

Audited Financial Statements of

School District No. 10 (Arrow Lakes)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 10 (Arrow Lakes)

June 30, 2023

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 4657-3911-1929

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 and Child Care, Province of British Columbia

Opinion

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

- the statement of financial position as at June 30, 2023
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2023 of the School District are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

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

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

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2(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.



Emphasis of Matter – Comparative Information

We draw attention to note 18 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2022, has been restated. note 17 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

As part of our audit of the financial statements for the year ended June 30, 2023, we audited the adjustments that were applied to restate certain comparative information presented for the year ended June 30, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

We have nothing to report in this regard.

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

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Kelowna, Canada

September 26, 2023

School District No. 10 (Arrow Lakes)

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	4,748,751	4,891,950
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	330,000	50,000
Other (Note 3)	340,824	287,251
Total Financial Assets	5,419,575	5,229,201
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	1,122,844	964,839
Deferred Revenue (Note 5)	399,882	351,587
Deferred Capital Revenue (Note 6)	16,968,852	14,557,746
Employee Future Benefits (Note 7)	158,571	154,817
Asset Retirement Obligation (Note 8)	1,807,964	1,807,964
Total Liabilities	20,458,113	17,836,953
Net Debt	(15,038,538)	(12,607,752)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	19,452,445	16,632,482
Prepaid Expenses	100,000	112,866
Total Non-Financial Assets	19,552,445	16,745,348
Accumulated Surplus (Deficit)	4,513,907	4,137,596
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	4,513,907	4,137,596
Accumulated Remeasurement Gains (Losses)		
	4,513,907	4,137,596

Contractual Obligations (Note 12)

Contingent Liabilities (Note 13)

Approved by the Board

Signature of the Chairperson of the Board of Education Date Signed

Signature of the Superintendent Date Signed

Signature of the Secretary Treasurer Date Signed

School District No. 10 (Arrow Lakes)

Statement of Operations
Year Ended June 30, 2023

	2023 Budget (Note 14) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	10,351,395	11,380,304	10,462,746
Other	11,400	23,400	21,000
Tuition	10,000	24,960	7,020
Other Revenue	85,365	301,801	218,470
Rentals and Leases	6,000	3,017	10,921
Investment Income	59,475	162,463	53,781
Gain (Loss) on Disposal of Tangible Capital Assets			(23,733)
Amortization of Deferred Capital Revenue	726,345	729,638	587,030
Total Revenue	11,249,980	12,625,583	11,337,235
Expenses (Note 15)			
Instruction	7,656,472	8,158,377	7,454,993
District Administration	969,172	1,261,573	817,405
Operations and Maintenance	2,133,691	2,248,476	2,121,235
Transportation and Housing	664,988	580,846	735,954
Total Expense	11,424,323	12,249,272	11,129,587
Surplus (Deficit) for the year	(174,343)	376,311	207,648
Accumulated Surplus (Deficit) from Operations, beginning of year		4,137,596	3,929,948
Accumulated Surplus (Deficit) from Operations, end of year		4,513,907	4,137,596

School District No. 10 (Arrow Lakes)

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 14) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
Surplus (Deficit) for the year	(174,343)	376,311	207,648
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(900,688)	(3,730,904)	(4,751,224)
Amortization of Tangible Capital Assets	902,288	910,941	772,384
Net carrying value of Tangible Capital Assets disposed of			23,733
Total Effect of change in Tangible Capital Assets	1,600	(2,819,963)	(3,955,107)
Acquisition of Prepaid Expenses			(112,866)
Use of Prepaid Expenses		12,866	223,170
Total Effect of change in Other Non-Financial Assets	-	12,866	110,304
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(172,743)</u>	(2,430,786)	(3,637,155)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(2,430,786)	(3,637,155)
Net Debt, beginning of year		(12,607,752)	(8,970,597)
Net Debt, end of year		(15,038,538)	(12,607,752)

