

Audited Financial Statements of

School District No. 8 (Kootenay Lake)

And Independent Auditors' Report thereon

June 30, 2024

School District No. 8 (Kootenay Lake)

June 30, 2024

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School District No. 8 (Kootenay Lake)

MANAGEMENT REPORT

Version: 8743-7998-6015

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, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 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 Date Signed Sept. 10/24



Signature of the Superintendent Date Signed Sept. 11/24



Signature of the Secretary Treasurer Date Signed Sept. 11/24



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INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 8 (Kootenay Lake), and
To the Minister of Education and Child Care, Province of British Columbia

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, 2024
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policy information (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2024 of the School District are prepared, in all material respects in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

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

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

Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.



Other Matter – Comparative Information

The financial statements for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on September 12, 2023.

Other Information

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Kelowna, Canada

September 10, 2024

School District No. 8 (Kootenay Lake)

Statement of Financial Position
As at June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	17,947,023	15,945,527
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	741,485	291,636
Due from Province - Other	-	86,231
Other (Note 4)	962,502	947,266
Portfolio Investments (Note 5)	375,996	434,075
Total Financial Assets	<u>20,027,006</u>	<u>17,704,735</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	-	6,360
Other (Note 6)	6,774,872	6,478,595
Unearned Revenue (Note 7)	542,471	937,494
Deferred Revenue (Note 8)	2,790,183	2,798,945
Deferred Capital Revenue (Note 9)	51,156,219	50,605,861
Employee Future Benefits (Note 10)	1,779,325	1,640,511
Asset Retirement Obligation	2,240,535	2,240,535
Total Liabilities	<u>65,283,605</u>	<u>64,708,301</u>
Net Debt	<u>(45,256,599)</u>	<u>(47,003,566)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	73,033,602	72,707,655
Prepaid Expenses	351,858	282,533
Total Non-Financial Assets	<u>73,385,460</u>	<u>72,990,188</u>
Accumulated Surplus (Deficit) (Note 19)	<u>28,128,861</u>	<u>25,986,622</u>
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	28,036,990	25,924,514
Accumulated Remeasurement Gains (Losses)	91,871	62,108
	<u>28,128,861</u>	<u>25,986,622</u>

Contractual Obligations (Note 15)

Contingent Liabilities (Note 16)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Sept 10/24

Signature of the Superintendent

Date Signed

Sept 10/24

Signature of the Secretary Treasurer

Date Signed

Sept 10/24

School District No. 8 (Kootenay Lake)

Statement 2

Statement of Operations
Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	77,303,500	77,056,962	70,486,364
Other	400,685	391,338	333,503
Tuition	1,198,450	1,161,627	1,721,799
Other Revenue	1,848,368	2,760,753	2,364,118
Rentals and Leases	90,000	121,783	112,997
Investment Income	508,000	554,915	279,827
Amortization of Deferred Capital Revenue	3,002,516	2,955,837	2,859,351
Total Revenue	84,351,519	85,003,215	78,157,959
Expenses (Note 18)			
Instruction	62,869,316	61,638,549	54,962,964
District Administration	4,774,110	4,658,536	4,455,409
Operations and Maintenance	13,130,755	13,368,074	12,633,002
Transportation and Housing	3,474,128	3,225,580	2,931,420
Total Expense	84,248,309	82,890,739	74,982,795
Surplus (Deficit) for the year	103,210	2,112,476	3,175,164
Accumulated Surplus (Deficit) from Operations, beginning of year		25,924,514	22,749,350
Accumulated Surplus (Deficit) from Operations, end of year		28,036,990	25,924,514

School District No. 8 (Kootenay Lake)

Statement 3

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Accumulated Remeasurement Gains (Losses) at beginning of year	62,108	-
Unrealized Gains (Losses) attributable to:		
Portfolio Investments	29,763	62,108
Net Remeasurement Gains (Losses) for the year	29,763	62,108
Accumulated Remeasurement Gains (Losses) at end of year	91,871	62,108

