

Audited Financial Statements of

School District No. 10 (Arrow Lakes)

June 30, 2019

School District No. 10 (Arrow Lakes)

June 30, 2019

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 1164-9419-7436

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)

Signed original on file	September 17, 2019
Signature of the Chairperson of the Board of Education	Date Signed
Signed original on file	September 17, 2019
Signature of the Superintendent	Date Signed
Signed original on file	September 17, 2019
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

Opinion

We have audited the accompanying financial statements of School District No. 10 (Arrow Lakes) (the "School District"), which comprise:

- the statement of financial position as at June 30, 2019
- the statements of operations for the year then ended
- the statements of change in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and 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.

In preparing the financial statements, management is responsible for assessing the School District's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School District's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit 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 School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Chartered Professional Accountants

September 17, 2019
Kelowna, Canada

School District No. 10 (Arrow Lakes)

Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	1,204,344	992,281
Accounts Receivable		
Other (Note 3)	93,993	108,750
Portfolio Investments (Note 4)	2,005,965	1,952,901
Total Financial Assets	3,304,302	3,053,932
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	834,696	734,392
Unearned Revenue (Note 6)	480	19,555
Deferred Revenue (Note 7)	173,901	176,365
Deferred Capital Revenue (Note 8)	7,662,556	7,047,953
Employee Future Benefits (Note 9)	148,970	146,908
Total Liabilities	8,820,603	8,125,173
Net Financial Assets (Debt)	(5,516,301)	(5,071,241)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	10,158,837	9,777,520
Prepaid Expenses	65,571	61,534
Total Non-Financial Assets	10,224,408	9,839,054
Accumulated Surplus (Deficit) (Note 16)	4,708,107	4,767,813

Contractual Obligations (Note 13)

Approved by the Board

Signed original on file September 17, 2019

Signature of the Chairperson of the Board of Education Date Signed

Signed original on file September 17, 2019

Signature of the Superintendent Date Signed

Signed original on file September 17, 2019

Signature of the Secretary Treasurer Date Signed

School District No. 10 (Arrow Lakes)

Statement 2

Statement of Operations
Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	7,432,981	7,861,244	7,606,489
Other	18,000	18,000	18,000
Other Revenue	210,000	263,904	271,501
Rentals and Leases	6,000	5,737	4,822
Investment Income	41,600	50,838	45,837
Amortization of Deferred Capital Revenue	397,849	410,098	406,353
Total Revenue	<u>8,106,430</u>	<u>8,609,821</u>	<u>8,353,002</u>
Expenses (Note 15)			
Instruction	5,568,063	5,791,983	5,671,845
District Administration	882,796	807,912	735,879
Operations and Maintenance	1,725,138	1,539,171	1,491,964
Transportation and Housing	490,428	530,461	557,202
Total Expense	<u>8,666,425</u>	<u>8,669,527</u>	<u>8,456,890</u>
Surplus (Deficit) for the year	<u>(559,995)</u>	<u>(59,706)</u>	<u>(103,888)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		4,767,813	4,871,701
Accumulated Surplus (Deficit) from Operations, end of year		<u>4,708,107</u>	<u>4,767,813</u>

School District No. 10 (Arrow Lakes)

Statement 4

Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(559,995)</u>	<u>(59,706)</u>	<u>(103,888)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(918,505)	(953,869)	(1,118,317)
Amortization of Tangible Capital Assets	693,230	572,552	565,729
Total Effect of change in Tangible Capital Assets	<u>(225,275)</u>	<u>(381,317)</u>	<u>(552,588)</u>
Acquisition of Prepaid Expenses	-	(38,937)	(61,534)
Use of Prepaid Expenses	-	34,900	49,745
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(4,037)</u>	<u>(11,789)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(785,270)</u>	<u>(445,060)</u>	<u>(668,265)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(445,060)</u>	<u>(668,265)</u>
Net Financial Assets (Debt), beginning of year		<u>(5,071,241)</u>	<u>(4,402,976)</u>
Net Financial Assets (Debt), end of year		<u>(5,516,301)</u>	<u>(5,071,241)</u>

