

School District No. 10 (Arrow Lakes)

**INFORMATION SUBMITTED
FOR THE FISCAL YEAR
ENDING JUNE 30, 2012
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, 2012

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Ministry
of Education

SCHOOL DISTRICT STATEMENT OF FINANCIAL INFORMATION (SOFI)

6049

SCHOOL DISTRICT NUMBER 10	NAME OF SCHOOL DISTRICT ARROW LAKES	YEAR 2011/12
OFFICE LOCATION(S) 98 6TH AVENUE NW		TELEPHONE NUMBER 250 265 3638
MAILING ADDRESS PO BOX 340		
CITY NAKUSP	PROVINCE BC	POSTAL CODE V0G 1R0
NAME OF SUPERINTENDENT DENISE PERRY		TELEPHONE NUMBER 250 265 3638
NAME OF SECRETARY TREASURER DENISE PERRY		TELEPHONE NUMBER 250 265 3638

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information for the year ended
June 30, 2012

for School District No. **10** as required under Section 2 of the Financial Information Act.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED 12.11.12
SIGNATURE OF SUPERINTENDENT	DATE SIGNED 12.11.12
SIGNATURE OF SECRETARY TREASURER	DATE SIGNED 12.11.12

Statement of Financial Information for Year Ended June 30, 2012

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 #10 (Arrow Lakes)

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

School District No.10 (Arrow Lakes)

Fiscal Year Ended June 30, 2012

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, Berg Naqvi Lehmann, Chartered Accountants & Business Advisors, 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

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2011/2012

SCHOOL DISTRICT NUMBER 10	NAME OF SCHOOL DISTRICT Arrow Lakes	YEAR 2011/2012
OFFICE LOCATION 98 6th Avenue NW		TELEPHONE NUMBER 250 265 3638
CITY/PROVINCE Nakusp, British Columbia		POSTAL CODE V0G 1R0
WEBSITE ADDRESS www.sd10.bc.ca		
NAME OF SUPERINTENDENT Denise Perry		NAME OF SECRETARY-TREASURER Denise Perry

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of Education of School District No. 10 (Arrow Lakes) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school district's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that the accounting records may be relied upon to properly reflect the school district's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

The Board's Responsibility

The ultimate responsibility for the financial statements lies with the Board. The Board has reviewed and approved the financial statements.



External Auditors

The Board appoints external auditors to audit the financial statements. The external auditors have full and free access to school district records, and present their report to the Board.

Declaration of Management and Board Chairperson

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position, revenue and expense, changes in fund balances, and cash flows for the year in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 10 (Arrow Lakes) for the year ended June 30, 2012.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED September 25 2012
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED September 25 2012
SIGNATURE OF SECRETARY-TREASURER 	DATE SIGNED September 25 2012

INDEPENDENT AUDITORS' REPORT

To the Board of Education of
School District No.10 (Arrow Lakes)

We have audited the accompanying financial statements of the Board of Education of School District No.10 (Arrow Lakes), which comprise the statement of financial position as at June 30, 2012, and the statement of revenue and expense, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 present fairly, in all material respects, the financial position of the School District No.10 (Arrow Lakes) as at June 30, 2012, and its financial performance and cash flows for the year then ended in accordance with Canadian Generally Accepted Accounting Principles.

BERG NAQVI LEHMANN

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

BNL.CA
"A Commitment To Excellence"

M.D. Berg, FCA, CA • CFP • +
A. Naqvi, B.Comm., FCA • +
Craig Berg, B.Comm., CA • +
Stefan Lehmann, B.Math, CA, CFP • +
John McMillan, B.Sc., CA • +

INDEPENDENT AUDITORS' REPORT (continued)

To the Board of Education of
School District No.10 (Arrow Lakes)

Other Matters

The attached supplementary information included in Schedules A5, B1, C3 and C4 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. The remaining attached supplementary information included in Schedules A1, A2, A3, A4.1, A4.2, B2, B3, C1, C2 and C5 is presented for the purposes of additional analysis and has not been audited.



Chartered Accountants

September 25, 2012

Nelson, B.C.

