

Audited Financial Statements of

School District No. 10 (Arrow Lakes)

June 30, 2014

School District No. 10 (Arrow Lakes)

June 30, 2014

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 8025-7280-5297

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, 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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 10 (Arrow Lakes)

Signature of the Chairperson of the Board of Education	Date Signed
Signature of the Superintendent	Date Signed
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, 2014, the statement of operations, changes in net 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, 2014 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.

A handwritten signature in black ink, appearing to read 'KPMG LLP'.

Chartered Accountants

September 30, 2014

Kelowna, Canada

School District No. 10 (Arrow Lakes)

Statement 1

Statement of Financial Position

As at June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 9 a)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	1,249,245	1,197,038
Accounts Receivable		
Other (Note 3)	114,850	119,070
Portfolio Investments (Note 4)	2,050,299	1,813,138
Total Financial Assets	3,414,394	3,129,246
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	158,537	2,450
Other (Note 5)	571,622	703,466
Unearned Revenue (Note 6)	12,000	-
Deferred Revenue (Note 7)	214,161	242,471
Deferred Capital Revenue (Note 8)	5,051,003	5,166,135
Employee Future Benefits (Note 9)	142,692	124,491
Total Liabilities	6,150,015	6,239,013
Net Financial Assets (Debt)	(2,735,621)	(3,109,767)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	8,040,321	8,213,134
Prepaid Expenses	33,557	29,033
Total Non-Financial Assets	8,073,878	8,242,167
Accumulated Surplus (Deficit) (Note 16)	5,338,257	5,132,400

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 2

Statement of Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 9 a)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	7,636,607	7,509,759	7,839,078
Tuition	24,000	24,000	
Other Revenue	222,520	248,291	190,982
Rentals and Leases	2,000	1,150	328
Investment Income	30,001	48,818	25,926
Amortization of Deferred Capital Revenue	356,056	356,188	345,523
Total Revenue	<u>8,271,184</u>	<u>8,188,206</u>	<u>8,401,837</u>
Expenses (Note 15)			
Instruction	6,006,326	5,439,847	5,590,196
District Administration	667,260	612,364	727,315
Operations and Maintenance	1,574,424	1,574,217	1,435,549
Transportation and Housing	383,464	355,921	394,895
Total Expense	<u>8,631,474</u>	<u>7,982,349</u>	<u>8,147,955</u>
Surplus (Deficit) for the year	<u>(360,290)</u>	<u>205,857</u>	<u>253,882</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		5,132,400	4,878,518
Accumulated Surplus (Deficit) from Operations, end of year		<u>5,338,257</u>	<u>5,132,400</u>

School District No. 10 (Arrow Lakes)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 9 a)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(360,290)</u>	<u>205,857</u>	<u>253,882</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(142,972)	(339,382)	(557,725)
Amortization of Tangible Capital Assets	512,195	512,195	481,809
Total Effect of change in Tangible Capital Assets	<u>369,223</u>	<u>172,813</u>	<u>(75,916)</u>
Acquisition of Prepaid Expenses		(4,524)	
Use of Prepaid Expenses			5,030
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(4,524)</u>	<u>5,030</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>8,933</u>	<u>374,146</u>	<u>182,996</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>374,146</u>	<u>182,996</u>
Net Financial Assets (Debt), beginning of year		<u>(3,109,767)</u>	<u>(3,292,763)</u>
Net Financial Assets (Debt), end of year		<u><u>(2,735,621)</u></u>	<u><u>(3,109,767)</u></u>

School District No. 10 (Arrow Lakes)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2014

