Audited Financial Statements of

School District No. 10 (Arrow Lakes)

And Independent Auditors' Report thereon

June 30, 2022

School District No. 10 (Arrow Lakes)

June 30, 2022

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 8733-7988-6005

Management's Responsibility for the Financial Statements.

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

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

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

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

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

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

Signature of the Chairperson of the Board of Education — Date Signed: Sept 20/22

Signature of the Superintendent — Date Signed: Sept 20/22

Signature of the Secretary Treasurer — Date Signed: Sept 20/22

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Kelowna BC V1W 5K9
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INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 10 (Arrow Lakes), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

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

- the statement of financial position as at June 30, 2022
- the statement of operations for the year then ended
- the statement of changes in net 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 as at and for the year ended June 30, 2022 of the School District 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 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.

Emphasis of Matter – Comparative Information

We draw attention to Note 17 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2021 has been restated. Note 17 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

As part of our audit of the financial statements for the year ended June 30, 2022, we audited the adjustments that were applied to restate certain comparative information presented for the year ended June 30, 2021. In our opinion, such adjustments are appropriate and have been properly applied.

Our opinion in not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises information, other than the financial statements and the auditors' report thereon, included in unaudited schedules 1-4 attached to the audited financial statements and the management discussion and analysis document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the Information, other than the financial statements and the auditors' report thereon, included in the unaudited schedules 1-4 attached to the audited financial statements and the management discussion and analysis document, at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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's 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 LLP

Chartered Professional Accountants
Kelowna, Canada
September 20, 2022

School District No. 10 (Arrow Lakes)

Statement 1

Statement of Financial Position
As at June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 17)
	$	$
Financial Assets		
Cash and Cash Equivalents	**4,891,951**	5,202,465
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	**50,000**	48,677
Other (Note 3)	**287,251**	124,690
Total Financial Assets	**5,229,202**	5,375,832
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	**925,337**	1,243,330
Deferred Revenue (Note 5)	**391,089**	209,761
Deferred Capital Revenue (Note 6)	**14,557,746**	10,935,229
Employee Future Benefits (Note 7)	**154,817**	150,145
Total Liabilities	**16,028,989**	12,538,465
Net Debt	**(10,799,787)**	(7,162,633)
Non-Financial Assets		
Tangible Capital Assets (Note 8)	**16,632,482**	12,677,375
Prepaid Expenses	**112,866**	223,170
Total Non-Financial Assets	**16,745,348**	12,900,545
Accumulated Surplus (Deficit)	**5,945,561**	5,737,912

Contractual Obligations (Note 11)

Contingent Liabilities (Note 12)

Approved by the Board

C Dixon — Sept 20/22

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

Sept 20/22

Signature of the Superintendent — Date Signed

Sept 20/22

Signature of the Secretary Treasurer — Date Signed

School District No. 10 (Arrow Lakes)

Statement 2

Statement of Operations
Year Ended June 30, 2022

	2022 Budget (Note 13)	2022 Actual	2021 Actual (Restated - Note 17)
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	9,630,087	**10,462,746**	10,225,022
Other	27,000	**21,000**	18,000
Tuition		**7,020**	
Other Revenue	191,000	**218,470**	170,148
Rentals and Leases	6,000	**10,921**	5,328
Investment Income	36,300	**53,781**	46,105
Gain (Loss) on Disposal of Tangible Capital Assets		**(23,733)**	
Amortization of Deferred Capital Revenue	541,975	**587,030**	499,122
Total Revenue	10,432,362	**11,337,235**	10,963,725
Expenses (Note 14)			
Instruction	7,457,449	**7,454,995**	6,999,940
District Administration	912,022	**817,405**	826,250
Operations and Maintenance	2,192,285	**2,121,232**	1,723,584
Transportation and Housing	541,284	**735,954**	484,278
Total Expense	11,103,040	**11,129,586**	10,034,052
Surplus (Deficit) for the year	(670,678)	**207,649**	929,673
Accumulated Surplus (Deficit) from Operations, beginning of year		**5,737,912**	4,808,239
Accumulated Surplus (Deficit) from Operations, end of year		**5,945,561**	5,737,912

School District No. 10 (Arrow Lakes)