School District No. 10 (Arrow Lakes)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 18)
Operating Transactions		
Surplus (Deficit) for the year	376,311	207,648
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(333,573)	(163,884)
Prepaid Expenses	12,866	110,304
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	158,005	(278,494)
Deferred Revenue	48,295	141,829
Employee Future Benefits	3,754	4,672
Loss (Gain) on Disposal of Tangible Capital Assets		23,733
Amortization of Tangible Capital Assets	910,941	772,384
Amortization of Deferred Capital Revenue	(729,638)	(587,030)
Total Operating Transactions	<u>446,961</u>	<u>231,162</u>
Capital Transactions		
Tangible Capital Assets Purchased	(3,730,904)	(4,751,224)
Total Capital Transactions	<u>(3,730,904)</u>	<u>(4,751,224)</u>
Financing Transactions		
Capital Revenue Received	3,140,744	4,209,547
Total Financing Transactions	<u>3,140,744</u>	<u>4,209,547</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(143,199)	(310,515)
Cash and Cash Equivalents, beginning of year	<u>4,891,950</u>	<u>5,202,465</u>
Cash and Cash Equivalents, end of year	<u>4,748,751</u>	<u>4,891,950</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	4,748,751	4,891,950
	<u>4,748,751</u>	<u>4,891,950</u>

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 AUTHORITY AND PURPOSE

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

As noted in notes 2(f) and 2(l), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

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

b) Basis of Presentation

These financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated. 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.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

e) 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.

f) Deferred Revenue and Deferred Capital Revenue

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

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

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The impact of changes in the assumptions between this March 31, 2022 measurement date and June 30, 2022 are not considered to be material. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

h) Tangible Capital Assets

The following criteria apply:

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

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

h) Tangible Capital Assets (continued)

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

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

i) Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date:

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

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

j) Prepaid Expenses

Enterprise resource planning software upgrades expenses are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it (Note 12).

k) 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 (Note 16).

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

1) Revenue Recognition

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

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

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

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2(a) for the impact of this policy on these financial statements.

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, 2023

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

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

Allocation of Costs

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

n) Liability for Contaminated Sites

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

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

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

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

o) 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.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. *(add the following sentence if applicable)* There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements. For the year ended June 30, 2023, the School District did not have any financial instruments where fair value differed significantly from its cost amount. Accordingly, a statement of remeasurement gains and losses

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.

p) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 3 ACCOUNTS RECEIVABLE

	2023	2022
Due from Province – Ministry of Education and Child Care	\$ 330 000	\$50,000
Other	340,824	287,251
	\$ 670,964	\$ 337,251

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2023	2022
Trade and other accounts	\$ 335,871	\$ 236,486
Salaries and benefits	678,391	542,499
Accrued vacation pay	108,583	185,854
	\$ 1,122,844	\$ 964,839

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.

	2023	2022
Balance, beginning of year	\$ 351,587	\$ 209,758
Changes for the year:		
Restricted grants received	1,242,602	1,052,824
Allocation to revenue	(1,194,307)	(910,995)
Balance, end of year	\$ 399,882	\$ 351,587

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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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.

	2023	2022
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 146,250	\$ 155,190
Service Cost	13,788	13,646
Interest Cost	4,921	4,002
Benefit Payments	(9,356)	(22,161)
Actuarial (Gain) Loss	(9,481)	(4,427)
Accrued Benefit Obligation – March 31	\$ 145,942	\$ 146,250

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 145,942	\$ 146,250
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(145,942)	(146,250)
Employer Contributions After Measurement Date	-	1,911
Benefits Expense After Measurement Date	(4,906)	(4,677)
Unamortized Net Actuarial (Gain) Loss	(7,723)	(5,801)
Accrued Benefit Asset (Liability) – June 30	\$ (158,571)	\$ (154,817)

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 154,817	\$ 150,145
Net expense for Fiscal Year	11,379	11,719
Employer Contributions	(7,625)	(7,047)
Accrued Benefit Liability – June 30	\$ 158,571	\$ 154,817

