



## REGULAR MEETING OF THE BOARD OF SCHOOL DISTRICT 10 (Arrow Lakes)

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### MINUTES

School Board Office

Date: Tuesday September 17, 2019  
7:00 pm

#### PRESENT

**TRUSTEES:** L. Brekke, M. Teindl, R. Farrell, D. Simon, C. Dixon

**STAFF:** T. Taylor, M. Grenier, P. Dubinsky, S. Woolf, A. Olson, J. Alaric

**OTHERS:** D. Bond, KPMG, R. Bardati, ALTA, V. Barry

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#### 1. CALL TO ORDER:

M. Teindl called the meeting to order at 7:03 pm.

Acknowledgement of Indigenous Territory

#### 2. ADOPTION OF AGENDA:

Moved by L. Brekke seconded by C. Dixon that the Agenda be adopted as presented.

**CARRIED**

#### 3. ADOPTION OF MINUTES:

Moved by L. Brekke, seconded by C. Dixon, that the Minutes of the Regular Meeting of June 18, 2019 be adopted as amended.

**CARRIED**

#### 4. PRESENTATIONS

Nil

#### 5. DISPOSITION OF PREVIOUS PRESENTATIONS

Nil

#### 6. FINANCIAL UPDATE: (S.Woolf)

a) 2018-2019 Audited Financial Statements - Dave Bond, KPMG

Dave Bond, Auditor from KPMG presented the 2018-2019 Audited Financial Statements.

**Moved by C. Dixon, seconded by L. Brekke that the Board of Education for School District 10 (Arrow Lakes) approve the 2018-2019 Audited Financial Statements as prepared by Shelly Woolf, Assistant Secretary-Treasurer and as attached.**

***CARRIED***

b) Audit Findings Report

Dave Bond, Auditor from KPMG presented the 2018-2019 KPMG Audit Findings Report.

**Moved by D. Simon, seconded by C. Dixon that the Board of Education for School District 10 (Arrow Lakes) approve the 2018-2019 Audit Findings Report as prepared and presented by Dave Bond of KPMG.**

***CARRIED***

## **7. QUESTIONS REGARDING FINANCIAL**

Nil

## **8. REPORTS**

- a) Chairperson:
  - i. Report attached
  
- b) Education Partnership Committee  
No report
  
- c) Parent Advisory Council / Trustee Liaison Reports:
  - i) Burton Elementary School  
No Report
  
  - ii) Edgewood Elementary School  
No report
  
  - iii) Nakusp Elementary School  
No report
  
  - iv) Lucerne Elementary-Secondary School  
No report
  
  - v) Nakusp Secondary School  
No report
  
  - vi) District Parent Advisory Council  
No report
  
  - vii) CUPE/Board Liaison

- Report attached
- viii) ALTA/Board Liaison Meeting
  - Report attached
- ix) Occupational Health and Safety Committee
- x) Chamber of Commerce
  - Nakusp: Report attached
  - New Denver/Silverton:
- xi) Strong Start Centres
  - Nakusp Centre (Central Zone) Report attached
  - Outreach, Burton, Fauquier, Edgewood (Southern Zone)
- xii) Arrow Lakes Aboriginal Educational Advisory Council  
No report
- d) Branch / BCSTA / BCPSEA
  - i) Branch: No report
  - ii) BCSTA: Report attached
  - iii) BCPSEA: Report attached
- e) Superintendent/Secretary-Treasurer: (T. Taylor)  
The Superintendent/Secretary-Treasurer Report was presented at the Education Partnership Committee Meeting. A copy of this report is included as part of the Regular Meeting Minutes.

#### 9. OLD BUSINESS:

- a) Community Use of School Facilities  
*Note: This item was presented on at the Education Partnership Committee Meeting.*

#### 10. NEW BUSINESS:

- a) Superintendent Travel Expenses

S. Woolf, Assistant Secretary Treasurer presented the recommended budget for the Superintendent/Secretary-Treasurer travel expenses for the 2019-2020 school year.

**Moved by L. Brekke, seconded by D. Simon that the Board of Education approve a Budget of \$33,000 for the Superintendent/Secretary-Treasurer for the 2019-2020 school year.**

***CARRIED***

It is noted that one Trustee did not vote in favor.

- b) Burton School Facility Condition, Art Olson

Art Olson, Manager of Operations and Transportation reported on procedures for school maintenance and cleaning over the summer holidays and the objective to have all school facilities ready for school start up.

- c) In-Camera Meeting Report

Board Chair Teindl reported that in accordance with the School Act, a high-level In-Camera Meeting Report will be included in the Regular Meeting Minutes packages of the subsequent Regular Meeting.

- d) Signing-Authority Matrix

Moved by D. Simon, seconded by L. Brekke that the Board of Education refer the matter of the signing authority matrix to the Board Policy Committee.

**CARRIED**

**11. NEXT MEETING DATES:**

- a) Education Partnership Committee Meeting:                      October 15, 2019                      6:00pm
- b) Regular Meeting of the Board:    October 15, 2019                      7:00pm

**12. QUESTIONS FROM PUBLIC:**

Nil

**13. ADJOURNMENT:**

B. Chair Teindl adjourned the meeting at 8:45pm.

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M. Teindl  
Chairperson

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T. Taylor  
Superintendent/Secretary-Treasurer



## Regular Board Meeting September 17, 2019

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Date Prepared: September 12, 2019

Submitted by: Shelly Woolf, CPA, CA, Assistant Secretary Treasurer

Subject: 2019 Draft Financial Statements

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### **Purpose**

To respectfully request that the Board receive and approve the 2019 Financial Statements as presented.

### **Background**

In accordance with S156 (Accounting Practices) and 157 (Financial Statements ) of the School Act and Ministerial Order 033/09, Boards of Education (Boards) must prepare and submit their financial statements in the form required by the Minister prior to September 30 and make them publicly available by December 31. In accordance with current auditing standards, the Board must first approve the Financial Statements prior to attaching the final auditor's report. Following Board approval, adding the required signatories and attaching, the audit report to the 2019 Financial Statements the statements will be submitted to the Ministry accordingly.

Attached for your information are the 2019 Draft Financial Statements as well as the Audit Findings Report issued by the District's auditors - KPMG.

Below is a brief summary of financial information included in this year's Financial Statements. The financial statements include four key statements which will be the focus of the summary. The notes to the financial statements are an integral part of the statements and I encourage everyone to review them as they provide supplemental information that is useful in understanding the amounts. In addition, the supplementary schedules provide more detail, but the audit opinion does not extend to these schedules.

### **Statement of Financial Position**

The Statement of Financial Position provides a snapshot of the District's finances at June 30, 2019 compared to the previous year. The District's financial assets are comprised mostly of cash and portfolio investments and increased by \$250,370 from \$3,053,932 to \$3,304,302. The Statement of Cash Flows on page 8 provides a detailed summary of the changes in the District's cash position and Note 4 on page 16 references its portfolio investments. The cash balance increase of \$212,063 results mainly from timing differences related to accounts payable – increase of \$100,304 and to the difference of \$70,832 between capital purchases (\$953,869) and the related capital revenue \$1,024,701. Combining these changes with the current year deficit



## Regular Board Meeting September 17, 2019

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of (\$59,706) and other minor changes in other assets and liabilities provides the continuity for the change.

Portfolio investments increased by \$53,064 from \$1,952,901 to \$2,005,965 resulting from the interest earned on these investments. Interest rates rose marginally over the year providing additional revenues to support future expenses.

Total Liabilities increased by \$695,430 from \$8,125,173 to \$8,820,603 and relates mostly to the change in deferred capital revenue. The accounting treatment of capital revenue requires that it be amortized (brought in as revenue) over time, similar to how the capital assets are depreciated over their useful life. Even though the District invested just under \$1M in capital assets only \$410,098 of the funding that paid for them is recognized as revenue.

The narrative described above explains the decrease of \$445,060 in the District's Net Financial Deficit of \$5,516,301 compared to \$5,071,241 last year. Again, this is due primarily to the deferred capital revenue component that identifies a future liability exists. Segregating this item results in a surplus position of \$2,146,255 compared to \$1,976,712 last year identifying that although the position decreased the District has sufficient cash resources to meet its current liabilities.

Non-Financial Assets are made up of a small amount of prepaid expenses, supplies inventory, deferred expenses and approximately \$10.2M in capital assets comprised mainly of its school buildings. Note 10 provides the detail related to the changes in capital assets for the year.

