

Audited Financial Statements of

School District No. 8 (Kootenay Lake)

And Independent Auditors' Report thereon

June 30, 2022

School District No. 8 (Kootenay Lake)

June 30, 2022

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School District No. 8 (Kootenay Lake)

Statement of Financial Position

As at June 30, 2022

	2022 Actual	2021 Actual (Restated)
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	11,449,610	10,478,024
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	515,154	254,410
Due from Province - Other	160,700	158,931
Due from First Nations	-	12,139
Other (Note 4)	465,732	476,159
Portfolio Investments (Note 5)	416,768	447,231
Total Financial Assets	13,007,964	11,826,894
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	-	7,740
Other	5,456,587	5,194,031
Unearned Revenue (Note 7)	966,194	772,143
Deferred Revenue (Note 8)	2,754,297	2,444,676
Deferred Capital Revenue (Note 9)	49,268,821	48,591,784
Employee Future Benefits (Note 10)	1,488,524	1,011,453
Total Liabilities	59,934,423	58,021,827
Net Debt	(46,926,459)	(46,194,933)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	71,690,094	71,522,352
Prepaid Expenses	216,264	212,102
Total Non-Financial Assets	71,906,358	71,734,454
Accumulated Surplus (Deficit)	24,979,899	25,539,521

Contractual Obligations (Note 16)

Contingent Liabilities (Note 17)

Approved by the Board

DRAFT

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. 8 (Kootenay Lake)

Statement of Operations
Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	65,091,670	64,824,719	66,455,530
Other	437,666	528,484	447,483
Tuition	1,660,250	1,623,110	685,219
Other Revenue	1,978,280	2,033,866	1,730,109
Rentals and Leases	72,000	104,459	71,315
Investment Income	66,000	76,196	94,606
Gain (Loss) on Disposal of Tangible Capital Assets	134,194	133,710	104,955
Amortization of Deferred Capital Revenue	2,792,386	2,759,845	2,728,542
Total Revenue	<u>72,232,446</u>	<u>72,084,389</u>	<u>72,317,759</u>
Expenses			
Instruction	53,843,748	53,166,125	53,237,709
District Administration	3,697,515	3,973,470	3,206,904
Operations and Maintenance	12,341,061	12,745,391	12,304,257
Transportation and Housing	2,961,048	2,759,025	2,769,786
Total Expense	<u>72,843,372</u>	<u>72,644,011</u>	<u>71,518,656</u>
Surplus (Deficit) for the year	<u>(610,926)</u>	<u>(559,622)</u>	<u>799,103</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		25,539,521	24,740,418
Accumulated Surplus (Deficit) from Operations, end of year		<u>24,979,899</u>	<u>25,539,521</u>

School District No. 8 (Kootenay Lake)

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

	2022 Budget	2022 Actual	2021 Actual (Restated)
	\$	\$	\$
Surplus (Deficit) for the year	(610,926)	(559,622)	799,103
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(5,521,784)	(3,918,270)	(6,068,867)
Amortization of Tangible Capital Assets	3,774,633	3,738,844	3,627,699
Net carrying value of Tangible Capital Assets disposed of	11,684	11,684	271,763
Total Effect of change in Tangible Capital Assets	(1,735,467)	(167,742)	(2,169,405)
Acquisition of Prepaid Expenses		(216,264)	(212,102)
Use of Prepaid Expenses		212,102	506,643
Total Effect of change in Other Non-Financial Assets	-	(4,162)	294,541
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(2,346,393)	(731,526)	(1,075,761)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(731,526)	(1,075,761)
Net Debt, beginning of year		(46,194,933)	(45,119,172)
Net Debt, end of year		(46,926,459)	(46,194,933)

School District No. 8 (Kootenay Lake)

Statement of Cash Flows
Year Ended June 30, 2022

	2022 Actual	2021 Actual (Restated)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(559,622)	799,103
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(239,947)	(162,840)
Prepaid Expenses	(4,162)	294,541
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	254,816	275,231
Unearned Revenue	194,052	523,005
Deferred Revenue	309,621	108,342
Employee Future Benefits	477,071	129,934
Loss (Gain) on Disposal of Tangible Capital Assets	(133,710)	(104,955)
Amortization of Tangible Capital Assets	3,738,844	3,627,699
Amortization of Deferred Capital Revenue	(2,759,845)	(2,728,542)
Total Operating Transactions	1,277,118	2,761,518
Capital Transactions		
Tangible Capital Assets Purchased	(3,918,270)	(6,068,867)
District Portion of Proceeds on Disposal	145,394	272,293
Total Capital Transactions	(3,772,876)	(5,796,574)
Financing Transactions		
Capital Revenue Received	3,436,882	3,803,998
Total Financing Transactions	3,436,882	3,803,998
Investing Transactions		
Non-Cash Deemed Disposal of Portfolio Investments	30,462	(34,103)
Total Investing Transactions	30,462	(34,103)
Net Increase (Decrease) in Cash and Cash Equivalents	971,586	734,839
Cash and Cash Equivalents, beginning of year	10,478,024	9,743,185
Cash and Cash Equivalents, end of year	11,449,610	10,478,024
Cash and Cash Equivalents, end of year, is made up of:		
Cash	11,449,610	10,478,024
	11,449,610	10,478,024

