

Audited Financial Statements of

**School District No. 8 (Kootenay Lake)**

June 30, 2015

# School District No. 8 (Kootenay Lake)

June 30, 2015

## Table of Contents

Management Report .....	1
Independent Auditors' Report .....	2-3
Statement of Financial Position - Statement 1 .....	4
Statement of Operations - Statement 2 .....	5
Statement of Changes in Net Financial Assets (Debt) - Statement 4 .....	6
Statement of Cash Flows - Statement 5 .....	7
Notes to the Financial Statements .....	8-24
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 .....	25
Schedule of Operating Operations - Schedule 2 .....	26
Schedule 2A - Schedule of Operating Revenue by Source .....	27
Schedule 2B - Schedule of Operating Expense by Object .....	28
Schedule 2C - Operating Expense by Function, Program and Object .....	29
Schedule of Special Purpose Operations - Schedule 3 .....	31
Schedule 3A - Changes in Special Purpose Funds and Expense by Object .....	32
Schedule of Capital Operations - Schedule 4 .....	34
Schedule 4A - Tangible Capital Assets .....	35
Schedule 4C - Deferred Capital Revenue .....	36
Schedule 4D - Changes in Unspent Deferred Capital Revenue .....	37

# School District No. 8 (Kootenay Lake)

## MANAGEMENT REPORT

Version: 1020-9274-7292

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 8 (Kootenay Lake) 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. 8 (Kootenay Lake) (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', Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors' have full and free access to financial management of School District No. 8 (Kootenay Lake) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 8 (Kootenay Lake)

---

Signature of the Chairperson of the Board of Education	Date Signed
--	-------------

---

Signature of the Superintendent	Date Signed
---------------------------------	-------------

---

Signature of the Secretary Treasurer	Date Signed
--------------------------------------	-------------

# Independent auditors' report

**Grant Thornton LLP**  
200 - 1633 Ellis Street  
Kelowna, BC  
V1Y 2A8

T (250) 712-6800  
(800) 661-4244 (Toll Free)  
F (250) 712-6850  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Board of Education of  
School District No. 8 (Kootenay Lake) and the Ministry of Education:

We have audited the accompanying financial statements of School District No. 8 (Kootenay Lake), which comprise the statement of financial position as at June 30, 2015 and the statement of operations, statement of changes in net financial assets (debt) and statement of 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 the accounting requirements 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 the auditors' 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 District'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 District'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 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. 8 (Kootenay Lake) for the year ended June 30, 2015 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

**Emphasis of matter**

Without modifying our opinion, we draw attention to Note 3 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

**Other matters**

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subject to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Kelowna, Canada  
September 29, 2015

*Grant Thornton LLP*  
Chartered Accountants

# School District No. 8 (Kootenay Lake)

Statement 1

## Statement of Financial Position

As at June 30, 2015

	2015 Actual \$	2014 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 4)	8,817,274	9,501,722
Accounts Receivable		
Due from Province - Other	26,863	25,472
Other (Note 5)	488,905	583,083
Portfolio Investments	95,184	97,861
<b>Total Financial Assets</b>	<b>9,428,226</b>	<b>10,208,138</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	-	1,134,317
Other (Note 6)	3,446,609	2,974,453
Unearned Revenue (Note 7)	365,156	225,023
Deferred Revenue (Note 8)	2,445,313	2,536,713
Deferred Capital Revenue (Note 9)	50,264,634	51,348,157
Employee Future Benefits (Note 10)	900,862	898,013
<b>Total Liabilities</b>	<b>57,422,574</b>	<b>59,116,676</b>
<b>Net Financial Assets (Debt)</b>	<b>(47,994,348)</b>	<b>(48,908,538)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	72,832,871	73,862,150
Prepaid Expenses	127,041	27,482
<b>Total Non-Financial Assets</b>	<b>72,959,912</b>	<b>73,889,632</b>
<b>Accumulated Surplus (Deficit)</b>	<b>24,965,564</b>	<b>24,981,094</b>

Contractual Obligations and Contingencies (Note 15)

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. 8 (Kootenay Lake)

Statement 2

Statement of Operations  
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	49,316,851	<b>49,290,499</b>	48,475,891
Other	125,613	<b>126,049</b>	118,432
Tuition	1,233,600	<b>1,132,358</b>	1,211,844
Other Revenue	3,023,727	<b>2,809,311</b>	3,059,638
Rentals and Leases	164,049	<b>140,295</b>	152,908
Investment Income	47,258	<b>99,612</b>	58,877
Amortization of Deferred Capital Revenue	2,555,572	<b>2,565,492</b>	2,543,016
<b>Total Revenue</b>	<u>56,466,670</u>	<u><b>56,163,616</b></u>	<u>55,620,606</u>
<b>Expenses</b>			
Instruction	42,844,843	<b>41,734,117</b>	40,309,087
District Administration	2,012,357	<b>2,134,726</b>	2,289,026
Operations and Maintenance	10,004,242	<b>10,002,685</b>	10,367,872
Transportation and Housing	2,349,017	<b>2,307,618</b>	2,249,789
<b>Total Expense</b>	<u>57,210,459</u>	<u><b>56,179,146</b></u>	<u>55,215,774</u>
<b>Surplus (Deficit) for the year</b>	<u>(743,789)</u>	<u><b>(15,530)</b></u>	<u>404,832</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>24,981,094</b>	24,576,262
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>24,965,564</b></u></u>	<u>24,981,094</u>

