

Audited Financial Statements of

School District No. 10 (Arrow Lakes)

June 30, 2018

School District No. 10 (Arrow Lakes)

June 30, 2018

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 3721-2975-9993

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

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

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of School District No. 10 (Arrow Lakes), which comprise the statement of financial position as at June 30, 2018, the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of School District No. 10 (Arrow Lakes) as at and for the year ended June 30, 2018 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.



Chartered Professional Accountants

September 18, 2018

Kelowna, Canada

School District No. 10 (Arrow Lakes)

Statement 1

Statement of Financial Position

As at June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	992,281	1,304,027
Accounts Receivable		
Due from Province - Ministry of Education	-	11,276
Other (Note 3)	108,750	106,375
Portfolio Investments (Note 4)	1,952,901	1,914,814
Total Financial Assets	3,053,932	3,336,492
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	734,392	712,213
Unearned Revenue (Note 6)	19,555	-
Deferred Revenue (Note 7)	176,365	248,323
Deferred Capital Revenue (Note 8)	7,047,953	6,610,949
Employee Future Benefits (Note 9)	146,908	167,983
Total Liabilities	8,125,173	7,739,468
Net Financial Assets (Debt)	(5,071,241)	(4,402,976)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	9,777,520	9,224,932
Prepaid Expenses	61,534	49,745
Total Non-Financial Assets	9,839,054	9,274,677
Accumulated Surplus (Deficit) (Note 16)	4,767,813	4,871,701

Contractual Obligations (Note 14)

Contingent Liabilities (Note 14)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 10 (Arrow Lakes)

Statement of Operations
Year Ended June 30, 2018

	2018 Budget (Note 13) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	7,715,449	7,606,489	7,756,515
Other	18,000	18,000	19,500
Tuition			25,500
Other Revenue	210,000	271,501	271,344
Rentals and Leases	6,000	4,822	4,694
Investment Income	41,600	45,837	43,160
Amortization of Deferred Capital Revenue	401,090	406,353	372,217
Total Revenue	8,392,139	8,353,002	8,492,930
Expenses (Note 15)			
Instruction	5,987,759	5,671,845	5,709,738
District Administration	764,143	735,879	693,330
Operations and Maintenance	1,564,340	1,491,964	1,551,580
Transportation and Housing	507,908	557,202	500,134
Total Expense	8,824,150	8,456,890	8,454,782
Surplus (Deficit) for the year	(432,011)	(103,888)	38,148
Accumulated Surplus (Deficit) from Operations, beginning of year		4,871,701	4,833,553
Accumulated Surplus (Deficit) from Operations, end of year		4,767,813	4,871,701

School District No. 10 (Arrow Lakes)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

	2018 Budget (Note 13) \$	2018 Actual \$	2017 Actual \$
Surplus (Deficit) for the year	<u>(432,011)</u>	<u>(103,888)</u>	<u>38,148</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(786,094)	(1,118,317)	(1,101,386)
Amortization of Tangible Capital Assets	562,509	565,729	536,809
Total Effect of change in Tangible Capital Assets	<u>(223,585)</u>	<u>(552,588)</u>	<u>(564,577)</u>
Acquisition of Prepaid Expenses		(61,534)	(49,745)
Use of Prepaid Expenses		49,745	47,007
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(11,789)</u>	<u>(2,738)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(655,596)</u>	<u>(668,265)</u>	<u>(529,167)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(668,265)</u>	<u>(529,167)</u>
Net Financial Assets (Debt), beginning of year		<u>(4,402,976)</u>	<u>(3,873,809)</u>
Net Financial Assets (Debt), end of year		<u>(5,071,241)</u>	<u>(4,402,976)</u>

