

Audited Financial Statements of

School District No. 10 (Arrow Lakes)

And Independent Auditors' Report thereon

June 30, 2025

School District No. 10 (Arrow Lakes)

June 30, 2025

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School District No. 10 (Arrow Lakes)

MANAGEMENT REPORT

Version: 7809-7063-5080

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 quarterly basis and externally audited financial statements yearly.

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

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

Signature of the Chairperson of the Board of Education

Date Signed

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, 2025
- 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, 2025, 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.

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.

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, 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 29, 2025

School District No. 10 (Arrow Lakes)

Statement of Financial Position

As at June 30, 2025

Statement 1

	2025 Actual \$	2024 Actual \$
Financial Assets		
Cash and Cash Equivalents	3,434,371	3,648,156
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	183,272	737,988
Other	651,624	565,694
Total Financial Assets	4,269,267	4,951,838
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 3)	1,199,482	1,450,816
Deferred Revenue (Note 4)	569,788	364,682
Deferred Capital Revenue (Note 5)	19,193,398	18,246,052
Employee Future Benefits (Note 6)	182,184	140,798
Asset Retirement Obligation (Note 13)	1,807,964	1,807,964
Total Liabilities	22,952,816	22,010,312
Net Debt	(18,683,549)	(17,058,474)
Non-Financial Assets		
Tangible Capital Assets (Note 7)	22,367,258	21,246,641
Prepaid Expenses	114,248	172,031
Total Non-Financial Assets	22,481,506	21,418,672
Accumulated Surplus (Deficit) (Note 15)	3,797,957	4,360,198

Contractual Obligations (Note 10)

Contingent Liabilities (Note 11)

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 2

Statement of Operations

Year Ended June 30, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	12,636,032	13,069,214	12,485,374
Other	67,921	115,758	51,411
Other Revenue	382,150	386,374	379,856
Rentals and Leases	6,200	2,969	6,906
Investment Income	212,361	121,576	172,808
Amortization of Deferred Capital Revenue	853,741	968,455	855,561
Total Revenue	<u>14,158,405</u>	<u>14,664,346</u>	<u>13,951,916</u>
Expenses (Note 14)			
Instruction	9,941,497	10,363,215	9,649,141
District Administration	1,415,123	1,550,016	1,437,653
Operations and Maintenance	2,239,058	2,495,691	2,281,024
Transportation and Housing	856,528	817,665	737,807
Total Expense	<u>14,452,206</u>	<u>15,226,587</u>	<u>14,105,625</u>
Surplus (Deficit) for the year	<u>(293,801)</u>	<u>(562,241)</u>	<u>(153,709)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		4,360,198	4,513,907
Accumulated Surplus (Deficit) from Operations, end of year		<u>3,797,957</u>	<u>4,360,198</u>

School District No. 10 (Arrow Lakes)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2025

	2025 Budget \$	2025 Actual \$	2024 Actual \$
Surplus (Deficit) for the year	<u>(293,801)</u>	<u>(562,241)</u>	<u>(153,709)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,383,019)	(2,368,695)	(2,927,335)
Amortization of Tangible Capital Assets	1,103,915	1,248,078	1,133,138
Total Effect of change in Tangible Capital Assets	<u>(279,104)</u>	<u>(1,120,617)</u>	<u>(1,794,197)</u>
Acquisition of Prepaid Expenses			(72,030)
Use of Prepaid Expenses		57,783	
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>57,783</u>	<u>(72,030)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(572,905)</u>	<u>(1,625,075)</u>	<u>(2,019,936)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(1,625,075)</u>	<u>(2,019,936)</u>
Net Debt, beginning of year		<u>(17,058,474)</u>	<u>(15,038,538)</u>
Net Debt, end of year		<u>(18,683,549)</u>	<u>(17,058,474)</u>

School District No. 10 (Arrow Lakes)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(562,241)	(153,709)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	468,787	(632,858)
Prepaid Expenses	57,782	(72,030)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(251,334)	327,972
Deferred Revenue	205,106	(35,200)
Employee Future Benefits	41,386	(17,773)
Amortization of Tangible Capital Assets	1,248,078	1,133,138
Amortization of Deferred Capital Revenue	(968,455)	(855,561)
Total Operating Transactions	239,109	(306,021)
Capital Transactions		
Tangible Capital Assets Purchased	(2,368,695)	(2,927,335)
Total Capital Transactions	(2,368,695)	(2,927,335)
Financing Transactions		
Capital Revenue Received	1,915,801	2,132,761
Total Financing Transactions	1,915,801	2,132,761
Net Increase (Decrease) in Cash and Cash Equivalents	(213,785)	(1,100,595)
Cash and Cash Equivalents, beginning of year	3,648,156	4,748,751
Cash and Cash Equivalents, end of year	3,434,371	3,648,156
Cash and Cash Equivalents, end of year, is made up of:		
Cash	3,434,371	3,648,156
	3,434,371	3,648,156

