

Audited Financial Statements of

School District No. 10 (Arrow Lakes)

June 30, 2017

School District No. 10 (Arrow Lakes)

June 30, 2017

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 9779-9033-7051

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 10 (Arrow Lakes) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 10 (Arrow Lakes) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 10 (Arrow Lakes) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

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

Signature of the Chairperson of the Board of Education

Date Signed

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, 2017, the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of School District No. 10 (Arrow Lakes) as at and for the year ended June 30, 2017 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.



Chartered Professional Accountants

September 12, 2017

Kelowna, Canada

School District No. 10 (Arrow Lakes)

Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	1,304,027	859,101
Accounts Receivable		
Due from Province - Ministry of Education	11,276	21,503
Other (Note 3)	106,375	142,330
Portfolio Investments (Note 4)	1,914,814	2,125,733
Total Financial Assets	3,336,492	3,148,667
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	712,213	704,821
Unearned Revenue (Note 6)	-	72,510
Deferred Revenue (Note 7)	248,323	234,832
Deferred Capital Revenue (Note 8)	6,610,949	5,833,701
Employee Future Benefits (Note 9)	167,983	176,612
Total Liabilities	7,739,468	7,022,476
Net Financial Assets (Debt)	(4,402,976)	(3,873,809)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	9,224,932	8,660,355
Prepaid Expenses	49,745	47,007
Total Non-Financial Assets	9,274,677	8,707,362
Accumulated Surplus (Deficit) (Note 16)	4,871,701	4,833,553

Contractual Obligations and Contingencies (Note 14)

Approved by the Board

Signature of the Chairperson of the Board of Education_____
Date Signed_____
Signature of the Superintendent_____
Date Signed_____
Signature of the Secretary Treasurer_____
Date Signed

School District No. 10 (Arrow Lakes)

Statement of Operations
Year Ended June 30, 2017

	2017 Budget (Note 13) \$	2017 Actual \$	2016 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	7,477,007	7,756,515	7,764,604
Other		19,500	
Tuition	62,500	25,500	63,800
Other Revenue	207,430	271,344	236,154
Rentals and Leases	6,000	4,694	4,221
Investment Income	52,000	43,160	52,276
Amortization of Deferred Capital Revenue	331,343	372,217	341,146
Total Revenue	8,136,280	8,492,930	8,462,201
Expenses (Note 15)			
Instruction	6,125,220	5,709,738	6,201,879
District Administration	778,384	693,330	679,622
Operations and Maintenance	1,693,804	1,551,580	1,590,172
Transportation and Housing	336,300	500,134	365,451
Total Expense	8,933,708	8,454,782	8,837,124
Surplus (Deficit) for the year	(797,428)	38,148	(374,923)
Accumulated Surplus (Deficit) from Operations, beginning of year		4,833,553	5,208,476
Accumulated Surplus (Deficit) from Operations, end of year		4,871,701	4,833,553

School District No. 10 (Arrow Lakes)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(797,428)</u>	<u>38,148</u>	<u>(374,923)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(51,822)	(1,101,386)	(1,234,586)
Amortization of Tangible Capital Assets	538,322	536,809	489,103
Total Effect of change in Tangible Capital Assets	<u>486,500</u>	<u>(564,577)</u>	<u>(745,483)</u>
Acquisition of Prepaid Expenses		(2,738)	(3,360)
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(2,738)</u>	<u>(3,360)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(310,928)</u>	<u>(529,167)</u>	<u>(1,123,766)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(529,167)</u>	<u>(1,123,766)</u>
Net Financial Assets (Debt), beginning of year		<u>(3,873,809)</u>	<u>(2,750,043)</u>
Net Financial Assets (Debt), end of year		<u>(4,402,976)</u>	<u>(3,873,809)</u>