School District No. 10 (Arrow Lakes)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(103,888)	38,148
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	8,901	46,182
Prepaid Expenses	(11,789)	(2,738)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	22,179	7,392
Unearned Revenue	19,555	(72,510)
Deferred Revenue	(71,958)	13,491
Employee Future Benefits	(21,075)	(8,629)
Amortization of Tangible Capital Assets	565,729	536,809
Amortization of Deferred Capital Revenue	(406,353)	(372,217)
Total Operating Transactions	<u>1,301</u>	<u>185,928</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,118,317)	(1,101,386)
Total Capital Transactions	<u>(1,118,317)</u>	<u>(1,101,386)</u>
Financing Transactions		
Capital Revenue Received	843,357	1,149,465
Total Financing Transactions	<u>843,357</u>	<u>1,149,465</u>
Investing Transactions		
Investments in Portfolio Investments	(38,087)	210,919
Total Investing Transactions	<u>(38,087)</u>	<u>210,919</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(311,746)</u>	<u>444,926</u>
Cash and Cash Equivalents, beginning of year	<u>1,304,027</u>	<u>859,101</u>
Cash and Cash Equivalents, end of year	<u><u>992,281</u></u>	<u><u>1,304,027</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>992,281</u>	<u>1,304,027</u>
	<u><u>992,281</u></u>	<u><u>1,304,027</u></u>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2018

Note 1 Authority and Purpose

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

Note 2 Summary of Significant Accounting Policies

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

a) Basis of Accounting

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

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

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

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

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

b) Basis of Presentation

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

c) Cash and Cash Equivalents

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

d) Unearned Revenue

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

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

e) Deferred Revenue and Deferred Capital Revenue

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

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

f) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was performed at March 31, 2016 and projected to June 30, 2018. The next valuation will be performed at March 31, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

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

g) Tangible Capital Assets

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

Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value. Buildings that are demolished or destroyed are written-off.

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

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

Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

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

h) Funds and Reserves

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

i) Revenue Recognition

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

Contributions received or where eligibility criteria have been met 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.

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

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

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

j) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2018

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

k) Financial Instruments

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

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

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

For financial instruments recorded at fair value, unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. For the year ended June 30, 2018 the School District did not have any financial instruments recorded at fair value. Accordingly, a statement of remeasurement gains and losses has not been presented.

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

l) Measurement Uncertainty

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2018

Note 3 Accounts Receivable – Other Receivables

	2018	2017
Due from Federal Government	\$ 34,958	\$ 37,517
Other	73,792	68,858
	<u>\$ 108,750</u>	<u>\$ 106,375</u>

Note 4 Portfolio Investments

	2018	2017
Investments in the cost and amortized cost category:		
Term deposits, interest at 1.6% to 2.45%	\$ 1,952,901	\$ 1,914,814
	<u>\$ 1,952,901</u>	<u>\$ 1,914,814</u>

Note 5 Accounts Payable and Accrued Liabilities - Other

	2018	2017
Trade payables	\$ 130,437	\$ 176,778
Salaries and benefits payable	543,520	434,307
Accrued vacation pay	60,435	101,128
	<u>\$734,392</u>	<u>\$ 712,213</u>

Note 6 Unearned Revenue

	2018	2017
Balance, beginning of year	\$ -	\$ 72,510
Increase: International student fees	-	18,494
Increase: Unearned revenue for services	19,555	-
Decrease: International student fees	-	(79,472)
Decrease: Unearned revenue for services	-	(11,532)
	<u>\$ 19,555</u>	<u>\$ -</u>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

Note 7 **Deferred Revenue**

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

Note 8 **Deferred Capital Revenue**

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

Note 9 **Employee Future Benefits**

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

	2018	2017
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 117,577	\$ 122,580
Service Cost	9,293	9,314
Interest Cost	3,275	3,104
Benefit Payments	(4,978)	(16,533)
Increase in obligation due to Plan Amendment	-	-
Actuarial Loss (Gain)	(10,870)	(888)
	<hr/>	<hr/>
Accrued Benefit Obligation – March 31	\$ 114,297	\$ 117,577
	<hr/>	<hr/>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ (114,297)	\$ (117,577)
Employer Contributions After Measurement Date	23,949	-
Benefits Expense After Measurement Date	(3,090)	(3,142)
Unamortized Net Actuarial Loss (Gain)	(53,470)	(47,264)
	<hr/>	<hr/>
Accrued Benefit Asset (Liability) – June 30	\$ (146,908)	\$ (167,983)
	<hr/>	<hr/>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

