

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)

MANAGEMENT REPORT

Version: 4768-4022-2039

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 8 (Kootenay Lake) 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.

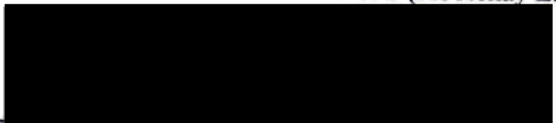
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 8 (Kootenay Lake) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, BDO Canada 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. 8 (Kootenay Lake) 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. 8 (Kootenay Lake)


Signature of the Chairperson of the Board of Education

Sept 29, 2022
Date Signed


Signature of the Superintendent

Sept. 29, 2022
Date Signed


Signature of the Secretary Treasurer

Sept 29, 2022
Date Signed

Independent Auditor's Report

To the Board of Trustees of
School District No. 8 (Kootenay Lake)

Opinion

We have audited the financial statements of School District No. 8 (Kootenay Lake) (the School District), which comprise the statement of financial position as at June 30, 2022, and the statements of operations, changes in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the School District as at and for the year ended June 30, 2022 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia (the Act).

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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 - Basis of Accounting

We draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared in order for the School District to meet the reporting requirements of the Act referred to above. Note 2 to the Financial Statements discloses the impact of these differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

Other Matters

We draw attention to the fact that the supplementary information included in Schedule 1 to 4 does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

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 Act, 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.

Auditor's 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 auditor's 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 these 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 auditor's 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 auditor's report. However future events or conditions may cause the School District to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the School District to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the School District audit. We remain solely responsible for our audit opinion.

We 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.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
September 27, 2022

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 | <u>13,007,964</u> | <u>11,826,894</u> |
| 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 | <u>59,934,423</u> | <u>58,021,827</u> |
| Net Debt | <u>(46,926,459)</u> | <u>(46,194,933)</u> |
| Non-Financial Assets | | |
| Tangible Capital Assets (Note 11) | 71,690,094 | 71,522,352 |
| Prepaid Expenses | 216,264 | 212,102 |
| Total Non-Financial Assets | <u>71,906,358</u> | <u>71,734,454</u> |
| Accumulated Surplus (Deficit) | <u>24,979,899</u> | <u>25,539,521</u> |

Contractual Obligations (Note 16)

Contingent Liabilities (Note 17)

Approved by the Board



Signature of the Chairperson of the Board of Education

Sept 29, 2022
Date Signed



Signature of the Superintendent

Sept 29, 2022
Date Signed



Signature of the Secretary Treasurer

Sept 29, 2022
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 | 72,232,446 | 72,084,389 | 72,317,759 |
| 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 | 72,843,372 | 72,644,011 | 71,518,656 |
| Surplus (Deficit) for the year | (610,926) | (559,622) | 799,103 |
| Accumulated Surplus (Deficit) from Operations, beginning of year | | 25,539,521 | 24,740,418 |
| Accumulated Surplus (Deficit) from Operations, end of year | | 24,979,899 | 25,539,521 |

School District No. 8 (Kootenay Lake)

Statement 4

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

| | 2022 Budget | 2022 Actual | 2021 Actual (Restated) |
|---|--------------------|---------------------|------------------------------|
| | \$ | \$ | \$ |
| Surplus (Deficit) for the year | <u>(610,926)</u> | <u>(559,622)</u> | <u>799,103</u> |
| 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 | <u>(1,735,467)</u> | <u>(167,742)</u> | <u>(2,169,405)</u> |
| 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 | <u>-</u> | <u>(4,162)</u> | <u>294,541</u> |
| (Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses) | <u>(2,346,393)</u> | <u>(731,526)</u> | <u>(1,075,761)</u> |
| Net Remeasurement Gains (Losses) | | | |
| (Increase) Decrease in Net Debt | | <u>(731,526)</u> | <u>(1,075,761)</u> |
| Net Debt, beginning of year | | <u>(46,194,933)</u> | <u>(45,119,172)</u> |
| Net Debt, end of year | | <u>(46,926,459)</u> | <u>(46,194,933)</u> |

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 | <u>1,277,118</u> | <u>2,761,518</u> |
| 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 | <u>(3,772,876)</u> | <u>(5,796,574)</u> |
| Financing Transactions | | |
| Capital Revenue Received | 3,436,882 | 3,803,998 |
| Total Financing Transactions | <u>3,436,882</u> | <u>3,803,998</u> |
| Investing Transactions | | |
| Non-Cash Deemed Disposal of Portfolio Investments | 30,462 | (34,103) |
| Total Investing Transactions | <u>30,462</u> | <u>(34,103)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 971,586 | 734,839 |
| Cash and Cash Equivalents, beginning of year | <u>10,478,024</u> | <u>9,743,185</u> |
| Cash and Cash Equivalents, end of year | <u>11,449,610</u> | <u>10,478,024</u> |
| Cash and Cash Equivalents, end of year, is made up of: | | |
| Cash | 11,449,610 | 10,478,024 |
| | <u>11,449,610</u> | <u>10,478,024</u> |