**SCHOOL DISTRICT No. 10 (ARROW LAKES)
2011/2012 AUDITED FINANCIAL STATEMENTS**

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SCHOOL DISTRICT No. 10 (ARROW LAKES)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 855,069	\$ 169,504		\$ 1,024,573	\$ 1,803,468
Short Term Investments	1,777,649	50,486		1,828,134	1,108,131
Accounts Receivable					
Other Receivables	140,583	2,776		143,359	123,190
Interfund Loans		54,384	473,379		
Prepaid Expenses	34,063			34,063	35,639
	<u>2,807,364</u>	<u>277,129</u>	<u>473,379</u>	<u>3,030,129</u>	<u>2,868,418</u>
Investments		6,936		6,936	260,000
Capital Assets - Net			8,137,218	8,137,218	7,900,406
TOTAL ASSETS	<u>\$ 2,807,364</u>	<u>\$ 284,064</u>	<u>\$ 8,610,597</u>	<u>\$ 11,174,282</u>	<u>\$ 11,028,824</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	145,131	23,488		168,619	178,500
Interfund Loans	527,743				
Other Current Liabilities	<u>513,577</u>			<u>513,577</u>	<u>528,600</u>
	<u>1,186,451</u>	<u>23,488</u>	<u>-</u>	<u>682,196</u>	<u>707,100</u>
Deferred Contributions					
Ministry of Education	60,259	11,082	263,317	314,638	575,711
Other		165,194		165,194	187,421
Accrued Employee Future Benefits	104,576			104,576	94,575
Deferred Capital Contributions			4,953,102	4,953,102	4,960,736
Other Long Term Liabilities		<u>84,320</u>		<u>84,320</u>	<u>57,420</u>
TOTAL LIABILITIES	<u>1,341,286</u>	<u>284,064</u>	<u>6,206,419</u>	<u>6,304,026</u>	<u>6,562,963</u>
Fund Balances					
Invested in Capital Assets			3,329,073	3,329,073	3,084,627
Internally Restricted	1,230,930		75,105	1,306,035	1,018,152
Unrestricted	<u>235,148</u>			<u>235,148</u>	<u>373,062</u>
TOTAL FUND BALANCES	<u>1,466,078</u>	<u>-</u>	<u>3,404,178</u>	<u>4,870,256</u>	<u>4,475,861</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,807,364</u>	<u>\$ 284,064</u>	<u>\$ 8,610,597</u>	<u>\$ 11,174,282</u>	<u>\$ 11,028,824</u>

SCHOOL DISTRICT No. 10 (ARROW LAKES)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2012

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
REVENUE					
Provincial Grants - Ministry of Education	\$ 7,426,970	\$ 315,746	\$ 15,000	\$ 7,757,716	\$ 7,805,375
Provincial Grants - Other				-	17,631
Other Revenue	57,300	228,363		285,663	269,281
Rentals and Leases	5,736			5,736	2,318
Investment Income	13,606	725	1,062	15,293	9,224
Amortization of Deferred Capital Contributions			330,300	330,300	330,193
	<u>7,503,612</u>	<u>544,836</u>	<u>346,362</u>	<u>8,394,710</u>	<u>8,423,662</u>
EXPENSE					
Salaries					
Teachers	2,587,433			2,587,433	2,685,353
Principals and Vice Principals	479,735	5,317		485,052	399,242
Educational Assistants	368,219	60,219		428,438	391,149
Support Staff	784,020			784,020	810,051
Other Professionals	288,380			288,380	285,616
Substitutes	262,364			262,364	217,978
	<u>4,748,151</u>	<u>65,536</u>	<u>-</u>	<u>4,813,687</u>	<u>4,789,389</u>
Employee Benefits	1,079,714	19,243		1,098,957	1,071,608
Services and Supplies	1,381,408	245,482	15,000	1,641,896	1,511,671
Amortization of Capital Assets			445,773	445,773	449,398
	<u>7,209,271</u>	<u>330,271</u>	<u>460,773</u>	<u>8,000,315</u>	<u>7,822,066</u>
NET REVENUE (EXPENSE)	<u>\$ 294,341</u>	<u>\$ 214,565</u>	<u>\$ (114,411)</u>	<u>\$ 394,395</u>	<u>\$ 601,596</u>

SCHOOL DISTRICT No. 10 (ARROW LAKES)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
FUND BALANCES, BEGINNING OF YEAR	\$ 1,317,191	\$ -	\$ 3,156,670	\$ 4,475,861	\$ 3,873,986
Changes for the Year					
Net Revenue (Expense) for the Year	294,241	214,565	(114,411)	394,395	601,696
Interfund Transfers					
Capital Assets Purchased	(145,354)	(214,565)	359,919	-	
Net Changes for the Year	<u>148,887</u>	<u>-</u>	<u>245,508</u>	<u>394,395</u>	<u>601,696</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,466,078</u>	<u>\$ -</u>	<u>\$ 3,404,178</u>	<u>\$ 4,870,256</u>	<u>\$ 4,475,681</u>

SCHOOL DISTRICT No. 10 (ARROW LAKES)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSES FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
CASH PROVIDED BY (USED FOR) OPERATIONS					
Net Revenue (Expense) for the Year	\$ 294,241	\$ 214,565	\$ (114,411)	\$ 394,395	\$ 601,896
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Short Term Investments	(770,979)	48,978		(722,003)	153,866
Accounts Receivable	(29,393)	9,224		(20,169)	(56,784)
Interfund Loans	(167,636)	56,895	130,743	-	-
Inventories				-	(25,385)
Prepaid Expenses	1,576			1,576	
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	13,011	(22,892)		(9,881)	(8,215)
Other Current Liabilities	(15,023)			(15,023)	39,107
Deferred Revenue				-	(72,140)
Deferred Contributions	(30,871)	(90,624)		(121,495)	(3,169)
Accrued Employee Future Benefits	10,001			10,001	(42,040)
Other Long Term Liabilities		26,900		26,900	
Items Not Involving Cash					
Amortization of Capital Assets			445,773	445,773	449,396
Amortization of Deferred Capital Contributions			(330,300)	(330,300)	(330,133)
Investments	260,000	(6,935)		253,065	(280,000)
Interfund Transfers	(145,354)	(214,565)	359,919	-	
	(600,429)	21,544	491,724	(87,161)	448,394
FINANCING					
Deferred Contributions Received - Capital			205,861	205,861	342,056
	-	-	205,861	205,861	342,056
INVESTING					
Capital Assets Purchased - Operating			(145,354)	(145,354)	(26,456)
Capital Assets Purchased - Special Purpose			(214,565)	(214,565)	(254,884)
Capital Assets Purchased - Local Capital				-	(201,600)
Capital Assets Purchased - Deferred Contributions - Capital			(322,666)	(322,666)	
Expenditures Not Capitalized			(15,000)	(15,000)	
	-	-	(697,585)	(697,585)	(462,840)
NET INCREASE (DECREASE) IN CASH	\$ (600,429)	\$ 21,544	\$ -	\$ (578,885)	\$ 307,610