# School District No. 8 (Kootenay Lake)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(743,789)</u>	<u>(15,530)</u>	<u>404,832</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(1,929,887)	(2,226,921)	(2,149,679)
Amortization of Tangible Capital Assets	3,250,462	3,256,200	3,248,779
<b>Total Effect of change in Tangible Capital Assets</b>	<u>1,320,575</u>	<u>1,029,279</u>	<u>1,099,100</u>
Acquisition of Prepaid Expenses	-	(110,484)	(10,925)
Use of Prepaid Expenses	-	10,925	151,337
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(99,559)</u>	<u>140,412</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>576,786</u>	<u>914,190</u>	<u>1,644,344</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>914,190</u>	<u>1,644,344</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(48,908,538)</u>	<u>(50,552,882)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u>(47,994,348)</u>	<u>(48,908,538)</u>



# School District No. 8 (Kootenay Lake)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2015

	2015 Actual \$	2014 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(15,530)	404,832
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	92,787	(70,369)
Prepaid Expenses	(99,559)	140,412
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(662,161)	346,581
Unearned Revenue	140,133	70,840
Deferred Revenue	(91,400)	(70,063)
Employee Future Benefits	2,849	(80,100)
Amortization of Tangible Capital Assets	3,256,200	3,248,779
Amortization of Deferred Capital Revenue	(2,565,492)	(2,543,016)
<b>Total Operating Transactions</b>	<u>57,827</u>	<u>1,447,896</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(2,226,921)	(2,149,679)
<b>Total Capital Transactions</b>	<u>(2,226,921)</u>	<u>(2,149,679)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	1,481,969	2,012,432
<b>Total Financing Transactions</b>	<u>1,481,969</u>	<u>2,012,432</u>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	2,677	(3,087)
<b>Total Investing Transactions</b>	<u>2,677</u>	<u>(3,087)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(684,448)</b>	<b>1,307,562</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>9,501,722</b>	<b>8,194,160</b>
<b>Cash and Cash Equivalents, end of year</b>	<u><b>8,817,274</b></u>	<u><b>9,501,722</b></u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	8,420,925	9,075,745
Cash Equivalents	396,349	425,977
	<u><b>8,817,274</b></u>	<u><b>9,501,722</b></u>

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on December 2, 1996, operates under the authority of the School Act of British Columbia as a corporation under the name of “The Board of Education of School District No. 8 (Kootenay Lake)”, and operates as “School District No. 8 (Kootenay Lake)”. A Board of Education (the “Board”) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the District, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 8 (Kootenay Lake) is exempt from federal and provincial income taxes.

**NOTE 2      ADOPTION OF NEW ACCOUNTING POLICY**

On July 1, 2014, the School District adopted PS 3260 *Liability for Contaminated Sites*. The standard was applied on a retroactive basis to July 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the School District.

**NOTE 3      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 3(f) and 3(l).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in Notes 3 (f) and 3 (l), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

- Year-ended June 30, 2014 – decrease in annual surplus by \$1,001,834
- June 30, 2014 – increase in accumulated surplus and decrease in deferred contributions by \$51,289,193
- Year-ended June 30, 2015 – decrease in annual surplus by \$1,083,934
- June 30, 2015 – increase in accumulated surplus and decrease in deferred contributions by \$50,205,259

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash balances and term deposits 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 mutual funds which are quoted in an active market and are reported at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in a Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal when applicable. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in a Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

e) Unearned Revenue

Unearned revenue includes revenue for services to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the services are provided.

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

**NOTE 3      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 3 (l).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 3 (a) for the impact of this policy on these financial statements.

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2016. The next valuation will be performed at March 31, 2016 for use at June 30, 2016. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School district and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

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

h) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

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

i) Tangible Capital Assets (continued)

- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

j) Prepaid Expenses

Prepaid licenses, membership, and insurance are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 19 – Internally Restricted Surplus).

l) 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.

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

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

l) Revenue Recognition (continued)

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 3 (a) for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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.

m) 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.

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

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

m) Expenditures (continued)

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.

n) 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. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

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.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in a 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. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

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

n) Financial Instruments (continued)

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.

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

o) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 3 (a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

**NOTE 4 CASH AND CASH EQUIVALENTS**

Included in cash and cash equivalents are funds in the amount of \$523,141 (2014 – \$616,328), restricted and paid out to teachers who contribute to and take part in the District’s self-funded summer saving plan.