In summary, the District's Financial Position at June 30, 2019 is strong with sufficient resources to cover both current liabilities and any unexpected expenditures.

### **Statement of Operations**

The Statement of Operations shows the District's financial transactions throughout the year compared to the original budget and the previous year.

Actual revenues were up \$256,819 at \$8,609,821 compared to \$8,353,002 last year and \$503,391 higher than the original budget. Note 14 on page 22 highlights the changes from the Original Budget to the Amended Budget with the major change related to the Provincial operating grant due to increased enrollment. Actual revenues compared to the Amended Budget were higher by \$134,167. Again, this was related to enrollment increases and other provincial grants. Schedule 2A on page 27 shows a detailed list of the District's revenue.

Actual expenses increased by \$212,637 at \$8,669,527 compared to \$8,456,890 last year and were \$3,102 higher than the original budget and \$364,531 (4.0%) lower than the amended



## Regular Board Meeting September 17, 2019

budget. The amended budget is used more so than the original budget as it is adjusted for mid year FTE funding changes. Instruction and Operations and Maintenance came in lower than the amended budget by (\$189,450) and (\$201,067) with District Administration and Transportation and Housing coming in higher by \$17,303 and \$8,683. All the variances were analyzed and documented during the audit process. The amounts under budget related mostly to wages and benefits. In the Instruction function, actual benefits were markedly lower than budget mostly because budget amounts are calculated at a flat rate of 27% following previous formulas. Starting in 2019, both teacher pension and employment insurance rates actually decreased. Additionally, the gap between total earnings and assessable earnings may be getting higher. The underspend in operations and maintenance is also related to wages and benefits but this is more related to allocations out of the operating budget to the capital funds for crews working directly on capital projects. Additionally, some variances result directly from budget amounts as the general ledger coding system is updated.

Schedule 2C on page 29 and 30 shows the detail of the operating fund expenses by function, program and object and are up by \$243,226 from last year with increases in Instruction \$157,550, District Administration \$72,033, Operations and Maintenance \$5,165 and Transportation and Housing \$8,478.

Schedule 3 on page 31 show the Special Purpose Operations which include targeted provincial funds and school-based trust funds. Provincial revenues amounted to \$529,966 and school-based trust revenues amounted to \$224,032 for a total of \$753,998 compared to \$791,410 last year. Expenses for the year were \$696,860 compared to \$734,272. Page 32 and 33 show the provincial revenues and expenses for each special purpose fund which are required to be spent by the end of the year.

In summary, the actual results in expenses compared to the original budget and the amended budget will be used going forward to adjust the current forecasting rates and amounts. Fluctuations in revenues are primarily determined by the province and changes relating to these amounts often come in after the Bylaw is approved.

Finally, refer to Note 16 Internally Restricted Surplus - Operating Fund on Page 23 which identifies the balance of the District's internally restricted surplus of \$1,120,000 and unrestricted surplus of \$352,138 for a total of \$1,472,138, an increase of \$18,225. This surplus balance is supported by the District's portfolio investments and is fully funded. Internally restricted surplus was increased by \$144,500 with an offset decrease to unrestricted surplus. The change was made to better align unrestricted surplus to amounts budgeted for next year's operations with internally restricted surplus adjusted to fund long term projects and planning. The Secretary Treasurer has reviewed and approved the appropriations for the current year in accordance with Policy 622.



**Regular Board Meeting  
September 17, 2019**

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In conclusion, thank you to the District Auditor, Dave Bond and his team and the District staff for their assistance and support throughout the audit process.



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)

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Signature of the Chairperson of the Board of Education

Date Signed

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Signature of the Superintendent

Date Signed

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Signature of the Secretary Treasurer

Date Signed



KPMG LLP  
200 - 3200 Richter Street  
Kelowna BC V1W 5K9  
Canada  
Telephone (250) 979-7150  
Fax (250) 763-0044

## 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.

*KPMG*

Chartered Professional Accountants

September 17, 2019  
Kelowna, Canada

# School District No. 10 (Arrow Lakes)

Statement 1

## Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
<b>Financial Assets</b>		
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
<b>Total Financial Assets</b>	<b>3,304,302</b>	<b>3,053,932</b>
<b>Liabilities</b>		
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
<b>Total Liabilities</b>	<b>8,820,603</b>	<b>8,125,173</b>
<b>Net Financial Assets (Debt)</b>	<b>(5,516,301)</b>	<b>(5,071,241)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	10,158,837	9,777,520
Prepaid Expenses	65,571	61,534
<b>Total Non-Financial Assets</b>	<b>10,224,408</b>	<b>9,839,054</b>
<b>Accumulated Surplus (Deficit) (Note 16)</b>	<b>4,708,107</b>	<b>4,767,813</b>

Contractual Obligations (Note 13)

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, 2019

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



**School District No. 10 (Arrow Lakes)**

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

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

# School District No. 10 (Arrow Lakes)

Statement of Cash Flows  
Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
<b>Operating Transactions</b>		
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)
<b>Total Operating Transactions</b>	<b>194,295</b>	<b>1,301</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(953,869)	(1,118,317)
<b>Total Capital Transactions</b>	<b>(953,869)</b>	<b>(1,118,317)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	1,024,701	843,357
<b>Total Financing Transactions</b>	<b>1,024,701</b>	<b>843,357</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	(53,064)	(38,087)
<b>Total Investing Transactions</b>	<b>(53,064)</b>	<b>(38,087)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>212,063</b>	<b>(311,746)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>992,281</b>	<b>1,304,027</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>1,204,344</b>	<b>992,281</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	1,204,344	992,281
Cash Equivalents	1,204,344	992,281

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

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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
<b>Reconciliation of Accrued Benefit Obligation</b>		
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

<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
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

	2019	2018
<b>Components of Net Benefit Expense</b>		
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
EARSLS – 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
<b>Total</b>	<b>\$21,004,011</b>	<b>\$953,869</b>	<b>\$(150,704)</b>	<b>\$21,807,176</b>

	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
<b>Total</b>	<b>\$11,226,491</b>	<b>\$572,552</b>	<b>\$150,704</b>	<b>\$11,648,339</b>

**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
<b>Total</b>	<b>\$20,341,574</b>	<b>\$ 1,118,317</b>	<b>\$ 455,880</b>	<b>\$21,004,011</b>

	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
<b>Total</b>	<b>\$ 11,116,642</b>	<b>\$ 565,729</b>	<b>\$ 455,880</b>	<b>\$11,226,491</b>

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

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**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**

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**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
<b>Revenues:</b>			
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
<b>Total Revenue</b>	<b>8,106,430</b>	<b>369,224</b>	<b>8,475,654</b>
<b>Expenses:</b>			
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
<b>Total Expenses</b>	<b>8,666,425</b>	<b>367,633</b>	<b>9,034,058</b>
<b>Deficit for the year</b>	<b>\$ (559,995)</b>	<b>\$ 1,591</b>	<b>\$ (558,404)</b>

**Note 15      Expense by Object**

	2019	2018
Salaries and benefits	\$ 6,005,383	\$ 6,267,720
Services and supplies	1,394,732	1,623,441
Amortization	572,552	565,729
	<b>\$ 8,669,527</b>	<b>\$ 8,456,890</b>



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

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**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	
	<hr/>	
Subtotal Internally Restricted		1,120,000
Unrestricted Operating Surplus		352,138
		<hr/>
Total Available for Future Operations (Schedule 1)		<u>\$ 1,472,138</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 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**