Statement of Changes in Net Debt
Year Ended June 30, 2022

	2022 Budget (Note 13)	2022 Actual	2021 Actual (Restated - Note 17)
	$	$	$
Surplus (Deficit) for the year	(670,678)	**207,649**	929,673
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,264,547)	**(4,751,224)**	(2,391,799)
Amortization of Tangible Capital Assets	722,955	**772,384**	681,286
Net carrying value of Tangible Capital Assets disposed of		**23,733**	
Total Effect of change in Tangible Capital Assets	(3,541,592)	**(3,955,107)**	(1,710,513)
Acquisition of Prepaid Expenses	-	**(112,866)**	(188,952)
Use of Prepaid Expenses	-	**223,170**	78,726
Total Effect of change in Other Non-Financial Assets	-	**110,304**	(110,226)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(4,212,270)	**(3,637,154)**	(891,066)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		**(3,637,154)**	(891,066)
Net Debt, beginning of year		**(7,162,633)**	(6,271,567)
Net Debt, end of year		**(10,799,787)**	(7,162,633)

The accompanying notes are an integral part of these financial statements.

School District No. 10 (Arrow Lakes)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2022

	2022 Actual	2021 Actual (Restated - Note 17)
	$	$
Operating Transactions		
Surplus (Deficit) for the year	**207,649**	929,673
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	**(163,884)**	(34,240)
Prepaid Expenses	**110,304**	(110,226)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	**(317,993)**	387,878
Deferred Revenue	**181,328**	17,304
Employee Future Benefits	**4,672**	(9,248)
Loss (Gain) on Disposal of Tangible Capital Assets	**23,733**	-
Amortization of Tangible Capital Assets	**772,384**	681,286
Amortization of Deferred Capital Revenue	**(587,030)**	(499,122)
Total Operating Transactions	**231,163**	1,363,305
Capital Transactions		
Tangible Capital Assets Purchased	**(4,751,224)**	(2,391,799)
Total Capital Transactions	**(4,751,224)**	(2,391,799)
Financing Transactions		
Capital Revenue Received	**4,209,547**	2,387,094
Total Financing Transactions	**4,209,547**	2,387,094
Investing Transactions		
Proceeds on Disposal of Portfolio Investments	**-**	1,454,269
Total Investing Transactions	**-**	1,454,269
Net Increase (Decrease) in Cash and Cash Equivalents	**(310,514)**	2,812,869
Cash and Cash Equivalents, beginning of year	**5,202,465**	2,389,596
Cash and Cash Equivalents, end of year	**4,891,951**	5,202,465
Cash and Cash Equivalents, end of year, is made up of:		
Cash	**4,891,951**	5,202,465
	4,891,951	5,202,465

NOTE 1 AUTHORITY AND PURPOSE

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 and Child Care. School District No. 10 (Arrow Lakes) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia.* This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in notes 2(e) and 2(k).

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

As noted in notes 2(e) and 2(k), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require 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; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Cash and Cash Equivalents

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

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) 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.

e) Deferred Revenue and Deferred Capital Revenue

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The impact of changes in the assumptions between this March 31, 2022 measurement date and June 30, 2022 are not considered to be material. 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.

g) Tangible Capital Assets

The following criteria apply:

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

g) Tangible Capital Assets *(Continued)* :

- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset (Note 17). It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

h) Asset Retirement Obligations

Effective July 1, 2022, Canadian public sector accounting standards for asset retirement obligations will become effective, which will establish standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets. A liability is recognized when, as at the financial reporting date:

(a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
(b) the past transaction or event giving rise to the liability has occurred;
(c) it is expected that future economic benefit will be given up; and
(d) a reasonable estimate of the amount can be made.

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.

A modified retroactive application has been recommended by Government pending approval in the fall of 2020. 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 and is in the process of assessing the impact of adopting the new standard on the School District's financial results.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

i) Liability for Contaminated Sites

Contamination is air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School district:
  - o is directly responsible; or
  - o accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. At this time the School District has determined there are no liabilities for contaminated sites.

j) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

k) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k) Revenue Recognition *(Continued)*:

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

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

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

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

l) Expenditures

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

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, 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 Indigenous 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

m) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued 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 and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

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, 2022, the School District did not have any financial instruments where fair value differed significantly from its cost amount. Accordingly, a statement of remeasurement gains and losses has not been presented.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

n) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	2022	2021
Federal Government	$ -	$ 48,677
Other	287,251	124,690
	$ 287,251	$ 173,367

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2022	2021
Trade and other accounts payable	$ 196,984	$ 372,313
Salaries and benefits	542,499	782,277
Accrued vacation pay	185,854	88,740
	$ 925,337	$ 1,243,330

NOTE 5 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.