School District No. 10 (Arrow Lakes)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(59,706)	(103,888)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	14,757	8,901
Prepaid Expenses	(4,037)	(11,789)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	100,304	22,179
Unearned Revenue	(19,075)	19,555
Deferred Revenue	(2,464)	(71,958)
Employee Future Benefits	2,062	(21,075)
Amortization of Tangible Capital Assets	572,552	565,729
Amortization of Deferred Capital Revenue	(410,098)	(406,353)
Total Operating Transactions	<u>194,295</u>	<u>1,301</u>
Capital Transactions		
Tangible Capital Assets Purchased	(953,869)	(1,118,317)
Total Capital Transactions	<u>(953,869)</u>	<u>(1,118,317)</u>
Financing Transactions		
Capital Revenue Received	1,024,701	843,357
Total Financing Transactions	<u>1,024,701</u>	<u>843,357</u>
Investing Transactions		
Investments in Portfolio Investments	(53,064)	(38,087)
Total Investing Transactions	<u>(53,064)</u>	<u>(38,087)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	212,063	(311,746)
Cash and Cash Equivalents, beginning of year	<u>992,281</u>	1,304,027
Cash and Cash Equivalents, end of year	<u><u>1,204,344</u></u>	<u>992,281</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	1,204,344	992,281
Cash Equivalents	<u>1,204,344</u>	<u>992,281</u>

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

Note 1 Authority

The School District, established on April 10, 1946 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 the Financial Statements
Year Ended June 30, 2019

Note 2 Summary of Significant Accounting Policies (Continued)

a) Basis of Accounting (*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 the Financial Statements
Year Ended June 30, 2019

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 (j).

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 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 the Financial Statements
Year Ended June 30, 2019

Note 2 Summary of Significant Accounting Policies (Continued)

g) 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

The School District has identified potential asset retirement obligations relating to facilities that the School District may incur upon major upgrades or demolition in the future. This potential obligation exists for the removal and disposal of environmentally hazardous building materials in some of the School District facilities. At this time, the School District has not recognized these asset retirement obligations, as there is an indeterminate settlement date of any potential future demolition or renovation of the facilities and, therefore, the fair value cannot be reasonably estimated as at June 30, 2019

h) Tangible Capital Assets

Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of 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.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

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

h) 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. 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 Hardware	5 years

i) 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

j) 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 is 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.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

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

j) Revenue Recognition *(continued)*

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.

k) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

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

l) 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, accounts payable and accrued liabilities and other liabilities.

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 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. Interest and dividends attributable to financial instruments are reported in the statement of operations. For the year ended, June 30, 2019, the School District did not have any financial instruments where fair value differed significantly from their cost amount. Accordingly, a statement of remeasurement gains and losses has not been prepared.

All financial assets except derivatives 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.

m) Measurement Uncertainty

The preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the potential impairment of assets, estimates for contingent liabilities, tangible capital asset amortization rates and employee future benefits. Actual results could differ from management's best estimates as additional information becomes available in the future.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

Note 3 Accounts Receivable – Other Receivables

	2019	2018
Due from Federal Government	\$ 35,008	\$ 34,958
Other	58,985	73,792
	\$ 93,993	\$ 108,750

Note 4 Portfolio Investments

	2019	2018
Investments in the cost and amortized cost category:		
Term deposits, interest at 2.4% to 2.6%	\$ 2,005,965	\$ 1,952,901
	\$ 2,005,965	\$ 1,952,901

Note 5 Accounts Payable and Accrued Liabilities - Other

	2019	2018
Trade payables	\$ 187,439	\$ 130,437
Salaries and benefits payable	570,196	543,520
Accrued vacation pay	77,061	60,435
	\$ 834,696	\$ 734,392

Note 6 Unearned Revenue

	2019	2018
Balance, beginning of year	\$ 19,555	\$ -
Changes for the year:		
Increase:		
Professional Development funding	-	12,755
Rental/Lease of facilities	480	1,500
Climbing Wall funds	27,900	5,300
	\$ 47,935	\$ 19,555
Decrease:		
Tuition fees		
Rental/Lease of facilities	(1,500)	-
Transferred to Deferred Capital	(33,200)	-
Professional Development funding	(12,755)	-
Net changes for the year	(47,455)	-
Balance, end of year	\$ 480	\$ 19,555