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

	2018	2017
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 167,983	\$ 176,612
Net expense for Fiscal Year	7,853	7,904
Employer Contributions	(28,927)	(16,533)
	\$ 146,908	\$ 167,983
Components of Net Benefit Expense		
Service Cost	\$ 9,268	\$ 9,309
Interest Cost	3,248	3,146
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	(4,664)	(4,551)
	\$ 7,853	\$ 7,904

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

Note 10 Tangible Capital Assets

Net Book Value

	Net Book Value 2018	Net Book Value 2017
Sites	\$ 362,514	\$ 362,514
Buildings	8,286,815	7,879,621
Furniture & Equipment	451,169	228,643
Vehicles	561,396	666,840
Computer Hardware	115,626	87,314
Total	\$ 9,777,520	\$ 9,224,932

June 30, 2018

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

Note 10 Tangible Capital Assets (Continued)

June 30, 2017

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

Note 11 Employee Pension Plans

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 24,000 from school districts.

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

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

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

The School District paid \$596,951 for employer contributions to the plans for the year ended June 30, 2018 (2017: \$581,408)

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2018

Note 12 Related Party Transactions

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

Note 13 Budget Figures

Budget figures included in the financial statements were approved by the Board through the adoption of the annual budget on May 2, 2017. An amended annual budget, which reflected adjustments in revenues and expenses, was adopted by the Board on February 20, 2018.

	2018 Annual Budget	Adjustments	2018 Amended Budget
Revenues:			
Provincial Grants – Ministry of Education	\$ 7,715,449	\$ (147,903)	\$ 7,567,546
Provincial Grants - Other	18,000	-	18,000
Other Revenue	210,000	69,737	279,737
Rentals and Leases	6,000	-	6,000
Investment Income	41,600	-	41,500
Amortization of Deferred Capital Revenue	401,090		401,090
		-	
Total Revenue	8,392,139	(78,166)	8,313,973
Expenses:			
Instruction	5,987,759	(304,179)	5,683,580
District Administration	764,143	36,919	801,062
Operations and Maintenance	1,564,340	2	1,564,342
Transportation and Housing	507,908	2,755	510,663
Total Expenses	8,824,150	(264,503)	8,559,647
Deficit for the year	\$ (432,011)	\$ 186,337	\$ (245,674)

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2018

Note 14 Contractual obligations, commitments and contingencies

a) Asset retirement obligation

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of any liability for asbestos removal or disposal will be recognized in the period in which it is incurred. As at June 30, 2018 this liability is not reasonably determinable.

b) Operating commitments

i) Software support and maintenance contract

The School District has an ongoing agreement for software support and maintenance related to the School District's accounting system. The contract will automatically renew on an annual basis unless terminated by either party upon giving to the other not less than 90 days written notice prior to the end of the initial term or any subsequent anniversary of such date. No notice was given prior to the expiry date of June 30, 2018 and the annual support and maintenance fee for the 2018-2019 fiscal year will be \$41,367.

ii) Propane contract

The School District, in partnership with School District No. 8, has entered into a contract for the purchase of propane with an expiry date of September 30, 2018. Based on minimum contracted volumes and fixed contracted prices, the annual fee for the School Districts would be \$60,956. The future estimated payments for this contract over the next year is \$2,184.

