

Audited Financial Statements of

School District No. 10 (Arrow Lakes)

And Independent Auditors' Report thereon

June 30, 2021

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School District No. 10 (Arrow Lakes)

June 30, 2021

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 6267-5521-3539

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.

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

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

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed



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INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the statement of financial position as at June 30, 2021
- the statements of operations for the year then ended

the statement of change 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 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

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

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



Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in 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 and remain alert for indications that the other information appears to be materially misstated. We obtained the information, other than the financial statements and the auditors' report thereon, included in the management discussion and analysis document as 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.

Chartered Professional Accountants

September 21, 2021
Kelowna, Canada

School District No. 10 (Arrow Lakes)

Statement 1

Statement of Financial Position

As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	5,202,465	2,389,596
Accounts Receivable		
Other (Note 3)	173,367	139,127
Portfolio Investments	-	1,454,269
Total Financial Assets	5,375,832	3,982,992
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	1,243,330	855,452
Deferred Revenue (Note 5)	209,761	192,457
Deferred Capital Revenue (Note 6)	11,200,357	9,281,348
Employee Future Benefits (Note 7)	150,145	159,393
Total Liabilities	12,803,593	10,488,650
Net Debt	(7,427,761)	(6,505,658)
Non-Financial Assets		
Tangible Capital Assets (Note 8)	13,036,174	11,289,349
Prepaid Expenses	223,170	112,944
Total Non-Financial Assets	13,259,344	11,402,293
Accumulated Surplus (Deficit)	5,831,583	4,896,635

Contractual Obligations (Note 1)

Approved by the Board

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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 2

Statement of Operations

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	8,733,844	10,225,022	8,571,381
Other	18,000	18,000	18,000
Other Revenue	216,000	170,148	246,864
Rentals and Leases	6,000	5,328	6,197
Investment Income	41,500	46,105	50,374
Amortization of Deferred Capital Revenue	484,319	468,085	432,416
Total Revenue	<u>9,499,663</u>	<u>10,932,688</u>	<u>9,325,232</u>
Expenses (Note 13)			
Instruction	6,846,270	6,999,940	6,232,858
District Administration	803,895	826,250	773,166
Operations and Maintenance	1,858,984	1,687,272	1,657,062
Transportation and Housing	522,425	484,278	473,618
Total Expense	<u>10,031,574</u>	<u>9,997,740</u>	<u>9,136,704</u>
Surplus (Deficit) for the year	<u>(531,911)</u>	<u>934,948</u>	<u>188,528</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		4,896,635	4,708,107
Accumulated Surplus (Deficit) from Operations, end of year		<u>5,831,583</u>	<u>4,896,635</u>

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School District No. 10 (Arrow Lakes)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(531,911)</u>	<u>934,948</u>	<u>188,528</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,575,441)	(2,391,799)	(1,727,120)
Amortization of Tangible Capital Assets	654,762	644,974	596,608
Total Effect of change in Tangible Capital Assets	<u>(920,679)</u>	<u>(1,746,825)</u>	<u>(1,130,512)</u>
Acquisition of Prepaid Expenses	-	(188,952)	(84,013)
Use of Prepaid Expenses	-	78,726	36,640
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(110,226)</u>	<u>(47,373)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(1,452,590)</u>	<u>(922,103)</u>	<u>(989,357)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(922,103)</u>	<u>(989,357)</u>
Net Debt, beginning of year		<u>(6,505,658)</u>	<u>(5,516,301)</u>
Net Debt, end of year		<u>(7,427,761)</u>	<u>(6,505,658)</u>