School District No. 10 (Arrow Lakes)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	38,148	(374,923)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	46,182	(59,964)
Prepaid Expenses	(2,738)	(3,360)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	7,392	20,206
Unearned Revenue	(72,510)	59,510
Deferred Revenue	13,491	(14,962)
Employee Future Benefits	(8,629)	11,006
Amortization of Tangible Capital Assets	536,809	489,103
Amortization of Deferred Capital Revenue	(372,217)	(341,146)
Total Operating Transactions	185,928	(214,530)
Capital Transactions		
Tangible Capital Assets Purchased	(1,101,386)	(1,234,586)
Total Capital Transactions	(1,101,386)	(1,234,586)
Financing Transactions		
Capital Revenue Received	1,149,465	1,161,640
Total Financing Transactions	1,149,465	1,161,640
Investing Transactions		
Investments in Portfolio Investments	210,919	(48,696)
Total Investing Transactions	210,919	(48,696)
Net Increase (Decrease) in Cash and Cash Equivalents	444,926	(336,172)
Cash and Cash Equivalents, beginning of year	859,101	1,195,273
Cash and Cash Equivalents, end of year	1,304,027	859,101
Cash and Cash Equivalents, end of year, is made up of:		
Cash	1,304,027	859,101
	1,304,027	859,101
Supplementary Cash Flow Information		

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2017

Note 1 Authority and Purpose

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 10 (Arrow Lakes)", and operates as "School District No. 10 (Arrow Lakes)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 10 (Arrow Lakes) is exempt from federal and provincial corporate income taxes.

Note 2 Summary of Significant Accounting Policies

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

a) Basis of Accounting

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

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, 2017

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) Basis of Presentation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated. The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements. The School District does not administer any trust activities on behalf of external parties.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

d) 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, 2017

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

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in Regulation 198/2011 issued by the Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (i).

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.

f) 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, 2016 and projected to June 30, 2017. The next valuation will be performed at March 31, 2019. 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, 2017

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

g) 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 tangible capital assets from related parties are recorded at carrying value. Buildings that are demolished or destroyed are written-off.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.

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, 2017

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

h) 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.

i) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

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

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

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

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

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2017

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

j) 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, 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, 2017

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

k) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, and accounts payable and accrued liabilities. Portfolio investments include GICs, term deposits and bonds that have a maturity of greater than 3 months at the time of acquisition.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. Interest and dividends attributable to financial instruments are reported in the statement of operations. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

For financial instruments recorded at fair value, unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. For the year ended June 30, 2017 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.

l) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2017

Note 3 Accounts Receivable – Other Receivables

	2017	2016
Due from Federal Government	\$ 37,517	\$ 50,859
Other	68,858	91,471
	<u>\$ 106,375</u>	<u>\$ 142,330</u>

Note 4 Portfolio Investments

	2017	2016
Investments in the cost and amortized cost category:		
Term deposits, interest at 1.6% to 2.0%	<u>\$ 1,914,814</u>	<u>\$ 2,125,733</u>

Note 5 Accounts Payable and Accrued Liabilities - Other

	2017	2016
Trade payables	\$ 176,778	\$ 138,903
Salaries and benefits payable	434,307	474,586
Accrued vacation pay	101,128	91,332
	<u>\$ 712,213</u>	<u>\$ 704,821</u>

Note 6 Unearned Revenue

	2017	2016
Balance, beginning of year	\$ 72,510	\$ 13,000
Increase: International student fees	18,494	135,978
Increase: Unearned revenue for services	-	11,532
Decrease: International student fees	(79,472)	(88,000)
Decrease: Unearned revenue for services	(11,532)	-
	<u>\$ -</u>	<u>\$ 72,510</u>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2017

Note 7 **Deferred Revenue**

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

Note 8 **Deferred Capital Revenue**

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

Note 9 **Employee Future Benefits**

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	2017	2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 122,580	\$ 193,192
Service Cost	9,314	15,851
Interest Cost	3,104	4,525
Benefit Payments	(16,533)	(14,444)
Increase in obligation due to Plan Amendment	-	1,709
Actuarial Loss (Gain)	(888)	(78,253)
	<hr/>	<hr/>
Accrued Benefit Obligation – March 31	\$ 117,577	\$ 122,580
	<hr/>	<hr/>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ (117,577)	\$ (122,580)
Employer Contributions After Measurement Date	-	-
Benefits Expense After Measurement Date	(3,142)	(3,104)
Unamortized Net Actuarial Loss (Gain)	(47,264)	(50,928)
	<hr/>	<hr/>
Accrued Benefit Asset (Liability) – June 30	\$ (167,983)	\$ (176,612)
	<hr/>	<hr/>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2017