School District No. 10 (Arrow Lakes)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2025

	Operating Fund	Special Purpose Fund	Capital Fund	2025 Actual	2024 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,682,405		1,677,793	4,360,198	4,513,907
Changes for the year					
Surplus (Deficit) for the year	(286,443)		(275,798)	(562,241)	(153,709)
Interfund Transfers					
Tangible Capital Assets Purchased	(442,652)		442,652	-	
Net Changes for the year	(729,095)	-	166,854	(562,241)	(153,709)
Accumulated Surplus (Deficit), end of year - Statement 2	1,953,310	-	1,844,647	3,797,957	4,360,198

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 10, 1946, operates under the 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. Students enrolled in the School District are provided with educational programs, which the Province of British Columbia principally funds 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 for the accounting for government transfers as set out in 2(d) and 2(k).

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

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

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

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

b) 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 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 meeting short-term cash commitments rather than investing.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Accounts Receivable

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

d) 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.

e) 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, 2025. The next valuation will be performed at March 31, 2028. For all periods after July 1, 2004, a measurement date of March 31 was adopted to determine the financial position of the plans and employee future benefit costs.

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

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Asset Retirement Obligations

A liability is recognized when, as of 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.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 l)). Assumptions used in the calculations are reviewed annually.

g) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into 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.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
- 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 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.
- 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 Software	5 years
Computer Hardware	5 years

i) Prepaid Expenses

Prepaid expenses mainly consist of annual fees for enterprise resource planning and in-development upgrades to this software, recruitment and other software licenses, and legal fees.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

j) Funds and Reserves

Certain amounts are set aside in accumulated surplus for future operating and capital purposes, as approved by the board (see Note 15 - Internally Restricted Surplus). When approved, transfers to and from funds and reserves are adjustments to the respective funds.

k) Revenue Recognition

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

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

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

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

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

Revenue from transactions with performance obligations, such as rental, leases and other revenue, is recognized when the performance obligation is satisfied through the provision of agreed goods or services. Revenue from transactions with no performance obligations is recognized when the School District has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

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, 2025

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

1) Expenses

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 unique and Indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries and wages of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based administrative assistant wages are allocated to school administration and partially to other programs to which they may be assigned. Principals' and Vice-Principal's salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs and in the same proportions as the individual's salary.
- Supplies and services are allocated based on actual program identification.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

m) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and other 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.

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. 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.

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

n) Measurement Uncertainty

Preparation of financial statements 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. Areas requiring management estimates relate to the potential impairment of assets, liabilities for asset retirement obligations, rates for tangible capital assets amortization and measurement of employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 3 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2025	2024
Trade payables	\$ 396,697	\$ 473,558
Salaries and benefits payable	664,634	886,974
Accrued vacation pay	138,151	90,284
	<u>\$ 1,199,482</u>	<u>\$ 1,450,816</u>

NOTE 4 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 the Treasury Board, i.e., the stipulations associated with those grants and contributions still need to be fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

NOTE 5 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 the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 6 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.

	2025	2024
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 153,900	\$ 145,942
Service Cost	13,198	13,426
Interest Cost	6,869	6,198
Benefit Payments	(2,567)	(8,357)
Actuarial (Gain) Loss	(1,790)	(3,309)
Accrued Benefit Obligation – March 31	<u>\$ 169,610</u>	<u>\$ 153,900</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 169,610	\$ 153,900
Employer Contributions After Measurement Date	-	(21,754)
Benefits Expense After Measurement Date	6,037	5,017
Unamortized Net Actuarial (Gain) Loss	6,537	3,635
Accrued Benefit Asset (Liability) – June 30	<u>\$ 182,184</u>	<u>\$ 140,798</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 140,798	\$ 158,570
Net expense for Fiscal Year	22,198	12,396
Employer Contributions	19,188	(30,198)
Accrued Benefit Liability – June 30	<u>\$ 182,184</u>	<u>\$ 140,798</u>