	2022	2021
Balance, beginning of year	$ 209,761	$ 228,871
Changes for the year:		
Restricted grants received	1,092,823	1,084,157
Allocation to revenue	(911,495)	(1,066,853)
Balance, end of year	$ 391,089	$ 209,761

NOTE 6 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.

Unspent Deferred Capital Revenue	2022	2021
Balance, beginning of year	$ 1,297,115	$ 1,000,264
Changes for the year:		
Restricted grants received	4,195,438	2,369,704
Investment income	14,109	17,390
Transferred to Deferred Capital Revenue	(4,709,671)	(2,090,243)
Balance, end of year	$ 796,991	$ 1,297,115

Deferred Capital Revenue	2022	2021
Balance, beginning of year, as restated	$ 9,903,242	$ 8,281,084
Prior period adjustment – change in accounting policy (Note 17)	(265,128)	(234,091)
Changes for the year:		
Contributions received in the year (capital additions)	4,709,671	2,090,243
Amortization of deferred capital revenue	(587,030)	(499,012)
Balance, end of year	$ 13,760,755	$ 9,638,114

NOTE 7 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.

	2022	2021
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	$ 155,190	$ 156,375
Service Cost	13,646	13,714
Interest Cost	4,002	3,653
Benefit Payments	(22,161)	(10,882)
Actuarial (Gain) Loss	(4,427)	(7,670)
Accrued Benefit Obligation – March 31	$ 146,250	$ 155,190
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	$ 146,250	$ (155,190)
Market Value of Plan Assets – March 31	0	-
Funded Status – Surplus (Deficit)	(146,250)	(155,190)
Employer Contributions After Measurement Date	1,911	17,025
Benefits Expense After Measurement Date	(4,677)	(4,412)
Unamortized Net Actuarial (Gain) Loss	(5,801)	(7,568)
Accrued Benefit Asset (Liability) – June 30	$ (154,817)	$ (150,145)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	$ 150,145	$ 159,393
Net expense for Fiscal Year	11,719	16,032
Employer Contributions	(7,047)	(25,280)
Accrued Benefit Liability – June 30	$ 154,817	$ 150,145
Components of Net Benefit Expense		
Service Cost	$ 13,682	$ 13,697
Interest Cost	4,232	3,740
Amortization of Net Actuarial (Gain)/Loss	(6,195)	(1,405)
Net Benefit Expense (Income)	$ 11,719	$ 16,032

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

Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	3.25%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.3	8.9

NOTE 8 TANGIBLE CAPITAL ASSETS

Net Book Value:	2022	2021 As restated
Sites	$ 362,514	$ 362,514
Buildings	15,118,049	11,131,573
Vehicles	701,346	641,825
Furniture and Equipment	323,686	408,922
Computer Hardware	126,887	132,541
Total	$ 16,632,482	$ 12,677,375

June 30, 2022 Cost	Balance at July 1, 2021	Additions	Disposals	Balance at June 30, 2022
Sites	$ 362,514	$ -	$ -	$ 362,514
Buildings	23,149,119	4,541,582	(171,548)	27,519,153
Furniture and equipment	1,034,079	168,809	(64,880)	1,137,288
Vehicles	920,242	-	(135,763)	784,479
Computer hardware	224,661	41,553	(18,799)	247,415
Total	$ 25,690,615	$ 4,751,224	$ (390,990)	$ 30,050,849

Accumulated Amortization	Balance at July 1, 2021, As restated	Amortization	Disposals	Balance at June 30, 2022
Buildings	$ 12,017,546	$ 531,373	$ (147,815)	$ 12,400,078
Furniture and equipment	392,254	108,568	(64,880)	435,942
Vehicles	511,320	85,236	(135,763)	460,793
Computer hardware	92,120	47,207	(18,799)	120,528
Total	$ 13,013,240	$ 772,384	$ (367,257)	$ 13,418,367

June 30, 2021 Cost	Balance at July 1, 2020	Additions	Disposals	Balance at June 30, 2021
Sites	$ 362,514	$ -	$ -	$ 362,514
Buildings	21,038,460	2,110,659	-	23,149,119
Furniture and equipment	829,626	211,950	(7,497)	1,034,079
Vehicles	920,242	-	-	920,242
Computer hardware	212,467	69,190	(56,996)	224,661
Total	$ 23,363,309	$ 2,391,799	$ (64,493)	$ 25,690,615