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

Note 7 Deferred Revenue

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

Note 8 Deferred Capital Revenue

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

Note 9 Employee Future Benefits

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

	2019	2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 114,297	\$ 117,577
Service Cost	9,194	9,293
Interest Cost	3,166	3,275
Benefit Payments	(26,999)	(4,978)
Actuarial (Gain) Loss	48,889	(10,870)
Accrued Benefit Obligation – March 31	\$ 148,547	\$ 114,297
 Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ (148,547)	\$ (114,297)
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(148,547)	(114,297)
Employer Contributions After Measurement Date	2,338	23,949
Benefits Expense After Measurement Date	(4,219)	(3,090)
Unamortized Net Actuarial (Gain) Loss	1,458	(53,470)
Accrued Benefit Asset (Liability) – June 30	\$ (148,970)	\$ (146,908)

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

Note 9 Employee Future Benefits (Continued)

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability – July 1	\$ 146,908	\$ 167,983
Net expense for Fiscal Year	7,450	7,853
Employer Contributions	(5,388)	(28,927)
Accrued Benefit Liability – June 30	\$ 148,970	\$ 146,908

Components of Net Benefit Expense

	2019	2018
Service Cost	\$ 10,143	\$ 9,269
Interest Cost	3,347	3,248
Amortization of Net Actuarial (Gain)/Loss	(6,040)	(4,664)
Net Benefit Expense (Income)	\$ 7,450	\$ 7,853

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

Discount Rate – April 1	2.75%	2.75%
Discount Rate – March 31	2.50%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	8.9	7.9

Note 10 Tangible Capital Assets

Net Book Value:

	Net Book Value 2019	Net Book Value 2018
Sites	\$ 362,514	\$ 362,514
Buildings	8,647,612	8,286,814
Furniture & Equipment	580,811	451,170
Vehicles	460,911	561,396
Computer Hardware	106,989	115,626
Total	\$10,158,837	\$9,777,520

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

Note 10 Tangible Capital Assets (Continued)

June 30, 2019

	Opening Cost	Additions	Disposals	Total 2019
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	18,864,387	739,991	-	19,604,378
Furniture & Equipment	615,810	191,223	(30,459)	776,574
Vehicles	1,004,836	-	(120,245)	884,591
Computer Hardware	156,464	22,655	-	179,119
Total	\$21,004,011	\$953,869	\$(150,704)	\$21,807,176

	Opening Accumulated Amortization	Amortization	Disposals	Total 2019
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	10,577,572	379,194	-	10,956,766
Furniture & Equipment	164,641	61,581	30,459	195,763
Vehicles	443,440	100,484	120,245	423,679
Computer Hardware	40,838	31,293	-	72,131
Total	\$11,226,491	\$572,552	\$150,704	\$11,648,339

June 30, 2018

	Opening Cost	Additions	Disposals	Total 2018
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	18,094,227	770,160	-	18,864,387
Furniture & Equipment	385,008	261,027	30,225	615,810
Vehicles	1,357,030	30,259	382,453	1,004,836
Computer Hardware	142,795	56,871	43,202	156,464
Total	\$20,341,574	\$ 1,118,317	\$ 455,880	\$21,004,011

	Opening Accumulated Amortization	Amortization	Disposals	Total 2018
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	10,214,606	362,966	-	10,577,572
Furniture & Equipment	156,365	38,501	30,225	164,641
Vehicles	690,190	135,703	382,453	443,440
Computer Hardware	55,481	28,559	43,202	40,838
Total	\$ 11,116,642	\$ 565,729	\$ 455,880	\$11,226,491

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

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, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

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. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The School District paid \$549,210 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$596,951)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in late 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 the Financial Statements
Year Ended June 30, 2019

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 Contractual Obligations 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 any liability for asbestos removal or disposal will be recognized in the period in which it is incurred. As at June 30, 2019 this liability is not reasonably determinable.

b) Operating commitments

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, 2019 and the annual support and maintenance fee for the 2019-2020 fiscal year will be \$43,332.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

Note 14 Budget Figures

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an annual budget on April 23, 2018. The amended budget was approved by the Board through the adoption of an annual amended budget on February 19, 2019.