Components of Net Benefit Expense		
Service Cost	\$ 14,154	\$ 13,369
Interest Cost	6,933	6,366
Amortization of Net Actuarial (Gain)/Loss	1,111	(7,396)
Net Benefit Expense (Income)	<u>\$ 22,198</u>	<u>\$ 12,396</u>

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

Discount Rate – April 1	4.25%	4.00%
Discount Rate – March 31	4.00%	4.25%
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	11.6 years	10.3 years

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 TANGIBLE CAPITAL ASSETS

Net Book Value:	2025	2024
Sites	\$ 362,514	\$ 362,514
Buildings	18,183,723	17,568,685
Furniture and Equipment	1,270,205	1,348,336
Vehicles	2,307,433	1,723,659
Computer Hardware	243,383	243,447
Total	\$ 22,367,258	\$ 21,246,641

June 30, 2025	Balance at		Balance at	
Cost	July 1, 2024	Additions	Disposals	June 30, 2025
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	33,093,946	1,304,580	-	34,398,526
Furniture and equipment	1,920,307	119,895	-	2,040,202
Vehicles	2,378,692	864,888	-	3,243,580
Computer hardware	385,888	79,332	(57,145)	408,075
Total	\$ 38,141,347	\$ 2,368,695	\$ (57,145)	40,452,897

Accumulated	Balance at		Balance at	
Amortization	July 1, 2024	Amortization	Disposals	June 30, 2025
Buildings	\$ 15,525,261	\$ 689,542	\$ -	\$ 16,214,803
Furniture and equipment	571,971	198,026	-	769,997
Vehicles	655,033	281,114	-	936,147
Computer hardware	142,441	79,396	(57,145)	164,692
Total	\$ 16,894,706	\$ 1,248,078	\$ (57,145)	\$ 18,085,639

June 30, 2024	Balance at		Balance at	
Cost	July 1, 2023	Additions	Disposals	June 30, 2024
Sites	\$ 362,514	\$ -	\$ -	\$ 362,514
Buildings	31,593,723	1,500,223	-	33,093,946
Furniture and equipment	1,232,322	704,771	(16,786)	1,920,307
Vehicles	1,919,780	504,341	(45,429)	2,378,692
Computer hardware	190,543	218,000	(22,655)	385,888
Total	\$ 35,298,882	\$ 2,927,335	\$ (84,870)	\$ 38,141,347

Accumulated	Balance at		Balance at	
Amortization	July 1, 2023	Amortization	Disposals	June 30, 2024
Buildings	\$ 14,822,519	\$ 702,742	\$ -	\$ 15,525,261
Furniture and equipment	430,928	157,829	(16,786)	571,971
Vehicles	485,538	214,924	(45,429)	655,033
Computer hardware	107,453	57,643	(22,655)	142,441
Total	\$ 15,846,438	\$ 1,133,138	\$ (84,870)	\$ 16,894,706

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 8 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 plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2024, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2024, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 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, 2023, indicated a \$4,572 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.

The School District paid \$939,614 for employer contributions to the plans for the year ended June 30, 2025 (2024: \$859,415).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026. The next valuation for the Municipal Pension Plan was December 31, 2024.

NOTE 9 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 10 CONTRACTUAL OBLIGATIONS

The School District has an agreement for its enterprise resource planning and financial (ERP) software, which is renewed annually. The annual maintenance and support fees for 2024-2025 were \$53,743. The School District also has a multiple-year agreement to upgrade this ERP software, for which a \$87,000 deposit is recorded as a prepaid expense (see Note 2(i)). The amount that will be owing for the completion of the next two phases of the upgrade will be \$60,267 in addition to the deposit paid.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 11 CONTINGENT LIABILITIES

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

NOTE 12 BUDGET FIGURES

The Board approved the budget figures in the financial statements by adopting an annual budget on May 21, 2024.

NOTE 13 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for removing and disposing of asbestos and other environmentally hazardous materials within some district-owned buildings that will undergo major renovations or demolition. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022. The obligation was measured at the current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the asset's carrying value and are amortized over the asset's estimated useful lives.

