefits Expense After Measurement Date	(5,094)	(4,935)
Unamortized Net Actuarial Loss	32,647	35,010
	<hr/>	<hr/>
Accrued Benefit Asset (Liability) – June 30	\$ (165,606)	\$ (142,692)
	<hr/>	<hr/>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 9 Employee Future Benefits (Continued)

	2015	2014
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 142,692	\$ 124,491
Net expense for Fiscal Year	24,929	25,445
Employer Contributions	(2,015)	(7,244)
	<hr/>	<hr/>
Accrued Benefit Liability – June 30	\$ 165,606	\$ 142,692
	<hr/>	<hr/>
Components of Net Benefit Expense		
Service Cost	\$ 14,372	\$ 13,897
Interest Cost	5,528	5,450
Amortization of Net Actuarial (Gain)/Loss	5,029	6,098
	<hr/>	<hr/>
Net Benefit Expense (Income)	\$ 24,929	\$ 25,445
	<hr/>	<hr/>

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

Discount Rate – April 1	3.25%	3.00%
Discount Rate – March 31	2.25%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	8.3 years	8.3 years

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 10 Tangible Capital Assets

Net Book Value:

	Net Book Value 2015	Net Book Value 2014
Sites	\$ 362,514	\$ 362,514
Buildings	6,815,771	6,797,753
Furniture & Equipment	194,679	229,389
Vehicles	473,732	583,628
Computer Software	2,269	4,536
Computer Hardware	65,907	62,501
Total	\$ 7,914,872	\$ 8,040,321

June 30, 2015

	Opening Cost	Additions	Disposals	Total 2015
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	16,022,920	338,279	-	16,361,199
Furniture & Equipment	347,104	-	35,476	311,628
Vehicles	1,098,960	-	14,122	1,084,838
Computer Software	11,337	-	-	11,337
Computer Hardware	101,957	23,797	18,281	107,473
Total	\$17,944,792	\$ 362,076	\$ 67,879	\$18,238,989

	Opening Accumulated Amortization	Additions	Disposals	Total 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	9,225,167	320,261	-	9,545,428
Furniture & Equipment	117,715	34,710	35,476	116,949
Vehicles	515,332	109,896	14,122	611,106
Computer Software	6,801	2,267	-	9,068
Computer Hardware	39,456	20,391	18,281	41,566
Total	\$9,904,471	\$487,525	\$ 67,879	\$10,324,117

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 10 Tangible Capital Assets (Continued)

June 30, 2014

	Opening Cost	Additions	Disposals	Total 2014
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	15,745,753	277,167	-	16,022,920
Furniture & Equipment	330,318	16,786	-	347,104
Vehicles	1,275,588	45,429	222,057	1,098,960
Computer Software	11,337	-	-	11,337
Computer Hardware	164,896	-	62,939	101,957
Total	\$17,890,406	\$339,382	\$284,996	\$17,944,792

	Opening Accumulated Amortization	Additions	Disposals	Total 2014
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	8,908,809	316,358	-	9,225,167
Furniture & Equipment	84,683	33,032	-	117,715
Vehicles	609,830	127,559	222,057	515,332
Computer Software	4,534	2,267	-	6,801
Computer Hardware	69,416	32,979	62,939	39,456
Total	\$9,677,272	\$512,195	\$284,996	\$ 9,904,471

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 11 Employee Pension Plans

The 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 45,000 active members from school districts, and approximately 32,000 retired members from school districts. The Municipal Pension Plan has about 179,000 active members, of which approximately 24,000 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. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015. 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, 10 (Arrow Lakes) paid \$604,424 for employer contributions to these plans in the year ended June 30, 2015.

Note 12 Related Party Transactions

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 13 Budget Figures

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 25, 2015. Changes made from the original approved budget on June 10, 2014, reflect minor adjustments in revenues and expenses.