Accumulated Amortization	Balance at July 1, 2020, As restated	Amortization	Disposals	Balance at June 30, 2021, As restated
Buildings	$ 11,573,587	$ 451,456	$ (7,497)	$ 12,017,546
Furniture and equipment	304,641	87,613	-	392,254
Vehicles	414,138	97,182	-	511,320
Computer hardware	104,241	44,875	(56,996)	92,120
Total	$ 12,396,607	$ 681,126	(64,493)	$ 13,013,240

NOTE 8 TANGIBLE CAPITAL ASSETS *(CONTINUED)*

During the year, the School District sold its former Fauquier Elementary School property, for total cash proceeds of $35,000, to the Fauquier Communications Centre Society. Due to costs of subdivision and other legal expenses, the net proceeds from the sale of the property were $nil. The property was originally built in 1968 and was closed in the year 2000 due to low enrolment. The capitalized building costs and accumulated amortization of the building at the time of the disposal was $171,548 and $147,815, respectively.

NOTE 9 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusteed 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, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 28,000 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, 2020, indicated a $1,584 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a $2,866 million funding surplus for basic pension benefits on a going concern basis.

The School District paid $633,528 for employer contributions to the plans for the year ended June 30, 2022 (2021: $627,886).

NOTE 9 EMPLOYEE PENSION PLANS *(CONTINUED)*

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in the last quarter of 2022.

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.

NOTE 10 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 11 CONTRACTUAL OBLIGATIONS

The School District has an annually renewing agreement for its enterprise resource planning and financial (ERP) software. It also has a multiple-year agreement for the upgrade of this ERP software. The obligatory annual maintenance and support fees for 2022-2023 were $49,804 as at June 30, 2022. The amounts owing for completion of the next phase of the upgrade of the software will be $63,000 net of the deposit paid and is payable in phases at the time of delivery of the upgrade, which is phased over the next one to two years.

NOTE 12 CONTINGENT LIABILITIES

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

NOTE 13 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an annual budget on April 28, 2021.

NOTE 14 EXPENSE BY OBJECT

	2022	2021
Salaries and benefits	$ 8,233,471	$ 7,735,067
Services and supplies	2,084,317	1,617,699
Amortization	772,384	681,286
	$ 11,090,172	$ 10,034,052

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2022	2021
Contractual Obligations	$ 48,000	$ -
Professional learning	21,000	-
Software Transitions	15,000	-
Strategic Planning & School Reconfiguration	70,000	-
Website and Visual Identity	20,000	100,000
Vehicles & Equipment	200,000	-
IT Network Infrastructure & Equipment	100,000	100,000
Other prior year restrictions	-	926,000
	$ 474,000	$ 1,126,000

NOTE 16 ECONOMIC DEPENDENCE

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

NOTE 17 PRIOR PERIOD ADJUSTMENT- CHANGE IN ACCOUNTING POLICY

On May 28, 2021, the Office of the Comptroller General directed all school districts to apply a half-year rule method of recording tangible capital asset and related deferred capital revenue amortization in the fiscal year an asset is placed into service. This directive has been applied to both past and future purchases. Prior to this directive, the School District did not recognize tangible capital asset or related deferred capital revenue amortization in the first partial service year. The School District has made a retroactive adjustment to recognize amortization of all tangible capital assets and deferred capital revenue beginning in their first service year. The impact of the prior period adjustment on the June 30, 2021 comparative amounts is as follows:

	Increase (Decrease)
Tangible Capital Assets	$ (358,799)
Deferred Capital Revenue	(265,128)
Accumulated Surplus	(93,671)
Amortization of Deferred Capital Revenue	31,037
Operations & Maintenance Expense – Asset Amortization	36,312
Accumulated Surplus – beginning of the year July 1, 2020	(88,396)

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 and mutual funds.

b) Market risks

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.

NOTE 18 RISK MANAGEMENT *(Continued)*

c) Market Risks (cont'd)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held, and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in term deposits that have a maturity date of no more than 3 years, and mutual funds.

d) 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. There have been no changes to risk exposure from 2021 related to credit, market or liquidity risks.

NOTE 20 COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's financial statement presentation. There was no impact on net surplus or deficit in the prior year.