Note 15 Expense by Object

	2018	2017
Salaries and benefits	\$ 6,267,720	\$ 6,229,509
Services and supplies	1,623,441	1,688,464
Amortization	565,729	536,809
	<u>\$ 8,456,890</u>	<u>\$ 8,454,782</u>

School District No. 10 (Arrow Lakes)

Notes to Financial Statements
Year Ended June 30, 2018

Note 16 Internally Restricted Surplus – Operating Fund

Internally Restricted (appropriated) by Board for:

Utilities, Equipment & Capital Projects	\$ 305,500	
Emergency	250,000	
Professional Learning	90,000	
Financial Software Transition	100,000	
Strategic Plan Goals/School Configuration	100,000	
Long Range Facilities Plan	100,000	
Board Scholarship	30,000	
	<hr/>	
Subtotal Internally Restricted		975,500
Unrestricted Operating Surplus		478,413
Total Available for Future Operations		<hr/> <hr/>
		\$ 1,453,913

Note 17 Economic Dependence

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

Note 18 Risk Management

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

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

a) Credit risk:

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

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

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

School District No. 10 (Arrow Lakes)

Notes to Financial Statements

Year Ended June 30, 2018

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, 2018

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,559,621		3,312,080	4,871,701	4,833,553
Changes for the year					
Surplus (Deficit) for the year	(3,316)	57,138	(157,710)	(103,888)	38,148
Interfund Transfers					
Tangible Capital Assets Purchased	(102,392)	(57,138)	159,530	-	
Net Changes for the year	(105,708)	-	1,820	(103,888)	38,148
Accumulated Surplus (Deficit), end of year - Statement 2	1,453,913	-	3,313,900	4,767,813	4,871,701

School District No. 10 (Arrow Lakes)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget (Note 13) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	7,020,461	7,047,608	7,253,927
Other	18,000	18,000	19,500
Tuition			25,500
Other Revenue		38,972	40,623
Rentals and Leases	6,000	4,822	4,694
Investment Income	40,000	44,171	41,500
Total Revenue	<u>7,084,461</u>	<u>7,153,573</u>	<u>7,385,744</u>
Expenses			
Instruction	5,139,909	4,937,573	5,044,199
District Administration	764,143	735,879	693,330
Operations and Maintenance	1,140,491	1,061,938	1,097,554
Transportation and Housing	369,248	421,499	377,908
Total Expense	<u>7,413,791</u>	<u>7,156,889</u>	<u>7,212,991</u>
Operating Surplus (Deficit) for the year	<u>(329,330)</u>	<u>(3,316)</u>	<u>172,753</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>329,330</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(102,392)	(46,225)
Total Net Transfers	<u>-</u>	<u>(102,392)</u>	<u>(46,225)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(105,708)</u>	<u>126,528</u>
Operating Surplus (Deficit), beginning of year		1,559,621	1,433,093
Operating Surplus (Deficit), end of year		<u>1,453,913</u>	<u>1,559,621</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 16)		975,500	997,603
Unrestricted		478,413	562,018
Total Operating Surplus (Deficit), end of year		<u>1,453,913</u>	<u>1,559,621</u>

School District No. 10 (Arrow Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget (Note 13)	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	7,020,461	6,887,577	7,067,546
Other Ministry of Education Grants			
Pay Equity		40,560	40,560
Funding for Graduated Adults		-	856
Transportation Supplement		42,675	42,675
Economic Stability Dividend		2,633	2,389
Return of Administrative Savings		36,091	36,091
Carbon Tax Grant		10,399	10,113
Student Learning Grant			22,103
Foundation Skills Assessment		4,094	4,094
Shoulder Tappers Grant		17,079	17,500
Regional Outreach		-	10,000
Skills Access Grant		5,000	
MyEd Grant		1,500	
Total Provincial Grants - Ministry of Education	<u>7,020,461</u>	<u>7,047,608</u>	<u>7,253,927</u>
Provincial Grants - Other	<u>18,000</u>	<u>18,000</u>	<u>19,500</u>
Tuition			
International and Out of Province Students	-	-	25,500
Total Tuition	<u>-</u>	<u>-</u>	<u>25,500</u>
Other Revenues			
Miscellaneous			
Art Start Grants		5,450	15,600
Donations		3,900	2,470
Growing Innovations		1,000	1,000
Sale of Assets		12,845	21,553
School District 5		1,000	-
District Entered		14,777	
Total Other Revenue	<u>-</u>	<u>38,972</u>	<u>40,623</u>
Rentals and Leases	<u>6,000</u>	<u>4,822</u>	<u>4,694</u>
Investment Income	<u>40,000</u>	<u>44,171</u>	<u>41,500</u>
Total Operating Revenue	<u><u>7,084,461</u></u>	<u><u>7,153,573</u></u>	<u><u>7,385,744</u></u>