Components of Net Benefit Expense		
Service Cost	\$ 13,461	\$ 13,682
Interest Cost	6,297	4,232
Amortization of Net Actuarial (Gain)/Loss	(7,396)	(6,195)
Net Benefit Expense (Income)	\$ 12,362	\$ 11,719

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

Discount Rate – April 1	3.25%	2.50%
Discount Rate – March 31	4.00%	3.25%
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	10.3 years	10.3 years

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos, lead and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2021 (Note 18). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	2023	2022
Asset Retirement Obligation, beginning of year (Note 18)	\$ 1,807,964	\$ 1,807,964
Settlements/accretion during the year	-	-
Asset Retirement Obligation, end of year	\$ 1,807,964	\$ 1,807,964

NOTE 9 TANGIBLE CAPITAL ASSETS

	2023	2022 Restated – Note 18
Net Book Value:		
Sites	\$ 362,514	\$ 362,514
Buildings	16,677,204	15,118,049
Furniture and Equipment	801,394	323,686
Vehicles	1,434,242	701,346
Computer Hardware	83,091	126,887
Total	\$ 19,452,445	\$ 16,632,482

June 30, 2023				
Cost	Balance at July 1, 2022, As restated	Additions	Disposals	Balance at June 30, 2023
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	29,327,117	2,226,606	-	31,593,723
Furniture and equipment	1,137,288	218,529	(123,495)	1,232,322
Vehicles	784,479	1,245,769	(110,468)	1,919,780
Computer hardware	247,415	-	(56,871)	190,544
Total	\$ 31,858,813	\$ 3,730,904	\$ (290,834)	\$ 35,298,883

Accumulated Amortization	Balance at July 1, 2022, As restated	Amortization	Disposals	Balance at June 30, 2023
Buildings	\$ 14,209,068	\$ 613,451	\$ -	\$ 14,822,519
Furniture and equipment	435,942	118,481	(123,495)	430,928
Vehicles	460,793	135,213	(110,468)	485,538
Computer hardware	120,528	43,796	(56,871)	107,453
Total	\$ 15,226,331	\$ 910,941	\$ (290,834)	\$ 15,846,438

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2022	Balance at		Balance at	
Cost	July 1, 2021, As Restated	Additions	Disposals	July 1, 2022, As Restated
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	24,957,083	4,541,582	(171,548)	29,327,117
Furniture and equipment	1,034,079	168,809	(64,880)	1,137,288
Vehicles	920,242	-	(135,763)	784,479
Computer hardware	224,661	41,553	(18,799)	247,415
Total	\$ 27,498,579	\$ 4,751,224	\$ (390,990)	\$ 31,858,813

Accumulated	Balance at		Balance at	
Amortization	July 1, 2021, As restated	Amortization	Disposals	July 1, 2022, As Restated
Buildings	\$ 13,825,510	\$ 531,373	\$ (147,815)	\$ 14,209,068
Furniture and equipment	392,254	108,568	(64,880)	435,942
Vehicles	511,320	85,236	(135,763)	460,793
Computer hardware	92,120	47,207	(18,799)	120,528
Total	\$ 14,821,204	\$ 772,384	\$ (367,257)	\$ 15,226,331

NOTE 10 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusted 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, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2023, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2020, indicated a \$1,584 million surplus for basic pension benefits on a going concern basis. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 **EMPLOYEE PENSION PLANS** (*Continued*)

The School District paid \$721,880 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$627,886).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2022. The next valuation for the Municipal Pension Plan will be as at December 31, 2024.

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

NOTE 11 **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 12 **CONTRACTUAL OBLIGATIONS**

The School District has entered into multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

The School District has an annually renewing agreement for its enterprise resource planning and financial (ERP) software. The obligatory annual maintenance and support fees for 2022-2023 were \$49,804 as at June 30, 2022. The School District also has a multiple-year agreement for the upgrade of this ERP software, for which a 100,000 deposit is recorded as a prepaid expense (Note 2(j)). The amounts owing for completion of the next phase of the upgrade of the software will be \$63,000 net of the deposit paid and is payable in phases at the time of delivery of the upgrade, which is phased over the next one to two years.