School District No. 8 (Kootenay Lake)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2022

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,308,703		24,230,818	25,539,521	25,152,209
Prior Period Adjustments					(411,791)
Accumulated Surplus (Deficit), beginning of year, as restated	1,308,703	-	24,230,818	25,539,521	24,740,418
Changes for the year					
Surplus (Deficit) for the year	269,107		(828,729)	(559,622)	799,103
Interfund Transfers					
Tangible Capital Assets Purchased	(98,994)		98,994	-	
Net Changes for the year	170,113	-	(729,735)	(559,622)	799,103
Accumulated Surplus (Deficit), end of year - Statement 2	1,478,816	-	23,501,083	24,979,899	25,539,521

School District No. 8 (Kootenay Lake)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	57,014,988	56,947,891	57,285,139
Other	437,666	528,484	447,483
Tuition	1,660,250	1,623,110	685,219
Other Revenue	606,280	548,816	667,403
Rentals and Leases	72,000	104,459	71,315
Investment Income	30,000	51,885	27,620
Total Revenue	59,821,184	59,804,645	59,184,179
Expenses			
Instruction	45,002,031	44,404,074	44,382,455
District Administration	3,648,040	3,902,755	3,198,916
Operations and Maintenance	8,177,153	8,498,083	8,043,282
Transportation and Housing	2,900,460	2,730,626	2,668,111
Total Expense	59,727,684	59,535,538	58,292,764
Operating Surplus (Deficit) for the year	93,500	269,107	891,415
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(93,500)	(98,994)	(1,115,874)
Total Net Transfers	(93,500)	(98,994)	(1,115,874)
Total Operating Surplus (Deficit), for the year	-	170,113	(224,459)
Operating Surplus (Deficit), beginning of year		1,308,703	1,533,162
Operating Surplus (Deficit), end of year		1,478,816	1,308,703
Operating Surplus (Deficit), end of year			
Internally Restricted		1,478,816	1,150,158
Unrestricted			158,545
Total Operating Surplus (Deficit), end of year		1,478,816	1,308,703

School District No. 8 (Kootenay Lake)

Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	56,264,667	56,223,319	55,142,127
ISC/LEA Recovery	(113,100)	(68,880)	(104,295)
Other Ministry of Education and Child Care Grants			
Pay Equity	300,996	300,996	300,996
Funding for Graduated Adults	14,147	19,178	29,245
Student Transportation Fund	419,602	419,602	419,602
Teachers' Labour Settlement Funding			1,338,788
Early Career Mentorship Funding			105,000
FSA Scorer Grant	8,187	8,187	8,187
NGN Self-Provisioned Sites	43,200	43,200	43,200
Early Learning Fund	2,289	2,289	2,289
ECE Dual Credit Grant	75,000		
Total Provincial Grants - Ministry of Education and Child Care	57,014,988	56,947,891	57,285,139
Provincial Grants - Other	437,666	528,484	447,483
Tuition			
International and Out of Province Students	1,615,250	1,583,947	638,519
Distance Education/Correspondence Course Fees	45,000	39,163	46,700
Total Tuition	1,660,250	1,623,110	685,219
Other Revenues			
Other School District/Education Authorities	412,812	371,886	441,763
Funding from First Nations	113,100	68,880	104,295
Miscellaneous			
Private School Bussing	67,348	76,548	72,246
Cultural Grants	12,370	13,650	14,870
Sales	650	779	15,643
GIE Program Fees		-	9,217
Miscellaneous		13,633	9,369
After School Program Fees		3,440	
Total Other Revenue	606,280	548,816	667,403
Rentals and Leases	72,000	104,459	71,315
Investment Income	30,000	51,885	27,620
Total Operating Revenue	59,821,184	59,804,645	59,184,179

School District No. 8 (Kootenay Lake)