	2014 Actual	2013 Actual (Recast - Note 9 a)
Operating Transactions	\$	\$
Surplus (Deficit) for the year	205,857	253,882
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	4,220	24,289
Prepaid Expenses	(4,524)	5,030
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	24,243	(60,600)
Unearned Revenue	12,000	
Deferred Revenue	(28,310)	34,671
Employee Future Benefits	18,201	9,462
Amortization of Tangible Capital Assets	512,195	481,809
Amortization of Deferred Capital Revenue	(356,188)	(345,523)
Total Operating Transactions	387,694	403,020
Capital Transactions		
Tangible Capital Assets Purchased	(339,382)	(557,725)
Total Capital Transactions	(339,382)	(557,725)
Financing Transactions		
Capital Revenue Received	241,056	305,239
Total Financing Transactions	241,056	305,239
Investing Transactions		
Proceeds on Disposal of Portfolio Investments		21,931
Investments in Portfolio Investments	(237,161)	
Total Investing Transactions	(237,161)	21,931
Net Increase (Decrease) in Cash and Cash Equivalents	52,207	172,465
Cash and Cash Equivalents, beginning of year	1,197,038	1,024,573
Cash and Cash Equivalents, end of year	1,249,245	1,197,038
Cash and Cash Equivalents, end of year, is made up of:		
Cash	1,204,085	1,152,410
Cash Equivalents	45,160	44,628
	1,249,245	1,197,038

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2014

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. 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, 2014

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 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, 2014

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 the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 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. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

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 (EARS�) 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, 2014

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, 2014

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 stated 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.

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, 2014

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

k) Revenue Recognition *(Continued)*

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

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, 2014

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 years ended June 30 2014 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, liabilities for contaminated sites, 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, 2014

Note 3 Accounts Receivable – Other Receivables

	2014	2013
Due from Federal Government	\$ 22,321	\$ 58,142
Other	92,529	60,928
	<u>\$ 114,850</u>	<u>\$ 119,070</u>

Note 4 Portfolio Investments

	2014	2013
Investments in the cost and amortized cost category:		
Term deposits	\$ 2,050,299	\$ 1,773,339
Guaranteed investment certificates	-	39,799
	<u>\$ 2,050,299</u>	<u>\$ 1,813,138</u>

Note 5 Accounts Payable and Accrued Liabilities - Other

	2014	2013
Trade payables	\$ 100,768	\$ 143,132
Salaries and benefits payable	350,795	459,952
Accrued vacation pay	67,723	65,760
Other	52,336	34,622
	<u>\$ 571,622</u>	<u>\$ 703,466</u>

Note 6 Unearned Revenue

	2014	2013
Balance, beginning of year	\$ -	\$ -
Increase: Tuition fees	36,000	-
Decrease: Tuition fees	(24,000)	-
	<u>\$ 12,000</u>	<u>\$ -</u>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2014

Note 7 **Deferred Revenue**

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

Note 8 **Deferred Capital Revenue**

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

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.

	2014	2013 (Recast)
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 169,667	\$ 115,802
Service Cost	13,904	7,580
Interest Cost	5,312	4,908
Benefit Payments	(7,244)	(5,195)
Actuarial (Gain) Loss	(8,872)	46,572
Accrued Benefit Obligation – March 31	<u>\$ 172,767</u>	<u>\$ 169,667</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 172,767	\$ 169,667
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(172,767)	(169,667)
Employer Contributions After Measurement Date	-	-
Benefits Expense After Measurement Date	(4,935)	(4,804)
Unamortized Net Actuarial (Gain) Loss	35,010	49,980
Accrued Benefit Asset (Liability) – June 30	<u>\$ (142,692)</u>	<u>\$ (124,491)</u>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2014

Note 9 Employee Future Benefits (Continued)

	2014	2013 (Recast)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 124,491	\$ 111,907
Recognize Benefit Expense April 1 – June 30, 2012	-	3,122
Accrued Benefit Liability – July 1 (restated)	124,491	115,029
Net expense for Fiscal Year	25,445	14,657
Employer Contributions	(7,244)	(5,195)
Accrued Benefit Liability – June 30	\$ 142,692	\$ 124,491
Components of Net Benefit Expense		
Service Cost	\$ 13,897	\$ 9,161
Interest Cost	5,450	5,009
Amortization of Net Actuarial (Gain)/Loss	6,098	487
Net Benefit Expense (Income)	\$ 25,445	\$ 14,657