	2015 Annual Budget	Adjustments	2015 Amended Budget
Revenues:			
Provincial Grants – Ministry of Education	\$ 7,583,210	\$ (63,507)	\$ 7,519,703
Tuition	24,000	12,000	36,000
Other Revenue	205,600	17,672	223,272
Rentals and Leases	2,000	4,000	6,000
Investment Income	30,001	20,001	50,002
Amortization of Deferred Capital Revenue	336,848	-	336,848
Total Revenue	8,181,659	(9,834)	8,171,825
Expenses:			
Instruction	6,151,752	(20,178)	6,131,574
District Administration	699,032	31,240	730,272
Operations and Maintenance	1,603,329	7,310	1,610,639
Transportation and Housing	377,287	(1,047)	376,240
Total Expenses	8,831,400	17,325	8,848,725
Surplus (Deficit) for the year	\$ (649,741)	\$ (27,159)	\$ (676,900)

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 14 **Asset Retirement Obligation**

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred. As at June 30, 2015 the liability is not reasonably determinable.

Note 15 **Expense By Object**

	2015	2014
Salaries and benefits	\$ 6,231,134	\$ 5,830,572
Services and supplies	1,593,799	1,639,582
Amortization	487,525	512,195
	<u>\$ 8,312,458</u>	<u>\$ 7,982,349</u>

Note 16 **Internally Restricted Surplus – Operating Fund**

Internally Restricted (appropriated) by Board for:

Utilities, Equipment & Capital Projects	\$ 695,000	
Emergency	250,000	
Strategic Planning/School Reconfiguration	240,000	
Professional Learning	180,000	
Comprehensive Capital Plan	50,000	
Board Scholarship	33,150	
Subtotal Internally Restricted	<u>1,448,150</u>	1,448,150
Unrestricted Operating Surplus		365,164
Total Available for Future Operations		<u>\$ 1,813,314</u>

Note 17 **Economic Dependence**

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2015

Note 18 Risk Management

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

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

a) Credit risk:

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

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

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

b) Market risk :

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

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

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

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. 10 (Arrow Lakes)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2015

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,863,389		3,474,868	5,338,257	5,132,400
Changes for the year					
Surplus (Deficit) for the year	(26,278)	45,327	(148,830)	(129,781)	205,857
Interfund Transfers					
Tangible Capital Assets Purchased	(23,797)	(45,327)	69,124	-	
Net Changes for the year	(50,075)	-	(79,706)	(129,781)	205,857
Accumulated Surplus (Deficit), end of year - Statement 2	1,813,314	-	3,395,162	5,208,476	5,338,257

School District No. 10 (Arrow Lakes)

Schedule of Operating Operations

Year Ended June 30, 2015

	2015 Budget (Note 13) \$	2015 Actual \$	2014 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	7,109,012	7,149,979	7,168,936
Tuition	36,000	33,945	24,000
Other Revenue	30,315	26,562	37,005
Rentals and Leases	6,000	5,610	1,150
Investment Income	50,000	53,727	47,038
Total Revenue	<u>7,231,327</u>	<u>7,269,823</u>	<u>7,278,129</u>
Expenses			
Instruction	5,573,109	5,141,885	4,929,108
District Administration	730,272	704,665	612,364
Operations and Maintenance	1,123,114	1,114,436	1,062,022
Transportation and Housing	376,240	335,115	355,921
Total Expense	<u>7,802,735</u>	<u>7,296,101</u>	<u>6,959,415</u>
Operating Surplus (Deficit) for the year	<u>(571,408)</u>	<u>(26,278)</u>	<u>318,714</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>591,408</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(20,000)	(23,797)	(62,215)
Total Net Transfers	<u>(20,000)</u>	<u>(23,797)</u>	<u>(62,215)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(50,075)</u>	<u>256,499</u>
Operating Surplus (Deficit), beginning of year		1,863,389	1,606,890
Operating Surplus (Deficit), end of year		<u>1,813,314</u>	<u>1,863,389</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		1,448,150	1,248,150
Unrestricted		365,164	615,239
Total Operating Surplus (Deficit), end of year		<u>1,813,314</u>	<u>1,863,389</u>