Schedule of Operating Expense by Object

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated)
	\$	\$	\$
Salaries			
Teachers	21,813,499	21,653,633	21,718,300
Principals and Vice Principals	4,359,166	4,374,630	4,372,278
Educational Assistants	3,532,482	3,115,981	3,730,209
Support Staff	7,041,640	6,791,623	6,909,694
Other Professionals	2,370,636	2,434,240	2,054,804
Substitutes	2,109,299	2,452,889	1,932,800
Total Salaries	41,226,722	40,822,996	40,718,085
Employee Benefits	10,007,302	10,392,717	10,084,414
Total Salaries and Benefits	51,234,024	51,215,713	50,802,499
Services and Supplies			
Services	2,018,452	2,061,539	1,389,505
Student Transportation	240,309	252,183	189,010
Professional Development and Travel	834,800	759,015	843,931
Rentals and Leases	39,441	41,572	43,442
Dues and Fees	94,082	96,002	97,838
Insurance	177,539	136,799	148,876
Supplies	3,551,298	3,029,839	3,250,854
Utilities	1,537,739	1,942,876	1,526,809
Total Services and Supplies	8,493,660	8,319,825	7,490,265
Total Operating Expense	59,727,684	59,535,538	58,292,764

School District No. 8 (Kootenay Lake)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	18,072,836					1,736,324	19,809,160
1.03 Career Programs	-						-
1.07 Library Services	257,491			109,049		242	366,782
1.08 Counselling	437,983						437,983
1.10 Special Education	2,015,969		2,933,095	45,144	159,571	323,208	5,476,987
1.30 English Language Learning	63,303						63,303
1.31 Indigenous Education	675,746	131,826	146,002	9,556		2,369	965,499
1.41 School Administration		3,776,785		1,105,472		54,031	4,936,288
1.62 International and Out of Province Students	105,245	143,276	36,884	73,423			358,828
1.64 Other							-
Total Function 1	21,628,573	4,051,887	3,115,981	1,342,644	159,571	2,116,174	32,414,830
4 District Administration							
4.11 Educational Administration	25,060	322,743			574,126		921,929
4.40 School District Governance					170,100		170,100
4.41 Business Administration				292,678	872,172	196	1,165,046
Total Function 4	25,060	322,743	-	292,678	1,616,398	196	2,257,075
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				27,926	645,928	777	674,631
5.50 Maintenance Operations				3,399,184		239,099	3,638,283
5.52 Maintenance of Grounds				138,618		750	139,368
5.56 Utilities							-
Total Function 5	-	-	-	3,565,728	645,928	240,626	4,452,282
7 Transportation and Housing							
7.41 Transportation and Housing Administration				46,735	12,343		59,078
7.70 Student Transportation				1,543,838		95,893	1,639,731
Total Function 7	-	-	-	1,590,573	12,343	95,893	1,698,809
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	21,653,633	4,374,630	3,115,981	6,791,623	2,434,240	2,452,889	40,822,996

School District No. 8 (Kootenay Lake)

Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget	2021 Actual (Restated)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	19,809,160	5,223,542	25,032,702	1,994,302	27,027,004	26,939,602	26,827,196
1.03 Career Programs	-	-	-	3,575	3,575	-	20,944
1.07 Library Services	366,782	84,846	451,628	55,910	507,538	442,041	487,916
1.08 Counselling	437,983	96,979	534,962	877	535,839	456,962	560,615
1.10 Special Education	5,476,987	1,488,760	6,965,747	214,300	7,180,047	7,672,269	7,981,747
1.30 English Language Learning	63,303	14,957	78,260	-	78,260	27,337	46,209
1.31 Indigenous Education	965,499	234,168	1,199,667	175,968	1,375,635	1,599,260	1,241,411
1.41 School Administration	4,936,288	1,119,961	6,056,249	170,274	6,226,523	6,190,038	6,318,011
1.62 International and Out of Province Students	358,828	81,824	440,652	951,517	1,392,169	1,578,034	862,650
1.64 Other	-	-	-	77,484	77,484	96,488	35,756
Total Function 1	32,414,830	8,345,037	40,759,867	3,644,207	44,404,074	45,002,031	44,382,455
4 District Administration							
4.11 Educational Administration	921,929	191,425	1,113,354	294,863	1,408,217	1,371,277	1,009,868
4.40 School District Governance	170,100	10,209	180,309	98,489	278,798	284,638	233,683
4.41 Business Administration	1,165,046	252,850	1,417,896	797,844	2,215,740	1,992,125	1,955,365
Total Function 4	2,257,075	454,484	2,711,559	1,191,196	3,902,755	3,648,040	3,198,916
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	674,631	144,870	819,501	236,355	1,055,856	868,115	933,539
5.50 Maintenance Operations	3,638,283	947,669	4,585,952	571,283	5,157,235	5,338,242	5,159,341
5.52 Maintenance of Grounds	139,368	39,330	178,698	140,301	318,999	333,745	340,223
5.56 Utilities	-	-	-	1,965,993	1,965,993	1,637,051	1,610,179
Total Function 5	4,452,282	1,131,869	5,584,151	2,913,932	8,498,083	8,177,153	8,043,282
7 Transportation and Housing							
7.41 Transportation and Housing Administration	59,078	17,576	76,654	15,052	91,706	212,065	196,066
7.70 Student Transportation	1,639,731	443,751	2,083,482	555,438	2,638,920	2,688,395	2,472,045
Total Function 7	1,698,809	461,327	2,160,136	570,490	2,730,626	2,900,460	2,668,111
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	40,822,996	10,392,717	51,215,713	8,319,825	59,535,538	59,727,684	58,292,764