School District No. 10 (Arrow Lakes)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2022

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 17)
	$	$	$	$	$
Accumulated Surplus (Deficit), beginning of year	2,461,366		3,276,546	**5,737,912**	4,896,635
Prior Period Adjustments					(88,396)
Accumulated Surplus (Deficit), beginning of year, as restated	**2,461,366**	-	**3,276,546**	**5,737,912**	4,808,239
Changes for the year					
Surplus (Deficit) for the year	415,394		(207,745)	**207,649**	929,673
Interfund Transfers					
Tangible Capital Assets Purchased	(41,553)		41,553	-	
Net Changes for the year	**373,841**	-	**(166,192)**	**207,649**	**929,673**
Accumulated Surplus (Deficit), end of year - Statement 2	**2,835,207**	-	**3,110,354**	**5,945,561**	5,737,912

School District No. 10 (Arrow Lakes)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget (Note 13)	2022 Actual	2021 Actual (Restated - Note 17)
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	9,131,969	**9,741,898**	9,270,064
Other	27,000	**21,000**	18,000
Tuition		**7,020**	
Other Revenue	6,000	**28,323**	58,253
Rentals and Leases	6,000	**10,921**	5,328
Investment Income	35,000	**51,939**	44,483
Total Revenue	9,205,969	**9,861,101**	9,396,128
Expenses			
Instruction	6,867,985	**6,637,502**	6,152,473
District Administration	910,022	**817,405**	823,750
Operations and Maintenance	1,474,700	**1,340,082**	1,129,670
Transportation and Housing	444,260	**650,718**	392,254
Total Expense	9,696,967	**9,445,707**	8,498,147
Operating Surplus (Deficit) for the year	(490,998)	**415,394**	897,981
Budgeted Appropriation (Retirement) of Surplus (Deficit)	560,998		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(70,000)	**(41,553)**	(89,322)
Total Net Transfers	(70,000)	**(41,553)**	(89,322)
Total Operating Surplus (Deficit), for the year	-	**373,841**	808,659
Operating Surplus (Deficit), beginning of year		**2,461,366**	1,652,707
Operating Surplus (Deficit), end of year		**2,835,207**	2,461,366
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 15)		**474,000**	1,126,000
Unrestricted		**2,361,207**	1,335,366
Total Operating Surplus (Deficit), end of year		**2,835,207**	2,461,366

School District No. 10 (Arrow Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2022

	2022 Budget (Note 13)	2022 Actual	2021 Actual (Restated - Note 17)
	$	$	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	9,044,640	**9,642,327**	9,006,037
Other Ministry of Education and Child Care Grants			
Pay Equity	40,560	**40,560**	40,560
Funding for Graduated Adults		**1,256**	
Student Transportation Fund	42,675	**42,675**	42,675
Teachers' Labour Settlement Funding			160,142
Early Career Mentorship Funding			15,000
FSA Scorer Grant	4,094	**4,094**	4,094
Early Learning Framework Implementation	-	**1,557**	1,556
Anti-racism Gran	-	**6,429**	-
Equity Scan Grant	-	**3,000**	-
Total Provincial Grants - Ministry of Education and Child Care	9,131,969	**9,741,898**	9,270,064
Provincial Grants - Other	27,000	**21,000**	18,000
Tuition			
International and Out of Province Students	-	**7,020**	-
Total Tuition	-	**7,020**	-
Other Revenues			
Other School District/Education Authorities	-	-	2,373
Miscellaneous			
Art Starts	5,400	**5,400**	5,400
Miscellaneous	600	**22,923**	20,060
Arrow Lakes Community Services	-	-	4,000
Nakusp & Area Community Foundation	-	-	11,920
CBT Basin Plays	-	-	14,500
Total Other Revenue	6,000	**28,323**	58,253
Rentals and Leases	6,000	**10,921**	5,328
Investment Income	35,000	**51,939**	44,483
Total Operating Revenue	9,205,969	**9,861,101**	9,396,128

School District No. 10 (Arrow Lakes)