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

Discount Rate – April 1	3.00%	4.25%
Discount Rate – March 31	3.25%	3.00%
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

a) Prior Period Adjustment:

In previous years, School Districts reported annual Employee Future Benefit (EFB) expense equal to the 12 months ended March 31 expenses as determined by the actuary rather than the 12 months ended June 30. Effectively, July 1, 2013, an adjustment was made to increase the Employee Future Benefit (EFB) liability to include benefits expense incurred after the early measurement date of March 31. As a result, the June 30, 2013 EFB liability increased by \$1,682 representing the EFB expenses April 1 to June 30, 2013. The opening surplus as at July 1, 2012 was decreased by \$ 3,122 representing the April 1 to June 2012 EFB expenses. The surplus for the year ended June 30, 2013 was decreased by \$1,440 representing increase in EFB expense for the year.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2014

Note 10 Tangible Capital Assets

Net Book Value:

	Net Book Value 2014	Net Book Value 2013
Sites	\$ 362,514	\$ 362,514
Buildings	6,797,753	6,836,944
Furniture & Equipment	229,389	245,635
Vehicles	583,628	665,758
Computer Software	4,536	6,803
Computer Hardware	62,501	95,480
Total	\$ 8,040,321	\$ 8,213,134

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, 2014

Note 10 Tangible Capital Assets (Continued)**June 30, 2013**

	Opening Cost	Additions	Disposals	Total 2013
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	15,465,193	280,560	-	15,745,753
Furniture & Equipment	208,714	123,495	1,891	330,318
Vehicles	1,219,624	110,468	54,504	1,275,588
Computer Software	11,337	-	-	11,337
Computer Hardware	121,694	43,202	-	164,896
Total	\$17,389,076	\$557,725	\$56,395	\$17,890,406

	Opening Accumulated Amortization	Additions	Disposals	Total 2013
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	8,596,439	312,370	-	8,908,809
Furniture & Equipment	65,703	20,871	1,891	84,683
Vehicles	542,372	121,962	54,504	609,830
Computer Software	2,267	2,267	-	4,534
Computer Hardware	45,077	24,339	-	69,416
Total	\$9,251,858	\$481,809	\$56,395	\$ 9,677,272

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2014

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 with results available in 2015. 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 with results available in 2016. 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 \$610,068 for employer contributions to these plans in the year ended June 30, 2014.

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, 2014

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, 2014. Changes made from the original approved budget on June 25, 2013, reflect minor adjustments in revenues and expenses.

	2014 Annual Budget	Adjustments	2014 Amended Budget
Revenues:			
Provincial Grants – Ministry of Education	\$ 7,693,895	\$ (57,288)	\$ 7,636,607
Tuition	-	24,000	24,000
Other Revenue	207,900	14,620	222,520
Rentals and Leases	500	1,500	2,000
Investment Income	30,000	1	30,001
Amortization of Deferred Capital Revenue	355,471	585	356,056
Total Revenue	8,287,766	(16,582)	8,271,184
Expenses:			
Instruction	6,065,192	(58,866)	6,006,326
District Administration	670,144	(2,884)	667,260
Operations and Maintenance	1,518,060	56,364	1,574,424
Transportation and Housing	362,740	20,724	383,464
Total Expenses	8,616,136	15,338	8,631,474
Surplus (Deficit) for the year	\$ (328,370)	\$ (31,920)	\$ (360,290)

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2014

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, 2014 the liability is not reasonably determinable.