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 |

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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:

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 |
| | \$ 465,732 | \$ 476,159 |

NOTE 5 PORTFOLIO INVESTMENTS

| | 2022 | 2021 |
|--|------------|------------|
| Investments in the fair value category: | | |
| Mutual funds, equities and corporate bonds | \$ 416,768 | \$ 447,231 |
| | \$ 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 |
| | \$ 5,456,587 | \$ 5,194,031 |

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 7 UNEARNED REVENUE

| | 2022 | 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 | \$ 966,194 | \$ 772,143 |

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 | \$ 2,754,297 | \$ 2,444,676 |

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 | \$ 49,268,821 | \$ 48,591,784 |

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 | \$ 1,479,881 | \$ 1,210,021 |
| 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 | \$ (1,488,524) | \$ (1,011,453) |
| 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 | \$ 1,488,524 | \$ 1,011,453 |
| 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) | \$ 614,185 | \$ 206,808 |

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 |

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 |

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 trusted pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

| | 2023 | 2024 | 2025 |
|--------------------|------------|------------|------------|
| Computer Equipment | \$ 210,000 | \$ 210,000 | \$ 210,000 |
| Other | 50,000 | 40,000 | 0 |
| | \$ 260,000 | \$ 250,000 | \$ 210,000 |

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 14, 2021.

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 |
| | \$ 71,220,237 | \$ 72,232,446 | \$ 1,012,209 |
| 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) |
| | \$ 71,317,528 | \$ 72,843,372 | \$ 1,525,844 |
| Budgeted Surplus (Deficit) | \$ (97,291) | \$ (610,926) | \$ (513,635) |

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 |
| | \$ 72,644,011 | \$ 71,518,656 |

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 | 650,158 | 650,158 |
| District reserve | 500,000 | 500,000 |
| Unrestricted operating surplus | 328,658 | 158,545 |
| Total available for future operations | \$ 1,478,816 | \$ 1,308,703 |

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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:

| | Increase (Decrease) |
|--|---------------------|
| 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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

School District No. 8 (Kootenay Lake)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2022

Schedule 1 (Unaudited)

| | 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 | <u>1,308,703</u> | - | <u>24,230,818</u> | <u>25,539,521</u> | <u>24,740,418</u> |
| Changes for the year | | | | | |
| Surplus (Deficit) for the year | 269,107 | | (828,729) | (559,622) | 799,103 |
| Interfund Transfers | (98,994) | | 98,994 | - | |
| Tangible Capital Assets Purchased | 170,113 | | (729,735) | (559,622) | 799,103 |
| Net Changes for the year | <u>1,478,816</u> | - | <u>23,501,083</u> | <u>24,979,899</u> | <u>25,539,521</u> |
| Accumulated Surplus (Deficit), end of year - Statement 2 | | | | | |

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 2A (Unaudited)

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

Schedule 2C (Unaudited)

| | 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 3 (Unaudited)

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)
 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 | 273,690 | 196,548 | - | - | 160,000 | 49,000 | 95,829 | 650,695 | 207,086 |
| Provincial Grants - Ministry of Education and Child Care | | | 36,060 | 1,370,674 | | | | | |
| Other | | | 7,006 | 745 | | | | | |
| Investment Income | | | | | | | | | |
| Less: Allocated to Revenue | 273,690 | 196,548 | 43,066 | 1,371,419 | 160,000 | 49,000 | 95,829 | 650,695 | 207,086 |
| Deferred Revenue, end of year | - | - | 61,031 | 1,298,543 | 199,494 | 163,194 | 116,547 | 676,391 | 207,086 |
| | | | 671,735 | 1,474,336 | 10,000 | - | 29,909 | - | - |
| Revenues | | | | | | | | | |
| Provincial Grants - Ministry of Education and Child Care | 273,690 | 196,548 | 54,025 | 1,297,798 | 199,494 | 163,194 | 116,547 | 676,391 | 207,086 |
| Other Revenue | | | 7,006 | 745 | | | | | |
| Investment Income | | | 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 | 162,190 |
| Support Staff | 5,139 | | | | | | | | |
| Substitutes | | | | | | | 2,089 | | |
| Employee Benefits | 5,139 | 143,781 | - | - | - | 11,020 | 37,231 | 356,633 | 162,190 |
| Services and Supplies | 944 | 52,767 | 61,031 | 1,298,543 | 199,494 | 4,594 | 11,537 | 119,444 | 44,896 |
| | 267,607 | 196,548 | 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)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2022