**NOTE 5 ACCOUNTS RECEIVABLE – OTHER**

	2015	2014
GST recoverable	\$ 41,150	\$ 24,382
Invoices receivable	301,893	260,204
Other receivables	145,862	298,497
	\$ 488,905	\$ 583,083

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 6      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2015	2014
Trade payables and other	\$ 824,537	\$ 496,262
Salaries and benefits payable	1,597,215	1,445,911
Accrued vacation pay	501,716	415,952
Teacher 12 month pay accrual	523,141	616,328
	\$ 3,446,609	\$ 2,974,453

**NOTE 7      UNEARNED REVENUE**

	2015	2014
Balance, beginning of year	\$ 225,023	\$ 154,183
Changes for the year:		
International education tuition and homestay fees	140,133	70,840
	\$ 365,156	\$ 225,023

**NOTE 8      DEFERRED REVENUE**

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

	2015	2014
Balance, beginning of year	\$ 2,536,713	\$ 2,606,776
Add: Restricted grants	4,290,615	4,022,596
Less: Allocated to revenue	(4,382,015)	(4,080,296)
Less: Recovered due to teacher strike	-	(12,363)
Balance, end of year	\$ 2,445,313	\$ 2,536,713

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 9 DEFERRED CAPITAL REVENUE**

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

	2015	2014
Balance, beginning of year	\$ 51,348,157	\$ 51,878,741
Add: Contributions received in the year	1,481,969	2,012,432
Less: Amortization of deferred capital revenue	(2,565,492)	(2,543,016)
Balance, end of year	\$ 50,264,634	\$ 51,348,157

**NOTE 10 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.

	<b>June 30, 2015</b>	<b>June 30, 2014</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 841,146	\$ 871,138
Service Cost	55,467	55,362
Interest Cost	27,784	26,319
Benefit Payments	(93,936)	(140,402)
Actuarial Loss	64,489	28,729
Accrued Benefit Obligation – March 31	\$ 894,950	\$ 841,146
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$ 894,950	\$ 841,146
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(894,950)	(841,146)
Employer Contributions After Measurement Date	8,667	32,703
Benefits Expense After Measurement Date	(20,743)	(20,813)
Unamortized Net Actuarial (Gain) Loss	6,164	(68,757)
Accrued Benefit Liability - June 30	\$ (900,862)	\$ (898,013)

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

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

**Reconciliation of Change in Accrued Benefit Liability**

Accrued Benefit Liability - July 1	\$ 898,013	\$ 978,113
Net Expense for Fiscal Year	72,749	68,180
Employer Contributions	(69,900)	(148,280)
Accrued Benefit Liability - June 30	\$ 900,862	\$ 898,013

**Components of Net Benefit Expense**

Service Cost	\$ 57,205	\$ 55,388
Interest Cost	25,976	26,685
Amortization of Net Actuarial (Gain) Loss	(10,432)	(13,893)
Net Benefit Expense	\$ 72,749	\$ 68,180

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

	2015	2014
Discount Rate – April 1	3.25%	3.00%
Discount Rate – March 31	2.25%	3.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	8.3	8.3

**NOTE 11 TANGIBLE CAPITAL ASSETS**

	2015	2014
<b>Net Book Value</b>		
Sites	\$ 9,057,596	\$ 9,057,596
Buildings	59,982,283	61,096,573
Vehicles	2,858,227	2,702,732
Furniture and equipment	611,642	722,723
Computer hardware	236,834	154,405
Computer software	86,289	128,121
<b>Total</b>	\$ 72,832,871	\$ 73,862,150

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)**

	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
<b>Cost</b>				
Sites	\$ 9,057,596	\$ -	\$ -	\$ 9,057,596
Buildings	121,885,499	1,431,078	-	123,316,577
Vehicles	4,640,837	619,583	-	5,260,420
Furniture and equipment	1,352,086	24,123	(1,728)	1,374,481
Computer hardware	348,535	152,137	(57,132)	443,540
Computer software	209,167	-	(36,516)	172,651
<b>Total</b>	<b>\$ 137,493,720</b>	<b>\$ 2,226,921</b>	<b>\$ (95,376)</b>	<b>\$ 139,625,265</b>

<b>Accumulated Amortization</b>	Balance at July 1, 2014	Additions	Disposals	Balance at June 30, 2015
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	60,788,926	2,545,368	-	63,334,294
Vehicles	1,938,105	464,088	-	2,402,193
Furniture and equipment	629,363	135,204	(1,728)	762,839
Computer hardware	194,130	69,708	(57,132)	206,706
Computer software	81,046	41,832	(36,516)	86,362
<b>Total</b>	<b>\$ 63,631,570</b>	<b>\$ 3,256,200</b>	<b>\$ (95,376)</b>	<b>\$ 66,792,394</b>

<b>Cost</b>	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Sites	\$ 9,057,596	\$ -	\$ -	\$ 9,057,596
Buildings	120,419,979	1,465,520	-	121,885,499
Vehicles	4,301,942	545,473	(206,578)	4,640,837
Furniture and equipment	1,438,006	107,994	(193,914)	1,352,086
Computer hardware	528,284	-	(179,749)	348,535
Computer software	211,529	30,692	(33,054)	209,167
<b>Total</b>	<b>\$ 135,957,336</b>	<b>\$ 2,149,679</b>	<b>\$ (613,295)</b>	<b>\$ 137,493,720</b>

<b>Accumulated Amortization</b>	Balance at July 1, 2013	Additions	Disposals	Balance at June 30, 2014
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	58,262,105	2,526,821	-	60,788,926
Vehicles	1,714,489	430,194	(206,578)	1,938,105
Furniture and equipment	679,476	143,801	(193,914)	629,363
Computer hardware	268,222	105,657	(179,749)	194,130
Computer software	71,794	42,306	(33,054)	81,046
<b>Total</b>	<b>\$ 60,996,086</b>	<b>\$ 3,248,779</b>	<b>\$ (613,295)</b>	<b>\$ 63,631,570</b>

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

**NOTE 12      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans.

Basic pension benefits provided are based on a formula. As at December 31, 2013, the Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 33,000 retired members from school districts. As at December 31, 2013, the Municipal Pension Plan has about 182,000 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. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate 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 School District paid \$4,552,372 (2014 - \$4,383,600) for employer contributions to these plans in the year ended June 30, 2015.