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School District No. 10 (Arrow Lakes)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	934,948	188,528
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(34,240)	(45,134)
Prepaid Expenses	(110,226)	(47,373)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	387,878	20,756
Unearned Revenue	-	(480)
Deferred Revenue	17,304	18,556
Employee Future Benefits	(9,248)	10,423
Amortization of Tangible Capital Assets	644,974	596,608
Amortization of Deferred Capital Revenue	(468,085)	(432,416)
Total Operating Transactions	1,363,305	309,468
Capital Transactions		
Tangible Capital Assets Purchased	(2,391,799)	(1,727,120)
Total Capital Transactions	(2,391,799)	(1,727,120)
Financing Transactions		
Capital Revenue Received	2,387,094	2,051,208
Total Financing Transactions	2,387,094	2,051,208
Investing Transactions		
Investments in Portfolio Investments	1,454,269	551,696
Total Investing Transactions	1,454,269	551,696
Net Increase (Decrease) in Cash and Cash Equivalents	2,812,869	1,185,252
Cash and Cash Equivalents, beginning of year	2,389,596	1,204,344
Cash and Cash Equivalents, end of year	5,202,465	2,389,596
Cash and Cash Equivalents, end of year, is made up of:		
Cash	5,202,465	2,389,596
	5,202,465	2,389,596

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 Authority

The School District, established on April 10, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 10 (Arrow Lakes)", and operates as "School District No. 10 (Arrow Lakes)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 10 (Arrow Lakes) is exempt from federal and provincial corporate income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the School District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the School District is not practicable at this time.

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 taxpayer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

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

a) Basis of Accounting (*continued*)

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 taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

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

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

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

b) Basis of Presentation

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

c) Cash and Cash Equivalents

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

d) Unearned Revenue

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

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

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

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 taxpayer supported organizations, these contributions include government transfers and externally restricted contributions

e) Deferred Revenue and Deferred Capital Revenue

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

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

f) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was 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.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

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) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations

The School District has identified potential asset retirement obligations relating to facilities that the School District may incur upon major upgrades or demolition in the future. This potential obligation exists for the removal and disposal of environmentally hazardous building materials in some of the School District facilities. At this time, the School District has not recognized these asset retirement obligations, as there is an indeterminate settlement date of any potential future demolition or renovation of the facilities and therefore the fair value cannot be reasonably estimated as at June 30, 2021.

h) Tangible Capital Assets

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

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

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

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

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

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

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

h) Tangible Capital Assets (*continued*)

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

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

i) Funds and Reserves

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

j) Revenue Recognition

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

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

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

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

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

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

j) Revenue Recognition (*continued*)

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

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

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

k) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

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

l) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and other liabilities. 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. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

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.

m) Measurement Uncertainty

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

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School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

Note 3 Accounts Receivable – Other Receivables

	2021	2020
Federal government	\$ 48,677	\$ 38,220
Provincial government	-	52,225
Other	124,690	48,682
	<u>\$ 173,367</u>	<u>\$139,127</u>

Note 4 Accounts Payable and Accrued Liabilities - Other

	2021	2020
Trade	\$ 372,313	\$ 114,447
Salaries and benefits	782,277	652,498
Accrued vacation	88,740	88,507
	<u>\$ 1,243,330</u>	<u>\$ 855,452</u>

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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

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.

	2021	2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 156,375	\$ 148,547
Service Cost	13,714	12,989
Interest Cost	3,653	3,888
Benefit Payments	(10,882)	(5,741)
Actuarial (Gain) Loss	(7,670)	(3,308)
Accrued Benefit Obligation – March 31	<u>\$ 155,190</u>	<u>\$ 156,375</u>

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31	\$ (155,190)	\$ (156,375)
Market Value of Plan Assets – March 31	-	-
Funded Status – March 31 (Deficit)	(155,190)	(156,375)
Employer Contributions After Measurement Date	17,225	2,627
Benefits Expense After Measurement Date	(4,442)	(4,342)
Unamortized Net Actuarial (Gain) Loss	(7,558)	(1,303)
Accrued Benefit Asset (Liability) – June 30	<u>\$ (150,145)</u>	<u>\$ (159,393)</u>

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability – July 1	\$ 159,393	\$ 148,970
Net expense for Fiscal Year	16,032	16,453
Employer Contributions	(25,280)	(6,030)
Accrued Benefit Liability – June 30	<u>\$ 150,145</u>	<u>\$ 159,393</u>

	2021	2020
Components of Net Benefit Expense		
Service Cost	\$ 13,697	\$ 13,170
Interest Cost	3,740	3,829
Amortization of Net Actuarial (Gain)/Loss	(1,405)	(546)
Net Benefit Expense (Income)	<u>\$ 16,032</u>	<u>\$ 16,453</u>