Schedule of Operating Expense by Object
Year Ended June 30, 2022

	2022 Budget (Note 13)	2022 Actual	2021 Actual (Restated - Note 17)
	$	$	$
Salaries			
Teachers	3,512,500	**3,165,231**	2,907,046
Principals and Vice Principals	440,000	**693,502**	629,314
Educational Assistants	502,000	**501,761**	389,253
Support Staff	896,000	**912,378**	815,925
Other Professionals	674,022	**636,524**	778,665
Substitutes	333,799	**410,986**	420,232
Total Salaries	6,358,321	**6,320,382**	5,940,435
Employee Benefits	1,657,867	**1,384,697**	1,273,697
Total Salaries and Benefits	8,016,188	**7,705,079**	7,214,132
Services and Supplies			
Services	526,633	**454,309**	434,099
Student Transportation	13,260	**18,054**	5,689
Professional Development and Travel	153,057	**68,203**	59,827
Rentals and Leases	-	**821**	-
Dues and Fees	39,370	**33,565**	28,886
Insurance	29,700	**21,384**	27,513
Supplies	680,559	**899,847**	523,840
Utilities	238,200	**244,445**	204,161
Total Services and Supplies	1,680,779	**1,740,628**	1,284,015
Total Operating Expense	9,696,967	**9,445,707**	8,498,147

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	2,765,950	92,482	18,316	92,473		305,214	**3,274,435**
1.03 Career Programs							-
1.07 Library Services				19,418			**19,418**
1.08 Counselling	159,273						**159,273**
1.10 Special Education	151,047	23,596	483,445		51,550	46,855	**756,493**
1.31 Indigenous Education	70,472	8,232			16,711	9,649	**105,064**
1.41 School Administration	18,489	569,192		70,747			**658,428**
1.64 Other	-	-	-	-	-	-	-
Total Function 1	**3,165,231**	**693,502**	**501,761**	**182,638**	**68,261**	**361,718**	**4,973,111**
4 District Administration							
4.11 Educational Administration	-	-	-	-	113,469	-	**113,469**
4.40 School District Governance	-	-	-	-	59,904	-	**59,904**
4.41 Business Administration	-	-	-	-	225,426	1,065	**226,491**
Total Function 4	**-**	**-**	**-**	**-**	**398,799**	**1,065**	**399,864**
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	-	145,737	-	**145,737**
5.50 Maintenance Operations	-	-	-	442,582	-	42,071	**484,653**
5.52 Maintenance of Grounds	-	-	-	26,067	-		**26,067**
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	**-**	**-**	**-**	**468,649**	**145,737**	**42,071**	**656,457**
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	-	23,727	-	**23,727**
7.70 Student Transportation	-	-	-	261,091	-	6,132	**267,223**
Total Function 7	**-**	**-**	**-**	**261,091**	**23,727**	**6,132**	**290,950**
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Functions 1 - 9	**3,165,231**	**693,502**	**501,761**	**912,378**	**636,524**	**410,986**	**6,320,382**

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget (Note 13)	2021 Actual (Restated - Note 17)
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	**3,274,435**	753,886	**4,028,321**	325,422	**4,353,743**	4,965,940	4,348,906
1.03 Career Programs	**-**		**-**	464	**464**	24,700	4,653
1.07 Library Services	**19,418**	3,591	**23,009**	8,894	**31,903**	40,000	22,615
1.08 Counselling	**159,273**	35,525	**194,798**	831	**195,629**	176,000	143,655
1.10 Special Education	**756,493**	167,689	**924,182**	104,690	**1,028,872**	1,009,235	926,629
1.31 Indigenous Education	**105,064**	23,777	**128,841**	39,873	**168,714**	147,110	133,500
1.41 School Administration	**658,428**	138,472	**796,900**	21,863	**818,763**	505,000	531,616
1.64 Other	**-**	-	**-**	39,414	**39,414**	-	40,899
Total Function 1	**4,973,111**	**1,122,940**	**6,096,051**	**541,451**	**6,637,502**	6,867,985	6,152,473
4 District Administration							
4.11 Educational Administration	**113,469**	18,143	**131,612**	18,846	**150,458**	136,622	118,394
4.40 School District Governance	**59,904**	2,953	**62,857**	25,585	**88,442**	102,400	111,255
4.41 Business Administration	**226,491**	65,803	**292,294**	286,211	**578,505**	671,000	594,101
Total Function 4	**399,864**	**86,899**	**486,763**	**330,642**	**817,405**	910,022	823,750
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	**145,737**	26,176	**171,913**	1,042	**172,955**	207,000	181,375
5.50 Maintenance Operations	**484,653**	95,432	**580,085**	303,183	**883,268**	983,000	710,138
5.52 Maintenance of Grounds	**26,067**	5,442	**31,509**	7,904	**39,413**	46,500	33,996
5.56 Utilities	**-**	-	**-**	244,446	**244,446**	238,200	204,161
Total Function 5	**656,457**	**127,050**	**783,507**	**556,575**	**1,340,082**	1,474,700	1,129,670
7 Transportation and Housing							
7.41 Transportation and Housing Administration	**23,727**	4,403	**28,130**	-	**28,130**	31,800	30,317
7.70 Student Transportation	**267,223**	43,405	**310,628**	311,960	**622,588**	412,460	361,937
Total Function 7	**290,950**	**47,808**	**338,758**	**311,960**	**650,718**	444,260	392,254
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	**6,320,382**	**1,384,697**	7,705,079	**1,740,628**	9,445,707	9,696,967	8,498,147