Schedule 3A (Unaudited)

| | 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 | 5,567,338 | 202,289 | 29,349 | 129,932 | 25,000 | 136,601 | 132,882 | 50,000 | 230,000 |
| Provincial Grants - Ministry of Education and Child Care | | | | | | | | | |
| Other | | | | | | | | | |
| Investment Income | | | | | | | | | |
| Less: Allocated to Revenue | 5,567,338 | 202,289 | 29,349 | 129,932 | 25,000 | 136,601 | 132,882 | 50,000 | 230,000 |
| Deferred Revenue, end of year | - | 112,979 | 2,189 | 7,126 | 33,510 | 58,490 | 71,564 | 27,545 | 222,374 |
| Revenues | 5,567,338 | 89,310 | 28,399 | 138,151 | 51,170 | 78,111 | 61,318 | 22,455 | 7,626 |
| Provincial Grants - Ministry of Education and Child Care | | | | | | | | | |
| Other Revenue | | | | | | | | | |
| Investment Income | | | | | | | | | |
| Expenses | 5,567,338 | 89,310 | 28,399 | 138,151 | 51,170 | 78,111 | 61,318 | 22,455 | 7,626 |
| Salaries | 4,503,226 | | | 84,162 | | | | 16,778 | |
| Teachers | | | | | | | | | |
| Educational Assistants | | | | | | | | | |
| Support Staff | | | | | | | | | |
| Substitutes | | 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 |
| Net Revenue (Expense) before Interfund Transfers | 5,567,338 | 89,310 | 28,399 | 138,151 | 51,170 | 78,111 | 61,318 | 22,455 | 7,626 |
| 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

| | Donations | TOTAL |
|--|---------------|------------------|
| | \$ | \$ |
| 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 |
| | 128,526 | 9,679,250 |
| 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 |
| | 133,227 | 9,369,629 |
| Expenses | | |
| Salaries | | |
| Teachers | | 4,601,801 |
| Educational Assistants | | 548,941 |
| Support Staff | | 167,329 |
| Substitutes | | 103,506 |
| | - | 5,421,577 |
| Employee Benefits | | 1,342,875 |
| Services and Supplies | 133,227 | 2,605,177 |
| | 133,227 | 9,369,629 |
| Net Revenue (Expense) before Interfund Transfers | - | - |
| Interfund Transfers | - | - |
| Net Revenue (Expense) | - | - |

School District No. 8 (Kootenay Lake)

Schedule 4 (Unaudited)

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)

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 | | | | | | | |
| Prior Period Adjustments | | 77,724,304 | 365,570 | 2,184,641 | | 367,356 | 80,641,871 |
| 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)

Schedule 4C (Unaudited)

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 | <u>46,000,225</u> | <u>1,036,230</u> | <u>256,950</u> | <u>47,293,405</u> |
| Changes for the Year | | | | |
| Increase: | | | | |
| Transferred from Deferred Revenue - Capital Additions | 2,998,931 | 788,911 | | 3,787,842 |
| | <u>2,998,931</u> | <u>788,911</u> | <u>-</u> | <u>3,787,842</u> |
| Decrease: | | | | |
| Amortization of Deferred Capital Revenue | 2,669,267 | 81,234 | 9,344 | 2,759,845 |
| | <u>2,669,267</u> | <u>81,234</u> | <u>9,344</u> | <u>2,759,845</u> |
| Net Changes for the Year | <u>329,664</u> | <u>707,677</u> | <u>(9,344)</u> | <u>1,027,997</u> |
| Deferred Capital Revenue, end of year | <u>46,329,889</u> | <u>1,743,907</u> | <u>247,606</u> | <u>48,321,402</u> |
| 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 | <u>46,329,889</u> | <u>1,743,907</u> | <u>247,606</u> | <u>48,321,402</u> |

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 | \$ - | \$ - | \$ - | \$ 1,298,379 |
| Changes for the Year | | | | | | |
| Increase: | | | | | | |
| Provincial Grants - Ministry of Education and Child Care | 2,998,931 | - | 1,769 | - | - | 2,998,931 |
| Provincial Grants - Other | - | 436,182 | 1,769 | - | - | 436,182 |
| MECC Restricted Portion of Proceeds on Disposal | 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 |