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**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, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	1,453,913		3,313,900	<b>4,767,813</b>	4,871,701
<b>Changes for the year</b>					
Surplus (Deficit) for the year	44,180	57,138	(161,024)	<b>(59,706)</b>	(103,888)
Interfund Transfers					
Tangible Capital Assets Purchased	(25,955)	(57,138)	83,093	-	
<b>Net Changes for the year</b>	<b>18,225</b>	<b>-</b>	<b>(77,931)</b>	<b>(59,706)</b>	<b>(103,888)</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>1,472,138</b>	<b>-</b>	<b>3,235,969</b>	<b>4,708,107</b>	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 \$
<b>Revenues</b>			
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
<b>Total Revenue</b>	<u>7,060,625</u>	<u>7,444,295</u>	<u>7,153,573</u>
<b>Expenses</b>			
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
<b>Total Expense</b>	<u>7,383,977</u>	<u>7,400,115</u>	<u>7,156,889</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(323,352)</u>	<u>44,180</u>	<u>(3,316)</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>323,352</u>		
<b>Budgeted Reduction of Unfunded Accrued Employee Future Benefits</b>	<u>-</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	-	(25,955)	(102,392)
<b>Total Net Transfers</b>	<u>-</u>	<u>(25,955)</u>	<u>(102,392)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>18,225</u>	<u>(105,708)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		1,453,913	1,559,621
<b>Operating Surplus (Deficit), end of year</b>		<u>1,472,138</u>	<u>1,453,913</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		1,120,000	975,500
Unrestricted		352,138	478,413
<b>Total Operating Surplus (Deficit), end of year</b>		<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
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
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
<b>Total Provincial Grants - Ministry of Education</b>	<b>6,996,625</b>	<b>7,331,278</b>	<b>7,047,608</b>
<b>Provincial Grants - Other</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>
<b>Tuition</b>			
<b>Other Revenues</b>			
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
<b>Total Other Revenue</b>	<b>-</b>	<b>39,872</b>	<b>38,972</b>
<b>Rentals and Leases</b>	<b>6,000</b>	<b>5,737</b>	<b>4,822</b>
<b>Investment Income</b>	<b>40,000</b>	<b>49,408</b>	<b>44,171</b>
<b>Total Operating Revenue</b>	<b>7,060,625</b>	<b>7,444,295</b>	<b>7,153,573</b>

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

# 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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
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							-
<b>Total Function 1</b>	<b>2,490,072</b>	<b>483,936</b>	<b>305,324</b>	<b>179,663</b>	<b>142,865</b>	<b>190,586</b>	<b>3,792,446</b>
<b>4 District Administration</b>							
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
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,438</b>	<b>2,781</b>	<b>425,219</b>
<b>5 Operations and Maintenance</b>							
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							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337,964</b>	<b>143,074</b>	<b>52,016</b>	<b>533,054</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					24,148	-	24,148
7.70 Student Transportation				188,174		9,044	197,218
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,174</b>	<b>24,148</b>	<b>9,044</b>	<b>221,366</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>2,490,072</b>	<b>483,936</b>	<b>305,324</b>	<b>705,801</b>	<b>732,525</b>	<b>254,427</b>	<b>4,972,085</b>

# School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 14)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
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	-		-		-	-	-
<b>Total Function 1</b>	<b>3,792,446</b>	<b>844,466</b>	<b>4,636,912</b>	<b>458,211</b>	<b>5,095,123</b>	<b>4,978,845</b>	<b>4,937,573</b>
<b>4 District Administration</b>							
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
<b>Total Function 4</b>	<b>425,219</b>	<b>53,180</b>	<b>478,399</b>	<b>329,513</b>	<b>807,912</b>	<b>882,796</b>	<b>735,879</b>
<b>5 Operations and Maintenance</b>							
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
<b>Total Function 5</b>	<b>533,054</b>	<b>123,445</b>	<b>656,499</b>	<b>410,604</b>	<b>1,067,103</b>	<b>1,152,153</b>	<b>1,061,938</b>
<b>7 Transportation and Housing</b>							
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
<b>Total Function 7</b>	<b>221,366</b>	<b>51,659</b>	<b>273,025</b>	<b>156,952</b>	<b>429,977</b>	<b>370,183</b>	<b>421,499</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>4,972,085</b>	<b>1,072,750</b>	<b>6,044,835</b>	<b>1,355,280</b>	<b>7,400,115</b>	<b>7,383,977</b>	<b>7,156,889</b>



# School District No. 10 (Arrow Lakes)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

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

**School District No. 10 (Arrow Lakes)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2019

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	-	-	-	-	-	-	-	-
District Entered			176,365						
<b>Deferred Revenue, beginning of year, as restated</b>	-	-	176,365	-	-	-	-	-	-
<b>Add:</b> 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
<b>Less:</b> Allocated to Revenue	62,454	26,795	224,032	96,000	12,250	7,043	105,074	61,925	158,425
<b>Deferred Revenue, end of year</b>	-	-	173,901	-	-	-	-	-	-
<b>Revenues</b>									
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
<b>Expenses</b>									
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
<b>Net Revenue (Expense) before Interfund Transfers</b>	57,138	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(57,138)								
	(57,138)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# 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>
	\$
<b>Deferred Revenue, beginning of year</b>	-
District Entered	176,365
<b>Deferred Revenue, beginning of year, as restated</b>	<u>176,365</u>
<b>Add:</b> Restricted Grants	
Provincial Grants - Ministry of Education	529,966
Other	221,568
	751,534
<b>Less:</b> Allocated to Revenue	753,998
<b>Deferred Revenue, end of year</b>	<u><u>173,901</u></u>
<b>Revenues</b>	
Provincial Grants - Ministry of Education	529,966
Other Revenue	224,032
	<u>753,998</u>
<b>Expenses</b>	
Salaries	
Teachers	126,374
Educational Assistants	172,378
Support Staff	4,857
Other Professionals	1,225
	<u>304,834</u>
Employee Benefits	85,927
Services and Supplies	306,099
	<u>696,860</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>57,138</u>
<b>Interfund Transfers</b>	
Tangible Capital Assets Purchased	(57,138)
	<u>(57,138)</u>
<b>Net Revenue (Expense)</b>	<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
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income	1,600		1,430	1,430	1,666
Amortization of Deferred Capital Revenue	397,849	410,098		410,098	406,353
<b>Total Revenue</b>	399,449	410,098	1,430	411,528	408,019
<b>Expenses</b>					
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
<b>Total Expense</b>	693,230	572,552	-	572,552	565,729
<b>Capital Surplus (Deficit) for the year</b>	(293,781)	(162,454)	1,430	(161,024)	(157,710)
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	57,138	83,093		83,093	159,530
<b>Total Net Transfers</b>	57,138	83,093	-	83,093	159,530
<b>Total Capital Surplus (Deficit) for the year</b>	(236,643)	(79,361)	1,430	(77,931)	1,820
<b>Capital Surplus (Deficit), beginning of year</b>		3,228,910	84,990	3,313,900	3,312,080
<b>Capital Surplus (Deficit), end of year</b>		3,149,549	86,420	3,235,969	3,313,900