**SCHOOL DISTRICT No. 10 (ARROW LAKES)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
NET INCREASE (DECREASE) IN CASH	\$ (600,429)	\$ 21,544	\$ -	\$ (578,885)	\$ 307,610
Net Cash, Beginning of Year	1,455,498	147,960	-	1,603,458	1,295,848
NET CASH, END OF YEAR	\$ 855,069	\$ 169,504	\$ -	\$ 1,024,573	\$ 1,603,458
Cash	\$ 855,069	\$ 169,504	\$ -	\$ 1,024,573	\$ 1,603,458
NET CASH, END OF YEAR	\$ 855,069	\$ 169,504	\$ -	\$ 1,024,573	\$ 1,603,458

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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 three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in prior years.

The deferral method of accounting for contributions, which includes government grants, is used. Results are reported in the operating fund, special purpose funds and capital fund. Revenues and expenses are recorded on a gross and accrual basis.

Statement 2 (Statement of Revenue and Expense), Statement 3 (Statement of Changes in Fund Balances) and Statement 4 (Statement of Cash Flows) present annual results of each fund, changes in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balance as at June 30th. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

The resources and operations of the School District are segregated into various funds for accounting and financial reporting purposes based on the types of restrictions on the use of contributions by governments or other granting agencies, and appropriations or other internal restrictions by the Board. While separate accounts are maintained for each fund, for financial reporting purposes, funds with similar characteristics are grouped together:

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
 - Contributions restricted in use by the *School Act* or Ministry of Education.
 - Contributions restricted in use by other external bodies.
 - Endowment funds.
 - Funds collected and used at the school level (i.e. school-generated funds).
 - Controlled and/or related entities.
- Capital fund reports assets, liabilities, revenues and expenses for capital. Contributions of other funds used for capital purposes are transferred to the capital fund.

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (Continued)**

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased.

c) Short Term Investments

Short Term investments include securities with terms to maturity of greater than three months and less than one year.

d) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts. (see Note 3)

e) Prepaid Expenses

Materials and supplies held in central stores for use within the district, prepaid insurance expenses, prepaid utilities expenses and prepaid software licenses expenses are included as a prepaid expense and stated at acquisition cost.

f) Capital Assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset.

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, 2012

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (Continued)**

g) Revenue Recognition

Unrestricted operating government grants, are recognized as revenue when received. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services/products are reported as revenue when services are provided or products delivered.

Externally restricted contributions, grants, and donations are reported as revenue depending on the nature of restrictions imposed on the use of the funds by the contributors:

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
 - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
 - If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset.
 - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
- Endowment contributions are reported as direct increases to net assets held as endowment principal.
- Investment income earned on endowment principal is recognized as a direct increase to net assets (endowment) to the extent required or agreed by donors. The remaining investment income earned on endowment principal is recorded as a deferred contribution and recognized as revenue in the year related expenses are incurred.

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (Continued)**

h) Expenditures

- **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 regular 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 identification of program.

i) Financial Instruments

Financial instruments consist of cash, investments, accounts receivable, accounts payable, accrued liabilities and other current liabilities. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Available-for-sale and held-for-trading financial instruments are reported at fair value. Gains and losses arising from changes in fair values of available-for-sale financial instruments are reported on the Statement of Changes in Fund Balances as "Comprehensive Income (Loss)" and the unrealized gains/losses on held-for-trading financial instruments are reported on the income statement.

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (Continued)**

j) Use of Estimates

Preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that impact reported amounts for 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.

k) Employee Future Benefits

The School District provides certain post-employment benefits including banked sick and vacation pay, retirement allowance, and life insurance for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs under employee future benefit plans. The future benefits cost is actuarially determined using the projected unit credit method pro-rata 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 market rates at the measurement date.

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 8 years.

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use at June 30, 2013. 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.

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES (Continued)**

l) Future Change in Accounting Framework

Under the revised Public Sector Accounting Board (PSAB) framework, beginning with the 2012/13 fiscal year, school districts will be required to follow Public Sector Accounting (PSA) standards with or without the not-for-profit organization standards (i.e., PS 4200 series). In September 2010, the Province of British Columbia Treasury Board directed through Government Organization Accounting Standards Regulation 257/2010 requiring all school districts to adopt PSA standards without the PS 4200 series from their first fiscal year commencing after January 1, 2012.