Note 15 Expense By Object

	2014	2013 (Recast)
Salaries and benefits	\$ 5,830,572	\$ 6,004,062
Services and supplies	1,639,582	1,662,084
Amortization	512,195	481,809
	<u>\$ 7,982,349</u>	<u>\$ 8,147,955</u>

Note 16 Internally Restricted Surplus – Operating Fund

Internally Restricted (appropriated) by Board for:

Utilities, Equipment & Capital Projects	\$ 595,000	
Emergency	250,000	
School Reconfiguration / Program Development	190,000	
Professional Learning	180,000	
Board Scholarship	33,150	
Subtotal Internally Restricted		1,248,150

Unrestricted Operating Surplus	615,239
Total Available for Future Operations	<u>\$ 1,863,389</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, 2014

Note 18 Contingencies

On June 7, 2014, the BC Public School Employers' Association ("BCPSEA") entered into a Provincial Framework Agreement ("Framework") with the K-12 Presidents' Council and Support Staff Unions ("the Unions"). The Framework provides the Unions the wage settlement framework for inclusion in the collective agreement between local Support Staff Unions and the Board of Education. The Framework includes an Employee Support Grant for Support Staff union members who lost wages due to not crossing lawful picket lines as a result of the BC Teachers Federation strike or BCPSEA lockout which indicates members shall be compensated for any lost wages. The payment of lost wages is contingent on the ratification of the collective agreements no later than November 30, 2014. As of June 30, 2014, the estimate for the Employee Support Grant is approximately \$67,000. This amount has been accrued and included in Accounts Payable and Accrued Liabilities – Other.

Note 19 Risk Management

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

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

a) **Credit risk:**

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2014

Note 19 Risk Management *(Continued)*

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, 2014

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2014 Actual	2013 Actual
	\$	\$	\$	\$	(Recast - Note 9 a) \$
Accumulated Surplus (Deficit), beginning of year					
Prior Period Adjustments	1,606,890		3,525,510	5,132,400	4,881,640
Accumulated Surplus (Deficit), beginning of year, as restated	<u>1,606,890</u>	<u>-</u>	<u>3,525,510</u>	<u>5,132,400</u>	<u>(3,122)</u>
Changes for the year					
Surplus (Deficit) for the year	318,714	41,529	(154,386)	205,857	253,882
Interfund Transfers	(62,215)	(41,529)	103,744	-	-
Tangible Capital Assets Purchased	<u>256,499</u>	<u>-</u>	<u>(50,642)</u>	<u>205,857</u>	<u>253,882</u>
Net Changes for the year	<u>1,863,389</u>	<u>-</u>	<u>3,474,868</u>	<u>5,338,257</u>	<u>5,132,400</u>
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 10 (Arrow Lakes)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 9 a)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	7,289,885	7,173,866	7,475,434
Tuition	24,000	24,000	
Other Revenue	22,520	32,075	24,860
Rentals and Leases	2,000	1,150	328
Investment Income	30,000	47,038	24,468
Total Revenue	7,368,405	7,278,129	7,525,090
Expenses			
Instruction	5,502,576	4,929,108	5,119,760
District Administration	667,260	612,364	727,315
Operations and Maintenance	1,062,229	1,062,022	953,740
Transportation and Housing	383,464	355,921	394,895
Total Expense	7,615,529	6,959,415	7,195,710
Operating Surplus (Deficit) for the year	(247,124)	318,714	329,380
Budgeted Appropriation (Retirement) of Surplus (Deficit)	347,124		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(100,000)	(62,215)	(196,830)
Total Net Transfers	(100,000)	(62,215)	(196,830)
Total Operating Surplus (Deficit), for the year:	-	256,499	132,550
Operating Surplus (Deficit), beginning of year		1,606,890	1,477,462
Prior Period Adjustments			
April - June 2012 EFB Expense Restatement			(3,122)
Operating Surplus (Deficit), beginning of year, as restated		1,606,890	1,474,340
Operating Surplus (Deficit), end of year		1,863,389	1,606,890
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 16)		1,863,389	1,606,890
Total Operating Surplus (Deficit), end of year		1,863,389	1,606,890