	2025	2024
Asset retirement obligation, beginning of year	\$ 1,807,964	\$ 1,807,964
Accretion/settlements during the year	-	-
Asset retirement obligation, end of year	<u>\$ 1,807,964</u>	<u>\$ 1,807,964</u>

NOTE 14 EXPENSE BY OBJECT

	2025	2024
Salaries and benefits	\$ 11,525,496	\$ 10,451,200
Services and supplies	2,453,019	2,521,287
Amortization	1,248,078	1,133,138
	<u>\$ 15,226,587</u>	<u>\$ 14,105,625</u>

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2025	2024
Software Transitions	\$ 72,000	\$ 87,000
District Classroom Improvement Fund	60,000	83,415
Technology Equipment	36,000	-
SBO Renovation & Refurbishment	160,000	-
Vehicles – Vans	80,000	-
Vehicles – Skid Steer	50,000	-
Vehicles – Work Truck	-	137,890
Nakusp Elementary School Playground	-	39,999
Website and Visual Identity	-	3,000
	\$ 458,000	\$ 351,304

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.

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 accounts receivable. The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most accounts 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 and cash equivalents as they are placed in recognized British Columbia institutions.

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. 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.

SCHOOL DISTRICT NO. 10 (ARROW LAKES)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 16 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 2024 related to credit, market, or liquidity risks.

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.

NOTE 18 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 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	11,270,467	11,734,263	11,067,804
Other	67,921	90,758	26,411
Other Revenue	144,650	191,025	163,568
Rentals and Leases	6,200	2,969	6,906
Investment Income	203,985	117,751	172,808
Total Revenue	<u>11,693,223</u>	<u>12,136,766</u>	<u>11,437,497</u>
Expenses			
Instruction	8,518,715	9,111,451	8,342,529
District Administration	1,406,658	1,308,946	1,183,363
Operations and Maintenance	1,292,171	1,466,261	1,300,660
Transportation and Housing	558,915	536,551	522,883
Total Expense	<u>11,776,459</u>	<u>12,423,209</u>	<u>11,349,435</u>
Operating Surplus (Deficit) for the year	<u>(83,236)</u>	<u>(286,443)</u>	<u>88,062</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>163,040</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(79,804)	(442,652)	(758,768)
Total Net Transfers	<u>(79,804)</u>	<u>(442,652)</u>	<u>(758,768)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(729,095)</u>	<u>(670,706)</u>
Operating Surplus (Deficit), beginning of year		2,682,405	3,353,111
Operating Surplus (Deficit), end of year		<u>1,953,310</u>	<u>2,682,405</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 15)		458,000	351,304
Unrestricted		1,495,310	2,331,101
Total Operating Surplus (Deficit), end of year		<u>1,953,310</u>	<u>2,682,405</u>

School District No. 10 (Arrow Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	10,854,510	11,320,576	10,751,379
Other Ministry of Education and Child Care Grants			
Pay Equity	40,560	40,560	40,560
Student Transportation Fund	42,675	42,675	42,675
FSA Scorer Grant	4,094	4,094	4,094
Child Care Funding	170,928	176,710	58,142
Labour Settlement Funding	-	88,988	159,525
Anti-racism Grant	-	-	6,429
Equity Scan Grant	-	-	5,000
Indigenous Education Council	77,185	-	-
Miscellaneous	80,515	60,660	-
Total Provincial Grants - Ministry of Education and Child Care	11,270,467	11,734,263	11,067,804
Provincial Grants - Other	67,921	90,758	26,411
Other Revenues			
Miscellaneous			
Childcare Fees from Parents (Including ACCB)	144,650	139,425	118,382
Miscellaneous		51,600	45,186
Total Other Revenue	144,650	191,025	163,568
Rentals and Leases	6,200	2,969	6,906
Investment Income	203,985	117,751	172,808
Total Operating Revenue	11,693,223	12,136,766	11,437,497

School District No. 10 (Arrow Lakes)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Salaries			
Teachers	3,664,150	4,179,440	3,917,716
Principals and Vice Principals	923,328	928,821	842,235
Educational Assistants	794,025	1,058,948	924,591
Support Staff	821,016	937,965	868,779
Other Professionals	989,921	993,209	817,549
Substitutes	497,360	486,807	472,594
Total Salaries	7,689,800	8,585,190	7,843,464
Employee Benefits	2,009,648	1,953,854	1,702,905
Total Salaries and Benefits	9,699,448	10,539,044	9,546,369
Services and Supplies			
Services	626,300	633,057	647,160
Student Transportation	16,000	71,627	176,795
Professional Development and Travel	107,523	118,918	155,116
Rentals and Leases	2,760	-	460
Dues and Fees	27,000	38,064	44,098
Insurance	40,500	44,985	-
Supplies	956,928	697,551	498,533
Utilities	300,000	279,963	280,904
Total Services and Supplies	2,077,011	1,884,165	1,803,066
Total Operating Expense	11,776,459	12,423,209	11,349,435