# School District No. 10 (Arrow Lakes)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2019

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

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

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

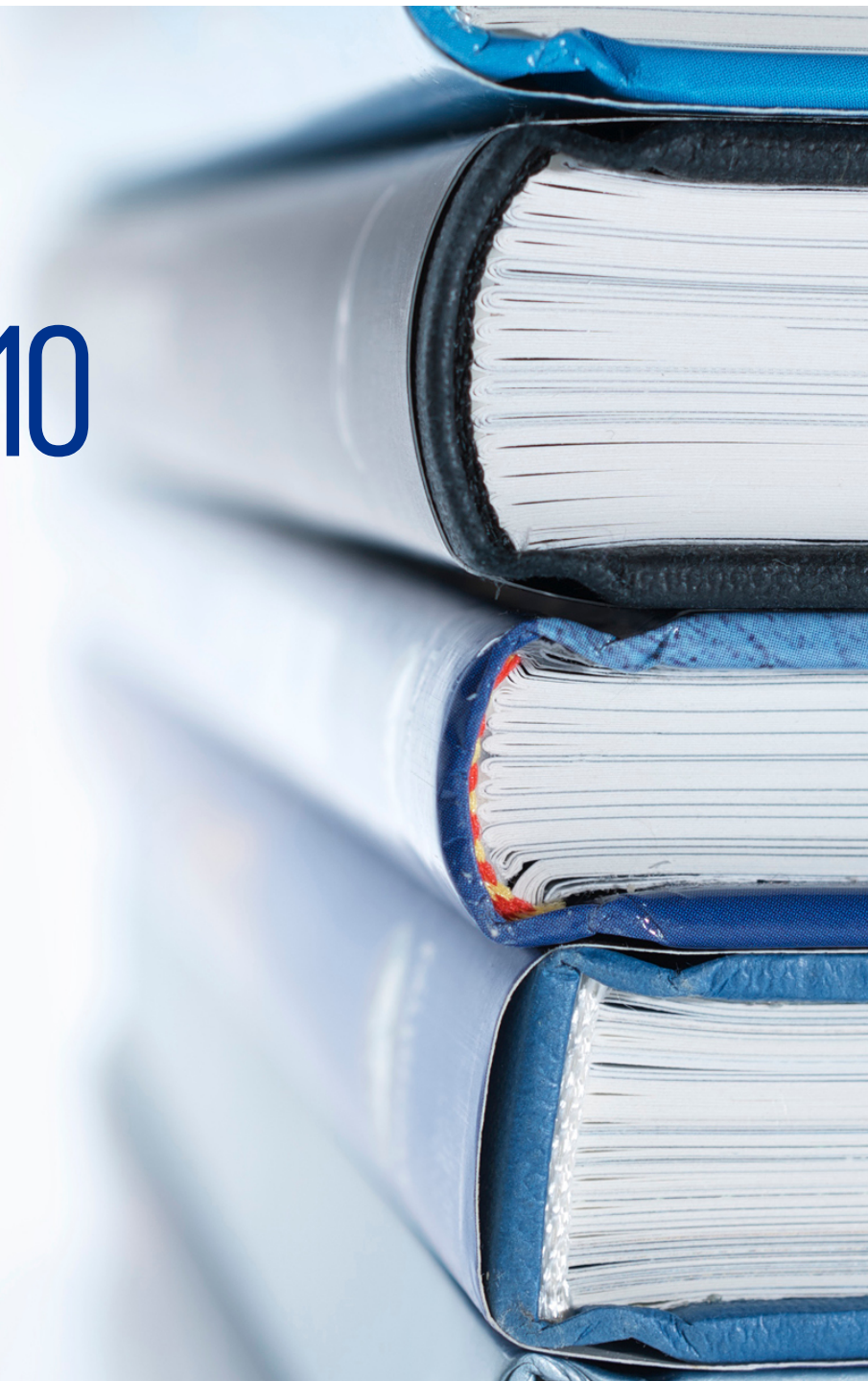


# School District No. 10 (Arrow Lakes)

**Audit Findings Report  
For the year ended June 30, 2019**

September 17, 2019

[kpmg.ca/audit](http://kpmg.ca/audit)





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# Executive summary



## Purpose of this report\*

The purpose of this Audit Findings Report is to assist you, as a member of the Board of Education (the “Board”), in your review of the results of our audit of the financial statements of School District No. 10 (Arrow Lakes) (“the School District”) as at and for the year ended June 30, 2019.



## Materiality

We determine materiality in order to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the audit and of any uncorrected misstatements on the financial statements. For the 2019 audit, we have determined materiality of \$212,000.



## Finalizing the Audit

As of September 17, 2019, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Board;
- Completion of subsequent event review procedures; and
- Obtaining evidence of the Board's approval of the financial statements

In addition to our audit report on the School District's financial statements, we will be completing other reporting to the Office of the Auditor General for the purpose of their reliance on our audit opinion in the audit of the summary of financial statements of the Province.

\*This Audit Findings Report should not be used for any other purpose or by anyone other than the Board. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





# Executive summary



## Areas of audit focus and results

We identified certain areas of audit focus, which included future employee benefits and payroll and related costs, which were addressed in our audit.

Key audit findings are summarized on page 6.



## Significant accounting estimates

Significant accounting estimates are summarized in note 2(l) to the financial statements and include employee future benefits, tangible capital asset amortization rates and for contingent liabilities.

Overall, we are satisfied with the reasonability of significant accounting estimates.



## Significant accounting policies and practices

There have been no new, significant accounting policies and practices or changes to significant accounting policies or practices to bring to your attention impacting the 2019 financial statements.



# Executive summary



## Adjustments and differences

Adjustments and differences include corrected and uncorrected adjustments to financial statement presentation and disclosure arising during our audit and communicated to management.

Adjustments and differences are summarized on page 8.



## Independence

As required by professional standards, we have considered all relationships between KPMG and the School District that may have a bearing on independence.

We confirm that we are independent with respect to the School District within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from July 1, 2018 up to the date of this report.



# Materiality

The determination of materiality requires professional judgement and is based on a combination of quantitative and qualitative assessments including the nature of account balances and financial statement disclosure:

Materiality determination	Comments	Our assessment
Metrics	Profit before tax, net assets, total revenue and total expense	Normalized Revenue
Benchmark	Based on total revenue. This benchmark is relatively consistent with the prior year,	\$8,609,821
Materiality	Determined to plan and perform the audit and to evaluate the effect of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The corresponding amount for the prior year's audit was \$212,000.	\$212,000
% of benchmark		2.5%
Performance materiality	Used 75% of materiality, and used primarily to determine the nature, timing and extent of audit procedures. The corresponding amount for the prior year's audit was \$159,000.	\$159,000
Audit misstatement posting threshold (AMPT)	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the previous year's audit was \$10,600.	\$10,600



# Audit risks

## Significant financial reporting risks

## Why is it significant?

Fraud risk from revenue recognition.

This is a presumed fraud risk in accordance with Canadian generally accepted auditing standards.

As the nature of the School District's operations provide limited opportunities to engage in fraudulent revenue recognition as the revenue stream is straight forward and does not require significant management judgement, the risk of fraud from revenue recognition has been rebutted.

Fraud risk from management override of controls.

This is a presumed fraud risk in accordance with Canadian generally accepted auditing standards. We have not identified any specific risks of management override relating to this audit.

## Our response and significant findings

Our audit methodology incorporates the required procedures in professional standards to address this risk of management override.

- These procedures include:
- Testing of journal entries and other adjustments;
- Performing a retrospective review of significant estimates; and
- Evaluating the business rationale of significant unusual transactions.

There were no significant issues noted in our testing.

# Areas of focus and results

Areas of focus	Our significant findings from the audit
Employees future benefits	<ul style="list-style-type: none"><li>• The Ministry of Education, on behalf of all School Districts in BC, engages an external actuary to determine the obligations and related costs for both vested and non-vested benefits, which include sick leave, retirement incentive, severance and vacation offered as part of the District's collective agreements.</li><li>• In the 2019 fiscal year, a full actuarial valuation of the obligation was performed at March 31, 2019 based on data submitted to the actuary by the School District.</li><li>• We assessed the competence, capabilities and objectivity of the actuary in performing the actuarial valuation.</li><li>• We assessed the use of significant assumptions used for the valuing the obligation, including estimated inflation rate, discount rate, earnings growth and service life of employees.</li><li>• We agreed the amounts disclosed in the notes to the financial statements to the actuarial extrapolation based on the March 31, 2019 valuation.</li></ul> <p>No errors or issues were noted arising from the audit procedures performed.</p>
Tangible capital assets	<ul style="list-style-type: none"><li>• During the year the School District reported \$955,000 in tangible capital additions, the majority relating to building upgrades and equipment additions.</li><li>• We selected a sample of additions and inspected supporting documentation to determine if additions were capital in nature and eligible if funded by restricted funding.</li></ul> <p>No issues or differences were noted with respect to the additions tested.</p> <ul style="list-style-type: none"><li>• Consistent with previous years, the School District amortizes tangible capital assets using a process and tool recommended by Ministry of Education to BC School Districts. This process and tool defers amortization expense for new asset additions until the following fiscal year. As a result, there is a timing difference between amortization of tangible capital assets and related capital revenue recorded by the School District and amortization in accordance with Canadian Public Sector Accounting Standards.</li><li>• The timing difference results in an overstatement of surplus for the year in the capital fund of approximately \$6,000 and an overstatement of accumulated surplus of approximately \$76,000. The timing difference has been included in our summary of unadjusted audit differences.</li></ul>



Areas of focus	Our significant findings from the audit
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Auditors' Opinion –  
Compliance Framework

- The financial statements are prepared under Canadian Public Sector Accounting (“PSA”) standards, supplemented by the requirements of Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.
- These regulations direct the District to apply PSA, except in regard to accounting for restricted contributions. Under the regulations, capital contributions are to be deferred and amortized on the same basis as the amortization of the related tangible capital assets, not in accordance with the underlying stipulations on the funding, as required under PSA.
- As a result, the District’s revenue recognized in the statement of operations and certain related deferred capital revenue would have been recorded differently under Canadian Public Sector Accounting Standards.
- The Office of the Auditor General (“OAG”) has requested additional reporting, under the Group Auditor requirements, in order to perform the consolidation of the Provincial Accounts under the PSA standards.