School District No. 10 (Arrow Lakes)

Schedule of Operating Revenue by Source

Year Ended June 30, 2015

	2015 Budget (Note 13) \$	2015 Actual \$	2014 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	7,172,005	7,166,920	7,283,444
Strike Savings Recovery	(206,788)	(181,303)	(171,695)
Other Ministry of Education Grants			
Labour Settlement Funding	98,887	98,887	
Pay Equity	40,560	40,560	40,560
Foundation Skills Assessment	4,348	4,348	4,348
Carbon Tax	-	11,119	10,202
Education Guarantee	-	2,631	2,077
Skills Training Access	-	5,000	-
Teacher Benefit Levelling Up	-	1,817	-
Total Provincial Grants - Ministry of Education	<u>7,109,012</u>	<u>7,149,979</u>	<u>7,168,936</u>
Tuition			
Offshore Tuition Fees	36,000	33,945	24,000
Total Tuition	<u>36,000</u>	<u>33,945</u>	<u>24,000</u>
Other Revenues			
Other School District/Education Authorities	2,400	2,400	-
Miscellaneous			
ArtStart Grants	18,672	20,212	18,375
Donations	-	1,750	10,700
Growing Innovations	2,200	2,200	3,000
Miscellaneous	7,043	-	4,930
Total Other Revenue	<u>30,315</u>	<u>26,562</u>	<u>37,005</u>
Rentals and Leases	<u>6,000</u>	<u>5,610</u>	<u>1,150</u>
Investment Income	<u>50,000</u>	<u>53,727</u>	<u>47,038</u>
Total Operating Revenue	<u><u>7,231,327</u></u>	<u><u>7,269,823</u></u>	<u><u>7,278,129</u></u>

School District No. 10 (Arrow Lakes)

Schedule of Operating Expense by Object

Year Ended June 30, 2015

	2015 Budget (Note 13)	2015 Actual	2014 Actual
	\$	\$	\$
Salaries			
Teachers	2,509,265	2,392,024	2,260,931
Principals and Vice Principals	593,568	553,675	559,258
Educational Assistants	387,587	369,329	348,373
Support Staff	746,268	725,638	741,487
Other Professionals	406,525	439,657	293,248
Substitutes	325,918	261,191	280,964
Total Salaries	4,969,131	4,741,514	4,484,261
Employee Benefits	1,260,097	1,198,914	1,102,952
Total Salaries and Benefits	6,229,228	5,940,428	5,587,213
Services and Supplies			
Services	511,871	456,151	433,963
Student Transportation	4,000	3,659	2,396
Professional Development and Travel	224,938	157,463	155,543
Rentals and Leases	350	367	277
Dues and Fees	14,500	22,874	14,583
Insurance	40,500	28,746	12,053
Supplies	526,748	479,231	496,944
Utilities	250,600	207,182	256,443
Total Services and Supplies	1,573,507	1,355,673	1,372,202
Total Operating Expense	7,802,735	7,296,101	6,959,415

School District No. 10 (Arrow Lakes)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

	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	2,187,866	233,746		89,445	21,092	175,314	2,707,463
1.03 Career Programs							-
1.07 Library Services				37,169			37,169
1.08 Counselling	20,626						20,626
1.10 Special Education	148,495	35,139	369,329			24,846	577,809
1.31 Aboriginal Education	33,983	5,798					39,781
1.41 School Administration		230,349		63,527			293,876
1.62 Off Shore Students	1,054	37,453					38,507
1.64 Other							-
Total Function 1	2,392,024	542,485	369,329	190,141	21,092	200,160	3,715,231
4 District Administration							
4.11 Educational Administration		11,190			171,345		182,535
4.40 School District Governance					41,577		41,577
4.41 Business Administration					110,932		110,932
Total Function 4	-	11,190	-	-	323,854	-	335,044
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					71,903		71,903
5.50 Maintenance Operations				386,591	21,503	32,037	440,131
5.52 Maintenance of Grounds				18,189			18,189
5.56 Utilities							-
Total Function 5	-	-	-	404,780	93,406	32,037	530,223
7 Transportation and Housing							
7.41 Transportation and Housing Administration					1,305		1,305
7.70 Student Transportation				130,717		28,994	159,711
7.73 Housing							-
Total Function 7	-	-	-	130,717	1,305	28,994	161,016
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	2,392,024	553,675	369,329	725,638	439,657	261,191	4,741,514