NOTE 13 **CONTINGENT LIABILITIES**

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

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 14 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an annual budget on April 19, 2022.

NOTE 15 EXPENSE BY OBJECT

	2023	2022
Salaries and benefits	\$ 8,909,997	\$ 8,233,471
Services and supplies	2,428,334	2,123,732
Amortization	910,941	772,384
	\$12,249,272	\$ 11,129,587

NOTE 16 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2023	2022
Software Transitions	\$ 100,000	\$ 15,000
Strategic Planning & School Reconfiguration	23,000	70,000
Website and Visual Identity	20,000	20,000
Vehicles – Vans	168,056	200,000
Vehicles – Mower	47,488	-
Student Technology Devices	45,000	-
Network Infrastructure & Equipment	113,000	-
Nakusp Elementary School Playground	240,000	-
District Classroom Learning Fund	100,000	-
Electric Bus Charging Infrastructure	50,000	
Donations	20,000	
Contractual Obligations	-	48,000
Professional learning	-	21,000
	\$ 926,544	\$ 474,000

NOTE 17 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 18 PRIOR PERIOD ADJUSTMENT – ADOPTION OF ASSET RETIREMENT OBLIGATIONS STANDARD

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future. This standard was adopted using the modified retroactive approach.

On July 1, 2022 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos, lead and other hazardous materials, lead. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. Accumulated amortization has been recorded from the later of, the date of acquisition of the related asset or April 1, 1988 (effective date of the *Hazardous Waste Regulation (April 1, 1988) – Part 6 – Management of Specific Hazardous Wastes*).

The June 30, 2022, comparative figures reflect the following adjustments, as of July 1, 2021 and for the year ended June 30, 2022:

Statement of Financial Position	As previously reported	Adjustment	As restated
Liabilities			
Asset Retirement Obligations	\$ -	\$ 1,807,964	\$ 1,807,964
Non-Financial Assets			
Tangible Capital Assets – cost	30,050,849	1,807,964	31,858,813
Tangible Capital Assets – accumulated amortization	13,418,367	1,807,964	15,226,331
Tangible Capital Assets – net	16,632,482	-	16,632,482
Accumulated Surplus	\$ 5,945,561	\$ (1,807,964)	\$ 4,137,596

Statement of Operations	As previously reported	Adjustment	As restated
Expenses			
Operations and Maintenance	\$ 2,121,235	\$ -	\$ 2,121,235
Surplus for the year	207,648	-	207,648
Accumulated Surplus, beginning of year	5,737,912	(1,807,964)	3,929,948
Accumulated Surplus, end of year	\$ 5,945,561	\$ (1,807,964)	\$ 4,137,596

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 19 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

b) Market risks:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

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.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 19 RISK MANAGEMENT*(Continued)*

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. There have been no changes to risk exposure from 2022 related to credit, market or liquidity risks.

NOTE 20 COMPARATIVE INFORMATION

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

School District No. 10 (Arrow Lakes)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,835,206		1,302,390	4,137,596	5,737,912
Prior Period Adjustments					(1,807,964)
Accumulated Surplus (Deficit), beginning of year, as restated	2,835,206	-	1,302,390	4,137,596	3,929,948
Changes for the year					
Surplus (Deficit) for the year	553,965		(177,654)	376,311	207,648
Interfund Transfers					
Tangible Capital Assets Purchased	(183,316)		183,316	-	
Net Changes for the year	370,649	-	5,662	376,311	207,648
Accumulated Surplus (Deficit), end of year - Statement 2	3,205,855	-	1,308,052	4,513,907	4,137,596