Note 9 **Employee Future Benefits** *(Continued)*

	2017	2016
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 176,612	\$ 165,606
Net expense for Fiscal Year	7,904	25,450
Employer Contributions	(16,533)	(14,444)
	\$ 167,983	\$ 176,612
 Components of Net Benefit Expense		
Service Cost	\$ 9,309	\$ 14,217
Interest Cost	3,146	4,170
Immediate Recognition of Plan Amendment	-	1,709
Amortization of Net Actuarial (Gain)/Loss	(4,551)	5,354
	\$ 7,904	\$ 25,450

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

Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
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	7.9 years	7.9 years

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2017

Note 10 Tangible Capital Assets

Net Book Value:

	Net Book Value 2017	Net Book Value 2016
Sites	\$ 362,514	\$ 362,514
Buildings	7,879,621	7,322,893
Furniture & Equipment	228,643	239,381
Vehicles	666,840	634,158
Computer Hardware	87,314	101,409
Total	\$ 9,224,932	\$ 8,660,355

June 30, 2017

	Opening Cost	Additions	Disposals	Total 2017
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	17,194,013	900,214	-	18,094,227
Furniture & Equipment	382,034	27,465	24,491	385,008
Vehicles	1,222,259	154,908	20,137	1,357,030
Computer Hardware	164,470	18,799	40,474	142,795
Total	\$19,325,290	\$ 1,101,386	\$ 85,102	\$20,341,574

	Opening Accumulated Amortization	Additions	Disposals	Total 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	9,871,120	343,486	-	10,214,606
Furniture & Equipment	142,653	38,203	24,491	156,365
Vehicles	588,101	122,226	20,137	690,190
Computer Hardware	63,061	32,894	40,474	55,481
Total	\$ 10,664,935	\$536,809	\$ 85,102	\$11,116,642

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2017

Note 10 Tangible Capital Assets (Continued)

June 30, 2016

	Opening Cost	Additions	Disposals	Total 2016
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	16,361,199	832,814	-	17,194,013
Furniture & Equipment	311,628	75,865	5,459	382,034
Vehicles	1,084,838	268,910	131,489	1,222,259
Computer Software	11,337	-	11,337	-
Computer Hardware	107,473	56,997	-	164,470
Total	\$18,238,989	\$1,234,586	\$ 148,285	\$19,325,290

	Opening Accumulated Amortization	Additions	Disposals	Total 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	9,545,428	325,692	-	9,871,120
Furniture & Equipment	116,949	31,163	5,459	142,653
Vehicles	611,106	108,484	131,489	588,101
Computer Software	9,068	2,269	11,337	-
Computer Hardware	41,566	21,495	-	63,061
Total	\$10,324,117	\$ 489,103	\$ 148,285	\$10,664,935

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2017

Note 11 Employee Pension Plans

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 45,000 active members and approximately 36,000 retired members. As of December 31, 2015, the Municipal Pension Plan has about 189,000 active members, including approximately 24,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$581,408 for employer contributions to the plans for the year ended June 30, 2017 (2016: \$693,157)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2017

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.

Note 13 Budget Figures

Budget figures included in the financial statements were approved by the Board through the adoption of the annual budget on April 26, 2016. An amended annual budget, which reflected adjustments in revenues and expenses, was adopted by the Board on February 14, 2017.

	2017 Annual Budget	Adjustments	2017 Amended Budget
Revenues:			
Provincial Grants – Ministry of Education	\$ 7,477,007	\$ 149,964	\$ 7,626,971
Provincial Grants - Other	-	18,000	18,000
Tuition	62,500	(37,000)	25,500
Other Revenue	207,430	24,170	231,600
Rentals and Leases	6,000	-	6,000
Investment Income	52,000	(10,500)	41,500
Amortization of Deferred Capital Revenue	331,343	40,877	372,220
Total Revenue	8,136,280	185,511	8,321,791
Expenses:			
Instruction	6,125,220	(273,031)	5,852,189
District Administration	778,384	6,442	784,826
Operations and Maintenance	1,693,804	(122,946)	1,570,858
Transportation and Housing	336,300	149,276	485,576
Total Expenses	8,933,708	(240,259)	8,693,449
Deficit for the year	\$ (797,428)	\$ (425,770)	\$ (371,658)