School District No. 10 (Arrow Lakes)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2018

	2018 Budget (Note 13) \$	2018 Actual \$	2017 Actual \$
Salaries			
Teachers	2,398,461	2,403,816	2,357,645
Principals and Vice Principals	589,240	570,308	591,678
Educational Assistants	398,604	389,681	346,124
Support Staff	684,364	720,651	680,264
Other Professionals	555,026	553,989	554,172
Substitutes	153,379	147,499	220,329
Total Salaries	4,779,074	4,785,944	4,750,212
Employee Benefits	1,257,697	1,139,914	1,101,650
Total Salaries and Benefits	6,036,771	5,925,858	5,851,862
Services and Supplies			
Services	385,338	285,585	348,787
Student Transportation	-	25,136	4,853
Professional Development and Travel	248,858	214,412	273,780
Rentals and Leases	350	243	259
Dues and Fees	22,000	14,090	16,508
Insurance	38,451	25,070	35,490
Interest	-	-	-
Supplies	466,593	447,190	451,384
Utilities	215,430	219,305	230,068
Total Services and Supplies	1,377,020	1,231,031	1,361,129
Total Operating Expense	7,413,791	7,156,889	7,212,991

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	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	2,149,252	228,923		88,903		103,026	2,570,104
1.03 Career Programs							-
1.07 Library Services				9,987			9,987
1.08 Counselling	92,170						92,170
1.10 Special Education	136,310	44,527	373,712				554,549
1.30 English Language Learning							-
1.31 Aboriginal Education	26,084	5,316	15,969				47,369
1.41 School Administration		278,100		66,664			344,764
1.60 Summer School							-
1.61 Continuing Education							-
1.62 International and Out of Province Students							-
Total Function 1	2,403,816	556,866	389,681	165,554	-	103,026	3,618,943
4 District Administration							
4.11 Educational Administration		13,442			189,430		202,872
4.40 School District Governance					55,890		55,890
4.41 Business Administration					140,254		140,254
Total Function 4	-	13,442	-	-	385,574	-	399,016
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					74,519		74,519
5.50 Maintenance Operations				345,609	74,586	29,832	450,027
5.52 Maintenance of Grounds				18,983			18,983
5.56 Utilities							-
Total Function 5	-	-	-	364,592	149,105	29,832	543,529
7 Transportation and Housing							
7.41 Transportation and Housing Administration					19,310		19,310
7.70 Student Transportation				190,505		14,641	205,146
Total Function 7	-	-	-	190,505	19,310	14,641	224,456
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	2,403,816	570,308	389,681	720,651	553,989	147,499	4,785,944