School District No. 10 (Arrow Lakes)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 14) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	9,623,784	10,430,472	9,741,898
Other	11,400	23,400	21,000
Tuition	10,000	24,960	7,020
Other Revenue	35,365	57,326	28,323
Rentals and Leases	6,000	3,017	10,921
Investment Income	57,875	158,814	51,939
Total Revenue	<u>9,744,424</u>	<u>10,697,989</u>	<u>9,861,101</u>
Expenses			
Instruction	7,014,143	7,065,238	6,637,500
District Administration	960,707	1,261,573	817,405
Operations and Maintenance	1,280,560	1,371,580	1,340,085
Transportation and Housing	489,014	445,633	650,718
Total Expense	<u>9,744,424</u>	<u>10,144,024</u>	<u>9,445,708</u>
Operating Surplus (Deficit) for the year	<u>-</u>	<u>553,965</u>	<u>415,393</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>174,343</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(183,316)	(41,553)
Total Net Transfers	<u>-</u>	<u>(183,316)</u>	<u>(41,553)</u>
Total Operating Surplus (Deficit), for the year	<u>174,343</u>	<u>370,649</u>	<u>373,840</u>
Operating Surplus (Deficit), beginning of year		2,835,206	2,461,366
Operating Surplus (Deficit), end of year		<u>3,205,855</u>	<u>2,835,206</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 16)		926,544	474,000
Unrestricted		2,279,311	2,361,206
Total Operating Surplus (Deficit), end of year		<u>3,205,855</u>	<u>2,835,206</u>

School District No. 10 (Arrow Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	9,540,549	9,949,062	9,642,327
Other Ministry of Education and Child Care Grants			
Pay Equity	40,560	40,560	40,560
Funding for Graduated Adults			1,256
Student Transportation Fund	42,675	42,675	42,675
FSA Scorer Grant		4,094	4,094
Early Learning Framework (ELF) Implementation		1,557	1,557
Labour Settlement Funding		383,095	
Anti-racism Grant		6,429	6,429
Equity Scan Grant		3,000	3,000
Total Provincial Grants - Ministry of Education and Child Care	9,623,784	10,430,472	9,741,898
Provincial Grants - Other	11,400	23,400	21,000
Tuition			
International and Out of Province Students	10,000	24,960	7,020
Total Tuition	10,000	24,960	7,020
Other Revenues			
Miscellaneous			
Arts Starts	5,400	5,400	5,400
Miscellaneous	29,965	33,187	22,923
Childcare Fees	-	18,739	-
Total Other Revenue	35,365	57,326	28,323
Rentals and Leases	6,000	3,017	10,921
Investment Income	57,875	158,814	51,939
Total Operating Revenue	9,744,424	10,697,989	9,861,101

School District No. 10 (Arrow Lakes)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$
Salaries			
Teachers	3,337,650	3,317,183	3,165,231
Principals and Vice Principals	655,398	765,897	693,502
Educational Assistants	568,512	704,827	501,761
Support Staff	843,301	843,461	912,378
Other Professionals	781,996	804,620	636,524
Substitutes	338,333	392,206	410,986
Total Salaries	6,525,190	6,828,194	6,320,382
Employee Benefits	1,519,574	1,473,329	1,384,697
Total Salaries and Benefits	8,044,764	8,301,523	7,705,079
Services and Supplies			
Services	528,876	616,966	454,309
Student Transportation	15,000	26,008	18,054
Professional Development and Travel	148,000	146,068	68,203
Rentals and Leases	6,000	2,510	821
Dues and Fees	43,700	32,183	33,565
Insurance	29,200		21,384
Supplies	674,884	786,810	899,847
Utilities	254,000	231,956	244,446
Total Services and Supplies	1,699,660	1,842,501	1,740,629
Total Operating Expense	9,744,424	10,144,024	9,445,708