	2019 Annual Budget	Adjustments	2019 Amended Budget
Revenues:			
Provincial Grants – Ministry of Education	\$ 7,432,981	\$ 336,824	\$ 7,769,805
Provincial Grants - Other	18,000	32,400	50,400
Other Revenue	210,000	-	210,000
Rentals and Leases	6,000	-	6,000
Investment Income	41,600	-	41,600
Amortization of Deferred Capital Revenue	397,849	-	397,849
Total Revenue	8,106,430	369,224	8,475,654
Expenses:			
Instruction	5,568,063	413,370	5,981,433
District Administration	882,796	(92,187)	790,609
Operations and Maintenance	1,725,138	15,100	1,740,238
Transportation and Housing	490,428	31,350	521,778
Total Expenses	8,666,425	367,633	9,034,058
Deficit for the year	\$ (559,995)	\$ 1,591	\$ (558,404)

Note 15 Expense by Object

	2019	2018
Salaries and benefits	\$ 6,435,596	\$ 6,267,720
Services and supplies	1,661,379	1,623,441
Amortization	572,552	565,729
	\$ 8,669,527	\$ 8,456,890

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2019

Note 16 Internally Restricted Surplus – Operating Fund

Internally Restricted (appropriated) by Board for:

Equipment	\$	100,000	
IT Infrastructure		100,000	
Utilities		100,000	
Capital Projects		100,000	
Emergency		250,000	
Professional Learning		90,000	
Financial Software Transition		150,000	
Strategic Plan Goals/School Configuration		100,000	
Long Range Facilities Plan		100,000	
Board Scholarship		30,000	
Subtotal Internally Restricted			1,120,000
Unrestricted Operating Surplus			352,138
Total Available for Future Operations (Schedule 1)			\$ 1,472,138

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 debtor. 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 the Financial Statements
Year Ended June 30, 2019

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 of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2019

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,453,913		3,313,900	4,767,813	4,871,701
Changes for the year					
Surplus (Deficit) for the year	44,180	57,138	(161,024)	(59,706)	(103,888)
Interfund Transfers					
Tangible Capital Assets Purchased	(25,955)	(57,138)	83,093	-	
Net Changes for the year	18,225	-	(77,931)	(59,706)	(103,888)
Accumulated Surplus (Deficit), end of year - Statement 2	1,472,138	-	3,235,969	4,708,107	4,767,813

School District No. 10 (Arrow Lakes)

Schedule 2 (Unaudited)

Schedule of Operating Operations
Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	6,996,625	7,331,278	7,047,608
Other	18,000	18,000	18,000
Other Revenue		39,872	38,972
Rentals and Leases	6,000	5,737	4,822
Investment Income	40,000	49,408	44,171
Total Revenue	<u>7,060,625</u>	<u>7,444,295</u>	<u>7,153,573</u>
Expenses			
Instruction	4,978,845	5,095,123	4,937,573
District Administration	882,796	807,912	735,879
Operations and Maintenance	1,152,153	1,067,103	1,061,938
Transportation and Housing	370,183	429,977	421,499
Total Expense	<u>7,383,977</u>	<u>7,400,115</u>	<u>7,156,889</u>
Operating Surplus (Deficit) for the year	<u>(323,352)</u>	<u>44,180</u>	<u>(3,316)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>323,352</u>		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	<u>-</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	-	(25,955)	(102,392)
Total Net Transfers	<u>-</u>	<u>(25,955)</u>	<u>(102,392)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>18,225</u>	<u>(105,708)</u>
Operating Surplus (Deficit), beginning of year		1,453,913	1,559,621
Operating Surplus (Deficit), end of year		<u>1,472,138</u>	<u>1,453,913</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		1,120,000	975,500
Unrestricted		352,138	478,413
Total Operating Surplus (Deficit), end of year		<u>1,472,138</u>	<u>1,453,913</u>

School District No. 10 (Arrow Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	6,913,390	7,167,950	6,887,577
Other Ministry of Education Grants			
Pay Equity	40,560	40,560	40,560
Funding for Graduated Adults			
Transportation Supplement	42,675	42,675	42,675
Economic Stability Dividend	-	5,232	2,633
Return of Administrative Savings			36,091
Carbon Tax Grant	-	11,039	10,399
Employer Health Tax Grant	-	16,728	-
Strategic Priorities - Mental Health Grant	-	37,000	-
Foundation Skills Assessment	-	4,094	4,094
Shoulder Tappers Grant	-	-	17,079
Skills Access Grant	-	5,000	5,000
MyEd Grant	-	1,000	1,500
Total Provincial Grants - Ministry of Education	6,996,625	7,331,278	7,047,608
Provincial Grants - Other	18,000	18,000	18,000
Tuition			
Other Revenues			
Other School District/Education Authorities	-	400	1,000
Miscellaneous			
Art Starts Grant	-	5,400	5,450
Donations	-	8,890	3,900
Growing Innovations	-	2,000	1,000
Sale of Assets	-	1,268	12,845
Columbia Basin Trust - Basin Plays	-	20,000	-
Miscellaneous	-	1,914	14,777
Total Other Revenue	-	39,872	38,972
Rentals and Leases	6,000	5,737	4,822
Investment Income	40,000	49,408	44,171
Total Operating Revenue	7,060,625	7,444,295	7,153,573