No differences greater than OAG’s reporting threshold were identified.



# Adjustments and differences



**Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.**

Professional standards require that we request of management and the audit committee that all identified adjustments or differences be corrected. We have already made this request of management.

## Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

## Uncorrected differences

Based on both qualitative and quantitative considerations, management have decided not to correct certain differences and represented to us that the differences —individually and in the aggregate—are, in their judgment, not material to the financial statements.

Year ended June 30, 2019 Description of differences greater than \$10,600 individually	Annual Surplus (Decrease) Increase	Financial position		
		Assets (Decrease) Increase	Liabilities (Decrease) Increase	Surplus (Decrease) Increase
Tangible capital assets – amortization difference from PSAS	(6,067)	(195,026)	(119,020)	(76,006)
<b>Total differences</b>	<b>(6,067)</b>	<b>(195,026)</b>	<b>(119,020)</b>	<b>(76,006)</b>

We concur with management’s representation that the differences are not material to the financial statements. Accordingly, the differences have no effect on our auditors’ report.



# Other observations

As your auditors, we are required to obtain an understanding of internal control over financial reporting (ICFR) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

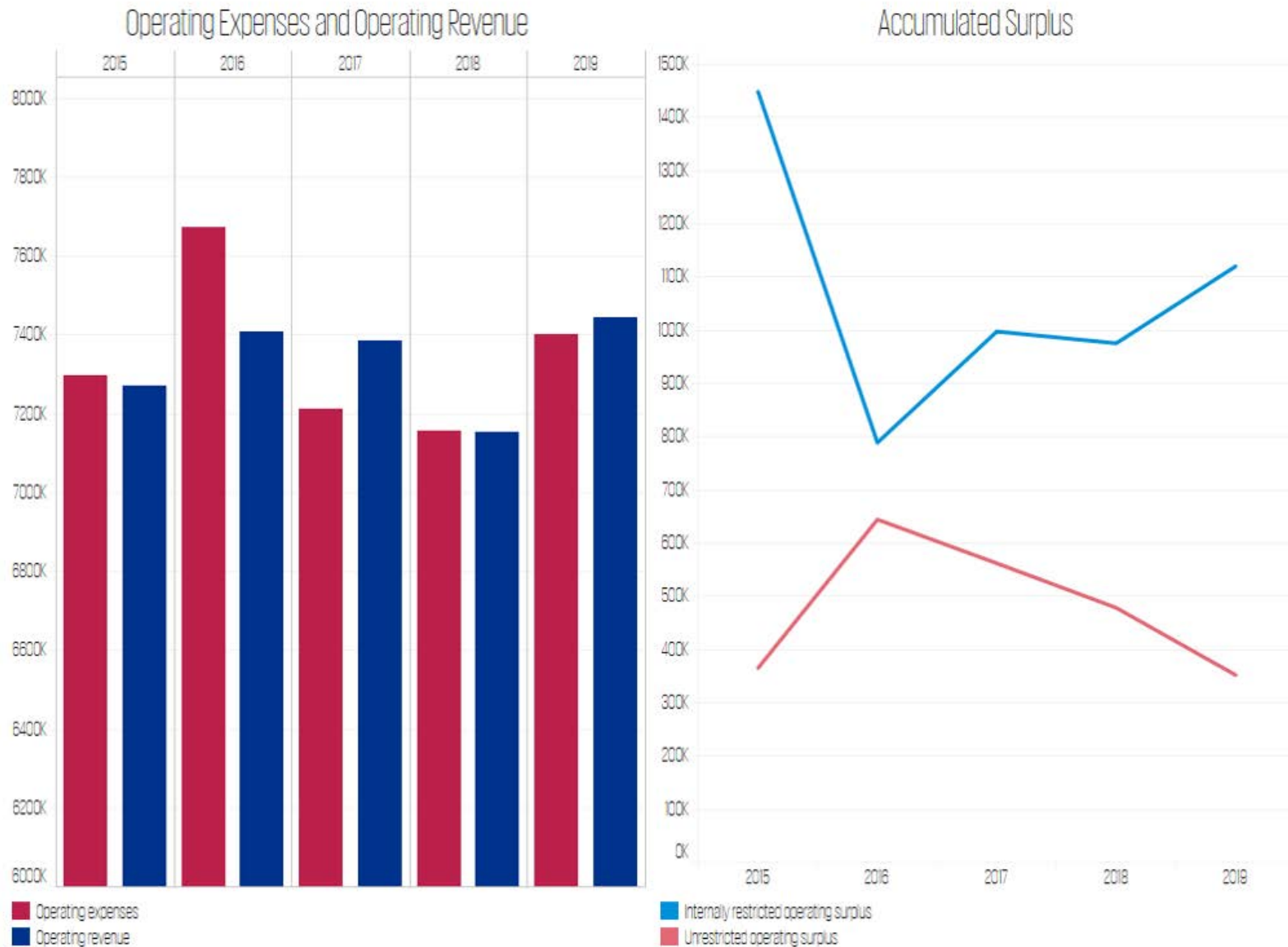
We did not identify any significant control deficiencies arising from our audit. Other observations, noted during our audit are summarized below:



## Observations and Recommendations

- Consistent with other School Districts in the province, we noted that the School District records an estimated or deemed disposal of tangible capital assets each year based on type, total costs and estimate age of assets. While this process works to annual reflect that certain assets are disposed of in the normal course of operations, a document tangible capital asset register would be a better tool to accurately track asset in use, assets disposed of and asset scheduled for replacement.
- We noted three instances of school bank reconciliations not indicating evidence of review by principals/vice-principals. There is a risk of overstatement/understatement of cash or accounts payable balances, balances gone unpaid or overpaid, or lost cheques needing to be rewritten.

# Select financial information – Operating Fund Annual and Accumulated Surplus





# Appendices



**Appendix 1: Required communications**



**Appendix 2: Current developments**



**Appendix 3: Audit Quality and Risk Management**

# Appendix 1: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:



## Auditors' report

The conclusion of our audit is set out in our draft auditors' report as attached to the draft financial statements.



## Management representation letter

In accordance with professional standards, the management representation letter is attached.



## Audit Findings report

Summarizing the key findings and results of our audit



## Engagement letter

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter and any subsequent amendment letters as provided by management.





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Kelowna BC V1W 5K9  
Canada  
Telephone (250) 979-7150  
Fax (250) 763-0044

## 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.



Chartered Professional Accountants

September 17, 2019  
Kelowna, Canada



SCHOOL DISTRICT NO. 10 (ARROW LAKES)  
98 SIXTH AVENUE NW  
NAKUSP, BC V0G 1R0

KPMG LLP  
200-3200 Richter Street  
Kelowna, BC V1W 5K9  
Canada

September 17, 2019

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of School District No. 10 (Arrow Lakes) ("the Entity") as at and for the period ended June 30, 2019.

**GENERAL:**

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**RESPONSIBILITIES:**

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated June 1, 2018, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements, such as all financial records and documentation and other matters, including:
    - (i) the names of all related parties and information regarding all relationships and transactions with related parties; and
    - (ii) the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in summaries.
  - c) providing you with unrestricted access to such relevant information
  - d) providing you with complete responses to all enquiries made by you during the engagement
  - e) providing you with additional information that you may request from us for the purpose of the engagement.
  - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
  - g) such internal control as we determined is necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that management, and others within the entity, did not intervene in the work the internal auditors performed for you.

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

**FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:**

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting, or
    - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

**SUBSEQUENT EVENTS:**

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

**RELATED PARTIES:**

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

**ESTIMATES:**

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

**GOING CONCERN:**

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern

**MISSTATEMENTS:**

- 11) The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 12) We approve the corrected misstatements identified by you during the audit described in Attachment II.

**NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:**

- 13) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

  
By: Ms. Terry Taylor, Superintendent/Secretary-Treasurer

  
By: Shelly Woolf, Assistant Secretary Treasurer

## Attachment I – Definitions

### **MATERIALITY**

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

### **FRAUD & ERROR**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

### **RELATED PARTIES**

In accordance with Canadian accounting standards for the public sector (PSAB) *related party* is defined as:

- A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel and close family members.