**NOTE 13      INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2015, were as follows:

- Tangible capital assets purchased from special purpose funds - \$164,225 (2014 - \$58,499)
- Tangible capital assets purchased from operating funds - \$581,138 (2014 - \$549,998)

**NOTE 14      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. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 15 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES**

The School District has entered into a number of multiple-year contracts for office equipment. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2016	2017	2018	2019	2020
Future operating lease payments	\$ 92,337	\$ 92,337	\$ 92,337	\$ 92,337	\$12,941

The School District is involved in certain legal actions. Some of these legal actions are managed and covered by the School District, School's Protection Program. The outcome of these matters cannot be determined at this time. In the event that any claims are successful, it is management's opinion that the settlements of such claims would not have a material effect on the financial position of the School District. The resulting loss on the School District, if any, will be recorded in the period in which it is determinable.

**NOTE 16 BUDGET FIGURES**

Budget figures included in the financial statements are the original planned budget approved by the Board through the adoption of an annual budget on April 22, 2014. While PSAS require the presentation of the originally planned budget, an amended budget based on more accurate enrollment numbers was approved by the Board and filed with the Ministry of Education on February 24, 2015. Significant changes between the original and amended budget are as follows:

	Original Budget	Amended Budget	Change
<b>Revenue</b>			
Provincial Grants MOE	\$ 49,442,464	\$ 49,183,018	\$ (259,446)
Amortization of deferred capital revenue	2,555,572	2,532,816	(22,756)
Other	4,468,634	4,726,555	257,921
	<u>\$ 56,466,670</u>	<u>\$ 56,442,389</u>	<u>\$ (24,281)</u>
<b>Expenses</b>			
Instruction	\$ 42,844,843	\$ 43,793,647	\$ 948,804
District Administration	2,012,357	2,158,311	145,954
Operations and Maintenance	6,753,780	7,015,478	261,698
Transportation and Housing	2,349,017	2,370,965	21,948
Amortization of tangible capital assets	3,250,462	3,256,200	5,738
	<u>\$ 57,210,459</u>	<u>\$ 58,594,601</u>	<u>\$ 1,384,142</u>

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 17 ASSET RETIREMENT OBLIGATION**

Legal liabilities may exist for the removal or 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 if a reasonable estimate of fair value can be made. As at June 30, 2015 the liability is not reasonably determinable.

**NOTE 18 EXPENSE BY OBJECT**

	2015	2014
Salaries and benefits	\$ 42,895,365	\$ 41,689,467
Services and supplies	10,027,581	10,277,528
Amortization of tangible capital assets	3,256,200	3,248,779
	\$ 56,179,146	\$ 55,215,774

**NOTE 19 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

	2015	2014
Internally restricted (appropriated) by Board for:		
Schools and other programs	\$ 132,505	\$ 382,785
Aboriginal Education	195,823	143,248
Technology: Evergreen	-	100,000
Technology: Laserfiche	-	56,500
International program	76,000	76,000
Contractual Pro-D	96,856	103,510
Staffing	745,200	428,547
My Education Implementation	41,039	100,000
Early Learning Supplement	-	10,000
Innovative & Independent Learning Pro-D	-	14,500
Equipment	-	23,000
2014/2015 Budget	-	400,000
2015/2016 Budget	400,000	-
Third Party Review of Programs	-	25,000
Board Public Consultation Processes	-	10,000
Technology: Next Generation Network	115,482	-
Subtotal internally restricted	1,802,905	1,873,090
District reserve	500,000	500,000
Unrestricted operating surplus	-	-
Total available for future operations	\$ 2,302,905	\$ 2,373,090



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

**NOTE 20      ECONOMIC DEPENDENCE**

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

**NOTE 21      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 and cash equivalents, accounts receivable and portfolio investments.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated through application of stringent credit policies.

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 and mutual funds.

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, and mutual funds.