The first fiscal year of full implementation without the PS 4200 series will be the year ended June 30, 2013. The adoption of PSA standards is to be accounted for by retroactive application with restatement of prior periods unless an exemption is permitted. Comparative figures at June 30, 2012 and July 1, 2011 will be restated. The financial statements will also include the presentation of budget figures prepared in accordance with PSA standards for the year ended June 30, 2013.

While the School District, in consultation with the Office of the Comptroller General and the Ministry of Education, has begun assessing the impact of the change in accounting framework on its financial statements, the financial impact cannot be reasonably estimated at this time. Implementing PSA standards will also have an impact on accounting financial reporting and supporting information technology systems and processes.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2012	2011
Due from Federal Government	\$ 72,099	\$ 54,762
Due from Other School Districts		
Other (detail if needed)	71,260	56,428
Allowance for Doubtful Accounts (detail if needed)		
	<u>\$ 143,359</u>	<u>\$ 111,190</u>

Special Purpose Funds

	2012	2011
Due from Employee (School Generated Funds)	<u>\$ -</u>	<u>\$ 12,000</u>

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 4 INVESTMENTS

Long Term Investments	<u>2012</u>	<u>2011</u>
GIC, Non-Redeemable, Matures August 8, 2013	\$ 6,935	\$ -
GIC, Non-Redeemable, Matures January 17, 2013	-	250,000
GIC, Non-Redeemable, Matures May 27, 2013	-	<u>10,000</u>
	<u>\$ 6,935</u>	<u>\$ 260,000</u>

NOTE 5 CAPITAL ASSETS

	<u>2012</u>		<u>2011</u>
	Cost	Accumulated Amortization	Net Book Value
Sites	\$ 362,514	\$ -	\$ 362,514
Buildings	15,465,193	8,596,439	6,868,754
Furniture & Equipment	208,714	65,703	143,011
Vehicles	1,219,624	542,372	677,252
Computer Software	11,337	2,267	9,070
Computer Hardware	<u>121,694</u>	<u>45,077</u>	<u>76,617</u>
	<u>17,389,076</u>	<u>9,251,858</u>	<u>\$ 7,900,406</u>

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 6 EMPLOYEE FUTURE BENEFITS

The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits on Statement 1 (Statement of Financial Position).

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

	2012	2011
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 93,458	\$ 91,231
Service Cost	5,817	5,558
Interest Cost	4,486	4,612
Benefit Payments	(10,643)	(19,671)
Actuarial (Gain)/Loss	3,273	11,728
Accrued Benefit Obligation – March 31	<u>\$ 96,391</u>	<u>\$ 93,458</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 96,391	\$ 93,458
Market Value of Plan Assets – March 31	-	-
Funded Status - Surplus/(Deficit)	(96,391)	(93,458)
Employer Contributions After Measurement Date	-	10,643
□ Unamortized Net Actuarial (Gain)/Loss	(8,185)	(11,760)
Accrued Benefit Asset/(Liability) – June 30	<u>\$ (104,576)</u>	<u>\$ (94,575)</u>
Components of Net Benefit Expense		
Service Cost	\$ 5,817	\$ 5,558
Interest Cost	4,486	4,612
Amortization of Net Actuarial (Gain)/Loss	(302)	(2,052)
Net Benefit Expense (Income)	<u>\$ 10,001</u>	<u>\$ 8,118</u>

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

Discount Rate – April 1	4.75%	5.00%
Discount Rate – March 31	4.25%	4.75%
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		

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 7 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are 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 defined. The Teachers' Pension Plan has about 46,000 active members from school districts, and approximately 30,000 retired members from school districts. The Municipal Pension Plan has about 173,000 active members, of which approximately 23,000 are from school districts.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2008 indicated a \$291 million deficit for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in 2012. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2009 indicated a \$1,024 million deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan. The Arrows Lake School District paid \$ 1,041,095 for employer contributions to the plan in the year ended June 30, 2012.

SCHOOL DISTRICT NO.10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 8 OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:	
Equipment Replacement	\$ 280,000
Achievement Fund	250,000
School Reconfiguration/Program Development	200,000
Emergency Reserve	393,582
Library Reserve	50,000
Board Scholarship	30,000
Utility Reserve	27,348
Subtotal Internally Restricted	<u>1,230,930</u>
Unrestricted Operating Surplus (Deficit)	235,148
Total Available for Future Operations	<u>\$ 1,466,078</u>

NOTE 9 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2012, transfers were as follows:

- A transfer in the amount of \$214,565 was made from the special purpose fund to the capital fund for the purchase of capital assets
- A transfer in the amount of \$145,354 was made from the operating fund to the capital fund for the purchase of capital assets

NOTE 10 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 generally 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, 2012

NOTE 11 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 28, 2012.

NOTE 12 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, 2012 the liability is not reasonably determinable.

NOTE 13 ECONOMIC DEPENDENCE

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 in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the School District as a "going concern".