School District No. 10 (Arrow Lakes)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2015 Actual	2015 Budget (Note 13)	2014 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	2,707,463	706,950	3,414,413	271,428	3,685,841	3,975,705	3,519,002
1.03 Career Programs	-	-	-	1,758	1,758	3,400	-
1.07 Library Services	37,169	8,390	45,559	11,076	56,635	65,857	56,836
1.08 Counselling	20,626	6,123	26,749	890	27,639	28,915	42,446
1.10 Special Education	577,809	153,399	731,208	86,954	818,162	909,377	810,303
1.31 Aboriginal Education	39,781	11,950	51,731	31,789	83,520	83,520	85,839
1.41 School Administration	293,876	73,719	367,595	19,570	387,165	411,815	396,111
1.62 Off Shore Students	38,507	9,931	48,438	20,943	69,381	73,615	-
1.64 Other	-	-	-	11,784	11,784	20,905	18,571
Total Function 1	3,715,231	970,462	4,685,693	456,192	5,141,885	5,573,109	4,929,108
4 District Administration							
4.11 Educational Administration	182,535	38,978	221,513	29,613	251,126	336,720	259,057
4.40 School District Governance	41,577	944	42,521	39,979	82,500	112,150	81,865
4.41 Business Administration	110,932	28,850	139,782	231,257	371,039	281,402	271,442
Total Function 4	335,044	68,772	403,816	300,849	704,665	730,272	612,364
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	71,903	16,509	88,412	15,820	104,232	108,350	102,301
5.50 Maintenance Operations	440,131	102,105	542,236	222,847	765,083	725,303	662,096
5.52 Maintenance of Grounds	18,189	5,329	23,518	14,421	37,939	38,861	41,182
5.56 Utilities	-	-	-	207,182	207,182	250,600	256,443
Total Function 5	530,223	123,943	654,166	460,270	1,114,436	1,123,114	1,062,022
7 Transportation and Housing							
7.41 Transportation and Housing Administration	1,305	284	1,589	-	1,589	1,750	2,097
7.70 Student Transportation	159,711	35,453	195,164	-	195,164	374,490	353,824
7.73 Housing	-	-	-	138,362	138,362	-	-
Total Function 7	161,016	35,737	196,753	138,362	335,115	376,240	355,921
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	4,741,514	1,198,914	5,940,428	1,355,673	7,296,101	7,802,735	6,959,415

School District No. 10 (Arrow Lakes)

Schedule of Special Purpose Operations

Year Ended June 30, 2015

	2015 Budget (Note 13) \$	2015 Actual \$	2014 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	403,648	413,520	335,893
Other Revenue	200,000	160,495	216,216
Investment Income		144	159
Total Revenue	<u>603,648</u>	<u>574,159</u>	<u>552,268</u>
Expenses			
Instruction	558,465	528,832	510,739
Total Expense	<u>558,465</u>	<u>528,832</u>	<u>510,739</u>
Special Purpose Surplus (Deficit) for the year	<u>45,183</u>	<u>45,327</u>	<u>41,529</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(45,183)	(45,327)	(41,529)
Total Net Transfers	<u>(45,183)</u>	<u>(45,327)</u>	<u>(41,529)</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>