School District No. 10 (Arrow Lakes)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	2,395,859	2,490,072	2,403,816
Principals and Vice Principals	230,000	483,936	570,308
Educational Assistants	390,000	305,324	389,681
Support Staff	734,291	705,801	720,651
Other Professionals	939,300	732,525	553,989
Substitutes	151,733	254,427	147,499
Total Salaries	4,841,183	4,972,085	4,785,944
Employee Benefits	1,168,295	1,072,750	1,139,914
Total Salaries and Benefits	6,009,478	6,044,835	5,925,858
Services and Supplies			
Services	297,615	367,445	285,585
Student Transportation	21,868	34,999	25,136
Professional Development and Travel	180,947	122,770	214,412
Rentals and Leases	350	4,904	243
Dues and Fees	22,000	21,283	14,090
Insurance	36,651	20,447	25,070
Interest	-	-	-
Supplies	605,160	553,463	447,190
Utilities	209,908	229,969	219,305
Total Services and Supplies	1,374,499	1,355,280	1,231,031
Total Operating Expense	7,383,977	7,400,115	7,156,889

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	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	2,166,888	251,269		92,580		160,201	2,670,938
1.03 Career Programs							-
1.07 Library Services				18,490			18,490
1.08 Counselling	128,800						128,800
1.10 Special Education	168,878	-	305,324		45,385	30,032	549,619
1.30 English Language Learning							-
1.31 Aboriginal Education	25,506				16,610		42,116
1.41 School Administration		232,667		68,593	80,870	353	382,483
1.60 Summer School							-
1.61 Continuing Education							-
1.62 International and Out of Province Students							-
1.64 Other							-
Total Function 1	2,490,072	483,936	305,324	179,663	142,865	190,586	3,792,446
4 District Administration							
4.11 Educational Administration					92,191		92,191
4.40 School District Governance					56,830		56,830
4.41 Business Administration					273,417	2,781	276,198
Total Function 4	-	-	-	-	422,438	2,781	425,219
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					143,074		143,074
5.50 Maintenance Operations				319,557		52,016	371,573
5.52 Maintenance of Grounds				18,407		-	18,407
5.56 Utilities							-
Total Function 5	-	-	-	337,964	143,074	52,016	533,054
7 Transportation and Housing							
7.41 Transportation and Housing Administration					24,148	-	24,148
7.70 Student Transportation				188,174		9,044	197,218
Total Function 7	-	-	-	188,174	24,148	9,044	221,366
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	2,490,072	483,936	305,324	705,801	732,525	254,427	4,972,085

School District No. 10 (Arrow Lakes)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 14)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	2,670,938	592,126	3,263,064	313,507	3,576,571	3,304,661	3,476,509
1.03 Career Programs	-	-	-	5,000	5,000	6,975	15,354
1.07 Library Services	18,490	3,717	22,207	11,414	33,621	26,333	27,725
1.08 Counselling	128,800	31,399	160,199	1,763	161,962	118,261	115,090
1.10 Special Education	549,619	127,025	676,644	77,875	754,519	877,648	781,084
1.30 English Language Learning	-	-	-	-	-	-	-
1.31 Aboriginal Education	42,116	10,662	52,778	33,266	86,044	85,237	77,640
1.41 School Administration	382,483	79,537	462,020	15,386	477,406	559,730	444,171
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	-	-	-	-	-	-	-
1.64 Other	-	-	-	-	-	-	-
Total Function 1	3,792,446	844,466	4,636,912	458,211	5,095,123	4,978,845	4,937,573
4 District Administration							
4.11 Educational Administration	92,191	5,070	97,261	28,594	125,855	248,000	272,195
4.40 School District Governance	56,830	2,045	58,875	70,002	128,877	102,730	89,949
4.41 Business Administration	276,198	46,065	322,263	230,917	553,180	532,066	373,735
Total Function 4	425,219	53,180	478,399	329,513	807,912	882,796	735,879
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	143,074	31,060	174,134	5,402	179,536	102,600	97,986
5.50 Maintenance Operations	371,573	87,456	459,029	162,384	621,413	801,070	701,859
5.52 Maintenance of Grounds	18,407	4,929	23,336	12,849	36,185	38,575	42,788
5.56 Utilities	-	-	-	229,969	229,969	209,908	219,305
Total Function 5	533,054	123,445	656,499	410,604	1,067,103	1,152,153	1,061,938
7 Transportation and Housing							
7.41 Transportation and Housing Administration	24,148	4,991	29,139	-	29,139	19,000	23,270
7.70 Student Transportation	197,218	46,668	243,886	156,952	400,838	351,183	398,229
Total Function 7	221,366	51,659	273,025	156,952	429,977	370,183	421,499
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	4,972,085	1,072,750	6,044,835	1,355,280	7,400,115	7,383,977	7,156,889