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

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

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

Note 8 Tangible Capital Assets

Net Book Value:

	Net Book Value 2021	Net Book Value 2020
Sites	\$ 362,514	\$ 362,514
Buildings	11,370,191	9,687,026
Furniture & Equipment	693,529	564,542
Vehicles	454,934	546,958
Computer Hardware	155,006	128,308
Total	\$13,036,174	\$11,289,349

June 30, 2021

	Opening Cost \$	Additions \$	Disposals \$	Closing Cost \$
Sites	362,514	-	-	362,514
Buildings	21,038,460	2,110,659	-	23,149,119
Furniture & Equipment	829,626	211,950	(7,497)	1,034,079
Vehicles	988,842	-	-	920,242
Computer Hardware	212,467	9,190	(56,996)	224,661
Total	23,388,309	2,331,799	(64,493)	25,690,615

	Opening Accumulated Amortization \$	Amortization \$	Disposals \$	Closing Accumulated Amortization \$
Sites	-	-	-	-
Buildings	11,351,434	427,494	-	11,778,928
Furniture & Equipment	265,084	82,963	(7,497)	340,550
Vehicles	373,284	92,024	-	465,308
Computer Hardware	84,158	42,493	(56,996)	69,655
Total	12,073,960	644,974	(64,493)	12,654,441

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

Note 8 Tangible Capital Assets (continued)

June 30, 2020

	Opening Cost \$	Additions \$	Disposals \$	Closing Cost \$
Sites	362,514	-	-	362,514
Buildings	19,604,378	1,434,082	-	21,038,460
Furniture & Equipment	776,574	61,388	(8,336)	829,626
Vehicles	884,591	174,505	(138,854)	920,242
Computer Hardware	179,119	57,145	(23,757)	212,467
Total	21,807,176	1,727,120	(170,987)	23,363,309

	Opening Accumulated Amortization \$	Additions \$	Disposals \$	Closing Accumulated Amortization \$
Sites	-	-	-	-
Buildings	10,956,766	394,668	-	11,351,434
Furniture & Equipment	195,763	77,657	(8,336)	265,084
Vehicles	42,679	82,459	(138,854)	373,284
Computer Hardware	71,121	33,824	(23,757)	84,158
Total	11,647,339	596,688	(170,987)	12,073,960

Note 9 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, 2019, the Teachers' Pension Plan has about 48,000 active members and approximately 39,000 retired members. As of December 31, 2019, the Municipal Pension Plan has about 213,000 active members, including approximately 26,000 from school districts.

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

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

Note 9 Employee Pension Plans (continued)

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

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

The School District paid \$627,886 for employer contributions to the plans for the year ended June 30, 2021 (2020: \$576,266)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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

Operating commitments

The School District has an ongoing agreement for software support and maintenance related to the School District's accounting system. The contract will automatically renew on an annual basis unless terminated by either party upon giving to the other not less than 90 days written notice prior to the end of the initial term or any subsequent anniversary of such date. No notice was given prior to the expiry date of June 30, 2021 and the annual support and maintenance fee for the 2021-2022 fiscal year will be \$47,546.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

Note 12 Budget Figures

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an annual budget on April 29, 2020. The amended budget was approved by the Board through the adoption of an annual amended budget on February 16, 2021.

	2021 Annual Budget	Adjustments	2021 Amended Annual Budget
Revenues:			
Provincial Grants –			
Ministry of Education	\$ 8,733,844	\$ 1,381,302	\$ 10,115,146
Provincial Grants - Other	18,000	9,000	27,000
Other Revenue	216,000	5,420	221,420
Rentals and Leases	6,000	-	6,000
Investment Income	41,500	(5,000)	36,500
Amortization of Deferred			
Capital Revenue	484,319	(16,234)	468,085
Total Revenue	9,499,663	1,374,488	10,874,151
Expenses:			
Instruction	5,876,270	803,561	7,649,831
District Administration	803,895	83,630	887,525
Operations and	1,858,984	226,206	2,085,190
Maintenance			
Transportation and	522,425	18,859	541,284
Housing			
Total Expenses	10,031,574	1,132,256	11,163,830
Deficit for the year	\$ (531,911)	\$ 242,232	\$ (289,679)