School District No. 8 (Kootenay Lake)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Surplus (Deficit) for the year	103,210	2,112,476	3,175,164
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(5,614,362)	(4,270,763)	(4,872,354)
Amortization of Tangible Capital Assets	4,008,306	3,944,816	3,864,779
Total Effect of change in Tangible Capital Assets	<u>(1,606,056)</u>	<u>(325,947)</u>	<u>(1,007,575)</u>
Acquisition of Prepaid Expenses		(748,089)	(684,455)
Use of Prepaid Expenses		678,764	618,186
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(69,325)</u>	<u>(66,269)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(1,502,846)</u>	1,717,204	2,101,320
Net Remeasurement Gains (Losses)		<u>29,763</u>	62,108
(Increase) Decrease in Net Debt		1,746,967	2,163,428
Net Debt, beginning of year		(47,003,566)	(49,166,994)
Net Debt, end of year		<u>(45,256,599)</u>	<u>(47,003,566)</u>

School District No. 8 (Kootenay Lake)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,112,476	3,175,164
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(378,854)	(183,547)
Prepaid Expenses	(69,325)	(66,269)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	289,917	1,028,368
Unearned Revenue	(395,023)	(28,700)
Deferred Revenue	(8,762)	44,648
Employee Future Benefits	138,814	151,987
Amortization of Tangible Capital Assets	3,944,816	3,864,779
Amortization of Deferred Capital Revenue	(2,955,837)	(2,859,351)
Total Operating Transactions	<u>2,678,222</u>	<u>5,127,079</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,270,763)	(4,872,354)
Total Capital Transactions	<u>(4,270,763)</u>	<u>(4,872,354)</u>
Financing Transactions		
Capital Revenue Received	3,506,195	4,196,391
Total Financing Transactions	<u>3,506,195</u>	<u>4,196,391</u>
Investing Transactions		
Disposal of Portfolio Investments	87,842	44,801
Total Investing Transactions	<u>87,842</u>	<u>44,801</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,001,496</u>	<u>4,495,917</u>
Cash and Cash Equivalents, beginning of year	<u>15,945,527</u>	<u>11,449,610</u>
Cash and Cash Equivalents, end of year	<u>17,947,023</u>	<u>15,945,527</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>17,947,023</u>	<u>15,945,527</u>
	<u>17,947,023</u>	<u>15,945,527</u>

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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.

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 certain government transfers as set out in Notes 2(f) and 2(l).

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

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

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

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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

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.

d) Portfolio Investments

The School District has investments in equity instruments and mutual funds with no maturity date and bonds with a maturity date of greater than 3 months at the time of acquisition. Bonds not quoted in an active market are measured at cost or amortized cost. Portfolio investments in equity instruments that are quoted in an active market are measured at fair value and the associated transaction costs are expensed upon recognition. The change in fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are disposed. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

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 is recognized in the 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).

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

f) Deferred Revenue and Deferred Capital Revenue *(Continued)*

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.

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 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) Asset Retirement Obligation

A liability is recognized when, as at the financial reporting date:

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

A liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District was initially recognized using the modified retroactive method. The liability is

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

h) Asset Retirement Obligation *(Continued)*

measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs are capitalized into the carrying amount of tangible capital assets and are amortized on the same basis as the related tangible capital asset (see note 2(i)). The liability is reviewed annually and adjusted prospectively to reflect current market conditions in estimated costs.

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 tangible 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, 2024

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).

l) Revenue Recognition

Revenue is recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenue, 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, in deferred capital revenue, at fair market value and amortized to revenue over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

1) Revenue Recognition *(Continued)*

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

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

m) Expenses

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

Categories of Salaries

- Principals, 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, 2024

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, and accounts payable and accrued liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are measured at fair value, all financial assets and liabilities are measured at cost or amortized cost and the associated transactions costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

o) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 3 CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are funds in the amount of \$1,066,512 (2023 - \$1,024,293), 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

	2024	2023
Goods and Services Tax recoverable	\$ 317,387	\$ 153,526
Due from Other School Districts	312,710	285,760
Other	332,405	507,980
Total Accounts Receivable – Other	\$ 962,502	\$ 947,266