School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2015

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK	Service Delivery Transformation
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	1,602	7,529		141,676	54,455	8,899	-		
Add: Restricted Grants									
Provincial Grants - Ministry of Education	43,581	144,733	1,037		96,000	12,250	7,043	104,696	25,000
Other				175,308					
Investment Income	144								
	43,725	144,733	1,037	175,308	96,000	12,250	7,043	104,696	25,000
Less: Allocated to Revenue	45,327	139,042	147	160,495	104,294	13,115	7,043	104,696	-
Deferred Revenue, end of year	-	13,220	890	156,489	46,161	8,034	-	-	25,000
Revenues									
Provincial Grants - Ministry of Education	45,183	139,042	147		104,294	13,115	7,043	104,696	-
Other Revenue				160,495					
Investment Income	144								
	45,327	139,042	147	160,495	104,294	13,115	7,043	104,696	-
Expenses									
Salaries									
Teachers		67,892					5,502	39,594	
Educational Assistants		22,347			59,888			22,751	
	-	90,239	-	-	59,888	-	5,502	62,345	-
Employee Benefits		24,865			16,040		1,541	16,626	
Services and Supplies		23,938	147	160,495	28,366	13,115		25,725	
	-	139,042	147	160,495	104,294	13,115	7,043	104,696	-
Net Revenue (Expense) before Interfund Transfers	45,327	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(45,327)								
	(45,327)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

	<u>TOTAL</u>
	\$
Deferred Revenue, beginning of year	214,161
Add: Restricted Grants	
Provincial Grants - Ministry of Education	434,340
Other	175,308
Investment Income	<u>144</u>
	609,792
Less: Allocated to Revenue	<u>574,159</u>
Deferred Revenue, end of year	<u><u>249,794</u></u>
Revenues	
Provincial Grants - Ministry of Education	413,520
Other Revenue	160,495
Investment Income	<u>144</u>
	574,159
Expenses	
Salaries	
Teachers	112,988
Educational Assistants	<u>104,986</u>
	217,974
Employee Benefits	59,072
Services and Supplies	<u>251,786</u>
	528,832
Net Revenue (Expense) before Interfund Transfers	<u>45,327</u>
Interfund Transfers	
Tangible Capital Assets Purchased	<u>(45,327)</u>
	(45,327)
Net Revenue (Expense)	<u><u>-</u></u>

School District No. 10 (Arrow Lakes)

Schedule of Capital Operations

Year Ended June 30, 2015

	2015	2015 Actual			2014
	Budget (Note 13)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Investment Income	2		1,847	1,847	1,621
Amortization of Deferred Capital Revenue	336,848	336,848		336,848	356,188
Total Revenue	<u>336,850</u>	<u>336,848</u>	<u>1,847</u>	<u>338,695</u>	<u>357,809</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	487,525	487,525		487,525	512,195
Total Expense	<u>487,525</u>	<u>487,525</u>	<u>-</u>	<u>487,525</u>	<u>512,195</u>
Capital Surplus (Deficit) for the year	<u>(150,675)</u>	<u>(150,677)</u>	<u>1,847</u>	<u>(148,830)</u>	<u>(154,386)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	65,183	69,124		69,124	103,744
Total Net Transfers	<u>65,183</u>	<u>69,124</u>	<u>-</u>	<u>69,124</u>	<u>103,744</u>
Total Capital Surplus (Deficit) for the year	<u>(85,492)</u>	<u>(81,553)</u>	<u>1,847</u>	<u>(79,706)</u>	<u>(50,642)</u>
Capital Surplus (Deficit), beginning of year		<u>3,396,937</u>	<u>77,931</u>	<u>3,474,868</u>	<u>3,525,510</u>
Capital Surplus (Deficit), end of year		<u><u>3,315,384</u></u>	<u><u>79,778</u></u>	<u><u>3,395,162</u></u>	<u><u>3,474,868</u></u>

School District No. 10 (Arrow Lakes)