Note 13 Expense by Object

	2021	2020
Salaries and benefits	\$ 7,735,067	\$ 7,038,112
Services and supplies	1,617,699	1,501,984
Amortization	644,974	596,608
	\$ 9,997,740	\$ 9,136,704

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

Note 14 Internally Restricted Surplus – Operating Fund

	2021	2020
Equipment	\$ 100,000	\$ 100,000
IT Infrastructure	100,000	100,000
Utilities	100,000	100,000
Capital Projects	100,000	100,000
Emergency	250,000	250,000
Professional Learning	90,000	90,000
Finance Software Upgrade	150,000	300,000
Strategic Plan Goals/School Configuration	100,000	100,000
Long Range Facilities Plan	100,000	100,000
Board Scholarship	36,000	30,000
	\$ 1,126,000	\$ 1,270,000

Note 15 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 16 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. 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 significant changes in the following risk exposures from 2020.

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 and cash equivalents and amounts receivable.

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.

School District No. 10 (Arrow Lakes)
Notes to the Financial Statements
Year Ended June 30, 2021

Note 16 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 cash and cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk.

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.

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School District No. 10 (Arrow Lakes)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2021

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,652,707		3,243,928	4,896,635	4,708,107
Changes for the year					
Surplus (Deficit) for the year	897,981	212,234	(175,267)	934,948	188,528
Interfund Transfers					
Tangible Capital Assets Purchased	(89,322)	(212,234)	301,556	-	
Net Changes for the year	808,659	-	126,289	934,948	188,528
Accumulated Surplus (Deficit), end of year - Statement 2	2,461,366	-	3,370,217	5,831,583	4,896,635

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School District No. 10 (Arrow Lakes)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	8,223,261	9,270,064	7,992,187
Other	18,000	18,000	18,000
Other Revenue	6,000	58,253	68,811
Rentals and Leases	6,000	5,328	6,197
Investment Income	40,000	44,483	48,386
Total Revenue	8,293,261	9,396,128	8,133,581
Expenses			
Instruction	6,203,891	6,152,473	5,534,078
District Administration	801,395	823,750	773,166
Operations and Maintenance	1,278,425	1,129,670	1,148,913
Transportation and Housing	430,320	392,254	385,159
Total Expense	8,714,031	8,498,147	7,841,316
Operating Surplus (Deficit) for the year	(420,770)	897,981	292,265
Budgeted Appropriation (Retirement) of Surplus (Deficit)	420,770		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(89,322)	(111,696)
Total Net Transfers	-	(89,322)	(111,696)
Total Operating Surplus (Deficit), for the year	-	808,659	180,569
Operating Surplus (Deficit), beginning of year		1,652,707	1,472,138
Operating Surplus (Deficit), end of year		2,461,366	1,652,707
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 14)		1,126,000	1,270,000
Unrestricted		1,335,366	382,707
Total Operating Surplus (Deficit), end of year		2,461,366	1,652,707

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School District No. 10 (Arrow Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	8,135,932	9,006,037	7,739,920
Other Ministry of Education Grants			
Pay Equity	40,560	40,560	40,560
Student Transportation Fund	42,675	42,675	42,675
Carbon Tax Grant			11,039
Employer Health Tax Grant			55,048
Support Staff Wage Increase Funding			31,174
Teachers' Labour Settlement Funding		160,142	66,121
Early Career Mentorship Funding		15,000	-
FSA Scorer Grant	4,094	4,094	4,094
Early Learning Framework Implementation		1,556	1,556
Total Provincial Grants - Ministry of Education	8,223,261	9,270,064	7,992,187
Provincial Grants - Other	18,000	18,000	18,000
Other Revenues			
Other School District/Education Authorities		2,373	2,227
Miscellaneous			
Donations		-	7,530
Growing Innovations		-	1,000
Columbia Basin Trust-Basin Plays		14,500	15,200
Miscellaneous	600	20,060	37,454
Art Starts	5,400	5,400	5,400
Arrow Lakes Community Services		4,000	-
Nakusp & Area Community Foundation		11,920	-
Total Other Revenue	6,000	58,253	68,811
Rentals and Leases	6,000	5,328	6,197
Investment Income	40,000	44,483	48,386
Total Operating Revenue	8,293,261	9,396,128	8,133,581