School District No. 10 (Arrow Lakes)

Schedule of Special Purpose Operations
Year Ended June 30, 2022

Schedule 3 (Unaudited)

	2022 Budget (Note 13)	**2022 Actual**	2021 Actual (Restated - Note 17)
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	498,118	**720,848**	954,958
Other Revenue	185,000	**190,147**	111,895
Investment Income	-	**500**	-
Total Revenue	683,118	**911,495**	1,066,853
Expenses			
Instruction	589,464	**817,493**	847,467
District Administration	2,000	-	2,500
Operations and Maintenance	86,654	**94,002**	4,652
Transportation and Housing	5,000	-	-
Total Expense	683,118	**911,495**	854,619
Special Purpose Surplus (Deficit) for the year	-	-	212,234
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(212,234)
Total Net Transfers	-	-	(212,234)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year				209,761					
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	61,136	31,491			96,000	12,250	6,382	105,817	55,201
Other			39,414	262,617					
Investment Income			585	3,116					
	61,136	31,491	39,999	265,733	96,000	12,250	6,382	105,817	55,201
Less: Allocated to Revenue	61,136	31,491	500	190,147	96,000	12,250	6,382	105,817	55,201
Deferred Revenue, end of year	-	-	**39,499**	**285,347**	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	61,136	31,491			96,000	12,250	6,382	105,817	55,201
Other Revenue				190,147					
Investment Income			500						
	61,136	31,491	500	190,147	96,000	12,250	6,382	105,817	55,201
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		25,318			71,575			67,698	40,847
Support Staff	26,475								
Substitutes									4,309
	26,475	25,318	-	-	71,575	-	-	67,698	45,156
Employee Benefits	5,804	6,173			18,197			17,200	10,045
Services and Supplies	28,857		500	190,147	6,228	12,250	6,382	20,919	
	61,136	31,491	500	190,147	96,000	12,250	6,382	105,817	55,201
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2022

	Classroom Enhancement Fund - Staffing	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Seamless Day Kindergarten	TOTAL
	$	$	$	$	$	$	$
Deferred Revenue, beginning of year							209,761
Add: Restricted Grants							
Provincial Grants - Ministry of Education and Child Care	151,021	134,657	11,250	21,886	50,000	50,000	787,091
Other							302,031
Investment Income							3,701
	151,021	134,657	11,250	21,886	50,000	50,000	1,092,823
Less: Allocated to Revenue	151,021	134,657	11,247	21,886	10,982	22,778	911,495
Deferred Revenue, end of year	-	-	3	-	39,018	27,222	391,089
Revenues							
Provincial Grants - Ministry of Education and Child Care	151,021	134,657	11,247	21,886	10,982	22,778	720,848
Other Revenue							190,147
Investment Income							500
	151,021	134,657	11,247	21,886	10,982	22,778	911,495
Expenses							
Salaries							
Teachers	119,121	22,808					141,929
Principals and Vice Principals						445	445
Educational Assistants						15,286	220,724
Support Staff		21,141			704	110	48,430
Substitutes		2,042	8,002				14,353
	119,121	45,991	8,002	-	704	15,841	425,881
Employee Benefits	31,900	9,698	1,642	-	155	1,697	102,511
Services and Supplies		78,968	1,603	21,886	10,123	5,240	383,103
	151,021	134,657	11,247	21,886	10,982	22,778	911,495
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-
Interfund Transfers							
	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)

Schedule 4 (Unaudited)