**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

---

**NOTE 21    RISK MANAGEMENT** *(Continued)*

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

# School District No. 8 (Kootenay Lake)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2015 Actual	2014 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	2,373,090		22,608,004	<b>24,981,094</b>	24,576,262
<b>Changes for the year</b>					
Surplus (Deficit) for the year	510,953	164,225	(690,708)	<b>(15,530)</b>	404,832
Interfund Transfers					
Tangible Capital Assets Purchased	(581,138)	(164,225)	745,363	-	
<b>Net Changes for the year</b>	<b>(70,185)</b>	-	<b>54,655</b>	<b>(15,530)</b>	<b>404,832</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>2,302,905</b>	-	<b>22,662,659</b>	<b>24,965,564</b>	24,981,094

# School District No. 8 (Kootenay Lake)

Schedule of Operating Operations  
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	47,470,731	<b>47,216,690</b>	46,942,537
Other	125,613	<b>126,049</b>	118,432
Tuition	1,233,600	<b>1,132,358</b>	1,211,844
Other Revenue	453,727	<b>501,105</b>	512,696
Rentals and Leases	164,049	<b>140,295</b>	152,908
Investment Income	46,258	<b>99,612</b>	58,877
<b>Total Revenue</b>	<u>49,493,978</u>	<u><b>49,216,109</b></u>	<u>48,997,294</u>
<b>Expenses</b>			
Instruction	38,664,524	<b>37,662,560</b>	36,447,554
District Administration	1,971,657	<b>2,025,926</b>	2,158,885
Operations and Maintenance	6,708,780	<b>6,709,052</b>	7,088,970
Transportation and Housing	2,349,017	<b>2,307,618</b>	2,249,789
<b>Total Expense</b>	<u>49,693,978</u>	<u><b>48,705,156</b></u>	<u>47,945,198</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(200,000)</u>	<u><b>510,953</b></u>	<u>1,052,096</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>400,000</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(200,000)	<b>(581,138)</b>	(549,998)
<b>Total Net Transfers</b>	<u>(200,000)</u>	<u><b>(581,138)</b></u>	<u>(549,998)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u><b>(70,185)</b></u>	<u>502,098</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>2,373,090</b>	1,870,992
<b>Operating Surplus (Deficit), end of year</b>		<u><b>2,302,905</b></u>	<u>2,373,090</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>2,302,905</b>	2,373,090
<b>Total Operating Surplus (Deficit), end of year</b>		<u><b>2,302,905</b></u>	<u>2,373,090</u>

# School District No. 8 (Kootenay Lake)

Schedule 2A

Schedule of Operating Revenue by Source  
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	47,260,703	<b>47,698,548</b>	48,090,045
AANDC/LEA Recovery	(251,664)	<b>(214,258)</b>	(254,070)
Strike Savings Recovery	-	<b>(1,534,337)</b>	(1,134,317)
Other Ministry of Education Grants			
Labour Settlement Funding	-	<b>754,070</b>	
Pay Equity	300,996	<b>300,996</b>	300,996
Funding for Graduated Adults	76,000	<b>120,716</b>	95,660
Audit Recovery	-	-	(250,000)
FSA	8,696	<b>8,696</b>	8,696
Carbon Reimbursement	76,000	<b>82,259</b>	85,527
<b>Total Provincial Grants - Ministry of Education</b>	<b>47,470,731</b>	<b>47,216,690</b>	46,942,537
<b>Provincial Grants - Other</b>	<b>125,613</b>	<b>126,049</b>	118,432
<b>Tuition</b>			
Offshore Tuition Fees	1,233,600	<b>1,091,058</b>	1,211,844
Correspondence Course Fees	-	<b>41,300</b>	-
<b>Total Tuition</b>	<b>1,233,600</b>	<b>1,132,358</b>	1,211,844
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	251,664	<b>214,258</b>	254,070
Miscellaneous			
Cultural Grant	10,500	<b>11,230</b>	11,125
Private School Bussing Fees	43,000	<b>53,045</b>	47,005
Out of Catchment Bussing Fees	29,200	<b>43,925</b>	25,520
DASH BC After School Sports Grant	-	<b>50,000</b>	45,000
Industry Training Authority (ITA)	50,000	<b>77,300</b>	64,700
Miscellaneous	69,363	<b>51,347</b>	65,276
<b>Total Other Revenue</b>	<b>453,727</b>	<b>501,105</b>	512,696
<b>Rentals and Leases</b>	<b>164,049</b>	<b>140,295</b>	152,908
<b>Investment Income</b>	<b>46,258</b>	<b>99,612</b>	58,877
<b>Total Operating Revenue</b>	<b>49,493,978</b>	<b>49,216,109</b>	48,997,294

# School District No. 8 (Kootenay Lake)

Schedule 2B

Schedule of Operating Expense by Object  
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	18,568,137	<b>18,264,600</b>	17,938,921
Principals and Vice Principals	3,121,028	<b>2,929,926</b>	3,060,426
Educational Assistants	2,841,336	<b>2,839,243</b>	2,984,889
Support Staff	5,891,252	<b>5,944,435</b>	5,755,747
Other Professionals	1,193,632	<b>1,247,319</b>	1,210,431
Substitutes	1,525,078	<b>1,487,486</b>	1,362,179
<b>Total Salaries</b>	<b>33,140,463</b>	<b>32,713,009</b>	<b>32,312,593</b>
<b>Employee Benefits</b>	8,950,865	<b>8,933,833</b>	8,575,135
<b>Total Salaries and Benefits</b>	<b>42,091,328</b>	<b>41,646,842</b>	<b>40,887,728</b>
<b>Services and Supplies</b>			
Services	805,699	<b>799,007</b>	843,752
Student Transportation	35,000	<b>27,435</b>	26,928
Professional Development and Travel	561,125	<b>903,494</b>	916,854
Rentals and Leases	166,002	<b>165,500</b>	192,969
Dues and Fees	57,672	<b>211,448</b>	186,624
Insurance	169,100	<b>156,917</b>	170,721
Interest	-	<b>362</b>	-
Supplies	4,375,052	<b>3,521,720</b>	3,292,274
Utilities	1,433,000	<b>1,272,431</b>	1,427,348
<b>Total Services and Supplies</b>	<b>7,602,650</b>	<b>7,058,314</b>	<b>7,057,470</b>
<b>Total Operating Expense</b>	<b>49,693,978</b>	<b>48,705,156</b>	<b>47,945,198</b>