In accordance with Canadian accounting standards for the public sector (PSAB) a *related party transaction* is defined as:

- A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party. These transfers are related party transactions whether or not there is an exchange of considerations or transactions have been given accounting recognition. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

## Attachment II

### Summary of uncorrected and corrected misstatements in presentation and disclosures

1	Annual uncorrected adjustment for amortization charged on capital assets. Ministry of Education requires that amortization only be taken after the year the assets were purchased, rather than employing half-year rule. This is a departure from GAAP but SDs need to follow MoE guidance first.	Uncorrected	Factual
2	Various recommendations regarding the presentation and disclosure of the financial statemetns	Corrected	Factual

# Appendix 2: Current developments

Please visit the Audit Committee Institute page for recent developments in PSAB, Canadian securities matters, Canadian auditing and other professional standards and US accounting, auditing and regulatory matters.

Standard	Summary and implications
Asset Retirement Obligations	<ul style="list-style-type: none"><li>• A new standard has been approved that is effective for fiscal years beginning on or after April 1, 2021.</li><li>• The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs would be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.</li><li>• The ARO standard would require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets (“TCA”). The amount of the initial liability would be added to the historical cost of the asset and amortized over its useful life.</li><li>• As a result of the new standard, the public sector entity would have to:<ul style="list-style-type: none"><li>○ consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;</li><li>○ carefully review legal matters to determine if any legal obligations exist with respect to asset retirements;</li><li>○ begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.</li></ul></li></ul>
Revenue	<ul style="list-style-type: none"><li>• A new standard has been approved that is effective for fiscal years beginning on or after April 1, 2022.</li><li>• The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.</li><li>• The standard notes that in the case of revenues arising from an exchange, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.</li><li>• The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.</li></ul>



## Standard

## Summary and implications

### Concepts Underlying Financial Performance

- PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards.
- A Statement of Concepts (“SOC”) and Statement of Principles (“SOP”) were issued for comment in May 2018 and has closed.
- The SOC proposes a revised, ten chapter conceptual framework intended to replace PS 1000 *Financial Statement Concepts* and PS 1100 *Financial Statement Objectives*. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced.
- The SOP includes principles intended to replace PS 1201 *Financial Statement Presentation*. The SOP proposes:
  - Removal of the net debt indicator, except for on the statement of net debt where it would be calculated exclusive of financial assets and liabilities that are externally restricted and/or not available to settle the liabilities or financial assets.
  - Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).
  - Restructuring the statement of financial position to present non-financial assets before liabilities.
  - Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities).
  - A new provision whereby an entity can use an amended budget in certain circumstances.
- Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.

# Appendix 3: Audit Quality and Risk Management



**KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.**

**Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the six key elements of our quality control system.**

Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency Report](#).

Other controls include:

- Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits
- Technical department and specialist resources provide real-time support to audit teams in the field

We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.

We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.

- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.



We do not offer services that would impair our independence.

The processes we employ to help retain and develop people include:

- Assignment based on skills and experience
- Rotation of partners
- Performance evaluation
- Development and training
- Appropriate supervision and coaching

We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.





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# ***NES StrongStart Early Learning Centre September 14<sup>th</sup>, 2017 Monthly Report***

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- As September 13<sup>th</sup>, 2019 I have 63 students enrolled, and I am waiting on twelve more to register, but do not have copies of birth certificates or medical cards yet. I see our enrollment growing each month, with all the babies being born.
- NES StrongStart hours are: Monday/Wednesday/Friday from 8:45 - 11:45 am and Tuesday/Thursday from 12:30 to 3:30 pm.
- We opened on Thursday September 5<sup>th</sup>. We had ten families and 13 children attend.
- Our morning sessions are average from 10 - 17 children and 8-12 parents, and afternoons' 7-10 children/parents.
- Our daily schedule consists of free play, arts and craft, clean up, snack, gym, circle time, library time, outside time in the woods, and good byes.
- Monday we will have movement in the Bonnington from 10:00 am to 10:40 am, Wednesday gym time from 10:30 to 11:00 am, and Thursday afternoon from 2:15 pm to 3:00 pm.
- Liam from COINS is coming on September 13<sup>th</sup>, 20<sup>th</sup>, and 27<sup>th</sup> to do a drumming circle and story.
- Nakusp Public Library (Jackie/Librarian) will be coming the first Friday of the month for story time at 11:00 am.
- Pitter Patter will started on Thursday September 12, in the Strong Start room from 8:45 - 11:45 am. Sarah Sanders the CAPC worker facilitate this program. This program is for ages 0 to 2  $\frac{1}{2}$  years of age.
- Two things I am looking forward to this year are collaborating with the grade K/1 Miss Tupper's class to have forest time outside from 2:15 pm to 3:00 pm, hoping to buddy up with the Grade 7 class on special occasions, and bringing in more speakers

on a regular basis for parents. (e.g. Dental hygienist, OT, PT, speech, language, and much more.)

Respectfully written by Nancy Bone  
September 13<sup>th</sup>, 2019

## StrongStart Report from Southern Zone

Hello there, welcome back!

I'm happy to be starting out the Southern Zone Outreach StrongStart year with new registrations! We have a new young family in Fauquier & Edgewood. These new-to-us kids, yet to be put in system, bring our StrongStart number to 13 for the SZ.

Edgewood is a consistent smaller group with great lunch hour mentoring happening. So great to see our grade 7 students share playdough with the littles.

Burton group is Wednesdays 11-2 with a busy group of dedicated families and visiting sibling. The gym & playground are always a hit.

Fauquier has a nice steady group on Thursday mornings. Community connections are made with the reading Center in the room beside.

I look forward to another year of playing with & serving our young families well. This job is a delight and I feel blessed to have the respect and connections with so many young families.

To joy,  
Jodi

September 17, 2019

Regular Board of Education Meeting - Melissa Teindl

**Chair Report** – Welcome back everyone! I'm looking forward to the 2019/20 school year. Many members of the board will be travelling to Fairmont for our Kootenay boundary AGM next Friday. October 3<sup>rd</sup> will be new teacher orientation. I will be travelling to Vancouver in October 16<sup>th</sup> for meeting of board chairs.

**BCPSEA** – Bargaining is continuing provincially with BCTF, and will resume September 23<sup>rd</sup>.

**NES** – Will meet Wednesday September 18<sup>th</sup> @ 7:00

**CUPE Liaison - September 17/19** - Reviewed CUPE updated Seniority list and call-out list. Discussed CUPE seniority changes, recruitment issues for Central zone bus run, and reviewed CUPE medical Leave and LTD protocol. Next meeting October 15, 2019.

**ALTA Liaison - September 17/19** – Reviewed Enrollment in our schools at the start of the year. We have a slight enrollment increase. Reviewed TOC updated list, and seniority list. Went over professional learning plan and calendar for the 2019/2020 school year. Reviewed the ALTA medical leave and LTD protocol as well as the community use of school facilities protocol. Next meeting date is October 15 @ 2:00.

**REPORT – September 17, 2019**

**DPAC –**

Next meeting: tentatively October 30

**OH&S –**

-next meeting is scheduled for November 7 with training set for October 2

**BCSTA-Branch-**

-AGM for Branch to be held in Radium September 27-29

-the hotel information has been sent out

-Arrow Lakes will host in 2021

**BCSTA-BCTF Life Insurance Committee**

-I am appointed to this committee for the next school year and have a meeting on November 4

## Southern Zone Trustee Report - September 17th Meeting

### BES PAC/EES PAC

- BES PAC met on September 10th @3:30pm
- VP Brent C and 7 parents were present
- Parents still discuss the decision to not have an AED in the school
- Parents express joy, gratitude and excitement for the new Burton bus route and Support Teacher in the school
- VP to introduce coding to all BES students, as well as strategic thinking through games, this year
- Hot Lunch program to start October 1st and to run till the end of the school year
- Parents wonder if Teachers and staff are first aid certified
- Halloween festivity planning has started!
- Next meeting is PAC AGM, October 22nd, @3:30pm
  
- EES PAC no report or meeting date set

### ALAEAC

- First meeting is October 21st, @4pm

### Nakusp Secondary School

- First meeting is on the last Wednesday of the month so no news.