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget (Note 13)	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	2,570,104	621,504	3,191,608	284,901	3,476,509	3,649,630	3,637,368
1.03 Career Programs	-	-	-	15,354	15,354	6,975	6,549
1.07 Library Services	9,987	3,092	13,079	14,646	27,725	29,746	57,635
1.08 Counselling	92,170	21,612	113,782	1,308	115,090	79,029	86,896
1.10 Special Education	554,549	148,841	703,390	77,694	781,084	863,519	765,208
1.30 English Language Learning	-	-	-	-	-	-	-
1.31 Aboriginal Education	47,369	7,808	55,177	22,463	77,640	66,550	73,200
1.41 School Administration	344,764	80,020	424,784	19,387	444,171	444,460	397,043
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	-	-	-	-	-	-	20,300
Total Function 1	3,618,943	882,877	4,501,820	435,753	4,937,573	5,139,909	5,044,199
4 District Administration							
4.11 Educational Administration	202,872	40,761	243,633	28,562	272,195	298,925	272,700
4.40 School District Governance	55,890	821	56,711	33,238	89,949	102,930	88,117
4.41 Business Administration	140,254	33,786	174,040	199,695	373,735	362,288	332,513
Total Function 4	399,016	75,368	474,384	261,495	735,879	764,143	693,330
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	74,519	18,132	92,651	5,335	97,986	99,924	100,892
5.50 Maintenance Operations	450,027	105,322	555,349	146,510	701,859	785,462	707,409
5.52 Maintenance of Grounds	18,983	5,145	24,128	18,660	42,788	39,675	39,247
5.56 Utilities	-	-	-	219,305	219,305	215,430	250,006
Total Function 5	543,529	128,599	672,128	389,810	1,061,938	1,140,491	1,097,554
7 Transportation and Housing							
7.41 Transportation and Housing Administration	19,310	3,960	23,270	-	23,270	22,882	21,438
7.70 Student Transportation	205,146	49,110	254,256	143,973	398,229	346,366	356,470
Total Function 7	224,456	53,070	277,526	143,973	421,499	369,248	377,908
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	4,785,944	1,139,914	5,925,858	1,231,031	7,156,889	7,413,791	7,212,991

School District No. 10 (Arrow Lakes)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget (Note 13) \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	694,988	558,881	502,588
Other Revenue	210,000	232,529	230,721
Total Revenue	<u>904,988</u>	<u>791,410</u>	<u>733,309</u>
Expenses			
Instruction	847,850	734,272	665,539
Operations and Maintenance	-	-	39,443
Total Expense	<u>847,850</u>	<u>734,272</u>	<u>704,982</u>
Special Purpose Surplus (Deficit) for the year	<u>57,138</u>	<u>57,138</u>	<u>28,327</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(57,138)	(57,138)	(28,327)
Total Net Transfers	<u>(57,138)</u>	<u>(57,138)</u>	<u>(28,327)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 10 (Arrow Lakes)
 Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			187,224					29,563	31,536			248,323
Add: Restricted Grants												
Provincial Grants - Ministry of Education	62,454	27,823		96,000	12,250	7,043	104,964	-		61,925	125,323	497,782
Other			221,670									221,670
	62,454	27,823	221,670	96,000	12,250	7,043	104,964	-	-	61,925	125,323	719,452
Less: Allocated to Revenue	62,454	27,823	232,529	96,000	12,250	7,043	104,964	29,563	31,536	61,925	125,323	791,410
Deferred Revenue, end of year	-	-	176,365	-	-	-	-	-	-	-	-	176,365
Revenues												
Provincial Grants - Ministry of Education	62,454	27,823		96,000	12,250	7,043	104,964	29,563	31,536	61,925	125,323	558,881
Other Revenue			232,529									232,529
	62,454	27,823	232,529	96,000	12,250	7,043	104,964	29,563	31,536	61,925	125,323	791,410
Expenses												
Salaries												
Teachers						1,648	35,824	1,199	24,832		100,462	163,965
Educational Assistants		21,569		56,934						28,685		107,188
	-	21,569	-	56,934	-	1,648	35,824	1,199	24,832	28,685	100,462	271,153
Employee Benefits	-	6,254		21,732		445	8,025	87	6,704	2,601	24,861	70,709
Services and Supplies	5,316		232,529	17,334	12,250	4,950	61,115	28,277		30,639		392,410
	5,316	27,823	232,529	96,000	12,250	7,043	104,964	29,563	31,536	61,925	125,323	734,272
Net Revenue (Expense) before Interfund Transfers	57,138	-	-	-	-	-	-	-	-	-	-	57,138
Interfund Transfers												
Tangible Capital Assets Purchased	(57,138)											(57,138)
	(57,138)											(57,138)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2018