NOTE 14 CONTINGENT LIABLITES

The School District is currently engaged in certain legal actions, the outcomes of which are not determinable at this time. Accordingly, no provision has been made in the accounts for these actions.

The amount of loss, if any, arising from these contingent liabilities will be recorded in the accounts in the period in which the loss is realized.

SCHOOL DISTRICT No. 10 (ARROW LAKES)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2012

Schedule A1

	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 7,428,970	\$ 7,365,238	\$ 7,449,848
Other Revenue	57,300	45,300	25,048
Rentals and Leases	5,738	3,000	2,318
Investment Income	13,506	10,000	8,500
	<u>7,503,512</u>	<u>7,413,538</u>	<u>7,485,512</u>
EXPENSE			
Salaries			
Teachers	2,587,433	2,692,408	2,685,363
Principals and Vice Principals	479,735	496,186	393,789
Educational Assistants	366,219	358,940	342,295
Support Staff	764,020	782,525	810,081
Other Professionals	288,380	318,095	285,816
Substitutes	262,384	260,000	217,978
	<u>4,748,181</u>	<u>4,868,132</u>	<u>4,735,082</u>
Employee Benefits	1,079,714	1,218,914	1,055,979
Services and Supplies	1,381,406	1,730,848	1,228,795
	<u>7,209,271</u>	<u>7,817,894</u>	<u>7,019,856</u>
NET REVENUE (EXPENSE), FOR THE YEAR	294,241	(434,356)	465,656
INTERFUND TRANSFERS			
Capital Assets Purchased	(145,354)		(26,456)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		434,356	
SURPLUS (DEFICIT), FOR THE YEAR	148,887	\$ -	439,200
SURPLUS (DEFICIT), BEGINNING OF YEAR	1,317,191		877,991
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>\$ 1,466,078</u>		<u>\$ 1,317,191</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	1,230,930		
Unrestricted	235,148		
	<u>\$ 1,466,078</u>		

SCHOOL DISTRICT No. 10 (ARROW LAKES)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2012

Schedule A2

	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 7,263,906	\$ 7,206,878	\$ 7,264,589
Other Ministry of Education Grants			
Strong Start	96,000	96,000	90,000
Pay Equity	40,560	40,560	40,560
Ready Set Learn	9,800	9,800	9,800
FSA Monitoring	4,348		4,348
Carbon tax Reimbursement	7,854		6,280
Education Guarantee	4,430		5,539
Operating Grant - Holdback			8,530
Smart Tools	72		
	<u>7,426,970</u>	<u>7,355,238</u>	<u>7,449,646</u>
PROVINCIAL GRANTS - OTHER			
FEDERAL GRANTS			
OTHER REVENUE			
Offshore Tuition Fees			9,000
Miscellaneous			
Cultural Art Starts	4,200	4,800	3,000
Growing Innovation	12,500	12,500	
Regional District	40,000	28,000	
Nakusp Music Festival			11,698
Miscellaneous	600		1,350
	<u>57,300</u>	<u>45,300</u>	<u>25,048</u>
RENTALS AND LEASES	<u>5,736</u>	<u>3,000</u>	<u>2,318</u>
INVESTMENT INCOME	<u>13,508</u>	<u>10,000</u>	<u>8,500</u>
TOTAL OPERATING REVENUE	<u>\$ 7,503,512</u>	<u>\$ 7,413,538</u>	<u>\$ 7,485,512</u>

SCHOOL DISTRICT No. 10 (ARROW LAKES)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A3

	2012	2012	2011
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
SALARIES			
Teachers	\$ 2,587,433	\$ 2,682,408	\$ 2,685,353
Principals and Vice Principals	479,735	486,188	393,789
Educational Assistants	368,218	358,940	342,295
Support Staff	784,020	782,525	810,051
Other Professionals	288,380	318,095	285,618
Substitutes	262,384	260,000	217,978
	<u>4,748,151</u>	<u>4,898,132</u>	<u>4,735,082</u>
EMPLOYEE BENEFITS	<u>1,079,714</u>	<u>1,218,914</u>	<u>1,055,979</u>
TOTAL SALARIES AND BENEFITS	<u>5,827,865</u>	<u>6,117,046</u>	<u>5,791,061</u>
SERVICES AND SUPPLIES			
Services	478,881	421,330	345,770
Student Transportation	4,480	12,000	13,324
Professional Development and Travel	133,520	140,700	140,454
Rentals and Leases	347	2,650	320
Dues and Fees	10,888	12,000	8,646
Insurance	31,451	42,800	35,471
Interest		854,168	
Supplies	514,273	245,400	486,245
Utilities	207,578		198,565
	<u>1,381,406</u>	<u>1,730,848</u>	<u>1,228,795</u>
TOTAL SERVICES AND SUPPLIES	<u>1,381,406</u>	<u>1,730,848</u>	<u>1,228,795</u>
TOTAL OPERATING EXPENSE	<u>\$ 7,209,271</u>	<u>\$ 7,847,894</u>	<u>\$ 7,019,856</u>