### Nakusp Chamber of Commerce

- 1) Hosted BC Beamers
- 2) Hosted Horizons Club
- 3) Slow Pitch tournament
  
- 4) Conducted a business owners' survey
- 5) Work on railway cars continues with painting of Brouse Loop station
- 6) Many positive comments about Broadway upgrade came in from visitors





World Class Learning in a Rural Environment

**September 17, 2019**  
**Superintendent/Secretary Treasurer Report**  
*Presented at the Education Partnership Committee,  
 and Regular Meeting of the Board of Education*

### 1. September Enrollment notes

- Enrolment as school begins shows a slight increase from last school year at 460 students; September 2018 headcount was 452 students.
- Our enrollment projections indicated 469 students for September 2019
- Currently one student is cross-enrolled at both ALDL and NSS
- Final 1701 snapshot and subsequent Ministry funding will be based on September 30<sup>th</sup> FTE
- Below is the monthly enrolment chart by school and grade:

My Education BC: Student Enrollment Numbers																
As of:	Sept 12															
Grade:	Gr.K	Gr.1	Gr.2	Gr.3	Gr.4	Gr.5	Gr.6	Gr.7	Gr.8	Gr.9	Gr.10	Gr.11	Gr.12	TOTALS	June	Dif
ALDL	0	0	1	3	0	3	3	6	2	3	2	1	18	42	45	-3
BES	1	6	4	4	3									18	14	4
EES	2	2	1	1	1	1	0	7						15	15	0
LESS	7	7	8	5	5	8	7	9	8	8	4	6	4	86	90	-4
NES	28	23	11	18	25	23	24	23						175	169	6
NSS									27	21	33	27	16	124	118	6
<b>TOTAL Per Grade</b>	38	38	25	31	34	35	34	45	37	32	39	34	38			
<b>District Total</b>														460	451	9
Notes:	Grade not applicable to school															

### Welcome to our New Staff!

- It's been a busy spring and summer hiring season, and we are excited to welcome many new employees, and employees new to their positions to our SD 10 staff!!!

School/Position	New/Returning Employee	Role
<b>District Staff</b>	Peter Dubinsky	Director of Learning
<b>NSS</b>		
	Karlee Cook	Electives Teacher
	Dominic Raso	Math Teacher
	Jared Strand	Humanities, Outdoor Education Teacher
<b>NES</b>		
	Hannah Boomer	PE, Outdoor Ed, Indigenous Ed Teacher
	Michelle Jackson	Grade 3/4 Teacher
	Biz Tupper	Kindergarten/Grade 1 Teacher
	Andrea Volansky	Grade 5/6 Teacher
	Brent Cook	Vice-Principal and Classroom Support Teacher
	Michele Hildebrand	Education Assistant
	Faye Fox	Custodian
<b>Lucerne</b>		
	Margot Baker	Secondary English, Electives Teacher
	Kyoko Conne	Kindergarten/Grade 1 Teacher
	Donna Hicks	Intermediate and Secondary Teacher

	Debbie Dubinsky	Grade 2/3 Teacher
	Mark Lada	School Counsellor, Secondary Teacher
	Justin Bisson	Vice-Principal, Intermed/Secondary Teacher
	Suzanne King	Education Assistant
	Bob Gould	Eastern Zone Bus Driver
<b>BES</b>		
	Kristi Mortell-Leblanc	K-4 Literacy Support Teacher
	Ken Rogers	Custodian and BES Bus Driver

### 1. Key 2019-20 Budget Decisions

- The Board of Education passed its Annual Budget By-law last spring with the following key budget decisions based on feedback from the Finance Committee and budget consultations at our schools:
  - Increase of a 1.0 teacher at Nakusp Elementary School to address increased enrollment
  - Increased staffing at NSS to enhance secondary elective and academic choice offerings
  - Increased .25 FTE intermediate teacher staffing at EES for continuity and to allow VP to provide Classroom Support an additional day per week at NES
  - Increased 1.0 Teaching VP staffing at Lucerne to enhance secondary elective and academic choice options and support Principal of two complex K-12 schools
  - Increase .5 FTE teacher staffing at Burton Elementary to support increased enrollment and a K-4 classroom learning environment
  - Continue additional Arts program funding from 2017-18 budget with flexibility for schools to choose which areas of fine and performing arts to enhance their schools
  - Increase school secretary time at BES and EES schools
  - Add a school bus route for K-4 children at Burton Elementary School

### 2. NSS Climbing Wall Update

- Engineered drawings for the NSS climbing wall were finally received from the engineer in July; engineer plans for the bouldering wall have not yet been received
- These delays have caused delays in estimating costs, materials and starting construction
- The climbing wall plans involve more extensive structural alterations to the school building than were anticipated, and also additional labour costs
- School district staff met with three members of the Climbing Wall Society during the first week of September to discuss the concerns, as Society members were not available during the summer
- A local contractor has been engaged to assess labour and building material costs for the climbing wall based on the new engineer drawings; those costs are estimated at \$49,000
- Superintendent and NSS Principal met Friday September 13<sup>th</sup> to discuss project feasibility and planning with an updated timeline and budget to be provided to CBT by the end of this week
- The project must be completed by December 2019 to access grant funds

### 3. Fauquier School Property Update

- RDCK has now passed rezoning bylaw amendments and OCP amendment on the Fauquier School property subdivision application
- Assistant Secretary-Treasurer, Shelly Woolf is currently:
  - Working with RDCK to get water connection to property line installed
  - Requesting approval letter from BC Hydro – then sending that on to RDCK
  - Awaiting RDCK letter to MoT that all requirements have been met
- We look forward to soon receiving the Ministry of Transportation approval
- School district process and next steps will commence as soon as we have Ministry approval:
  - Disposal of land will be executed as per [Ministry regulations](#)
    - Appraisal of both lots, and statements of valuation of net proceeds
    - Documentation of property title and how it was originally acquired (for restricted and local capital fund purposes), site plan, rationale for disposal of the property, etc

- Community consultation held in Fauquier to allow final input on the disposal of property plans
  - A Board by-law regarding proposed disposal of the property
  - Work on an agreement for sale with the community organization in Fauquier
  - Interviewing and selecting a real estate agent to sell the second lot; and selling that property
- District staff will continue to move ahead on the details over the next few months

#### **4. New Spaces and CBT Child Care Centre Grant Applications Submitted**

- In collaboration with Goat Mountain School Society, and a local Child Care Committee in the New Denver area, the school district has submitted grant applications to both MCFD New Spaces and CBT Child Grant program to build a Child Care Centre in two unused classrooms at Lucerne School
- The proposed Goat Mountain Kids Child Care Centre would create 16 new child care spaces for 0-5 year olds and after school care spaces for twenty-four 5-11 year olds
- Many thanks to Goat Mountain Society and especially to Sara Wearmouth and Julia Greenlaw of the Child Care Committee for their assistance gathering some of the extensive documentation required for these grant submissions
- We hope to hear by end of September, as the application is now sitting in adjudication

#### **5. Ministry Data Room**

- On Thursday, August 29<sup>th</sup>, the district Leadership Team participated in a two-hour video conference with Ministry of Education Data and Analytics staff to look at provincial data for our schools and district
- We are working with the Ministry to get better and more fulsome data for cohorts over time on Grade 4 and 7 FSAs, graduation rates, success rates for indigenous learners, students with diverse learning needs and Children and Youth In Care – all these are required areas to report
- Given the small size of our classes and school district population, data for a given year needs to be seen in context of trends over time and also district data on reading, writing and numeracy
- Ministry staff were impressed with the high level of engagement and thoughtful questions that our team presented, and they were able to share data with us that we had not been able to access previously
  - For example: After Grade 12, our students' transition to post-secondary institutions is the same or better than provincial averages when viewed over a ten year period, which is longer than the 6 year period commonly reported.
  - Speculation is that this may be due to our rural and remote location and students needing to save more money to go to school. Overall though, our students are as successful as their urban counterparts at transitioning to post-secondary
  - Selkirk College was the primary post-secondary institution sought by our students
- The Ministry will assist us in putting together data that can be used in School Growth Plans and the District Plan for Learning under the new Framework for Enhancing Student Learning policy
- At the October Board meetings, updated School Growth Plans and District Plans for Learning will be shared

#### **6. Playground Completed at Lucerne School**



The Lower Playground – 2-5 year olds

- Kudos to our amazing maintenance staff for completing the new playground project by end of July
- This summer, the pressure to complete installation of the new playground at Lucerne amidst all the other capital projects was intense but the rewards of a new and safe playground for our kids is well worth it!