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2017

Note 14 Contractual obligations, commitments and contingencies

a) 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, 2017 the liability is not reasonably determinable.

b) Operating commitments

i) Software support and maintenance contract

The School District has an ongoing agreement for software support and maintenance related to the School District's accounting system. The contract will automatically renew on an annual basis unless terminated by either party upon giving to the other not less than 90 days written notice prior to the end of the initial term or any subsequent anniversary of such date. No notice was given prior to the expiry date of June 30, 2017 and the annual support and maintenance fee for the 2017-2018 fiscal year will be \$32,873.

ii) Propane contract

The School District, in partnership with School District No. 8, has entered into a contract for the purchase of propane with an expiry date of September 30, 2018. Based on minimum contracted volumes and fixed contracted prices, the annual fee for the School Districts would be \$60,956.

The future estimated payments for this contract over the next two years are as follows:

2018	\$ 58,772
2019	\$ 2,184

Note 15 Expense By Object

	2017	2016
Salaries and benefits	\$ 6,229,509	\$ 6,593,416
Services and supplies	1,688,464	1,754,605
Amortization	536,809	489,103
	<u>\$ 8,454,782</u>	<u>\$ 8,837,124</u>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2017

Note 16 Internally Restricted Surplus – Operating Fund

Internally Restricted (appropriated) by Board for:

Utilities, Equipment & Capital Projects	\$ 305,500	
Emergency	250,000	
Professional Learning/Student Learning Grant	112,103	
Financial Software Transition	100,000	
Strategic Planning/School Reconfiguration	100,000	
Long Range Facilities Plan	100,000	
Board Scholarship	30,000	
Subtotal Internally Restricted		997,603
Unrestricted Operating Surplus		562,018
Total Available for Future Operations		<u>\$ 1,559,621</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.

Note 18 Risk Management

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

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

a) Credit risk:

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

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2017

Note 18 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 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2017

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,433,093		3,400,460	4,833,553	5,208,476
Changes for the year					
Surplus (Deficit) for the year	172,753	28,327	(162,932)	38,148	(374,923)
Interfund Transfers					
Tangible Capital Assets Purchased	(46,225)	(28,327)	74,552	-	
Net Changes for the year	126,528	-	(88,380)	38,148	(374,923)
Accumulated Surplus (Deficit), end of year - Statement 2	1,559,621	-	3,312,080	4,871,701	4,833,553

School District No. 10 (Arrow Lakes)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget (Note 13) \$	2017 Actual \$	2016 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	7,051,957	7,253,927	7,265,516
Other		19,500	
Tuition	62,500	25,500	63,800
Other Revenue	7,430	40,623	24,374
Rentals and Leases	6,000	4,694	4,221
Investment Income	50,000	41,500	50,390
Total Revenue	<u>7,177,887</u>	<u>7,385,744</u>	<u>7,408,301</u>
Expenses			
Instruction	5,551,992	5,044,199	5,558,781
District Administration	778,384	693,330	679,622
Operations and Maintenance	1,155,482	1,097,554	1,066,806
Transportation and Housing	336,300	377,908	365,451
Total Expense	<u>7,822,158</u>	<u>7,212,991</u>	<u>7,670,660</u>
Operating Surplus (Deficit) for the year	<u>(644,271)</u>	<u>172,753</u>	<u>(262,359)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>644,271</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(46,225)	(117,862)
Total Net Transfers	<u>-</u>	<u>(46,225)</u>	<u>(117,862)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>126,528</u>	<u>(380,221)</u>
Operating Surplus (Deficit), beginning of year		1,433,093	1,813,314
Operating Surplus (Deficit), end of year		<u>1,559,621</u>	<u>1,433,093</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 16)		997,603	788,820
Unrestricted		562,018	644,273
Total Operating Surplus (Deficit), end of year		<u>1,559,621</u>	<u>1,433,093</u>