**SCHOOL DISTRICT No. 10 (ARROW LAKES)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012**

Schedule AA.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	\$ 2,164,548	\$ 210,426		\$ 100,066	\$ 19,459	\$ 163,228	\$ 2,654,334
1.03 Career Programs	45,773						45,773
1.07 Library Services				44,801			44,801
1.08 Counselling	49,081	11,352					60,433
1.10 Special Education	282,244	35,593	317,864				613,701
1.31 Aboriginal Education	27,820	11,829					39,649
1.41 School Administration		204,535		94,938		16,791	316,264
1.84 Other			48,325				48,325
Total Function 1	2,570,146	478,735	368,219	240,405	19,459	170,017	3,845,980
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	17,287				134,539		151,826
4.40 School District Governance					40,514		40,514
4.41 Business Administration					12,504	28,872	41,376
Total Function 4	17,287				187,557	28,872	234,716
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration					78,836		78,836
5.50 Maintenance Operations				333,247		42,356	375,603
5.52 Maintenance of Grounds				19,804			19,804
Total Function 5				343,051	78,836	42,356	464,243
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration					1,299		1,299
7.70 Student Transportation				180,584		21,119	201,703
Total Function 7				180,584	1,299	21,119	202,992
9 DEBT SERVICES (OPERATING)							
Total Function 9							
TOTAL FUNCTIONS 1 - 9	\$ 2,587,433	\$ 478,735	\$ 368,219	\$ 764,820	\$ 288,350	\$ 202,964	\$ 4,745,161

**SCHOOL DISTRICT No. 10 (ARROW LAKES)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012**

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 2,854,324	\$ 619,020	\$ 3,473,344	\$ 316,051	\$ 3,591,395	\$ 4,335,240	\$ 3,755,519
1.03 Career Programs	45,778	9,894	55,672	108	55,575	11,240	10,593
1.07 Library Services	44,801	11,079	55,880	11,578	68,068	63,782	70,731
1.08 Counseling	61,013	15,568	76,581	358	78,929	24,831	31,776
1.10 Special Education	635,731	161,448	797,179	84,838	882,017	840,643	786,767
1.31 Aboriginal Education	30,749	5,969	36,718	81,276	105,924	90,908	65,798
1.41 School Administration	318,264	71,237	389,501	38,722	428,223	381,585	393,670
1.64 Other	48,326	11,565	59,891	24,885	84,805	111,721	76,291
Total Function 1	3,845,260	908,130	4,753,390	519,819	5,271,628	5,830,221	5,202,091
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	162,228	28,765	190,993	12,323	191,334	233,036	197,335
4.40 School District Governance	40,814	805	41,619	82,918	84,334	107,332	71,823
4.41 Business Administration	41,808	7,149	48,957	244,453	255,408	267,493	205,468
Total Function 4	234,849	36,719	271,568	339,694	529,076	607,861	474,626
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	78,958	15,969	94,927	10,707	105,632	114,240	111,704
5.60 Maintenance Operations	365,603	77,795	443,398	180,115	623,513	635,372	604,560
5.52 Maintenance of Grounds	19,504	5,033	24,537	17,228	42,062	52,209	41,211
5.56 Utilities	-	-	-	207,863	207,863	246,400	198,585
Total Function 5	464,065	98,802	562,867	415,912	979,072	1,047,221	966,000
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	1,299	237	1,536	-	1,536	2,709	1,531
7.70 Student Transportation	201,553	39,991	241,544	135,987	377,661	399,890	366,810
Total Function 7	202,852	40,228	243,080	135,987	379,197	392,599	368,341
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 4,748,161	\$ 1,079,714	\$ 5,827,875	\$ 1,351,408	\$ 7,209,271	\$ 7,847,864	\$ 7,019,896

SCHOOL DISTRICT No. 10 (ARROW LAKES)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule A5

BALANCE, BEGINNING OF YEAR	\$ 81,130
Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	<u>157,480</u>
	<u>157,480</u>
Decrease:	
Allocated to Revenue	<u>188,351</u>
Provincial Grants - Ministry of Education	<u>188,351</u>
	<u>188,351</u>
Net Changes for the Year	<u>(30,871)</u>
BALANCE, END OF YEAR	<u>\$ 50,259</u>

SCHOOL DISTRICT No. 10 (ARROW LAKES)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2012

Schedule B1

	MINISTRY OF EDUCATION DEBATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 105,000	\$ 23,791	\$ 137,481		\$ 266,280
Add: Contributions Received					
Provincial Grants - Ministry of Education	111,270	104,698			215,975
Other	0,000	0,000	228,537		228,537
Investment Income	1,377		725		2,102
	172,647	111,348	230,262		464,254
Less: Allocated to Revenue					
Adjustment	216,316	407,308	221,213		844,837
	\$ 1,940	\$ 27,829	\$ 148,478	\$ -	\$ 178,259
DEFERRED CONTRIBUTIONS, END OF YEAR					
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 216,316	\$ 98,453			\$ 314,769
Other Revenue		7,875	220,486		228,361
Investment Income			725		725
	216,316	107,328	221,213		\$ 544,856
EXPENSE					
Salaries					
Principal and Vice Principals		5,317			5,317
Educational Assistants		80,219			80,219
Employee Benefits		85,535			85,535
Services and Supplies	1,760	22,529	221,213		18,243
	1,760	107,308	221,213		205,462
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	214,556	-	-		330,271
INTERFUND TRANSFERS					
Capital Assets Purchased	(214,556)				(214,556)
	(214,556)	-	-		(214,556)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 10 (ARROW LAKES)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2012