# School District No. 8 (Kootenay Lake)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	15,270,637	687,063	123,910	231,185	-	925,680	17,238,475
1.03 Career Programs	45,480	2,559	-	-	-	2,974	51,013
1.07 Library Services	130,760	56,149	-	119,245	-	5,672	311,826
1.08 Counselling	470,427	54,967	-	-	-	-	525,394
1.10 Special Education	2,035,339	151,002	2,415,192	72,011	129,870	141,013	4,944,427
1.30 English Language Learning	11,849	-	6,228	-	-	-	18,077
1.31 Aboriginal Education	109,882	32,192	262,862	-	24,980	14,161	444,077
1.41 School Administration	-	1,849,242	-	1,007,022	-	55,094	2,911,358
1.62 Off Shore Students	190,226	92,018	31,051	51,460	-	923	365,678
1.64 Other	-	-	-	-	-	-	-
<b>Total Function 1</b>	<b>18,264,600</b>	<b>2,925,192</b>	<b>2,839,243</b>	<b>1,480,923</b>	<b>154,850</b>	<b>1,145,517</b>	<b>26,810,325</b>
<b>4 District Administration</b>							
4.11 Educational Administration	-	4,734	-	-	325,773	-	330,507
4.40 School District Governance	-	-	-	-	98,801	-	98,801
4.41 Business Administration	-	-	-	291,831	458,431	11,030	761,292
<b>Total Function 4</b>	<b>-</b>	<b>4,734</b>	<b>-</b>	<b>291,831</b>	<b>883,005</b>	<b>11,030</b>	<b>1,190,600</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	-	-	-	65,622	196,302	6,070	267,994
5.50 Maintenance Operations	-	-	-	2,812,895	-	168,521	2,981,416
5.52 Maintenance of Grounds	-	-	-	140,064	-	9,503	149,567
5.56 Utilities	-	-	-	-	-	-	-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,018,581</b>	<b>196,302</b>	<b>184,094</b>	<b>3,398,977</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	-	-	-	27,379	13,162	-	40,541
7.70 Student Transportation	-	-	-	1,125,721	-	146,845	1,272,566
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,153,100</b>	<b>13,162</b>	<b>146,845</b>	<b>1,313,107</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>18,264,600</b>	<b>2,929,926</b>	<b>2,839,243</b>	<b>5,944,435</b>	<b>1,247,319</b>	<b>1,487,486</b>	<b>32,713,009</b>

# School District No. 8 (Kootenay Lake)

Operating Expense by Function, Program and Object

Year Ended June 30, 2015

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2015 Actual	2015 Budget	2014 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	17,238,475	4,519,200	21,757,675	2,041,677	23,799,352	23,072,190	22,753,941
1.03 Career Programs	51,013	11,790	62,803	26,829	89,632	19,051	30,184
1.07 Library Services	311,826	84,361	396,187	48,355	444,542	453,232	441,744
1.08 Counselling	525,394	135,656	661,050	689	661,739	762,053	721,063
1.10 Special Education	4,944,427	1,499,107	6,443,534	326,743	6,770,277	6,966,144	6,451,852
1.30 English Language Learning	18,077	5,021	23,098	6,705	29,803	25,401	37,388
1.31 Aboriginal Education	444,077	129,035	573,112	201,799	774,911	692,237	886,898
1.41 School Administration	2,911,358	806,852	3,718,210	149,154	3,867,364	5,341,500	3,963,242
1.62 Off Shore Students	365,678	96,069	461,747	702,861	1,164,608	1,332,716	1,099,590
1.64 Other	-	-	-	60,332	60,332	-	61,652
<b>Total Function 1</b>	<b>26,810,325</b>	<b>7,287,091</b>	<b>34,097,416</b>	<b>3,565,144</b>	<b>37,662,560</b>	<b>38,664,524</b>	<b>36,447,554</b>
<b>4 District Administration</b>							
4.11 Educational Administration	330,507	67,511	398,018	95,748	493,766	493,566	599,216
4.40 School District Governance	98,801	1,529	100,330	128,597	228,927	238,943	188,551
4.41 Business Administration	761,292	182,818	944,110	359,123	1,303,233	1,239,148	1,371,118
<b>Total Function 4</b>	<b>1,190,600</b>	<b>251,858</b>	<b>1,442,458</b>	<b>583,468</b>	<b>2,025,926</b>	<b>1,971,657</b>	<b>2,158,885</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	267,994	53,463	321,457	231,269	552,726	512,318	589,145
5.50 Maintenance Operations	2,981,416	870,514	3,851,930	744,765	4,596,695	4,589,814	4,787,893
5.52 Maintenance of Grounds	149,567	54,761	204,328	82,872	287,200	245,954	284,583
5.56 Utilities	-	-	-	1,272,431	1,272,431	1,360,694	1,427,349
<b>Total Function 5</b>	<b>3,398,977</b>	<b>978,738</b>	<b>4,377,715</b>	<b>2,331,337</b>	<b>6,709,052</b>	<b>6,708,780</b>	<b>7,088,970</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	40,541	10,935	51,476	5,426	56,902	198,369	52,376
7.70 Student Transportation	1,272,566	405,211	1,677,777	572,939	2,250,716	2,150,648	2,197,413
<b>Total Function 7</b>	<b>1,313,107</b>	<b>416,146</b>	<b>1,729,253</b>	<b>578,365</b>	<b>2,307,618</b>	<b>2,349,017</b>	<b>2,249,789</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>32,713,009</b>	<b>8,933,833</b>	<b>41,646,842</b>	<b>7,058,314</b>	<b>48,705,156</b>	<b>49,693,978</b>	<b>47,945,198</b>