Tangible Capital Assets
Year Ended June 30, 2015

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	362,514	16,022,920	347,104	1,098,960	11,337	101,957	17,944,792
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		261,347					261,347
Deferred Capital Revenue - Other		31,605					31,605
Operating Fund						23,797	23,797
Special Purpose Funds		45,327					45,327
	-	338,279	-	-	-	23,797	362,076
Decrease:							
Deemed Disposals			35,476	14,122		18,281	67,879
	-	-	35,476	14,122	-	18,281	67,879
Cost, end of year	362,514	16,361,199	311,628	1,084,838	11,337	107,473	18,238,989
Work in Progress, end of year							-
Cost and Work in Progress, end of year	362,514	16,361,199	311,628	1,084,838	11,337	107,473	18,238,989
Accumulated Amortization, beginning of year		9,225,167	117,715	515,332	6,801	39,456	9,904,471
Changes for the Year							
Increase: Amortization for the Year		320,261	34,710	109,896	2,267	20,391	487,525
Decrease:							
Deemed Disposals			35,476	14,122		18,281	67,879
			-	35,476	-	18,281	67,879
Accumulated Amortization, end of year		9,545,428	116,949	611,106	9,068	41,566	10,324,117
Tangible Capital Assets - Net	362,514	6,815,771	194,679	473,732	2,269	65,907	7,914,872

School District No. 10 (Arrow Lakes)

Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	4,788,341			4,788,341
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	261,347		31,605	292,952
	261,347	-	31,605	292,952
Decrease:				
Amortization of Deferred Capital Revenue	336,848			336,848
	336,848	-	-	336,848
Net Changes for the Year	(75,501)	-	31,605	(43,896)
Deferred Capital Revenue, end of year	4,712,840	-	31,605	4,744,445
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	4,712,840	-	31,605	4,744,445

School District No. 10 (Arrow Lakes)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 5,349	\$ 257,313	\$	\$	\$	\$ 262,662
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	261,347					261,347
Other					31,605	31,605
Investment Income		6,100				6,100
	<u>261,347</u>	<u>6,100</u>	<u>-</u>	<u>-</u>	<u>31,605</u>	<u>299,052</u>
Decrease:						
Transferred to DCR - Capital Additions	261,347				31,605	292,952
	<u>261,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,605</u>	<u>292,952</u>
Net Changes for the Year	<u>-</u>	<u>6,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,100</u>
Balance, end of year	<u>5,349</u>	<u>263,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,762</u>

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

School District No. 10 (Arrow Lakes)

Fiscal Year Ended June 30, 2015

SCHEDULE OF DEBT

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

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

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

School District No. 10 (Arrow Lakes)

Fiscal Year Ended June 30, 2015

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

School District No.10 (Arrow Lakes) 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.10 (Arrow Lakes)

Fiscal Year Ended June 30, 2015

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between School District No.10 (Arrow Lakes) and its non-unionized employees during fiscal year 2014/15.