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School District No. 10 (Arrow Lakes)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual
	\$	\$	\$
Salaries			
Teachers	2,830,500	2,907,046	2,730,160
Principals and Vice Principals	613,000	629,314	579,936
Educational Assistants	403,000	389,253	325,260
Support Staff	792,000	815,925	764,144
Other Professionals	754,075	778,665	750,674
Substitutes	311,456	420,232	267,514
Total Salaries	5,704,031	5,940,435	5,417,688
Employee Benefits	1,448,860	1,273,697	1,206,286
Total Salaries and Benefits	7,152,891	7,214,132	6,623,974
Services and Supplies			
Services	416,126	434,099	350,036
Student Transportation	13,260	5,689	31,400
Professional Development and Travel	181,824	59,827	65,474
Rentals and Leases			
Dues and Fees	38,454	28,886	30,117
Insurance	27,030	27,513	23,666
Interest			
Supplies	652,138	523,840	491,077
Utilities	232,308	204,161	225,572
Total Services and Supplies	1,427,546	1,284,015	1,217,342
Total Operating Expense	8,714,031	8,498,147	7,841,316

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School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	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	2,506,105	360,324		131,671		331,437	3,329,537
1.03 Career Programs							-
1.07 Library Services				12,116			12,116
1.08 Counselling	116,302						116,302
1.10 Special Education	205,169		389,253		49,654	40,188	684,264
1.31 Indigenous Education	67,492				15,176	3,430	86,098
1.41 School Administration		268,990		68,668	85,743		423,401
1.64 Other	11,978			3,446			15,424
Total Function 1	2,907,046	629,314	389,253	215,901	150,573	375,055	4,667,142
4 District Administration							
4.11 Educational Administration					94,496		94,496
4.40 School District Governance					57,406		57,406
4.41 Business Administration					304,350	1,006	305,356
Total Function 4	-	-	-	-	456,252	1,006	457,258
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					146,862		146,862
5.50 Maintenance Operations				405,908		38,796	444,704
5.52 Maintenance of Grounds				19,688			19,688
5.56 Utilities							-
Total Function 5	-	-	-	425,596	146,862	38,796	611,254
7 Transportation and Housing							
7.41 Transportation and Housing Administration					24,978		24,978
7.70 Student Transportation				174,428		5,375	179,803
Total Function 7	-	-	-	174,428	24,978	5,375	204,781
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	2,907,046	629,314	389,253	815,925	778,665	420,232	5,940,435

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School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget (Note 12)	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	3,329,537	737,417	4,066,954	281,952	4,348,906	4,356,224	4,015,394
1.03 Career Programs	-	-	-	4,653	4,653	24,000	78
1.07 Library Services	12,116	2,675	14,791	7,824	22,615	34,300	29,252
1.08 Counselling	116,302	25,861	142,163	1,492	143,655	205,000	74,188
1.10 Special Education	684,264	143,862	828,126	98,503	926,629	922,467	784,118
1.31 Indigenous Education	86,098	21,041	107,139	26,361	133,500	120,000	116,000
1.41 School Administration	423,401	89,584	512,985	18,631	531,616	541,900	515,048
1.64 Other	15,424	2,252	17,676	23,223	40,899	-	-
Total Function 1	4,667,142	1,022,692	5,689,834	462,639	6,152,473	6,203,891	5,534,078
4 District Administration							
4.11 Educational Administration	94,496	6,056	100,552	17,842	118,394	135,755	121,642
4.40 School District Governance	57,406	2,784	60,190	51,065	111,255	116,510	119,864
4.41 Business Administration	305,356	58,310	363,666	230,435	594,101	549,130	531,660
Total Function 4	457,258	67,150	524,408	299,342	823,750	801,395	773,166
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	146,862	34,574	181,436	491	181,375	206,552	190,301
5.50 Maintenance Operations	444,704	9,874	454,578	169,660	710,138	796,715	683,174
5.52 Maintenance of Grounds	19,688	876	20,564	9,432	33,996	42,850	49,866
5.56 Utilities	-	-	-	204,161	204,161	232,308	225,572
Total Function 5	611,254	134,672	745,926	383,744	1,129,670	1,278,425	1,148,913
7 Transportation and Housing							
7.41 Transportation and Housing Administration	24,978	5,339	30,317	-	30,317	31,200	30,039
7.70 Student Transportation	179,803	43,844	223,647	138,290	361,937	399,120	355,120
Total Function 7	204,781	49,183	253,964	138,290	392,254	430,320	385,159
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	5,940,435	1,273,697	7,214,132	1,284,015	8,498,147	8,714,031	7,841,316