# School District No. 8 (Kootenay Lake)

Schedule of Special Purpose Operations  
Year Ended June 30, 2015

	2015 Budget	2015 Actual	2014 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	1,846,120	<b>2,073,809</b>	1,533,354
Other Revenue	2,570,000	<b>2,308,206</b>	2,546,942
<b>Total Revenue</b>	<u>4,416,120</u>	<u><b>4,382,015</b></u>	<u>4,080,296</u>
<b>Expenses</b>			
Instruction	4,180,319	<b>4,071,557</b>	3,861,533
District Administration	40,700	<b>108,800</b>	130,141
Operations and Maintenance	45,000	<b>37,433</b>	30,123
<b>Total Expense</b>	<u>4,266,019</u>	<u><b>4,217,790</b></u>	<u>4,021,797</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>150,101</u>	<u><b>164,225</b></u>	<u>58,499</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(150,101)	<b>(164,225)</b>	(58,499)
<b>Total Net Transfers</b>	<u>(150,101)</u>	<u><b>(164,225)</b></u>	<u>(58,499)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>	<u>-</u>	<u>-</u>	<u>-</u>

# School District No. 8 (Kootenay Lake)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community- LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	592	42,161	-	628,306	1,664,627	17,131	28,479	11,228	123,048
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	195,101	953,732	9,848	-	-	160,000	51,450	90,933	565,925
Other	-	-	-	17,463	2,149,469	-	-	-	-
Investment Income	-	-	-	7,451	-	-	-	-	-
	195,101	953,732	9,848	24,914	2,149,469	160,000	51,450	90,933	565,925
<b>Less:</b> Allocated to Revenue	195,101	995,893	1,766	32,145	2,217,001	148,739	41,867	88,429	602,014
<b>Deferred Revenue, end of year</b>	<b>592</b>	<b>-</b>	<b>8,082</b>	<b>621,075</b>	<b>1,597,095</b>	<b>28,392</b>	<b>38,062</b>	<b>13,732</b>	<b>86,959</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	195,101	995,893	1,766	-	-	148,739	41,867	88,429	602,014
Other Revenue	-	-	-	32,145	2,217,001	-	-	-	-
	195,101	995,893	1,766	32,145	2,217,001	148,739	41,867	88,429	602,014
<b>Expenses</b>									
Salaries									
Teachers	-	635,592	-	-	-	-	-	-	125
Principals and Vice Principals	-	-	-	-	-	526	-	13,550	-
Educational Assistants	-	146,333	-	-	-	-	-	22,300	123,565
Support Staff	-	2,596	-	-	-	4,976	-	-	303
Substitutes	-	259	-	-	-	-	-	216	18,192
	-	784,780	-	-	-	5,502	-	36,066	142,185
Employee Benefits		211,113				1,249		19,961	47,667
Services and Supplies	30,876	-	1,766	32,145	2,217,001	141,988	41,867	32,402	412,162
	30,876	995,893	1,766	32,145	2,217,001	148,739	41,867	88,429	602,014
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>164,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(164,225)	-	-	-	-	-	-	-	-
	(164,225)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2015

	Service Delivery Transformation	Festival Nelson	Donations	TOTAL
	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	8,336	12,805	2,536,713
<b>Add:</b> Restricted Grants				
Provincial Grants - Ministry of Education	30,183	-	-	2,057,172
Other	-	-	59,060	2,225,992
Investment Income	-	-	-	7,451
	<u>30,183</u>	<u>-</u>	<u>59,060</u>	<u>4,290,615</u>
<b>Less:</b> Allocated to Revenue	-	-	59,060	4,382,015
<b>Deferred Revenue, end of year</b>	<u><b>30,183</b></u>	<u><b>8,336</b></u>	<u><b>12,805</b></u>	<u><b>2,445,313</b></u>
<b>Revenues</b>				
Provincial Grants - Ministry of Education	-	-	-	2,073,809
Other Revenue	-	-	59,060	2,308,206
	<u>-</u>	<u>-</u>	<u>59,060</u>	<u>4,382,015</u>
<b>Expenses</b>				
Salaries				
Teachers	-	-	-	635,717
Principals and Vice Principals	-	-	-	14,076
Educational Assistants	-	-	-	292,198
Support Staff	-	-	-	7,875
Substitutes	-	-	-	18,667
	<u>-</u>	<u>-</u>	<u>-</u>	<u>968,533</u>
Employee Benefits				279,990
Services and Supplies	-	-	59,060	2,969,267
	<u>-</u>	<u>-</u>	<u>59,060</u>	<u>4,217,790</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,225</u>
<b>Interfund Transfers</b>				
Tangible Capital Assets Purchased	-	-	-	(164,225)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(164,225)</u>
<b>Net Revenue (Expense)</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