School District No. 10 (Arrow Lakes)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	436,356	529,966	558,881
Other Revenue	210,000	224,032	232,529
Total Revenue	<u>646,356</u>	<u>753,998</u>	<u>791,410</u>
Expenses			
Instruction	589,218	696,860	734,272
Total Expense	<u>589,218</u>	<u>696,860</u>	<u>734,272</u>
Special Purpose Surplus (Deficit) for the year	<u>57,138</u>	<u>57,138</u>	<u>57,138</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(57,138)	(57,138)	(57,138)
Total Net Transfers	<u>(57,138)</u>	<u>(57,138)</u>	<u>(57,138)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 10 (Arrow Lakes)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2019

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	-	-	-	-	-	-
District Entered			176,365						
Deferred Revenue, beginning of year, as restated	-	-	176,365	-	-	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	62,454	26,795		96,000	12,250	7,043	105,074	61,925	158,425
Other			221,568						
	62,454	26,795	221,568	96,000	12,250	7,043	105,074	61,925	158,425
Less: Allocated to Revenue									
Deferred Revenue, end of year	62,454	26,795	224,032	96,000	12,250	7,043	105,074	61,925	158,425
	-	-	173,901	-	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	62,454	26,795		96,000	12,250	7,043	105,074	61,925	158,425
Other Revenue			224,032						
	62,454	26,795	224,032	96,000	12,250	7,043	105,074	61,925	158,425
Expenses									
Salaries									
Teachers						1,630			124,744
Educational Assistants		20,953		59,250			62,016	30,159	
Support Staff				4,857					
Other Professionals					1,225				
	-	20,953	-	64,107	1,225	1,630	62,016	30,159	124,744
Employee Benefits		5,842		20,813	331	463	16,956	7,841	33,681
Services and Supplies	5,316	-	224,032	11,080	10,694	4,950	26,102	23,925	-
	5,316	26,795	224,032	96,000	12,250	7,043	105,074	61,925	158,425
Net Revenue (Expense) before Interfund Transfers	57,138	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(57,138)								
	(57,138)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2019

Schedule 3A (Unaudited)

	<u>TOTAL</u>
	\$
Deferred Revenue, beginning of year	-
District Entered	176,365
Deferred Revenue, beginning of year, as restated	<u>176,365</u>
Add: Restricted Grants	
Provincial Grants - Ministry of Education	529,966
Other	<u>221,568</u>
	751,534
Less: Allocated to Revenue	<u>753,998</u>
Deferred Revenue, end of year	<u><u>173,901</u></u>
Revenues	
Provincial Grants - Ministry of Education	529,966
Other Revenue	<u>224,032</u>
	753,998
Expenses	
Salaries	
Teachers	126,374
Educational Assistants	172,378
Support Staff	4,857
Other Professionals	<u>1,225</u>
	304,834
Employee Benefits	85,927
Services and Supplies	<u>306,099</u>
	696,860
Net Revenue (Expense) before Interfund Transfers	<u><u>57,138</u></u>
Interfund Transfers	
Tangible Capital Assets Purchased	<u>(57,138)</u>
	(57,138)
Net Revenue (Expense)	<u><u>-</u></u>