NOTE 5 PORTFOLIO INVESTMENTS

Financial instruments which are recorded at fair value on the statement of financial position, are classified into one of three hierarchy levels. Each level is based upon the significance of the inputs used to measure the fair value. The hierarchy levels are as follows:

- Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments

	2024	2023
Investments in fair value category – Level 1		
Cash	\$ 30,846	\$ 7,803
Canadian corporate bonds	48,034	48,091
Canadian equity instruments	27,252	28,515
Canadian mutual funds	269,864	349,666
Total Portfolio Investments	\$ 375,996	\$ 434,075

The fair value of portfolio investments exceeded its cost amount, as at June 30, 2024, by \$91,871 (2023 - \$62,108), which is presented in the statement of remeasurement gains and losses.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2024	2023
Trade	\$ 2,059,847	\$ 1,854,345
Salaries and benefits	3,063,663	3,057,971
Accrued vacation pay	584,850	541,986
Other – summer teachers’ savings plan	1,066,512	1,024,293
Total Accounts Payable and Accrued Liabilities - Other	\$ 6,774,872	\$ 6,478,595

NOTE 7 UNEARNED REVENUE

	2024	2023
Balance, beginning of year	\$ 937,494	\$ 966,194
Tuition fees collected	542,471	937,494
Tuition fees recognized in revenue	(937,494)	(996,194)
Total Unearned Revenue	\$ 542,471	\$ 937,494

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.

	2024	2023
Balance, beginning of year	\$ 2,798,945	\$ 2,754,297
Provincial grants received	13,440,938	11,107,040
Other revenue received	2,142,160	1,762,662
Investment income	3,987	(2,274)
Revenue recognized	(15,503,827)	(12,709,801)
Revenue recovered	(92,020)	(112,979)
Total Deferred Revenue	\$ 2,790,183	\$ 2,798,945

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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.

	2024	2023
<u>Deferred capital revenue subject to amortization</u>		
Balance, beginning of year	\$ 49,842,247	\$ 48,321,402
Transfers from deferred capital revenue – unspent portion	3,471,588	4,380,196
Amortization of deferred capital revenue	(2,955,837)	(2,859,351)
Balance, end of year	\$ 50,357,998	\$ 49,842,247
 <u>Deferred capital revenue – unspent portion</u>		
Balance, beginning of year	\$ 763,614	\$ 947,419
Provincial grants – Ministry of Education and Child Care	3,464,020	4,148,072
Provincial grants - Other	42,175	48,319
Transfer to deferred capital revenue	(3,471,588)	(4,380,196)
Balance, end of year	\$ 798,221	\$ 763,614
 Total Deferred Capital Revenue	\$ 51,156,219	\$ 50,605,861

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.

	2024	2023
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,407,217	\$ 1,479,881
Service Cost	126,832	128,958
Interest Cost	57,774	48,349
Benefit Payments	(53,890)	(103,057)
Actuarial (Gain) Loss	(147,101)	(146,914)
Accrued Benefit Obligation	\$ 1,390,832	\$ 1,407,217

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 10 **EMPLOYEE FUTURE BENEFITS** *(Continued)*

	2024	2023
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Liability – March 31	\$ 1,390,832	\$ 1,407,217
Benefits expense after measurement date	46,586	46,152
Unamortized net actuarial (gain) loss	341,907	187,142
Accrued Benefit Liability – June 30	\$ 1,779,325	\$ 1,640,511
 Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 1,640,511	\$ 1,488,524
Net expense for fiscal year	192,703	209,241
Employer contributions	(53,889)	(57,254)
Accrued Benefit Liability – June 30	\$ 1,779,325	\$ 1,640,511
 Components of Net Benefit Expense		
Service cost	\$ 126,433	\$ 128,426
Interest cost	58,607	50,705
Amortization of net actuarial (gain) loss	7,663	30,110
Net benefit expense	\$ 192,703	\$ 209,241

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

	2024	2023
Discount rate – April 1	4.00%	3.25%
Discount rate – March 31	4.25%	4.00%
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	9.2