Schedule B2

	287 Annual Facility Grant	289 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR			
Add: Contributions Received	\$ 103,630	\$ 1,069	\$ 105,008
Provincial Grants - Ministry of Education	110,800	779	111,579
Investment Income	1,377		1,377
	111,577	779	112,693
Less: Allocated to Revenue	214,585	1,750	216,315
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 991	\$ 995	\$ 1,949
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	\$ 214,585	\$ 1,750	\$ 216,315
EXPENSE			
Salaries	214,585	1,750	216,315
Services and Supplies	-	-	-
	214,585	1,750	216,315
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS			
INTERFUND TRANSFERS			
Capital Assets Purchased	(214,585)	-	(214,585)
	(214,585)	-	(214,585)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -

**SCHOOL DISTRICT No. 10 (ARROW LAKES)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2012**

	CHA CHARITIES	OL COMMUNITY LINKS	ELJ E-LEARNING	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 3,820 \$	3,851 \$	10,320 \$	23,791
Add: Contributions Received				
Provincial Grants - Ministry of Education		104,895		104,895
Other	6,890			6,890
	6,890	104,895	-	111,785
Less: Allocated to Revenue	7,875	99,433	-	107,308
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 2,385 \$	9,114 \$	10,320 \$	27,829
REVENUE AND EXPENSE				
REVENUE				
Provincial Grants - Ministry of Education		\$ 99,433		\$ 99,433
Other Revenue	7,875			7,875
	7,875	99,433	-	107,308
EXPENSE				
Salaries				
Principals and Vice Principals		5,317		5,317
Educational Assistants		60,219		60,219
Employee Benefits		65,536	-	65,536
Services and Supplies		10,243		10,243
	7,875	14,654		22,529
	7,875	99,433	-	107,308
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS				
INTERFUND TRANSFERS				
NET REVENUE (EXPENSE)	\$ - \$	- \$	- \$	- \$

SCHOOL DISTRICT No. 10 (ARROW LAKES)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2012

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
\$	362,515	\$ 15,023,724	\$ 145,172	\$ 1,083,881	\$ 11,337	\$ 81,220	\$ 16,707,829
		196,904		135,762			322,666
		40,000	64,880			40,474	145,354
		214,585					214,585
	-	441,469	84,880	135,762	-	40,474	662,585
			1,336				1,336
			1,336				1,336
	362,515	15,465,193	208,714	1,219,623	11,337	121,894	17,388,076
\$	362,515	\$ 15,465,193	\$ 208,714	\$ 1,219,623	\$ 11,337	\$ 121,894	\$ 17,388,076
	\$	8,292,080	\$ 52,524	\$ 433,988	\$ -	\$ 28,833	\$ 8,807,423
	304,359	14,517	108,386	2,267	18,244		445,773
			1,336				1,336
			1,336				1,336
\$	-	\$ 8,998,439	\$ 65,709	\$ 642,372	\$ 2,267	\$ 45,077	\$ 9,251,859
\$	362,515	\$ 6,869,784	\$ 143,911	\$ 677,291	\$ 9,070	\$ 76,817	\$ 8,137,218

COST, BEGINNING OF YEAR
Changes for the Year

Increase:
Purchases from:
Deferred Contributions - Bylew
Operating Fund
Special Purpose Funds

Decrease:

Deemed Disposals

COST, END OF YEAR

WORK IN PROGRESS, END OF YEAR

COST AND WORK IN PROGRESS, END OF YEAR

ACCUMULATED AMORTIZATION, BEGINNING OF YEAR

Changes for the Year

Increase: Amortization for the Year

Decrease:

Deemed Disposals

ACCUMULATED AMORTIZATION, END OF YEAR

CAPITAL ASSETS - NET

SCHOOL DISTRICT No. 10 (ARROW LAKES)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$ 4,860,736			\$ 4,860,736
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Capital Additions	322,666			322,666
	322,666	-	-	322,666
Decrease				
Amortization of Deferred Capital Contributions	330,300			330,300
	330,300	-	-	330,300
Net Changes for the Year	(7,634)	-	-	(7,634)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	\$ 4,953,102	\$ -	\$ -	\$ 4,953,102
WORK IN PROGRESS, BEGINNING OF YEAR				\$ -
Changes for the Year				
Increase				
	-	-	-	-
Decrease				
	-	-	-	-
Net Changes for the Year	-	-	-	-
WORK IN PROGRESS, END OF YEAR	\$ -	\$ -	\$ -	\$ -
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	\$ 4,953,102	\$ -	\$ -	\$ 4,953,102