School District No. 10 (Arrow Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	7,011,397	7,067,546	7,173,321
Other Ministry of Education Grants			
Pay Equity	40,560	40,560	40,560
Funding for Graduated Adults		856	
Transportation Supplement		42,675	
Economic Stability Dividend		2,389	3,289
Return of Administrative Savings		36,091	
Carbon Tax Grant		10,113	9,898
Student Learning Grant		22,103	
Foundation Skills Assessment		4,094	4,348
Skills Training Assessment			5,000
Curriculum Implementation			4,100
Shoulder Tappers Grant		17,500	25,000
Regional Outreach		10,000	
Total Provincial Grants - Ministry of Education	<u>7,051,957</u>	<u>7,253,927</u>	<u>7,265,516</u>
Provincial Grants - Other		<u>19,500</u>	
Tuition			
International and Out of Province Students	62,500	25,500	63,800
Total Tuition	<u>62,500</u>	<u>25,500</u>	<u>63,800</u>
Other Revenues			
Other School District/Education Authorities			2,000
Miscellaneous			
ArtStart Grants	7,430	15,600	7,430
Donations		2,470	12,944
Growing Innovations		1,000	2,000
Sale of Assets		21,553	
Total Other Revenue	<u>7,430</u>	<u>40,623</u>	<u>24,374</u>
Rentals and Leases	<u>6,000</u>	<u>4,694</u>	<u>4,221</u>
Investment Income	<u>50,000</u>	<u>41,500</u>	<u>50,390</u>
Total Operating Revenue	<u><u>7,177,887</u></u>	<u><u>7,385,744</u></u>	<u><u>7,408,301</u></u>

School District No. 10 (Arrow Lakes)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	2,421,665	2,357,645	2,551,179
Principals and Vice Principals	709,386	591,678	638,961
Educational Assistants	363,071	346,124	388,898
Support Staff	705,147	680,264	706,737
Other Professionals	514,851	554,172	506,727
Substitutes	329,988	220,329	196,167
Total Salaries	5,044,108	4,750,212	4,988,669
Employee Benefits	1,261,402	1,101,650	1,266,887
Total Salaries and Benefits	6,305,510	5,851,862	6,255,556
Services and Supplies			
Services	461,977	348,787	368,201
Student Transportation	4,000	4,853	2,400
Professional Development and Travel	296,246	273,780	248,733
Rentals and Leases	350	259	351
Dues and Fees	19,500	16,508	20,524
Insurance	36,115	35,490	30,080
Supplies	466,460	451,384	544,609
Utilities	232,000	230,068	200,206
Total Services and Supplies	1,516,648	1,361,129	1,415,104
Total Operating Expense	7,822,158	7,212,991	7,670,660

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	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	2,113,634	274,701		80,816	19,368	128,018	2,616,537
1.03 Career Programs							-
1.07 Library Services				37,028			37,028
1.08 Counselling	70,358						70,358
1.10 Special Education	149,213	39,200	331,257			28,355	548,025
1.31 Aboriginal Education	24,440	6,315	14,867				45,622
1.41 School Administration		243,331		64,847			308,178
1.62 International and Out of Province Students		15,130					15,130
1.64 Other							-
Total Function 1	2,357,645	578,677	346,124	182,691	19,368	156,373	3,640,878
4 District Administration							
4.11 Educational Administration		13,001			188,270		201,271
4.40 School District Governance					56,195		56,195
4.41 Business Administration					121,726		121,726
Total Function 4	-	13,001	-	-	366,191	-	379,192
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					82,260		82,260
5.50 Maintenance Operations				299,998	68,313	50,930	419,241
5.52 Maintenance of Grounds				17,706			17,706
5.56 Utilities							-
Total Function 5	-	-	-	317,704	150,573	50,930	519,207
7 Transportation and Housing							
7.41 Transportation and Housing Administration					18,040		18,040
7.70 Student Transportation				179,869		13,026	192,895
Total Function 7	-	-	-	179,869	18,040	13,026	210,935
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	2,357,645	591,678	346,124	680,264	554,172	220,329	4,750,212