School District No. 10 (Arrow Lakes)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019	2019 Actual			2018
	Budget (Note 14)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Investment Income	1,600		1,430	1,430	1,666
Amortization of Deferred Capital Revenue	397,849	410,098		410,098	406,353
Total Revenue	399,449	410,098	1,430	411,528	408,019
Expenses					
Operations and Maintenance				-	
Transportation and Housing				-	
Amortization of Tangible Capital Assets					
Operations and Maintenance	572,985	472,068		472,068	430,026
Transportation and Housing	120,245	100,484		100,484	135,703
Total Expense	693,230	572,552	-	572,552	565,729
Capital Surplus (Deficit) for the year	(293,781)	(162,454)	1,430	(161,024)	(157,710)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	57,138	83,093		83,093	159,530
Total Net Transfers	57,138	83,093	-	83,093	159,530
Total Capital Surplus (Deficit) for the year	(236,643)	(79,361)	1,430	(77,931)	1,820
Capital Surplus (Deficit), beginning of year		3,228,910	84,990	3,313,900	3,312,080
Capital Surplus (Deficit), end of year		3,149,549	86,420	3,235,969	3,313,900

School District No. 10 (Arrow Lakes)

Tangible Capital Assets
Year Ended June 30, 2019

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	362,514	18,864,387	615,810	1,004,836	-	156,464	21,004,011
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	775,478	-	-	-	-	775,478
Deferred Capital Revenue - Other	-	95,298	-	-	-	-	95,298
Operating Fund	-	-	3,300	-	-	22,655	25,955
Special Purpose Funds	-	57,138	-	-	-	-	57,138
	-	927,914	3,300	-	-	22,655	953,869
Decrease:							
Deemed Disposals			30,459	120,245	-	-	150,704
	-	-	30,459	120,245	-	-	150,704
Cost, end of year	362,514	19,792,301	588,651	884,591	-	179,119	21,807,176
Work in Progress, end of year							-
Cost and Work in Progress, end of year	362,514	19,792,301	588,651	884,591	-	179,119	21,807,176
Accumulated Amortization, beginning of year		10,577,572	164,641	443,440	-	40,838	11,226,491
Changes for the Year							
Increase: Amortization for the Year		379,194	61,581	100,484	-	31,293	572,552
Decrease:							
Deemed Disposals			30,459	120,245	-	-	150,704
			-	30,459	-	-	150,704
Accumulated Amortization, end of year		10,956,766	195,763	423,679	-	72,131	11,648,339
Tangible Capital Assets - Net	362,514	8,835,535	392,888	460,912	-	106,988	10,158,837

School District No. 10 (Arrow Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	6,297,400	121,717	274,450	6,693,567
Prior Period Adjustments				
District Entered	2,298	245,765	(245,765)	2,298
Deferred Capital Revenue, beginning of year, as restated	<u>6,299,698</u>	<u>367,482</u>	<u>28,685</u>	<u>6,695,865</u>
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	775,478		95,298	870,776
	<u>775,478</u>	<u>-</u>	<u>95,298</u>	<u>870,776</u>
Decrease:				
Amortization of Deferred Capital Revenue	379,560	27,323	3,215	410,098
	<u>379,560</u>	<u>27,323</u>	<u>3,215</u>	<u>410,098</u>
Net Changes for the Year	<u>395,918</u>	<u>(27,323)</u>	<u>92,083</u>	<u>460,678</u>
Deferred Capital Revenue, end of year	<u>6,695,616</u>	<u>340,159</u>	<u>120,768</u>	<u>7,156,543</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	<u>6,695,616</u>	<u>340,159</u>	<u>120,768</u>	<u>7,156,543</u>

School District No. 10 (Arrow Lakes)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	88,556	204,122	61,708			354,386
Prior Period Adjustments						
District Entered	(2,298)					(2,298)
Balance, beginning of year, as restated	<u>86,258</u>	<u>204,122</u>	<u>61,708</u>	<u>-</u>	<u>-</u>	<u>352,088</u>
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	951,367					951,367
Provincial Grants - Other			33,590		33,200	66,790
Investment Income	1,599	4,945				6,544
	<u>952,966</u>	<u>4,945</u>	<u>33,590</u>	<u>-</u>	<u>33,200</u>	<u>1,024,701</u>
Decrease:						
Transferred to DCR - Capital Additions	775,478		95,298			870,776
	<u>775,478</u>	<u>-</u>	<u>95,298</u>	<u>-</u>	<u>-</u>	<u>870,776</u>
Net Changes for the Year	<u>177,488</u>	<u>4,945</u>	<u>(61,708)</u>	<u>-</u>	<u>33,200</u>	<u>153,925</u>
Balance, end of year	<u>263,746</u>	<u>209,067</u>	<u>-</u>	<u>-</u>	<u>33,200</u>	<u>506,013</u>