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	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	3,520,398	34,836	-	105,340	-	322,742	3,983,316
1.03 Career Programs	36,999	-	-	-	-	-	36,999
1.07 Library Services	48,634	-	-	24,803	-	-	73,437
1.08 Counselling	94,428	-	-	-	-	-	94,428
1.10 Inclusive Education	399,590	84,718	752,136	-	-	96,582	1,333,026
1.20 Early Learning and Child Care	-	-	278,244	-	-	-	278,244
1.31 Indigenous Education	79,391	2,291	28,568	-	-	12,704	122,954
1.41 School Administration	-	806,976	-	101,014	-	-	907,990
Total Function 1	4,179,440	928,821	1,058,948	231,157	-	432,028	6,830,394
4 District Administration							
4.11 Educational Administration	-	-	-	-	246,698	-	246,698
4.20 Early Learning and Child Care	-	-	-	-	-	-	-
4.40 School District Governance	-	-	-	-	69,249	-	69,249
4.41 Business Administration	-	-	-	-	426,664	-	426,664
Total Function 4	-	-	-	-	742,611	-	742,611
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	-	-	-	-	-
5.41 Operations and Maintenance Administration	-	-	-	-	218,583	-	218,583
5.50 Maintenance Operations	-	-	-	358,998	-	46,773	405,771
5.52 Maintenance of Grounds	-	-	-	27,451	-	-	27,451
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	386,449	218,583	46,773	651,805
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	-	32,015	-	32,015
7.70 Student Transportation	-	-	-	320,359	-	8,006	328,365
Total Function 7	-	-	-	320,359	32,015	8,006	360,380
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	4,179,440	928,821	1,058,948	937,965	993,209	486,807	8,585,190

School District No. 10 (Arrow Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2025 Actual	2025 Budget	2024 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	3,983,316	940,207	4,923,523	457,105	5,380,628	4,985,966	4,941,464
1.03 Career Programs	36,999	8,684	45,683	1,859	47,542	-	34,191
1.07 Library Services	73,437	16,403	89,840	11,145	100,985	55,820	37,696
1.08 Counselling	94,428	23,287	117,715	1,951	119,666	100,130	122,893
1.10 Inclusive Education	1,333,026	297,344	1,630,370	121,701	1,752,071	1,842,346	1,772,742
1.20 Early Learning and Child Care	278,244	73,397	351,641	6,716	358,357	336,786	187,050
1.31 Indigenous Education	122,954	29,646	152,600	34,450	187,050	220,314	286,704
1.41 School Administration	907,990	199,836	1,107,826	57,326	1,165,152	977,353	959,789
Total Function 1	6,830,394	1,588,804	8,419,198	692,253	9,111,451	8,518,715	8,342,529
4 District Administration							
4.11 Educational Administration	246,698	50,078	296,776	31,263	328,039	391,811	271,029
4.20 Early Learning and Child Care	-	-	-	-	-	8,030	-
4.40 School District Governance	69,249	3,785	73,034	25,245	98,279	124,238	122,191
4.41 Business Administration	426,664	88,418	515,082	367,546	882,628	882,579	790,143
Total Function 4	742,611	142,281	884,892	424,054	1,308,946	1,406,658	1,183,363
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	-	887	887	8,244	3,500
5.41 Operations and Maintenance Administration	218,583	49,892	268,475	23,874	292,349	291,777	199,738
5.50 Maintenance Operations	405,771	89,098	494,869	265,377	760,246	590,205	769,040
5.52 Maintenance of Grounds	27,451	6,764	34,215	98,601	132,816	84,772	47,474
5.56 Utilities	-	-	-	279,963	279,963	317,173	280,908
Total Function 5	651,805	145,754	797,559	668,702	1,466,261	1,292,171	1,300,660
7 Transportation and Housing							
7.41 Transportation and Housing Administration	32,015	7,870	39,885	-	39,885	88,887	34,451
7.70 Student Transportation	328,365	69,145	397,510	99,156	496,666	470,028	488,432
Total Function 7	360,380	77,015	437,395	99,156	536,551	558,915	522,883
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	8,585,190	1,953,854	10,539,044	1,884,165	12,423,209	11,776,459	11,349,435