School District No. 10 (Arrow Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 9 a)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	7,241,977	7,111,749	7,408,930
Other Ministry of Education Grants			
Pay Equity	40,560	40,560	40,560
FSA	4,348	4,348	4,348
Carbon Tax		10,202	9,436
Education Guarantee		2,077	830
Innovations Cross			11,330
Growing Innovations	3,000		
OLEP French Program Funding		4,930	
Total Provincial Grants - Ministry of Education	<u>7,289,885</u>	<u>7,173,866</u>	<u>7,475,434</u>
Tuition			
Offshore Tuition Fees	24,000	24,000	
Total Tuition	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Other Revenues			
Miscellaneous			
ArtStart Grants	20,020	18,375	3,900
Donations		10,700	8,845
Miscellaneous	2,500	3,000	12,115
Total Other Revenue	<u>22,520</u>	<u>32,075</u>	<u>24,860</u>
Rentals and Leases	<u>2,000</u>	<u>1,150</u>	<u>328</u>
Investment Income	<u>30,000</u>	<u>47,038</u>	<u>24,468</u>
Total Operating Revenue	<u>7,368,405</u>	<u>7,278,129</u>	<u>7,525,090</u>

School District No. 10 (Arrow Lakes)

Schedule of Operating Expense by Object
Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 9 a)
Salaries	\$	\$	\$
Teachers	2,419,827	2,260,931	2,537,296
Principals and Vice Principals	591,802	559,258	482,926
Educational Assistants	361,516	348,373	272,165
Support Staff	797,408	741,487	755,972
Other Professionals	307,500	293,248	305,092
Substitutes	273,800	280,964	314,969
Total Salaries	4,751,853	4,484,261	4,668,420
Employee Benefits	1,276,505	1,102,952	1,080,594
Total Salaries and Benefits	6,028,358	5,587,213	5,749,014
Services and Supplies			
Services	475,626	433,963	566,463
Student Transportation	4,000	2,396	3,604
Professional Development and Travel	227,717	155,543	170,437
Rentals and Leases	350	277	325
Dues and Fees	10,480	14,583	8,480
Insurance	40,500	12,053	38,190
Supplies	606,498	496,944	459,122
Utilities	222,000	256,443	200,075
Total Services and Supplies	1,587,171	1,372,202	1,446,696
Total Operating Expense	7,615,529	6,959,415	7,195,710

School District No. 10 (Arrow Lakes)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

Schedule 2C (Unaudited)

	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	2,002,896	292,883		89,752	23,249	191,461	2,600,241
1.03 Career Programs							
1.07 Library Services				39,138			
1.08 Counselling	31,930						39,138
1.10 Special Education	204,325	14,497	348,373				31,930
1.31 Aboriginal Education	21,780	5,436					567,195
1.41 School Administration		214,729		86,461		771	27,216
1.64 Other							301,961
Total Function 1	2,260,931	527,545	348,373	215,351	23,249	192,232	3,567,681
4 District Administration							
4.11 Educational Administration		31,713			148,651	17,154	197,518
4.40 School District Governance					41,547		41,547
4.41 Business Administration					10,422	10,917	21,339
Total Function 4	-	31,713	-	-	200,620	28,071	260,404
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					68,362	2,339	70,701
5.50 Maintenance Operations				314,082		38,586	352,668
5.52 Maintenance of Grounds				17,705			17,705
5.56 Utilities							
Total Function 5	-	-	-	331,787	68,362	40,925	441,074
7 Transportation and Housing							
7.41 Transportation and Housing Administration					1,017	780	1,797
7.70 Student Transportation				194,349		18,956	213,305
Total Function 7	-	-	-	194,349	1,017	19,736	215,102
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	2,260,931	559,258	348,373	741,487	293,248	280,964	4,484,261

School District No. 10 (Arrow Lakes)

Operating Expense by Function, Program and Object

Year Ended June 30, 2014

Schedule 2C (Unaudited)