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget (Note 13)	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	2,616,537	613,629	3,230,166	407,202	3,637,368	3,918,842	4,048,559
1.03 Career Programs	-	-	-	6,549	6,549	1,000	1,094
1.07 Library Services	37,028	8,772	45,800	11,835	57,635	66,048	58,090
1.08 Counselling	70,358	16,321	86,679	217	86,896	68,462	44,446
1.10 Special Education	548,025	137,907	685,932	79,276	765,208	841,908	830,982
1.31 Aboriginal Education	45,622	11,724	57,346	15,854	73,200	77,675	77,675
1.41 School Administration	308,178	66,942	375,120	21,923	397,043	509,895	433,187
1.62 International and Out of Province Students	15,130	3,377	18,507	1,793	20,300	68,162	64,748
1.64 Other	-	-	-	-	-	-	-
Total Function 1	3,640,878	858,672	4,499,550	544,649	5,044,199	5,551,992	5,558,781
4 District Administration							
4.11 Educational Administration	201,271	39,140	240,411	32,289	272,700	273,477	272,497
4.40 School District Governance	56,195	940	57,135	30,982	88,117	115,650	100,987
4.41 Business Administration	121,726	29,900	151,626	180,887	332,513	389,257	306,138
Total Function 4	379,192	69,980	449,172	244,158	693,330	778,384	679,622
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	82,260	17,009	99,269	1,623	100,892	100,310	102,404
5.50 Maintenance Operations	419,241	101,430	520,671	186,738	707,409	783,999	727,332
5.52 Maintenance of Grounds	17,706	5,351	23,057	16,190	39,247	39,173	36,864
5.56 Utilities	-	-	-	250,006	250,006	232,000	200,206
Total Function 5	519,207	123,790	642,997	454,557	1,097,554	1,155,482	1,066,806
7 Transportation and Housing							
7.41 Transportation and Housing Administration	18,040	3,398	21,438	-	21,438	1,626	1,612
7.70 Student Transportation	192,895	45,810	238,705	117,765	356,470	334,674	363,839
Total Function 7	210,935	49,208	260,143	117,765	377,908	336,300	365,451
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	4,750,212	1,101,650	5,851,862	1,361,129	7,212,991	7,822,158	7,670,660

School District No. 10 (Arrow Lakes)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget (Note 13)	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	425,050	502,588	499,088
Other Revenue	200,000	230,721	211,780
Total Revenue	<u>625,050</u>	<u>733,309</u>	<u>710,868</u>
Expenses			
Instruction	573,228	665,539	643,098
Operations and Maintenance		39,443	34,263
Total Expense	<u>573,228</u>	<u>704,982</u>	<u>677,361</u>
Special Purpose Surplus (Deficit) for the year	<u>51,822</u>	<u>28,327</u>	<u>33,507</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(51,822)	(28,327)	(33,507)
Total Net Transfers	<u>(51,822)</u>	<u>(28,327)</u>	<u>(33,507)</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Annual Facility Grant	Learning Improvement Fund	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Coding and Curriculum Implementation
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			25,000	204,832	5,000				
Add: Restricted Grants									
Provincial Grants - Ministry of Education	67,770	144,170			96,736	12,250	7,043	104,860	29,563
Other				213,113					
	67,770	144,170	-	213,113	96,736	12,250	7,043	104,860	29,563
Less: Allocated to Revenue	67,770	144,170	25,000	230,721	101,736	12,250	7,043	104,860	-
Deferred Revenue, end of year	-	-	-	187,224	-	-	-	-	29,563
Revenues									
Provincial Grants - Ministry of Education	67,770	144,170	25,000		101,736	12,250	7,043	104,860	
Other Revenue				230,721					
	67,770	144,170	25,000	230,721	101,736	12,250	7,043	104,860	-
Expenses									
Salaries									
Teachers		90,817					5,546	75,053	
Educational Assistants		23,442			64,193				
Other Professionals			5,110						
	-	114,259	5,110	-	64,193	-	5,546	75,053	-
Employee Benefits		29,911	1,328		22,148		1,497	18,843	
Services and Supplies	39,443		18,562	230,721	15,395	12,250		10,964	
	39,443	144,170	25,000	230,721	101,736	12,250	7,043	104,860	-
Net Revenue (Expense) before Interfund Transfers	28,327	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(28,327)								
	(28,327)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2017

	Priority Measures	TOTAL
	\$	\$
Deferred Revenue, beginning of year		234,832
Add: Restricted Grants		
Provincial Grants - Ministry of Education	71,295	533,687
Other		213,113
	71,295	746,800
Less: Allocated to Revenue	39,759	733,309
Deferred Revenue, end of year	31,536	248,323
Revenues		
Provincial Grants - Ministry of Education	39,759	502,588
Other Revenue		230,721
	39,759	733,309
Expenses		
Salaries		
Teachers	34,771	206,187
Educational Assistants		87,635
Other Professionals		5,110
	34,771	298,932
Employee Benefits	4,988	78,715
Services and Supplies		327,335
	39,759	704,982
Net Revenue (Expense) before Interfund Transfers	-	28,327
Interfund Transfers		
Tangible Capital Assets Purchased		(28,327)
	-	(28,327)
Net Revenue (Expense)	-	-