	2018 Budget (Note 13)	2018 Actual			2017 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	1,600		1,666	1,666	1,660
Amortization of Deferred Capital Revenue	401,090	406,353		406,353	372,217
Total Revenue	402,690	406,353	1,666	408,019	373,877
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	423,849	430,026		430,026	414,583
Transportation and Housing	138,660	135,703		135,703	122,226
Total Expense	562,509	565,729	-	565,729	536,809
Capital Surplus (Deficit) for the year	(159,819)	(159,376)	1,666	(157,710)	(162,932)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	57,138	159,530		159,530	74,552
Total Net Transfers	57,138	159,530	-	159,530	74,552
Total Capital Surplus (Deficit) for the year	(102,681)	154	1,666	1,820	(88,380)
Capital Surplus (Deficit), beginning of year		3,228,756	83,324	3,312,080	3,400,460
Capital Surplus (Deficit), end of year		3,228,910	84,990	3,313,900	3,312,080

School District No. 10 (Arrow Lakes)

Tangible Capital Assets
Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	362,514	18,094,227	385,008	1,357,030	-	142,795	20,341,574
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		638,023					638,023
Deferred Capital Revenue - Other		74,999	245,765				320,764
Operating Fund			15,262	30,259		56,871	102,392
Special Purpose Funds		57,138					57,138
	-	770,160	261,027	30,259	-	56,871	1,118,317
Decrease:							
Deemed Disposals			30,225	382,453		43,202	455,880
	-	-	30,225	382,453	-	43,202	455,880
Cost, end of year	362,514	18,864,387	615,810	1,004,836	-	156,464	21,004,011
Work in Progress, end of year							-
Cost and Work in Progress, end of year	362,514	18,864,387	615,810	1,004,836	-	156,464	21,004,011
Accumulated Amortization, beginning of year		10,214,606	156,365	690,190	-	55,481	11,116,642
Changes for the Year							
Increase: Amortization for the Year		362,966	38,501	135,703		28,559	565,729
Decrease:							
Deemed Disposals			30,225	382,453		43,202	455,880
Written-off During Year				-			-
			30,225	382,453		43,202	455,880
Accumulated Amortization, end of year		10,577,572	164,641	443,440	-	40,838	11,226,491
Tangible Capital Assets - Net	362,514	8,286,815	451,169	561,396	-	115,626	9,777,520

School District No. 10 (Arrow Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 6,061,643	\$ 49,465	\$ 30,025	\$ 6,141,133
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	638,023	74,999	245,765	958,787
	<u>638,023</u>	<u>74,999</u>	<u>245,765</u>	<u>958,787</u>
Decrease:				
Amortization of Deferred Capital Revenue	402,266	2,747	1,340	406,353
	<u>402,266</u>	<u>2,747</u>	<u>1,340</u>	<u>406,353</u>
Net Changes for the Year	<u>235,757</u>	<u>72,252</u>	<u>244,425</u>	<u>552,434</u>
Deferred Capital Revenue, end of year	<u>6,297,400</u>	<u>121,717</u>	<u>274,450</u>	<u>6,693,567</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>6,297,400</u>	<u>121,717</u>	<u>274,450</u>	<u>6,693,567</u>

School District No. 10 (Arrow Lakes)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2018

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 2,299	\$ 275,119	\$ 192,398	\$ -	\$ -	\$ 469,816
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	724,280					724,280
Provincial Grants - Other			115,075			115,075
Investment Income		4,002				4,002
	<u>724,280</u>	<u>4,002</u>	<u>115,075</u>	<u>-</u>	<u>-</u>	<u>843,357</u>
Decrease:						
Transferred to DCR - Capital Additions	638,023	74,999	245,765			958,787
	<u>638,023</u>	<u>74,999</u>	<u>245,765</u>	<u>-</u>	<u>-</u>	<u>958,787</u>
Net Changes for the Year	<u>86,257</u>	<u>(70,997)</u>	<u>(130,690)</u>	<u>-</u>	<u>-</u>	<u>(115,430)</u>
Balance, end of year	<u>88,556</u>	<u>204,122</u>	<u>61,708</u>	<u>-</u>	<u>-</u>	<u>354,386</u>