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2014 Actual \$	2014 Budget \$	2013 Actual \$ (Recast - Note 9 a)
1 Instruction							
1.02 Regular Instruction	2,600,241	672,192	3,272,433	246,569	3,519,002	3,954,315	3,752,281
1.03 Career Programs	-	-	-	-	-	-	7,876
1.07 Library Services	39,138	7,766	46,904	9,932	56,836	65,678	63,342
1.08 Counselling	31,930	9,531	41,461	985	42,446	48,731	67,219
1.10 Special Education	567,195	133,358	700,553	109,750	810,303	915,833	687,220
1.31 Aboriginal Education	27,216	8,292	35,508	50,331	85,839	85,840	79,080
1.41 School Administration	301,961	76,147	378,108	18,003	396,111	411,274	450,861
1.64 Other	-	-	-	18,571	18,571	20,905	11,881
Total Function 1	3,567,681	907,286	4,474,967	454,141	4,929,108	5,502,576	5,119,760
4 District Administration							
4.11 Educational Administration	197,518	43,671	241,189	17,868	259,057	283,760	267,744
4.40 School District Governance	41,547	522	42,069	39,796	81,865	83,650	76,041
4.41 Business Administration	21,339	4,414	25,753	245,689	271,442	299,850	383,530
Total Function 4	260,404	48,607	309,011	303,353	612,364	667,260	727,315
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	70,701	15,488	86,189	16,112	102,301	108,350	91,679
5.50 Maintenance Operations	352,668	83,152	435,820	226,276	662,096	690,242	629,600
5.52 Maintenance of Grounds	17,705	4,894	22,599	18,583	41,182	41,637	32,386
5.56 Utilities	-	-	-	256,443	256,443	222,000	200,075
Total Function 5	441,074	103,534	544,608	517,414	1,062,022	1,062,229	953,740
7 Transportation and Housing							
7.41 Transportation and Housing Administration	1,797	300	2,097	-	2,097	1,750	1,591
7.70 Student Transportation	213,305	43,225	256,530	97,294	353,824	381,714	393,304
Total Function 7	215,102	43,525	258,627	97,294	355,921	383,464	394,895
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	4,484,261	1,102,952	5,587,213	1,372,202	6,959,415	7,615,529	7,195,710

School District No. 10 (Arrow Lakes)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 9 a)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	346,722	335,893	363,644
Other Revenue	200,000	216,216	166,122
Investment Income		159	253
Total Revenue	<u>546,722</u>	<u>552,268</u>	<u>530,019</u>
Expenses			
Instruction	503,750	510,739	470,436
Total Expense	<u>503,750</u>	<u>510,739</u>	<u>470,436</u>
Special Purpose Surplus (Deficit) for the year	<u>42,972</u>	<u>41,529</u>	<u>59,583</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(42,972)	(41,529)	(59,583)
Total Net Transfers	<u>(42,972)</u>	<u>(41,529)</u>	<u>(59,583)</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, 2014

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	Community- LINK	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	24,642		2,101	159,403	56,325			242,471
Add: Restricted Grants								
Provincial Grants - Ministry of Education	18,330	93,254	781		96,000	12,250	104,695	325,310
Other	159			198,489				198,489
Less: Allocated to Revenue	18,489	93,254	781	198,489	96,000	12,250	104,695	525,958
Deferred Revenue, end of year	41,529	85,725	2,882	216,216	97,870	3,351	104,695	552,268
	1,602	7,529	-	141,676	54,455	8,899	-	214,161
Revenues								
Provincial Grants - Ministry of Education	41,370	85,725	2,882		97,870	3,351	104,695	335,893
Other Revenue				216,216				216,216
Investment Income	159							159
Expenses								
Salaries	41,529	85,725	2,882	216,216	97,870	3,351	104,695	552,268
Teachers		51,895					21,399	73,294
Educational Assistants		10,157			54,467		51,637	116,261
Employee Benefits	-	62,052	-	-	54,467	-	73,036	189,555
Services and Supplies		12,617			19,118		22,069	53,804
		11,056	2,882	216,216	24,285	3,351	9,590	267,380
	-	85,725	2,882	216,216	97,870	3,351	104,695	510,739
Net Revenue (Expense) before Interfund Transfers	41,529	-	-	-	-	-	-	41,529
Interfund Transfers								
Tangible Capital Assets Purchased	(41,529)							(41,529)
	(41,529)	-	-	-	-	-	-	(41,529)
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2014