School District No. 8 (Kootenay Lake)

Schedule of Special Purpose Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	8,076,682	7,876,828	9,170,391
Other Revenue	1,372,000	1,485,050	1,062,706
Investment Income	16,000	7,751	44,372
Total Revenue	<u>9,464,682</u>	<u>9,369,629</u>	<u>10,277,469</u>
Expenses			
Instruction	8,841,717	8,762,051	8,855,254
District Administration	49,475	70,715	7,988
Operations and Maintenance	389,275	508,464	633,276
Transportation and Housing	60,588	28,399	101,675
Total Expense	<u>9,341,055</u>	<u>9,369,629</u>	<u>9,598,193</u>
Special Purpose Surplus (Deficit) for the year	<u>123,627</u>	<u>-</u>	<u>679,276</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(123,627)		(679,276)
Total Net Transfers	<u>(123,627)</u>	<u>-</u>	<u>(679,276)</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. 8 (Kootenay Lake)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	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	-	-	689,700	1,401,460	49,494	114,194	50,627	25,696	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	273,690	196,548	-	-	160,000	49,000	95,829	650,695	207,086
Other			36,060	1,370,674					
Investment Income			7,006	745					
	273,690	196,548	43,066	1,371,419	160,000	49,000	95,829	650,695	207,086
Less: Allocated to Revenue	273,690	196,548	61,031	1,298,543	199,494	163,194	116,547	676,391	207,086
Deferred Revenue, end of year	-	-	671,735	1,474,336	10,000	-	29,909	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	273,690	196,548			199,494	163,194	116,547	676,391	207,086
Other Revenue			54,025	1,297,798					
Investment Income			7,006	745					
	273,690	196,548	61,031	1,298,543	199,494	163,194	116,547	676,391	207,086
Expenses									
Salaries									
Teachers							14,413		
Educational Assistants		143,781				11,020	20,729	356,633	
Support Staff	5,139								162,190
Substitutes							2,089		
	5,139	143,781	-	-	-	11,020	37,231	356,633	162,190
Employee Benefits	944	52,767				4,594	11,537	119,444	44,896
Services and Supplies	267,607		61,031	1,298,543	199,494	147,580	67,779	200,314	
	273,690	196,548	61,031	1,298,543	199,494	163,194	116,547	676,391	207,086
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	1,239	15,345	59,680	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	5,567,338	202,289	29,349	129,932	25,000	136,601	132,882	50,000	230,000
Other									
Investment Income									
	5,567,338	202,289	29,349	129,932	25,000	136,601	132,882	50,000	230,000
Less: Allocated to Revenue	5,567,338	89,310	28,399	138,151	51,170	78,111	61,318	22,455	7,626
Deferred Revenue, end of year	-	112,979	2,189	7,126	33,510	58,490	71,564	27,545	222,374
Revenues									
Provincial Grants - Ministry of Education and Child Care	5,567,338	89,310	28,399	138,151	51,170	78,111	61,318	22,455	7,626
Other Revenue									
Investment Income									
	5,567,338	89,310	28,399	138,151	51,170	78,111	61,318	22,455	7,626
Expenses									
Salaries									
Teachers	4,503,226			84,162					
Educational Assistants								16,778	
Support Staff									
Substitutes		77,002			24,415				
	4,503,226	77,002	-	84,162	24,415	-	-	16,778	-
Employee Benefits	1,064,112	12,308		18,548	8,048			5,677	
Services and Supplies			28,399	35,441	18,707	78,111	61,318		7,626
	5,567,338	89,310	28,399	138,151	51,170	78,111	61,318	22,455	7,626
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	<u>Donations</u>	<u>TOTAL</u>
	\$	\$
Deferred Revenue, beginning of year	37,241	2,444,676
Add: Restricted Grants		
Provincial Grants - Ministry of Education and Child Care	-	8,136,239
Other	128,526	1,535,260
Investment Income		7,751
	<u>128,526</u>	<u>9,679,250</u>
Less: Allocated to Revenue	133,227	9,369,629
Deferred Revenue, end of year	<u>32,540</u>	<u>2,754,297</u>
Revenues		
Provincial Grants - Ministry of Education and Child Care	-	7,876,828
Other Revenue	133,227	1,485,050
Investment Income		7,751
	<u>133,227</u>	<u>9,369,629</u>
Expenses		
Salaries		
Teachers		4,601,801
Educational Assistants		548,941
Support Staff		167,329
Substitutes		103,506
	<u>-</u>	<u>5,421,577</u>
Employee Benefits		1,342,875
Services and Supplies	133,227	2,605,177
	<u>133,227</u>	<u>9,369,629</u>
Net Revenue (Expense) before Interfund Transfers	<u>-</u>	<u>-</u>
Interfund Transfers	<u>-</u>	<u>-</u>
Net Revenue (Expense)	<u><u>-</u></u>	<u><u>-</u></u>