# School District No. 8 (Kootenay Lake)

## Schedule of Capital Operations

Year Ended June 30, 2015

	2015 Budget	2015 Actual			2014 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Investment Income	1,000		-	-	-
Amortization of Deferred Capital Revenue	2,555,572	2,565,492		2,565,492	2,543,016
<b>Total Revenue</b>	<u>2,556,572</u>	<u>2,565,492</u>	<u>-</u>	<u>2,565,492</u>	<u>2,543,016</u>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,250,462	3,256,200		3,256,200	3,248,779
<b>Total Expense</b>	<u>3,250,462</u>	<u>3,256,200</u>	<u>-</u>	<u>3,256,200</u>	<u>3,248,779</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(693,890)</u>	<u>(690,708)</u>	<u>-</u>	<u>(690,708)</u>	<u>(705,763)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	350,101	745,363		745,363	608,497
<b>Total Net Transfers</b>	<u>350,101</u>	<u>745,363</u>	<u>-</u>	<u>745,363</u>	<u>608,497</u>
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(343,789)</u>	<u>54,655</u>	<u>-</u>	<u>54,655</u>	<u>(97,266)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		<u>22,572,956</u>	<u>35,048</u>	<u>22,608,004</u>	<u>22,705,270</u>
<b>Capital Surplus (Deficit), end of year</b>		<u><u>22,627,611</u></u>	<u><u>35,048</u></u>	<u><u>22,662,659</u></u>	<u><u>22,608,004</u></u>

# School District No. 8 (Kootenay Lake)

Tangible Capital Assets  
Year Ended June 30, 2015

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	9,057,596	121,885,499	1,352,086	4,640,837	209,167	348,535	<b>137,493,720</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		899,196		582,362			<b>1,481,558</b>
Operating Fund		367,657	24,123	37,221		152,137	<b>581,138</b>
Special Purpose Funds		164,225					<b>164,225</b>
	-	1,431,078	24,123	619,583	-	152,137	<b>2,226,921</b>
Decrease:							
Deemed Disposals			1,728		36,516	57,132	<b>95,376</b>
	-	-	1,728	-	36,516	57,132	<b>95,376</b>
<b>Cost, end of year</b>	9,057,596	123,316,577	1,374,481	5,260,420	172,651	443,540	<b>139,625,265</b>
<b>Work in Progress, end of year</b>							-
<b>Cost and Work in Progress, end of year</b>	9,057,596	123,316,577	1,374,481	5,260,420	172,651	443,540	<b>139,625,265</b>
<b>Accumulated Amortization, beginning of year</b>		60,788,926	629,363	1,938,105	81,046	194,130	<b>63,631,570</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		2,545,368	135,204	464,088	41,832	69,708	<b>3,256,200</b>
Decrease:							
Deemed Disposals			1,728		36,516	57,132	<b>95,376</b>
			-	-	36,516	57,132	<b>95,376</b>
<b>Accumulated Amortization, end of year</b>		63,334,294	762,839	2,402,193	86,362	206,706	<b>66,792,394</b>
<b>Tangible Capital Assets - Net</b>	<b>9,057,596</b>	<b>59,982,283</b>	<b>611,642</b>	<b>2,858,227</b>	<b>86,289</b>	<b>236,834</b>	<b>72,832,871</b>

# School District No. 8 (Kootenay Lake)

Deferred Capital Revenue  
Year Ended June 30, 2015

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	50,463,247	489,572	336,374	51,289,193
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,481,558			1,481,558
	1,481,558	-	-	1,481,558
Decrease:				
Amortization of Deferred Capital Revenue	2,532,816	13,988	18,688	2,565,492
	2,532,816	13,988	18,688	2,565,492
<b>Net Changes for the Year</b>	(1,051,258)	(13,988)	(18,688)	(1,083,934)
<b>Deferred Capital Revenue, end of year</b>	49,411,989	475,584	317,686	50,205,259
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
<b>Net Changes for the Year</b>	-	-	-	-
<b>Work in Progress, end of year</b>	-	-	-	-
<b>Total Deferred Capital Revenue, end of year</b>	49,411,989	475,584	317,686	50,205,259

# School District No. 8 (Kootenay Lake)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2015

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$ 58,964	\$	\$	\$	\$	\$ 58,964
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	1,481,969					1,481,969
	1,481,969	-	-	-	-	1,481,969
Decrease:						
Transferred to DCR - Capital Additions	1,481,558					1,481,558
	1,481,558	-	-	-	-	1,481,558
<b>Net Changes for the Year</b>	411	-	-	-	-	411
<b>Balance, end of year</b>	59,375	-	-	-	-	59,375