	2014 Budget	2014 Actual			2013 Actual (Recast - Note 9 a)
	\$	Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	\$
Revenues					
Provincial Grants					
Investment Income	1		1,621	1,621	1,205
Amortization of Deferred Capital Revenue	356,056	356,188		356,188	345,523
Total Revenue	<u>356,057</u>	<u>356,188</u>	<u>1,621</u>	<u>357,809</u>	<u>346,728</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	512,195	512,195		512,195	481,809
Total Expense	<u>512,195</u>	<u>512,195</u>	<u>-</u>	<u>512,195</u>	<u>481,809</u>
Capital Surplus (Deficit) for the year	<u>(156,138)</u>	<u>(156,007)</u>	<u>1,621</u>	<u>(154,386)</u>	<u>(135,081)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	142,972	103,744		103,744	256,413
Total Net Transfers	<u>142,972</u>	<u>103,744</u>	<u>-</u>	<u>103,744</u>	<u>256,413</u>
Total Capital Surplus (Deficit) for the year	<u>(13,166)</u>	<u>(52,263)</u>	<u>1,621</u>	<u>(50,642)</u>	<u>121,332</u>
Capital Surplus (Deficit), beginning of year		3,449,200	76,310	3,525,510	3,404,178
Capital Surplus (Deficit), end of year		<u>3,396,937</u>	<u>77,931</u>	<u>3,474,868</u>	<u>3,525,510</u>

School District No. 10 (Arrow Lakes)

Tangible Capital Assets

Year Ended June 30, 2014

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	362,514	15,745,753	330,318	1,275,588	11,337	164,896	17,890,406
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		235,638					235,638
Operating Fund			16,786	45,429			62,215
Special Purpose Funds		41,529					41,529
Decrease:							
Deemed Disposals		277,167	16,786	45,429	-	-	339,382
Cost, end of year							
Work in Progress, end of year				222,057		62,939	284,996
Cost and Work in Progress, end of year	362,514	16,022,920	347,104	1,098,960	11,337	101,957	17,944,792
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		8,908,809	84,683	609,830	4,534	69,416	9,677,272
Decrease:							
Deemed Disposals		316,358	33,032	127,559	2,267	32,979	512,195
Accumulated Amortization, end of year				222,057		62,939	284,996
		9,225,167	117,715	515,332	6,801	39,456	9,904,471
Tangible Capital Assets - Net	362,514	6,797,753	229,389	583,628	4,536	62,501	8,040,321

School District No. 10 (Arrow Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2014

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	4,908,891			4,908,891
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	235,638			235,638
	235,638	-	-	235,638
Decrease:				
Amortization of Deferred Capital Revenue	356,188			356,188
	356,188	-	-	356,188
Net Changes for the Year	(120,550)	-	-	(120,550)
Deferred Capital Revenue, end of year	4,788,341	-	-	4,788,341
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	4,788,341	-	-	4,788,341

School District No. 10 (Arrow Lakes)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2014

Schedule 4D (Unaudited)

	Bylaw Capital \$	MEd Restricted Capital \$	Other Provincial Capital \$	Land Capital \$	Other Capital \$	Total \$
Balance, beginning of year	5,285	251,959				257,244
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education Investment Income	235,702	5,354				235,702 5,354
Decrease:						
Transferred to DCR - Capital Additions	235,638	5,354	-	-	-	241,056
Net Changes for the Year	64	5,354	-	-	-	235,638 5,418
Balance, end of year	5,349	257,313	-	-	-	262,662