School District No. 8 (Kootenay Lake)

Schedule of Capital Operations

Year Ended June 30, 2022

	2022 Budget	2022 Actual			2021 Actual (Restated)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	20,000		16,560	16,560	22,614
Gain (Loss) on Disposal of Tangible Capital Assets	134,194	133,710		133,710	104,955
Amortization of Deferred Capital Revenue	2,792,386	2,759,845		2,759,845	2,728,542
Total Revenue	2,946,580	2,893,555	16,560	2,910,115	2,856,111
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,774,633	3,738,844		3,738,844	3,627,699
Total Expense	3,774,633	3,738,844	-	3,738,844	3,627,699
Capital Surplus (Deficit) for the year	(828,053)	(845,289)	16,560	(828,729)	(771,588)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	217,127	98,994		98,994	1,795,150
Total Net Transfers	217,127	98,994	-	98,994	1,795,150
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(145,394)	145,394	-	
Tangible Capital Assets Purchased from Local Capital		31,434	(31,434)	-	
Total Other Adjustments to Fund Balances		(113,960)	113,960	-	
Total Capital Surplus (Deficit) for the year	(610,926)	(860,255)	130,520	(729,735)	1,023,562
Capital Surplus (Deficit), beginning of year		24,228,946	1,872	24,230,818	23,619,047
Prior Period Adjustments					
Amortization PPA					(411,791)
Capital Surplus (Deficit), beginning of year, as restated		24,228,946	1,872	24,230,818	23,207,256
Capital Surplus (Deficit), end of year		23,368,691	132,392	23,501,083	24,230,818

School District No. 8 (Kootenay Lake)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,970,507	137,760,406	1,204,732	4,513,075	-	1,574,672	154,023,392
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,848,410	10,895	139,626			2,998,931
Deferred Capital Revenue - Other		788,911					788,911
Operating Fund		34,434		43,257		21,303	98,994
Local Capital			31,434				31,434
	-	3,671,755	42,329	182,883	-	21,303	3,918,270
Decrease:							
Disposed of	11,684	91,402					103,086
Deemed Disposals			20,205	466,250	-	59,417	545,872
	11,684	91,402	20,205	466,250	-	59,417	648,958
Cost, end of year	8,958,823	141,340,759	1,226,856	4,229,708	-	1,536,558	157,292,704
Work in Progress, end of year							-
Cost and Work in Progress, end of year	8,958,823	141,340,759	1,226,856	4,229,708	-	1,536,558	157,292,704
Accumulated Amortization, beginning of year		77,724,304	365,570	2,184,641	-	367,356	80,641,871
Prior Period Adjustments							
Amortization PPA		1,415,816	60,247	225,651	-	157,455	1,859,169
Accumulated Amortization, beginning of year, as restated		79,140,120	425,817	2,410,292	-	524,811	82,501,040
Changes for the Year							
Increase: Amortization for the Year		2,869,004	121,579	437,139	-	311,122	3,738,844
Decrease:							
Disposed of		91,402					91,402
Deemed Disposals			20,205	466,250	-	59,417	545,872
		91,402	20,205	466,250	-	59,417	637,274
Accumulated Amortization, end of year		81,917,722	527,191	2,381,181	-	776,516	85,602,610
Tangible Capital Assets - Net	8,958,823	59,423,037	699,665	1,848,527	-	760,042	71,690,094

School District No. 8 (Kootenay Lake)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	47,327,930	1,071,916	261,622	48,661,468
Prior Period Adjustments				
Amortization PPA	(1,327,705)	(35,686)	(4,672)	(1,368,063)
Deferred Capital Revenue, beginning of year, as restated	46,000,225	1,036,230	256,950	47,293,405
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,998,931	788,911		3,787,842
	2,998,931	788,911	-	3,787,842
Decrease:				
Amortization of Deferred Capital Revenue	2,669,267	81,234	9,344	2,759,845
	2,669,267	81,234	9,344	2,759,845
Net Changes for the Year	329,664	707,677	(9,344)	1,027,997
Deferred Capital Revenue, end of year	46,329,889	1,743,907	247,606	48,321,402
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	46,329,889	1,743,907	247,606	48,321,402