The Upper Playground - 5-12 year olds

## 7. Funding Review Update

- Work on reviewing the funding allocation system for the province continues this fall
- Working groups concluded their recommendations and mitigations to implement the Independent Review Panel recommendations in the summer with Final Reports submitted to the Minister at the end of August
- On October 1<sup>st</sup>, the Ministry will bring back together representatives from the various partner groups to share the next steps and overview the reports from the Working Groups
- Fall 2019 will see the Ministry connect with partner organizations including BCSTA, BCASBO, BCSSA, BCPVPA, BCTF, FNESC, at their fall conferences etc to communicate final reports and help get input on next steps
- Plans at present by the Ministry, remain to change the funding model prior to March 31<sup>st</sup> as recommended by the Independent Review Panel with input from the four Working Groups

## 8. Basin Plays - \$15,200 for transportation

- This is the second year that funding has been received from the Columbia Basin Trust Basin Plays program
- Support for all six schools will help Arrow Lakes Distributed Learning, Edgewood, Burton Elementary, Lucerne Elementary Secondary and the Nakusp Elementary and Secondary Schools encourage more physical literacy and activity as follows:
  - NES – Spring swimming at Halcyon Hot Springs
  - Lucerne – Fencing equipment and sports equipment (soccer, baseball bats and balls)
  - ALDL – Sports equipment soccer balls and gloves, indigenous Northern Games equipment, admission and tickets Nakusp Hot Spring for swimming and hiking and ski to Whitewater or Revelstoke
  - EES – Support for skiing, golf at Fauquier Golf Club and swimming programs
  - BES – Support to supplement the school ski and swim programs
  - NSS – Support for a ski day, replacing junior and senior outdoor ed equipment including snowshoes and cross country skis, and supplementing the PE equipment budget

## 9. Nakusp and Area Community Foundation

- Many thanks to Nakusp and Area Community Foundation for two grants which will help support extra-curricular programs in our schools in the Nakusp area
- \$1500 received for Wednesday after school late bus transportation so more students can attend after school programs at NSS and NES
- Plan is to assist students living in Nakusp area and down the lake as far as Fauquier
- NACF has also granted \$3500 to NES PAC to support after school activities with a fine arts focus

## 10. ArtStarts - \$3500 Arts in Classroom Grant for NES

- Nakusp Elementary PAC was successful in receiving a \$3500 ArtStarts Artist in the Classroom grant to support dance programs at both Nakusp Schools
- The [Jess Dance](#) dance program will be offered to students at NES and NSS during a week long residency October 28<sup>th</sup> to November 1<sup>st</sup>
- Morning dance classes will be held at NES and afternoon classes at NSS
- An NES student performance is planned for the afternoon of November 1<sup>st</sup>

## 11. RDCK Support for Longstanding SD 10-Summit Lake Ski Program

- NES has received a \$5000 grant to support the school's Summit Lake Ski Program
- Many thanks to RDCK Director, Paul Peterson, for his assistance in garnering this support to help pay for the cost of ski lessons and lift tickets
- For several decades now, the school district has the ski program included in the annual budget
- With the cooperation of Summit Lake Ski Hill, SD 10 offers ski lessons and skiing to all elementary students and ski days for our secondary students

## 12. Back to School Safety: Reminder of School Zones and School Busses

- It is back to school, and time to remind our parents and community members that school zones are in effect from 8 am to 5 pm Monday to Friday
- Of particular note, is a reminder that the law states that all traffic in both directions must stop when a school bus has on its flashing lights and the stop sign protrudes from the driver side of the bus
- In the first week of school we had an incident where a driver passed the bus with its lights flashing and stop sign out on a double line while children were boarding the bus
- Our bus drivers report that it is not uncommon for drivers to pass school busses when children are boarding or disembarking from the school even though the lights are flashing
- Please pass on the word that these rules are for the safety of our children and need to be followed

## 13. UBC WKTEP in situ Partnership for Class Reviews – September 18<sup>th</sup>, 24<sup>th</sup> and October 1<sup>st</sup>

- For the fourth year in a row, teacher candidates from the UBC-West Kootenay Education Program will be in SD 10 for three consecutive weeks as our teachers are immersed in the fall Class Review process
- A Class Review or Class Profile, uses reading, writing and numeracy data and observations to learn about the strengths and stretches of a particular class, which then assists the teacher to hone their teaching to fit the needs of their learners.
- Class reviews will be repeated in January and in May throughout the district during this school year so we can better address the learning of our students and also monitor their progress and make changes to teaching as the information is meant to inform classroom instruction
- Dr. Leyton Schnellert, Faye Brownlie and Catherine Feniak write about the Class Review process in their book, *Student Diversity* (2006)
- There are four West Kootenay school districts in the West Kootenay Teacher Education Consortium – SD 8, 10, 20 and 51
- Superintendents from each of the four Consortium districts help shape and give feedback on the WKTEP teacher ed program based on the districts' contexts and needs in meetings each year with the Dean of Education, Faculty Advisor and WKTEP Program Coordinators
- Initially the idea to have teacher candidates in our district early in the fall in situ, came from a consortium meeting where the SD 10 and 51 Superintendents wanted to encourage student

teachers to consider practicums in SD 10 and SD 51, the two more remote and distant rural districts in the consortium

- Our District Leadership team in SD 10, decided that the teacher candidates could assist with the district-wide Class Review process, and each year, teams of teacher candidates join classrooms from Edgewood to New Denver with all schools in between
- This year, we have eighteen SD 10 teachers who have opened up their classrooms to their new-to-the-profession WKTEP colleagues in classrooms in every school in the district
- Our teachers and students benefit from having the WKTEPers come visit and for our educators, it is also a way of giving back to the profession – this next group of teachers...
- WKTEPers will assist with K-8 EPRA and DART school reading assessments which help inform teachers about how our learners are doing in reading as the school year begins, and help teachers make decisions about ways to improve reading success for all our learners
- The in-situ sessions also allow teacher candidates to teach a short lesson to our students – always fun activities for the students!
- Our teachers will also be doing Grade 2-10 writing assessments in all schools this fall as part of the Class Review process

#### **14. Head Lice – an early visit from some unwelcome guests...**

- It's earlier than usual this year, but our first case of head lice was reported in the first week of school
- School principals and vice principals were quick to reference the district Lice Protocol, contact the Public Health Nurse, and provide information to parents with a letter home
- Just a reminder to parents and children to not share hats and to check regularly for lice if there are cases in their school

#### **15. Free Menstrual Products in all Schools**

- Late last spring, the Ministry of Education announced that all BC schools will provide menstrual products for free to address access and equity issues, and in SD 10, this was an easy task to achieve as our schools already provided free products to students on request
- Now, our schools have baskets in the high school washrooms, school office and small supplies with teachers in classrooms for student use
- We are also investigating refitting the old vending machines in the school washrooms for free dispensing of menstrual products



#### **16. Recruitment Challenges**

- This past spring and summer have been very difficult one in our efforts to recruit employees to the school district – a now common rural dilemma
- We are short school bus drivers for regular routes, and don't have enough qualified custodians, Education Assistants, school secretaries or bus drivers for casual work
- We posted 16 teacher jobs and in a number of cases, had to repost five or six times in order to hire teachers; the same was true for the teaching Vice Principal role at Lucerne which we posted five times
  - The Superintendent has spoken to the Deputy Minister and Assistant Deputy Minister about our concerns



# RECORD OF IN-CAMERA MEETING SCHOOL DISTRICT # 10 (Arrow Lakes)

School Board Office  
98 6<sup>th</sup> Avenue NW, Nakusp

Date: Tuesday Sept 17, 2019  
5:00 pm

**PRESENT:**

**Trustees:** L. Brekke, D. Simon, M. Teindl, R. Farrell  
**Staff:** T. Taylor, M. Grenier, S. Woolf  
**Regrets:** R. Farrell  
**Other:** D. Bond, KPMG

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Meeting called to order at 5:01pm.

**Adoption of Agenda**

**Adoption of Minutes**

- June 18, 2019 Minutes

**Personnel:**

**Staffing – Teachers – *discussed***  
**Staffing - Support Staff**  
**Staffing – Excluded Staff/Principals/Vice-Principals - *discussed***

**Legal Matters:**

**ALTA - *discussed***  
**CUPE – *discussed***  
**ALELA - *discussed***  
**Excluded - *discussed***

**Property Matters**

**Medical Matters**

**Other**

*Various matters discussed*

Meeting was adjourned at 9:35pm.