School District No. 10 (Arrow Lakes)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	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	2,771,721	88,422	51,710	118,643		294,127	3,324,623
1.03 Career Programs							-
1.07 Library Services				21,325			21,325
1.08 Counselling	171,513						171,513
1.10 Special Education	291,717	71,455	628,151			60,052	1,051,375
1.31 Indigenous Education	82,232	30,167	24,966			11,605	148,970
1.41 School Administration		575,853		91,249			667,102
1.62 International and Out of Province Students							-
1.64 Other							-
Total Function 1	3,317,183	765,897	704,827	231,217	-	365,784	5,384,908
4 District Administration							
4.11 Educational Administration					201,014		201,014
4.20 Early Learning and Child Care					-		-
4.40 School District Governance					62,697		62,697
4.41 Business Administration					368,080		368,080
Total Function 4	-	-	-	-	631,791	-	631,791
5 Operations and Maintenance							
5.20 Early Learning and Child Care							-
5.41 Operations and Maintenance Administration					143,421		143,421
5.50 Maintenance Operations				361,707	1,456	19,831	382,994
5.52 Maintenance of Grounds				22,337			22,337
5.56 Utilities							-
Total Function 5	-	-	-	384,044	144,877	19,831	548,752
7 Transportation and Housing							
7.41 Transportation and Housing Administration					27,952		27,952
7.70 Student Transportation				228,200		6,591	234,791
Total Function 7	-	-	-	228,200	27,952	6,591	262,743
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	3,317,183	765,897	704,827	843,461	804,620	392,206	6,828,194

School District No. 10 (Arrow Lakes)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget (Note 14)	2022 Actual (Restated - Note 18)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	3,324,623	759,807	4,084,430	265,284	4,349,714	4,356,629	4,353,741
1.03 Career Programs	-	-	-	2,057	2,057	192,287	464
1.07 Library Services	21,325	4,424	25,749	9,354	35,103	47,623	31,903
1.08 Counselling	171,513	38,995	210,508	151	210,659	147,718	195,629
1.10 Special Education	1,051,375	228,524	1,279,899	113,782	1,393,681	1,124,482	1,028,872
1.31 Indigenous Education	148,970	31,564	180,534	58,133	238,667	113,981	168,714
1.41 School Administration	667,102	136,935	804,037	31,320	835,357	1,030,423	818,763
1.62 International and Out of Province Students	-	-	-	-	-	1,000	-
1.64 Other	-	-	-	-	-	-	39,414
Total Function 1	5,384,908	1,200,249	6,585,157	480,081	7,065,238	7,014,143	6,637,500
4 District Administration							
4.11 Educational Administration	201,014	35,000	236,014	38,037	274,051	310,645	150,458
4.20 Early Learning and Child Care	-	-	-	-	-	-	-
4.40 School District Governance	62,697	3,198	65,895	68,730	134,625	92,658	88,442
4.41 Business Administration	368,080	76,030	444,110	408,787	852,897	557,404	578,505
Total Function 4	631,791	114,228	746,019	515,554	1,261,573	960,707	817,405
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	-	-	-	-	-
5.41 Operations and Maintenance Administration	143,421	25,764	169,185	17,963	187,148	126,334	172,955
5.50 Maintenance Operations	382,994	73,778	456,772	459,252	916,024	834,181	883,268
5.52 Maintenance of Grounds	22,337	6,300	28,637	7,815	36,452	72,345	39,416
5.56 Utilities	-	-	-	231,956	231,956	247,700	244,446
Total Function 5	548,752	105,842	654,594	716,986	1,371,580	1,280,560	1,340,085
7 Transportation and Housing							
7.41 Transportation and Housing Administration	27,952	5,538	33,490	-	33,490	-	28,130
7.70 Student Transportation	234,791	47,472	282,263	129,880	412,143	489,014	622,588
Total Function 7	262,743	53,010	315,753	129,880	445,633	489,014	650,718
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	6,828,194	1,473,329	8,301,523	1,842,501	10,144,024	9,744,424	9,445,708

School District No. 10 (Arrow Lakes)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

Schedule 3 (Unaudited)