School District No. 8 (Kootenay Lake)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		1,298,379				1,298,379
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	2,998,931					2,998,931
Provincial Grants - Other			1,769			1,769
MECC Restricted Portion of Proceeds on Disposal		436,182				436,182
	2,998,931	436,182	1,769	-	-	3,436,882
Decrease:						
Transferred to DCR - Capital Additions	2,998,931	787,142	1,769			3,787,842
	2,998,931	787,142	1,769	-	-	3,787,842
Net Changes for the Year	-	(350,960)	-	-	-	(350,960)
Balance, end of year	-	947,419	-	-	-	947,419

NOTE 1 **AUTHORITY AND PURPOSE**

The School District No. 8 (Kootenay Lake) (the “**School District**”), established on December 2, 1996, 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. 8 (Kootenay Lake)", and operates as "School District No. 8 (Kootenay Lake)." 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.8 (Kootenay Lake) is exempt from federal and provincial corporate income taxes.

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

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(h) and 2(r), 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.

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

a) Basis of Accounting (cont'd)

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 in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2021 – increase in annual surplus by \$160,198

June 30, 2021 – increase in accumulated surplus and decrease in deferred contributions by \$47,293,405

Year-ended June 30, 2022 – increase in annual surplus by \$1,027,997

June 30, 2022 – increase in accumulated surplus and decrease in deferred contributions by \$48,321,402

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

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

d) Portfolio Investments

The School District has investments in mutual funds, bonds, equity instruments that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition.

Portfolio investments are mutual funds and corporate bonds, which are quoted in an active market, and are recorded at market value and the associated transaction costs are expensed upon initial recognition and when marked to the market at the end of the period.

Detailed information regarding portfolio investments is disclosed in Note 5.

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 (l).

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. See note 2 (a) for the impact of this policy on these financial statements.

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 next valuation will be performed at March 31, 2025 for use at June 30, 2025. 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) 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.

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

i) 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

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

j) Prepaid Expenses

Prepaid software licenses, membership fees, insurance and annual utilities costs are included as prepaid expenses and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

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 (see Note 14 – Interfund Transfers and Note 20 – Internally Restricted Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

l) 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.

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

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

l) Revenue Recognition (cont'd)

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.

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

Allocation of Costs

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdraft, accounts payable and accrued liabilities and other liabilities. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant credit, liquidity or market risks arising from these.

All financial assets and liabilities are recorded at cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

o) Measurement Uncertainty

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

p) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2022. A liability will be recognized when, as at the financial reporting date:

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

p) Future Changes in Accounting Policies (cont'd)

- (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.

A modified retroactive application has been recommended by Government. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

NOTE 3 CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are funds in the amount of \$991,648 (2021 - \$965,067), which are restricted and paid out to teachers who contribute to and take part in the District's self-funded summer saving plan.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2022	2021
Due from Federal Government	\$ 46,678	\$ 38,892
Due from Other School Districts	73,723	178,775
Invoices receivable	188,441	94,975
Other receivables	156,890	163,877
	<u>\$ 465,732</u>	<u>\$ 476,159</u>

NOTE 5 PORTFOLIO INVESTMENTS

	2022	2021
Investments in the fair value category:		
Mutual funds, equities and corporate bonds	\$ 416,768	\$ 447,231

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2022	2021
Trade payables	\$ 3,395,680	\$ 3,159,525
Salaries and benefits payable	567,371	609,681
Accrued vacation pay	501,888	457,081
Other – summer teachers' savings plan	991,648	967,744
	<u>\$ 5,456,587</u>	<u>\$ 5,194,031</u>

NOTE 7 UNEARNED REVENUE

	2021	2021
Balance, beginning of year	\$ 772,143	\$ 249,138
Changes for the year:		
2022-2023 fees collected	966,194	772,143
2021-2022 fees recognized	(772,143)	(249,138)
Balance, end of year	<u>\$ 966,194</u>	<u>\$ 772,143</u>

NOTE 8 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	2022	2021
Balance, beginning of year	\$ 2,444,676	\$ 2,336,334
Add: Restricted grants	9,679,250	10,385,811
Less: Allocated to revenue	(9,369,629)	(10,277,469)
Balance, end of year	<u>\$ 2,754,297</u>	<u>\$ 2,444,676</u>

NOTE 9 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.