School District No. 10 (Arrow Lakes)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	1,365,565	1,334,951	1,417,570
Other	-	25,000	25,000
Other Revenue	237,500	195,349	216,288
Total Revenue	<u>1,603,065</u>	<u>1,555,300</u>	<u>1,658,858</u>
Expenses			
Instruction	1,422,782	1,251,764	1,306,612
District Administration	8,465	241,070	254,290
Operations and Maintenance	48,059	62,466	62,150
Transportation and Housing	92,526	-	-
Total Expense	<u>1,571,832</u>	<u>1,555,300</u>	<u>1,623,052</u>
Special Purpose Surplus (Deficit) for the year	<u>31,233</u>	<u>-</u>	<u>35,806</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(31,233)		(35,806)
Total Net Transfers	<u>(31,233)</u>	<u>-</u>	<u>(35,806)</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, 2025

Schedule 3A (Unaudited)

	Annual Facility Grant \$	Learning Improvement Fund \$	Scholarships and Bursaries \$	School Generated Funds \$	Strong Start \$	Ready, Set, Learn \$	OLEP \$	CommunityLINK \$	Classroom Enhancement Fund - Overhead \$
Deferred Revenue, beginning of year	-	-	-	334,869	-	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	62,466	38,433	-		96,000	7,350	8,265	107,344	62,965
Provincial Grants - Other									
Other			3,350	229,986	750				
	62,466	38,433	3,350	229,986	96,750	7,350	8,265	107,344	62,965
Less: Allocated to Revenue	62,466	38,433	3,350	195,349	96,750	7,350	8,265	107,344	62,965
Deferred Revenue, end of year	-	-	-	369,506	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	62,466	38,433	3,350		96,750	7,350	8,265	107,344	62,965
Provincial Grants - Other									
Other Revenue				195,349					
	62,466	38,433	3,350	195,349	96,750	7,350	8,265	107,344	62,965
Expenses									
Salaries									
Teachers	-	-	-	-	-	-	-	-	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	13,464
Educational Assistants	-	29,911	-	-	62,653	-	-	66,373	24,530
Support Staff	42,716	-	-	-	-	1,947	-	-	9,114
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	-	-	-	140	-	-	-	-
	42,716	29,911	-	-	62,793	1,947	-	66,373	47,108
Employee Benefits	9,116	8,522	-	-	18,566	600	-	19,912	14,245
Services and Supplies	10,634	-	3,350	195,349	15,391	4,803	8,265	21,059	1,612
	62,466	38,433	3,350	195,349	96,750	7,350	8,265	107,344	62,965
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, 2025

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Staffing	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Student & Family Affordability	ECL (Early Care & Learning)	Feeding Futures Fund	Health Career Grants
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	-	-	29,813	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	207,867	57,000	11,250	55,400	-	-	175,000	350,000	
Provincial Grants - Other				-	25,000	-			
								346	
	207,867	57,000	11,250	55,400	25,000	-	175,000	350,346	-
Less: Allocated to Revenue	207,867	57,000	11,250	55,400	25,000	29,813	175,000	350,000	-
Deferred Revenue, end of year	-	-	-	-	-	-	-	346	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	207,867	57,000	11,250	55,400		29,813	175,000	350,000	
Provincial Grants - Other					25,000				
Other Revenue									
	207,867	57,000	11,250	55,400	25,000	29,813	175,000	350,000	-
Expenses									
Salaries									
Teachers	161,777	-	-	-	20,453	-	-	-	
Principals and Vice Principals	-	-	-	-	-	-	53,017	21,200	
Educational Assistants	-	-	-	41,285	-	-	-	-	
Support Staff	-	-	-	-	-	-	-	75,763	
Other Professionals	-	-	-	-	-	-	83,459	16,159	
Substitutes	-	8,731	8,092	888	-	-	-	-	
	161,777	8,731	8,092	42,173	20,453	-	136,476	113,122	-
Employee Benefits	46,090	1,490	1,340	13,227	4,547	-	38,524	24,474	-
Services and Supplies	-	46,779	1,818	-	-	29,813	-	212,404	
	207,867	57,000	11,250	55,400	25,000	29,813	175,000	350,000	-
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, 2025

Schedule 3A (Unaudited)