School District No. 10 (Arrow Lakes)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	510,583	954,958	579,194
Other Revenue	210,000	111,895	178,053
Total Revenue	<u>720,583</u>	<u>1,066,853</u>	<u>757,247</u>
Expenses			
Instruction	642,379	847,467	698,780
District Administration	2,500	2,500	
Operations and Maintenance	17,902	4,652	
Total Expense	<u>662,781</u>	<u>854,619</u>	<u>698,780</u>
Special Purpose Surplus (Deficit) for the year	<u>57,802</u>	<u>212,234</u>	<u>58,467</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(57,802)	(212,234)	(58,467)
Total Net Transfers	<u>(57,802)</u>	<u>(212,234)</u>	<u>(58,467)</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>

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School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
Deferred Revenue, beginning of year	\$	\$	\$ 192,457	\$	\$	\$	\$	\$	\$
Add: Restricted Grants									
Provincial Grants - Ministry of Education	62,454	29,448		96,000	12,250	6,580	105,604	55,201	142,583
Other			129,199						
	62,454	29,448	129,199	96,000	12,250	6,580	105,604	55,201	142,583
Less: Allocated to Revenue	62,454	29,448	111,895	96,000	12,250	6,580	105,604	55,201	142,583
Deferred Revenue, end of year	-	-	209,761	-	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	62,454	29,448		96,000	12,250	6,580	105,604	55,201	142,583
Other Revenue			111,895						
	62,454	29,448	111,895	96,000	12,250	6,580	105,604	55,201	142,583
Expenses									
Salaries									
Teachers									111,619
Educational Assistants		21,367		55,664			68,870		
Support Staff									
Substitutes									
		24,367	-	55,664	-	-	68,870	-	111,619
Employee Benefits				16,305			16,429		30,964
Services and Supplies	4,600		11,895	24,000	12,250	6,580	20,305	55,201	
	4,600		11,895	24,000	12,250	6,580	20,305	55,201	
	4,600	29,448		96,000	12,250	6,580	105,604	55,201	142,583
Net Revenue (Expense) before Interfund Transfers	57,854		-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(57,802)								
	(57,802)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

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School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2021

Schedule 3A (Unaudited)

	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year					192,457
Add: Restricted Grants					
Provincial Grants - Ministry of Education	57,000	11,250	46,588	330,000	954,958
Other					129,199
	57,000	11,250	46,588	330,000	1,084,157
Less: Allocated to Revenue	57,000	11,250	46,588	330,000	1,066,853
Deferred Revenue, end of year	-	-	-	-	209,761
Revenues					
Provincial Grants - Ministry of Education	57,000	11,250	46,588	330,000	954,958
Other Revenue					111,895
	57,000	11,250	46,588	330,000	1,066,853
Expenses					
Salaries					
Teachers				78,120	189,739
Educational Assistants					148,901
Support Staff			21,000	50,700	72,165
Substitutes	3,000	4,400			7,488
	3,000	4,400	723	128,800	418,593
Employee Benefits	5,000		2,219	27,700	102,342
Services and Supplies	53,300	5,766	10,303	29,300	333,684
	57,000	11,250		185,900	854,619
Net Revenue (Expense) before Interfund Transfers			10,343	144,000	212,234
Interfund Transfers					
Tangible Capital Assets Purchased			(10,343)	(144,089)	(212,234)
	-	-	(10,343)	(144,089)	(212,234)
Net Revenue (Expense)	-	-	-	-	-