Schedule of Capital Operations
Year Ended June 30, 2022

	2022 Budget (Note 13)	2022 Actual			2021 Actual (Restated - Note 17)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	$	$	$	$	$
Revenues					
Investment Income	1,300		1,342	1,342	1,622
Gain (Loss) on Disposal of Tangible Capital Assets		(23,733)		(23,733)	
Amortization of Deferred Capital Revenue	541,975	587,030		587,030	499,122
Total Revenue	543,275	563,297	1,342	564,639	500,744
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	630,931	687,148		687,148	589,262
Transportation and Housing	92,024	85,236		85,236	92,024
Total Expense	722,955	772,384	-	772,384	681,286
Capital Surplus (Deficit) for the year	(179,680)	(209,087)	1,342	(207,745)	(180,542)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	70,000	41,553		41,553	301,556
Total Net Transfers	70,000	41,553	-	41,553	301,556
Total Capital Surplus (Deficit) for the year	(109,680)	(167,534)	1,342	(166,192)	121,014
Capital Surplus (Deficit), beginning of year		3,186,516	90,030	3,276,546	3,243,928
Prior Period Adjustments					
Change in Accounting Policy (Note 17)					(88,396)
Capital Surplus (Deficit), beginning of year, as restated		3,186,516	90,030	3,276,546	3,155,532
Capital Surplus (Deficit), end of year		3,018,982	91,372	3,110,354	3,276,546

School District No. 10 (Arrow Lakes)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	$	$	$	$	$	$	$
Cost, beginning of year	362,514	23,149,119	1,034,079	920,242		224,661	**25,690,615**
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,589,712	168,089				**2,757,801**
Deferred Capital Revenue - Other		1,951,870					**1,951,870**
Operating Fund						41,553	**41,553**
	-	4,541,582	168,089	-	-	41,553	**4,751,224**
Decrease:							
Disposed of		171,548					**171,548**
Deemed Disposals			64,880	135,763		18,799	**219,442**
	-	171,548	64,880	135,763	-	18,799	**390,990**
Cost, end of year	362,514	27,519,153	1,137,288	784,479	-	247,415	**30,050,849**
Work in Progress, end of year							-
Cost and Work in Progress, end of year	362,514	27,519,153	1,137,288	784,479	-	247,415	**30,050,849**
Accumulated Amortization, beginning of year		11,778,928	340,550	465,308		69,655	**12,654,441**
Prior Period Adjustments							
Change in Accounting Policy (Note 17)		238,618	51,704	46,012		22,465	**358,799**
Accumulated Amortization, beginning of year, as restated		12,017,546	392,254	511,320	-	92,120	**13,013,240**
Changes for the Year							
Increase: Amortization for the Year		531,373	108,568	85,236		47,207	**772,384**
Decrease:							
Disposed of		147,815					**147,815**
Deemed Disposals			64,880	135,763		18,799	**219,442**
		147,815	64,880	135,763	-	18,799	**367,257**
Accumulated Amortization, end of year		12,401,104	435,942	460,793	-	120,528	**13,418,367**
Tangible Capital Assets - Net	**362,514**	**15,118,049**	**701,346**	**323,686**	-	**126,887**	**16,632,482**

School District No. 10 (Arrow Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	$	$	$	$
Deferred Capital Revenue, beginning of year	8,086,758	1,708,294	108,190	**9,903,242**
Prior Period Adjustments				
Change in Accounting Policy (Note 17)	(220,474)	(41,952)	(2,702)	**(265,128)**
Deferred Capital Revenue, beginning of year, as restated	7,866,284	1,666,342	105,488	**9,638,114**
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,757,801	1,951,870		**4,709,671**
	2,757,801	1,951,870	-	**4,709,671**
Decrease:				
Amortization of Deferred Capital Revenue	473,321	108,305	5,404	**587,030**
	473,321	108,305	5,404	**587,030**
Net Changes for the Year	2,284,480	1,843,565	(5,404)	**4,122,641**
Deferred Capital Revenue, end of year	10,150,764	3,509,907	100,084	**13,760,755**
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	**10,150,764**	**3,509,907**	**100,084**	**13,760,755**

School District No. 10 (Arrow Lakes)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	$	$	$	$	$	$
Balance, beginning of year	326,309	217,977	752,829			1,297,115
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	2,695,438					2,695,438
Provincial Grants - Other			1,500,000			1,500,000
Investment Income		3,250	10,859			14,109
	2,695,438	3,250	1,510,859	-	-	4,209,547
Decrease:						
Transferred to DCR - Capital Additions	2,757,801		1,951,870			4,709,671
	2,757,801	-	1,951,870	-	-	4,709,671
Net Changes for the Year	(62,363)	3,250	(441,011)	-	-	(500,124)
Balance, end of year	**263,946**	**221,227**	**311,818**	-	-	796,991