	2023 Budget (Note 14) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	727,611	949,832	720,848
Other Revenue	50,000	244,475	190,147
Investment Income			500
Total Revenue	<u>777,611</u>	<u>1,194,307</u>	<u>911,495</u>
Expenses			
Instruction	642,329	1,093,139	817,493
District Administration	8,465	-	-
Operations and Maintenance	79,291	101,168	94,002
Transportation and Housing	47,526	-	-
Total Expense	<u>777,611</u>	<u>1,194,307</u>	<u>911,495</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</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, 2023

	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			285,347						
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	62,150	33,688		96,000	9,800	7,271	106,223	57,266	81,754
Other			236,200						
Investment Income			3,600						
	62,150	33,688	239,800	96,000	9,800	7,271	106,223	57,266	81,754
Less: Allocated to Revenue	62,150	33,688	244,475	96,000	9,800	7,271	106,223	57,266	81,754
Deferred Revenue, end of year	-	-	280,672	-	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	62,150	33,688		96,000	9,800	7,271	106,223	57,266	81,754
Other Revenue			244,475						
	62,150	33,688	244,475	96,000	9,800	7,271	106,223	57,266	81,754
Expenses									
Salaries									
Teachers						182			66,927
Principals and Vice Principals								10,782	
Educational Assistants		26,883		67,390			66,053	32,771	
Support Staff	37,211								
Other Professionals				1,897					
Substitutes								1,954	
	37,211	26,883	-	69,287	-	182	66,053	45,507	66,927
Employee Benefits	8,357	6,805		18,029		18	17,824	11,759	14,827
Services and Supplies	16,582		244,475	8,684	9,800	7,071	22,346		
	62,150	33,688	244,475	96,000	9,800	7,271	106,223	57,266	81,754
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

	Mental Health in Schools	Changing Results for Young Children	Federal Safe Return to Class / Ventilation Fund	Seamless Day Kindergarten	Student & Family Affordability	ECL (Early Care & Learning)	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			39,018	27,222			351,587
Add: Restricted Grants							
Provincial Grants - Ministry of Education and Child Care	57,000	11,250		55,400	250,000	175,000	1,002,802
Other							236,200
Investment Income							3,600
	57,000	11,250	-	55,400	250,000	175,000	1,242,602
Less: Allocated to Revenue	57,000	11,250	39,018	34,375	179,037	175,000	1,194,307
Deferred Revenue, end of year	-	-	-	48,247	70,963	-	399,882
Revenues							
Provincial Grants - Ministry of Education and Child Care	57,000	11,250	39,018	34,375	179,037	175,000	949,832
Other Revenue							244,475
	57,000	11,250	39,018	34,375	179,037	175,000	1,194,307
Expenses							
Salaries							
Teachers							67,109
Principals and Vice Principals						140,994	151,776
Educational Assistants				24,646			217,743
Support Staff							37,211
Other Professionals				1,505			3,402
Substitutes	6,911	3,956					12,821
	6,911	3,956	-	26,151	-	140,994	490,062
Employee Benefits	148	141		6,498		34,006	118,412
Services and Supplies	49,941	7,153	39,018	1,726	179,037		585,833
	57,000	11,250	39,018	34,375	179,037	175,000	1,194,307
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 10 (Arrow Lakes)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 14)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 18)
	\$	\$	\$	\$	\$
Revenues					
Investment Income	1,600		3,649	3,649	1,342
Gain (Loss) on Disposal of Tangible Capital Assets				-	(23,733)
Amortization of Deferred Capital Revenue	726,345	729,638		729,638	587,030
Total Revenue	<u>727,945</u>	<u>729,638</u>	<u>3,649</u>	<u>733,287</u>	<u>564,639</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	773,840	775,728		775,728	687,148
Transportation and Housing	128,448	135,213		135,213	85,236
Total Expense	<u>902,288</u>	<u>910,941</u>	<u>-</u>	<u>910,941</u>	<u>772,384</u>
Capital Surplus (Deficit) for the year	<u>(174,343)</u>	<u>(181,303)</u>	<u>3,649</u>	<u>(177,654)</u>	<u>(207,745)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		183,316		183,316	41,553
Total Net Transfers	<u>-</u>	<u>183,316</u>	<u>-</u>	<u>183,316</u>	<u>41,553</u>
Total Capital Surplus (Deficit) for the year	<u>(174,343)</u>	<u>2,013</u>	<u>3,649</u>	<u>5,662</u>	<u>(166,192)</u>
Capital Surplus (Deficit), beginning of year		1,211,018	91,372	1,302,390	3,276,546
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(1,807,964)
Capital Surplus (Deficit), beginning of year, as restated		<u>1,211,018</u>	<u>91,372</u>	<u>1,302,390</u>	<u>1,468,582</u>
Capital Surplus (Deficit), end of year		<u>1,213,031</u>	<u>95,021</u>	<u>1,308,052</u>	<u>1,302,390</u>