	2022	2021 (restated)
Balance, beginning of year	\$ 48,591,784	\$ 47,620,753
Add: Contributions received in the year (Capital Additions)	3,000,700	2,987,119
Add: Restricted proceeds of disposal – Property Sales (Note 12)	436,182	816,879
Less: Amortization of deferred capital revenue	(2,759,845)	(2,728,542)
Less: Revenues recognized on Disposal of Buildings	-	(104,425)
Less: Transfers to operating	-	-
Balance, end of year	<u>\$ 49,268,821</u>	<u>\$ 48,591,784</u>

NOTE 10 EMPLOYEE FUTURE BENEFITS

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

	2022	2021
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,210,021	\$ 1,200,663
Service Cost	123,215	123,604
Interest Cost	31,906	28,438
Benefit Payments	(91,311)	(75,306)
Increase (Decrease) in obligation due to Plan Amendment	402,853	0
Actuarial (Gain) Loss	(196,803)	(67,378)
Accrued Benefit Obligation – March 31	<u>\$ 1,479,881</u>	<u>\$ 1,210,021</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 1,479,881	\$ 1,210,021
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(1,479,881)	(1,210,021)
Employer Contributions After Measurement Date	45,803	0
Benefits Expense After Measurement Date	(44,327)	(38,780)
Unamortized Net Actuarial (Gain) Loss	(10,119)	237,348
Accrued Benefit Asset (Liability) – June 30	<u>\$ (1,488,524)</u>	<u>\$ (1,011,453)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 1,011,453	\$ 881,519
Net expense for Fiscal Year	614,185	202,963
Employer Contributions	(137,114)	(73,029)
Accrued Benefit Liability – June 30	<u>\$ 1,488,524</u>	<u>\$ 1,011,453</u>
Components of Net Benefit Expense		
Service Cost	\$ 124,651	\$ 123,985
Interest Cost	36,017	32,159
Immediate Recognition of Plan Amendment	402,853	
Amortization of Net Actuarial (Gain)/Loss	50,664	50,664
Net Benefit Expense (Income)	<u>\$ 614,185</u>	<u>\$ 206,808</u>

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

	2022	2021
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	3.25%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9.2	9.5

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:	2022	(restated) 2021
Sites	\$ 8,958,823	\$ 8,970,507
Buildings	59,423,037	58,620,292
Vehicles	1,848,527	2,102,783
Furniture and Equipment	699,665	778,915
Computer Hardware	760,042	1,049,855
Total	\$ 71,690,094	\$ 71,522,352

June 30, 2022 Cost	Balance at July 1, 2021	Additions	Disposals	Balance at June 30, 2022
Sites	\$ 8,970,507	\$ -	\$ (11,684)	\$ 8,958,823
Buildings	137,760,406	3,671,755	(91,402)	141,340,759
Vehicles	4,513,075	182,883	(466,250)	4,229,708
Furniture and equipment	1,204,732	42,329	(20,205)	1,226,856
Computer hardware	1,574,672	21,303	(59,417)	1,536,558
Total	\$ 154,023,392	\$ 3,918,270	\$ (648,958)	\$ 157,292,704

Accumulated Amortization	Balance at July 1, 2021	Additions	Disposals	Balance at June 30, 2021
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	79,140,120	2,869,004	(91,402)	81,917,722
Vehicles	2,410,292	437,139	(466,250)	2,381,181
Furniture and equipment	425,817	121,579	(20,205)	527,191
Computer hardware	524,811	311,122	(59,417)	776,516
Total	\$ 82,501,040	\$ 3,738,844	\$ (637,274)	\$ 85,602,610

June 30, 2021 Cost	Balance at July 1, 2020	Additions	Disposals	Balance at June 30, 2021
Sites	\$ 9,039,595	\$ -	\$ (69,088)	\$ 8,970,507
Buildings	133,150,700	5,133,435	(523,729)	137,760,406
Vehicles	4,855,560	240,322	(582,807)	4,513,075
Furniture and equipment	1,143,478	174,358	(113,104)	1,204,732
Computer hardware	1,073,606	520,752	(19,686)	1,574,672
Total	\$ 149,262,939	\$ 6,068,867	\$ (1,308,414)	\$ 154,023,392

Accumulated Amortization	Balance at July 1, 2020 (restated)	Additions	Disposals	Balance at June 30, 2021 (restated)
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	76,684,545	2,776,629	(321,054)	79,140,120
Vehicles	2,524,667	468,432	(582,807)	2,410,292
Furniture and equipment	421,510	117,411	(113,104)	425,817
Computer hardware	279,670	264,827	(19,686)	524,811
Total	\$ 79,910,392	\$ 3,627,299	\$ (1,036,651)	\$ 82,501,040

NOTE 12 DISPOSAL OF SITES AND BUILDINGS*Yahk Elementary School - Lot 8, 9, 10 Railway Avenue, Yahk*

During the year, the Board sold the property at Yahk, which was used as the Yahk Elementary School. The property was originally acquired in 1956, with construction of the original building and renovations completed over time. The property was sold for gross proceeds of \$245,000, which, after deducting costs associated with the disposal, netted \$229,649. Of these net proceeds, \$172,237 (75%) was allocated to Restricted Capital and \$57,412 (25%) was allocated to Local Capital in accordance with the Ministry of Education regulation requiring a 75%/25% split when a property was originally purchased using funding provided by the Ministry of Education.