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School District No. 10 (Arrow Lakes)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021 Budget (Note 12)	2021 Actual			2020 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	1,500		1,622	1,622	1,988
Amortization of Deferred Capital Revenue	484,319	468,085		468,085	432,416
Total Revenue	485,819	468,085	1,622	469,707	434,404
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	562,657	552,950		552,950	508,149
Transportation and Housing	92,105	92,024		92,024	88,459
Total Expense	654,762	644,974	-	644,974	596,608
Capital Surplus (Deficit) for the year	(168,943)	(176,889)	1,622	(175,267)	(162,204)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	57,802	301,556		301,556	170,163
Total Net Transfers	57,802	301,556	-	301,556	170,163
Total Capital Surplus (Deficit) for the year	<u>(111,141)</u>	124,667	1,622	126,289	7,959
Capital Surplus (Deficit), beginning of year		3,155,520	88,408	3,243,928	3,235,969
Capital Surplus (Deficit), end of year		<u>3,280,187</u>	<u>90,030</u>	<u>3,370,217</u>	<u>3,243,928</u>

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School District No. 10 (Arrow Lakes)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	362,514	21,038,460	829,626	920,242	-	212,467	23,363,309
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		847,067					847,067
Deferred Capital Revenue - Other		1,071,957	171,219				1,243,176
Operating Fund			20,132	-		69,190	89,322
Special Purpose Funds		191,635	20,599				212,234
	-	2,110,659	211,950	-	-	69,190	2,391,799
Decrease:							
Deemed Disposals			7,497			56,996	64,493
	-	-	7,497	-	-	56,996	64,493
Cost, end of year	362,514	23,149,119	1,034,079	920,242	-	224,661	25,690,615
Work in Progress, end of year							-
Cost and Work in Progress, end of year	362,514	23,149,119	1,034,079	920,242	-	224,661	25,690,615
Accumulated Amortization, beginning of year		11,300,434	265,000	373,284	-	84,158	12,073,960
Changes for the Year							
Increase: Amortization for the Year		17,494	82,003	92,024	-	42,493	644,974
Decrease:							
Deemed Disposals			7,497			56,996	64,493
		-	7,497	-	-	56,996	64,493
Accumulated Amortization, end of year		11,778,928	340,550	465,308	-	69,655	12,654,441
Tangible Capital Assets - Net	362,514	11,370,191	693,529	454,934	-	155,006	13,036,174

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School District No. 10 (Arrow Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	7,662,388	537,120	81,576	8,281,084
Prior Period Adjustments				
District Entered		(302)	302	-
Deferred Capital Revenue, beginning of year, as restated	7,662,388	536,818	81,878	8,281,084
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	847,067	1,214,344	28,832	2,090,243
	847,067	1,214,344	28,832	2,090,243
Decrease:				
Amortization of Deferred Capital Revenue	422,697	42,868	2,520	468,085
	422,697	42,868	2,520	468,085
Net Changes for the Year	424,370	1,171,476	26,312	1,622,158
Deferred Capital Revenue, end of year	8,086,758	1,708,294	108,190	9,903,242
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	8,086,758	1,708,294	108,190	9,903,242

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School District No. 10 (Arrow Lakes)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 226,709	\$ 213,954	\$ 559,601	\$ -	\$ -	1,000,264
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	946,667					946,667
Provincial Grants - Other			1,394,205			1,394,205
Other					28,832	28,832
Investment Income		4,023	13,367			17,390
	946,667	4,023	1,407,572	-	28,832	2,387,094
Decrease:						
Transferred to DCR - Capital Additions	847,067	-	1,214,344		28,832	2,090,243
	847,067	-	1,214,344	-	28,832	2,090,243
Net Changes for the Year	99,600	4,023	193,228	-	-	296,851
Balance, end of year	326,309	217,977	752,829	-	-	1,297,115

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