	Professional Learning Grant	National Student Food	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	-		364,682
Add: Restricted Grants			
Provincial Grants - Ministry of Education and Child Care	247,553	14,081	1,500,974
Provincial Grants - Other			25,000
Other			234,432
	247,553	14,081	1,760,406
Less: Allocated to Revenue	47,617	14,081	1,555,300
Deferred Revenue, end of year	199,936	-	569,788
Revenues			
Provincial Grants - Ministry of Education and Child Care	47,617	14,081	1,334,951
Provincial Grants - Other			25,000
Other Revenue			195,349
	47,617	14,081	1,555,300
Expenses			
Salaries			
Teachers	-		182,230
Principals and Vice Principals	-		87,681
Educational Assistants	2,091		226,843
Support Staff	-		129,540
Other Professionals	-		99,618
Substitutes	38,147		55,998
	40,238	-	781,910
Employee Benefits	3,889		204,542
Services and Supplies	3,490	14,081	568,848
	47,617	14,081	1,555,300
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, 2025

	2025 Budget	2025 Actual			2024 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	8,376		3,825	3,825	-
Amortization of Deferred Capital Revenue	853,741	968,455		968,455	855,561
Total Revenue	862,117	968,455	3,825	972,280	855,561
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	898,828	966,964		966,964	918,214
Transportation and Housing	205,087	281,114		281,114	214,924
Total Expense	1,103,915	1,248,078	-	1,248,078	1,133,138
Capital Surplus (Deficit) for the year	(241,798)	(279,623)	3,825	(275,798)	(277,577)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	111,037	442,652		442,652	794,574
Total Net Transfers	111,037	442,652	-	442,652	794,574
Total Capital Surplus (Deficit) for the year	(130,761)	163,029	3,825	166,854	516,997
Capital Surplus (Deficit), beginning of year		1,582,772	95,021	1,677,793	1,160,796
Capital Surplus (Deficit), end of year		1,745,801	98,846	1,844,647	1,677,793

School District No. 10 (Arrow Lakes)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2025

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	362,514	33,093,946	1,920,307	2,378,692		385,888	38,141,347
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	1,225,205	772	409,748		-	1,635,725
Deferred Capital Revenue - Other	-	-	-	290,318		-	290,318
Operating Fund		79,375	119,123	164,822		79,332	442,652
	-	1,304,580	119,895	864,888	-	79,332	2,368,695
Decrease:							
Deemed Disposals			-	-		57,145	57,145
	-	-	-	-	-	57,145	57,145
Cost, end of year	362,514	34,398,526	2,040,202	3,243,580	-	408,075	40,452,897
Work in Progress, end of year							-
Cost and Work in Progress, end of year	362,514	34,398,526	2,040,202	3,243,580	-	408,075	40,452,897
Accumulated Amortization, beginning of year		15,525,261	571,971	655,033		142,441	16,894,706
Changes for the Year							
Increase: Amortization for the Year		689,542	198,026	281,114		79,396	1,248,078
Decrease:							
Deemed Disposals			-	-		57,145	57,145
		-	-	-	-	57,145	57,145
Accumulated Amortization, end of year		16,214,803	769,997	936,147	-	164,692	18,085,639
Tangible Capital Assets - Net	362,514	18,183,723	1,270,205	2,307,433	-	243,383	22,367,258

School District No. 10 (Arrow Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2025

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	13,598,077	4,168,552	89,276	17,855,905
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,635,725	290,318		1,926,043
	1,635,725	290,318	-	1,926,043
Decrease:				
Amortization of Deferred Capital Revenue	732,841	230,210	5,404	968,455
	732,841	230,210	5,404	968,455
Net Changes for the Year	902,884	60,108	(5,404)	957,588
Deferred Capital Revenue, end of year	14,500,961	4,228,660	83,872	18,813,493
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	14,500,961	4,228,660	83,872	18,813,493

School District No. 10 (Arrow Lakes)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2025

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ -	\$ 248,568	\$ 141,579	\$ -	\$ -	\$ 390,147
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	1,635,725	-	-			1,635,725
Provincial Grants - Other			280,076			280,076
	1,635,725	-	280,076	-	-	1,915,801
Decrease:						
Transferred to DCR - Capital Additions	1,635,725	-	290,318			1,926,043
	1,635,725	-	290,318	-	-	1,926,043
Net Changes for the Year	-	-	(10,242)	-	-	(10,242)
Balance, end of year	-	248,568	131,337	-	-	379,905