School District No. 10 (Arrow Lakes)

Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	362,514	27,519,153	1,137,288	784,479		247,415	30,050,849
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		1,807,964					1,807,964
Cost, beginning of year, as restated	362,514	29,327,117	1,137,288	784,479	-	247,415	31,858,813
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,973,216		585,400			2,558,616
Deferred Capital Revenue - Other		293,390	218,529	477,053			988,972
Operating Fund				183,316			183,316
	-	2,266,606	218,529	1,245,769	-	-	3,730,904
Decrease:							
Deemed Disposals			123,495	110,468		56,871	290,834
	-	-	123,495	110,468	-	56,871	290,834
Cost, end of year	362,514	31,593,723	1,232,322	1,919,780	-	190,544	35,298,883
Work in Progress, end of year							-
Cost and Work in Progress, end of year	362,514	31,593,723	1,232,322	1,919,780	-	190,544	35,298,883
Accumulated Amortization, beginning of year		12,401,104	435,942	460,793		120,528	13,418,367
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		1,807,964					1,807,964
Accumulated Amortization, beginning of year, as restated		14,209,068	435,942	460,793	-	120,528	15,226,331
Changes for the Year							
Increase: Amortization for the Year		613,451	118,481	135,213		43,796	910,941
Decrease:							
Deemed Disposals			123,495	110,468		56,871	290,834
			123,495	110,468	-	56,871	290,834
Accumulated Amortization, end of year		14,822,519	430,928	485,538	-	107,453	15,846,438
Tangible Capital Assets - Net	362,514	16,771,204	801,394	1,434,242	-	83,091	19,452,445

School District No. 10 (Arrow Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	10,150,764	3,509,907	100,084	13,760,755
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,558,616	988,972		3,547,588
	<u>2,558,616</u>	<u>988,972</u>	<u>-</u>	<u>3,547,588</u>
Decrease:				
Amortization of Deferred Capital Revenue	553,086	171,148	5,404	729,638
	<u>553,086</u>	<u>171,148</u>	<u>5,404</u>	<u>729,638</u>
Net Changes for the Year	<u>2,005,530</u>	<u>817,824</u>	<u>(5,404)</u>	<u>2,817,950</u>
Deferred Capital Revenue, end of year	<u>12,156,294</u>	<u>4,327,731</u>	<u>94,680</u>	<u>16,578,705</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>12,156,294</u>	<u>4,327,731</u>	<u>94,680</u>	<u>16,578,705</u>

School District No. 10 (Arrow Lakes)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 263,946	\$ 221,227	\$ 311,818	\$ -	\$ -	\$ 796,991
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	2,543,238	-	-	-	-	2,543,238
Provincial Grants - Other	-	-	585,827	-	-	585,827
Investment Income Transfer	-	-	11,679	-	-	11,679
	2,543,238	-	597,506	-	-	3,140,744
Decrease:						
Transferred to DCR - Capital Additions	2,558,616	221,227	767,745	-	-	3,547,588
	2,558,616	221,227	767,745	-	-	3,547,588
Net Changes for the Year	(15,378)	(221,227)	(170,239)	-	-	(406,844)
Balance, end of year	248,568	-	141,579	-	-	390,147