**SCHOOL DISTRICT No. 10 (ARROW LAKES)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012**

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	\$ 140,845	\$ 244,477			\$	385,122
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	201,804					201,804
Investment Income	452	3,505				3,957
Decrease:						
Transferred to DCC - Capital Additions	202,356	3,505				205,861
Expenditures not capitalized	322,666					322,666
	15,000					15,000
	337,666					337,666
Net Changes for the Year	(135,310)	3,505				(131,805)
BALANCE, END OF YEAR	\$ 5,535	\$ 247,982	\$	\$	\$	253,317

SCHOOL DISTRICT No. 10 (ARROW LAKES)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 3,084,627	\$ 74,043	\$ 3,168,670
Changes for the Year			
Investment Income		1,062	1,062
Amortization of Deferred Capital Contributions	330,300		330,300
Interfund Transfers - Capital Assets Purchased	359,919		359,919
Amortization of Capital Assets	(445,773)		(445,773)
Net Changes for the Year	244,446	1,062	245,508
BALANCE, END OF YEAR	\$ 3,329,073	\$ 75,105	\$ 3,404,178

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

School District No.10 (Arrow Lakes)

Fiscal Year Ended June 30, 2012

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, 2012

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

NAME	POSITION	REMUNERATION	EXPENSE
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ELECTED OFFICIALS :

Adam, Patricia		10,000.08	3,713.07
Bell, Carol		8,000.04	3,104.73
Brekke, Lora Lee		4,666.69	2,246.05
De Courcy, Quinn P.		8,000.04	4,263.28
Hilton, William E.		3,333.35	394.80
Struck, Judy		8,000.04	1,244.01
TOTAL ELECTED OFFICIALS		42,000.24	14,965.94

DETAILED EMPLOYEES > 75,000.00 :

Bardati, Richard		80,719.27	
Barisoff, Ken		80,640.92	
Boswell, Dorian		80,841.67	
Boswell, Sheri		76,790.07	
Dion, Patrick James		80,064.75	
Fraser, Ruth		97,528.58	648.16
Harding, George		111,224.35	319.63
Hobson, Stuart John		89,659.13	
Jenkins, Heather		81,036.88	668.00
Leitch, Leslie		80,841.67	479.56
Marsden, Karen J.		80,197.81	721.15
McLean, Sally L.		95,538.30	2,006.19
Mense, Heike		80,719.27	
Miles, Natasha		101,270.17	355.13
Momeyer, Erika C.		77,586.98	1,128.99
Morrison, Roderic		80,841.67	
Paterson, Susan		101,270.17	182.06
Posnikoff, Walter		136,192.56	1,610.61
Skey, Alistair J.		75,089.74	352.25
Suhr, Nicol, R.		88,634.42	900.00
Taylor, Terry E.		109,077.06	15,881.69
Zelevnik, Patricia, M.		79,637.17	191.16
TOTAL DETAILED EMPLOYEES > 75,000.00		1,965,402.61	25,444.58
TOTAL EMPLOYEES <= 75,000.00		3,087,486.49	17,559.15
TOTAL		5,094,889.34	57,969.67

TOTAL EMPLOYER PREMIUM FOR CPP/EI	250,581.82
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**School District
Statement of Financial Information (SOFI)**

School District No. 10 (Arrow Lakes)

Fiscal Year Ended June 30, 2012

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 2012.**

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

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School District No. 10

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SCHEDULE OF PAYMENTS FOR GOODS AND SERVICE

ACR01C42

YEAR ENDED JUNE 30,2012

VENDOR NAME

EXPENSE

DETAILED VENDORS > 25,000.00 :

ANDREW SHERET	25,238.33
B.C. HYDRO & POWER AUTH.	109,812.22
CASTLE FUELS INC	42,002.93
DHC COMMUNICATIONS INC	71,174.90
HARRIS & COMPANY	66,314.72
HVAC SYSTEMS & SOLUTIONS LTD.	39,211.20
LANG BUSINESS SYSTEMS	110,867.52
MID-CITY ROOFING & SHEET METAL	57,668.60
MINISTER OF FINANCE	87,832.94
MORNEAU SHEPELL LTD	87,453.00
MUNICIPAL PENSION PLAN	125,108.81
PARADISE CLIMATE CONTROLS INC	162,983.25
PEBT IN TRUST	66,584.68
S.D. #20 (KOOTENAY-COLUMBIA)	218,768.25
SUPERIOR PROPANE INC	87,043.75
TEACHERS' PENSION PLAN	397,300.21
TELUS	25,987.80
VENTURE MECHANICAL SYSTEMS LTD.	61,345.48
WESTERN CANADA IC BUS INC.	136,685.64
WOOD WYANT INC	28,349.47
WORKERS' COMPENSATION BOARD	26,524.09

TOTAL DETAILED VENDORS > 25,000.00	2,034,257.79
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TOTAL VENDORS <= 25,000.00	850,300.40
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TOTAL PAYMENTS FOR THE GOODS AND SERVICES	2,884,558.19
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**School District
Statement of Financial Information (SOFI)**

School District No. 10 (Arrow Lakes)

Fiscal Year Ended June 30, 2012

**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.