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

NAME	POSITION	REMUNERATION	EXPENSE
ELECTED OFFICIALS :			
Adam, Patricia		10,000.08	4,864.45
Bell, Carol		3,606.08	471.64
Brekke, Lora Lee		8,000.04	4,001.73
Butt-Grau, Rayn		4,424.28	4,992.72
De Courcy, Quinn P.		8,000.04	5,983.67
Struck, Judy		8,000.04	2,031.08
TOTAL ELECTED OFFICIALS		42,030.56	22,345.29
DETAILED EMPLOYEES > 75,000.00 :			
Bardati, Richard		78,632.89	
Barisoff, Christina		84,392.13	
Barisoff, Ken		79,487.97	
Boswell, Dorian		79,486.27	
Boswell, Sheri		77,215.14	
Buckman, Joanne R.		87,550.06	
Champagne, Rachelle		80,955.83	
Dennill, Heather		111,567.32	9,158.73
Dion, Patrick James		98,793.03	
Hobson, Stuart		86,754.68	
Jenkins, Heather		86,016.74	
Kobayashi, Ryoko		82,806.60	
Leitch, Leslie		81,485.86	
Marsden, Karen		78,421.35	
Mense, Heike		98,718.21	
Miles, Natasha		101,178.45	905.61
Momeyer, Erika C.		79,641.71	
Morrison, Roderic		79,103.66	
Olson, Arthur. G		76,490.12	1,370.96
Paterson, Susan		101,178.45	163.32
Roberts, Marsha		78,357.35	2,156.02
Rogers, Paula		83,318.50	
Suhr, Nicol, R.		100,112.72	2,030.79
Taylor, Terry E.		132,099.77	24,257.47
Zelevnik, Patricia		78,891.99	
TOTAL DETAILED EMPLOYEES > 75,000.00		2,202,656.80	40,042.90
TOTAL EMPLOYEES <= 75,000.00		3,199,636.81	25,186.46
TOTAL		5,444,324.17	87,574.65
TOTAL EMPLOYER PREMIUM FOR CPP/EI			302,268.01

VENDOR NAME -----	EXPENSE -----
DETAILED VENDORS > 25,000.00 :	
B.C. HYDRO & POWER AUTH.	112,124.19
BITE SIZE MEDIA	27,660.29
CASTLE FUELS INC	31,113.87
CDW CANADA INC.	26,286.96
DELL CANADA INC	48,609.81
HARRIS SCHOOL SOLUTIONS	49,716.16
HERITAGE ROOFING & SHEET METAL LTD.	163,815.75
MORNEAU SHEPELL LTD	111,646.75
MUNICIPAL PENSION PLAN	144,504.40
NAKUSP HEATING & PLUMBING	41,122.93
PARADISE CLIMATE CONTROLS INC	52,007.12
PEBT IN TRUST	82,203.88
S.D. # 67 OKANAGAN SKAHA	33,039.37
SUPERIOR PROPANE INC	66,887.27
TEACHERS' PENSION PLAN	440,382.23
TURNING POINT RESOLUTIONS INC.	47,721.89
WORKSAFE BC	30,002.10

TOTAL DETAILED VENDORS > 25,000.00	1,508,844.97
TOTAL VENDORS <= 25,000.00	958,897.31
	=====
TOTAL PAYMENTS FOR THE GOODS AND SERVICES	2,467,742.28

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

School District No. 10 (Arrow Lakes)

Fiscal Year Ended June 30, 2015

**DIFFERENCES BETWEEN THE SCHEDULE OF PAYMENTS FOR GOODS
AND SERVICES AND THE AUDITED FINANCIAL STATEMENTS**

Expenditures as recorded on the Schedule of Payments for Goods and Services differ from expenditures as recorded in the audited Financial Statements for the following reasons:

- a) The Schedule of Payments for Goods and Services is prepared on a cash basis whereas the Financial Statements are prepared on an accrual basis. As a result, the Financial Statement expenditures will differ from payments on the Schedule of Payments for Goods and Services by an increase or decrease in the amount of accrued liabilities, prepaid expenses, and inventories recorded at the end of the year as compared with the end of the previous year.
- b) Depreciation of fixed assets is recorded as an expenditure on the Financial Statements and not on the Statement of Payment for Goods and Services, and the Statement of Payments for Goods and Services includes fixed asset purchases which are capitalized in the Financial Statements and are not included as expenditures on the Financial Statements.
- c) GST recoveries recorded as a reduction in expenditures on the Financial Statements are not recognized in the Statement of Payments for Goods and Services.
- d) Wages not included on the Statement of Payments for Goods and Services, paid for construction or renovation of buildings are capitalized (recorded as additions to fixed assets) in the Financial Statements.
- e) Certain expenditures recorded on the Statement of Payments For Goods and Services have been recovered from third parties, and are not included in the Financial Statements.