The carrying value of the building at the time of the sale was \$102,086, and there was \$91,402 in accumulated amortization, which were deducted from tangible capital assets and amortization, respectively.

Kin Park (Vacant Land) – 404 22 Avenue South, Creston

During the year, the Board sold the vacant lot that was in surplus since 1974. The vacant land was sold for \$351,926, of which \$263,944 (75%) was allocated to Restricted Capital and \$87,982 (25%) was allocated to Local Capital in accordance with the Ministry of Education regulation requiring a 75%/25% split when a property was originally purchased using funding provided by the Ministry of Education.

The carrying value of the land at the time of the sale was \$1,000. As this is land, no amortization was amortized.

NOTE 13 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 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

NOTE 13 EMPLOYEE PENSION PLANS *(Continued)*

amortization of any unfunded actuarial liability.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The school district paid \$4,822 million for employer contributions to the plans for the year ended June 30, 2022 (2021: \$4,870 million).

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

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

NOTE 14 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2022, were as follows:

- Tangible capital assets purchased from operating funds - \$98,994 (2021 - \$1,115,874)
- Tangible capital assets purchased from special purpose funds - \$0 (2021 - \$679,276)

NOTE 15 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 16 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of 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.

	2023	2024	2025
Computer Equipment	\$ 210,000	\$ 210,000	\$ 210,000
Other	50,000	40,000	0
	<u>\$ 260,000</u>	<u>\$ 250,000</u>	<u>\$ 210,000</u>

NOTE 17 CONTINGENT LIABILITIES

The School District is involved in 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.

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2022 the liability is not reasonably determinable.

NOTE 18 BUDGET FIGURES

Budget figures included in the financial statements are the School District's amended annual budget adopted by the Board of Education on February 15, 2022, whereas the original budget was approved by the Board on May 24, 2022.

Significant changes between the original and amended budget are as follows:

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants MOE	\$ 64,069,329	\$ 65,529,336	\$ 1,460,007
Tuition	1,128,700	1,660,250	531,550
Other	3,250,999	2,250,474	(1,000,525)
Amortization Deferred Cap. Revs.	2,771,209	2,792,386	21,177
	<u>\$ 71,220,237</u>	<u>\$ 72,232,446</u>	<u>\$ 1,012,209</u>
Expenses			
Instruction	\$ 53,352,555	\$ 53,843,748	\$ 491,193
District Administration	3,263,089	3,697,515	434,426
Operations and Maintenance	11,248,142	12,341,061	1,092,919
Transportation and Housing	3,453,742	2,961,048	(492,694)
	<u>\$ 71,317,528</u>	<u>\$ 72,843,372</u>	<u>\$ 1,525,844</u>
Budgeted Surplus (Deficit)	<u>\$ (97,291)</u>	<u>\$ (610,926)</u>	<u>\$ (513,635)</u>

NOTE 19 EXPENSE BY OBJECT

The following are total expenses from operating, special and capital funds:

	2022	2021 (restated)
Salaries and benefits	\$ 57,980,165	\$ 58,335,836
Services and supplies	10,925,002	9,555,521
Amortization of tangible capital assets	3,738,844	3,627,299
	<u>\$ 72,644,011</u>	<u>\$ 71,518,656</u>

NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2022	2021
Internally restricted (appropriated) by Board for:		
Schools and other programs	\$ 321,057	\$ 321,057
Community Grants Unspent	57,719	57,719
International program	76,000	76,000
Contractual Pro-D	195,382	195,382
Baragar Systems	-	-
Subtotal internally restricted	<u>650,158</u>	<u>650,158</u>
District reserve	500,000	500,000
Unrestricted operating surplus	<u>328,658</u>	<u>158,545</u>
Total available for future operations	<u>\$ 1,478,816</u>	<u>\$ 1,308,703</u>

NOTE 21 ECONOMIC DEPENDENCE

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.

NOTE 22 PRIOR PERIOD ADJUSTMENT

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

	<u>Increase (Decrease)</u>
Tangible Capital Assets	\$(1,691,427)
Deferred Capital Revenue	(1,368,063)
Accumulated Surplus (Deficit)	(491,106)
Amortization of Deferred Capital Revenue	3,023
Operations & Maintenance Expense – Asset amortization	523,472
Accumulated Surplus – beginning of the year July 1, 2020	(411,791)

NOTE 23 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.

NOTE 23 RISK MANAGEMENT *(Continued)*

b) Market risk:

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

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

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

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 2021 related to credit, market or liquidity risks.

NOTE 24 COMPARATIVE FIGURES

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