School District No. 10 (Arrow Lakes)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget (Note 13)	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	2,000		1,660	1,660	1,886
Amortization of Deferred Capital Revenue	331,343	372,217		372,217	341,146
Total Revenue	333,343	372,217	1,660	373,877	343,032
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	538,322	414,583		414,583	489,103
Transportation and Housing		122,226		122,226	
Total Expense	538,322	536,809	-	536,809	489,103
Capital Surplus (Deficit) for the year	(204,979)	(164,592)	1,660	(162,932)	(146,071)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	51,822	74,552		74,552	151,369
Total Net Transfers	51,822	74,552	-	74,552	151,369
Total Capital Surplus (Deficit) for the year	(153,157)	(90,040)	1,660	(88,380)	5,298
Capital Surplus (Deficit), beginning of year		3,318,796	81,664	3,400,460	3,395,162
Capital Surplus (Deficit), end of year		3,228,756	83,324	3,312,080	3,400,460

School District No. 10 (Arrow Lakes)

Tangible Capital Assets
Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
Cost, beginning of year	\$ 362,514	\$ 17,194,013	\$ 382,034	\$ 1,222,259	\$ -	\$ 164,470	\$ 19,325,290
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		849,887		127,482			977,369
Deferred Capital Revenue - Other		22,000	27,465				49,465
Operating Fund				27,426		18,799	46,225
Special Purpose Funds		28,327					28,327
	-	900,214	27,465	154,908	-	18,799	1,101,386
Decrease:							
Deemed Disposals			24,491	20,137		40,474	85,102
	-	-	24,491	20,137	-	40,474	85,102
Cost, end of year	362,514	18,094,227	385,008	1,357,030	-	142,795	20,341,574
Work in Progress, end of year							-
Cost and Work in Progress, end of year	362,514	18,094,227	385,008	1,357,030	-	142,795	20,341,574
Accumulated Amortization, beginning of year		9,871,120	142,653	588,101	-	63,061	10,664,935
Changes for the Year							
Increase: Amortization for the Year		343,486	38,203	122,226	-	32,894	536,809
Decrease:							
Deemed Disposals			24,491	20,137		40,474	85,102
			-	24,491	-	40,474	85,102
Accumulated Amortization, end of year		10,214,606	156,365	690,190	-	55,481	11,116,642
Tangible Capital Assets - Net	362,514	7,879,621	228,643	666,840	-	87,314	9,224,932

School District No. 10 (Arrow Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 5,455,701	\$ -	\$ 30,815	\$ 5,486,516
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	977,369	49,465		1,026,834
	<u>977,369</u>	<u>49,465</u>	<u>-</u>	<u>1,026,834</u>
Decrease:				
Amortization of Deferred Capital Revenue	371,427		790	372,217
	<u>371,427</u>	<u>-</u>	<u>790</u>	<u>372,217</u>
Net Changes for the Year	<u>605,942</u>	<u>49,465</u>	<u>(790)</u>	<u>654,617</u>
Deferred Capital Revenue, end of year	<u>6,061,643</u>	<u>49,465</u>	<u>30,025</u>	<u>6,141,133</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>6,061,643</u>	<u>49,465</u>	<u>30,025</u>	<u>6,141,133</u>

School District No. 10 (Arrow Lakes)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2017

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 77,544	\$ 269,641	\$	\$	\$	\$ 347,185
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	901,760					901,760
Provincial Grants - Other			241,863			241,863
Investment Income	364	5,478				5,842
	902,124	5,478	241,863	-	-	1,149,465
Decrease:						
Transferred to DCR - Capital Additions	977,369		49,465			1,026,834
	977,369	-	49,465	-	-	1,026,834
Net Changes for the Year	(75,245)	5,478	192,398	-	-	122,631
Balance, end of year	2,299	275,119	192,398	-	-	469,816