NOTE 11 **TANGIBLE CAPITAL ASSETS**

Net Book Value:	2024	2023
Sites	\$ 8,958,823	\$ 8,958,823
Buildings	60,045,701	59,608,991
Vehicles	2,412,330	2,728,753
Furniture and Equipment	1,151,020	829,691
Computer Hardware	465,728	581,397
Total	\$ 73,033,602	\$ 72,707,655

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2024

	Opening Cost	Additions	Disposals	Closing Cost
Sites	\$ 8,958,823	\$ -	\$ -	\$ 8,958,823
Buildings	146,702,369	3,437,751	-	150,140,120
Vehicles	5,111,164	176,231	(545,473)	4,741,922
Furniture and equipment	1,393,569	479,249	(107,994)	1,764,824
Computer hardware	1,679,520	177,532	(604,549)	1,252,503
Total	\$ 163,845,445	\$ 4,270,763	\$ (1,258,016)	\$ 166,858,192

	Opening Accumulated Amortization	Additions	Disposals	Closing Accumulated Amortization
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	87,093,378	3,001,041	-	90,094,419
Vehicles	2,382,411	492,654	(545,473)	2,329,592
Furniture and equipment	563,878	157,920	(107,994)	613,804
Computer hardware	1,098,123	293,201	(604,549)	786,775
Total	\$ 91,137,790	\$ 3,944,816	\$ (1,258,016)	\$ 93,824,590

June 30, 2023

	Opening Cost	Additions	Disposals	Closing Cost
Sites	\$ 8,958,823	\$ -	\$ -	\$ 8,958,823
Buildings	143,581,294	3,121,075	-	146,702,369
Vehicles	4,229,708	1,347,270	(465,814)	5,111,164
Furniture and equipment	1,226,856	261,047	(94,334)	1,393,569
Computer hardware	1,536,558	142,962	-	1,679,520
Total	\$ 159,533,239	\$ 4,872,354	\$ (560,148)	\$ 163,845,445

	Opening Accumulated Amortization	Additions	Disposals	Closing Accumulated Amortization
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	84,148,271	2,945,107	-	87,093,378
Vehicles	2,381,181	467,044	(465,814)	2,382,411
Furniture and equipment	527,191	131,021	(94,334)	563,878
Computer hardware	776,516	321,607	-	1,098,123
Total	\$ 87,833,159	\$ 3,864,779	\$ (560,148)	\$ 91,137,790

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 12 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, 2023, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2023, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3.761 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$5.473 million for employer contributions to the plans for the year ended June 30, 2024 (2023: \$4.952 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, 2024.

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2024, were as follows:

- Tangible capital assets purchased from operating funds - \$615,288 (2023 - \$389,373)
- Tangible capital assets purchased from special purpose funds - \$183,887 (2023 - \$102,785)

NOTE 14 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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has 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.

	2025	2026	2027
Computer Hardware	\$ 294,855	\$ 24,938	\$ -
Furniture & Equipment	157,303	-	-
Vehicle Leases	39,549	37,675	17,054
	<u>\$ 491,707</u>	<u>\$ 62,613</u>	<u>\$ 17,054</u>

NOTE 16 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 settlement 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.

NOTE 17 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 13, 2024, whereas the original budget was approved by the Board on May 9, 2023. Significant changes between the original and amended budget are as follows:

	Annual Budget	Change	Amended Annual Budget
Revenue			
Provincial Grants			
Ministry of Education and Child Care	\$ 73,625,661	\$ 3,677,839	\$ 77,303,500
Other	385,676	15,009	400,685
Tuition	1,654,150	(455,700)	1,198,450
Other Revenue	1,810,616	37,752	1,848,368
Rentals and Leases	64,000	26,000	90,000
Investment Income	116,000	392,000	508,000
Amortization of Deferred Capital Revenue	2,988,080	14,436	3,002,516
Total Revenue	<u>80,644,183</u>	<u>3,707,336</u>	<u>84,351,519</u>

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 17 BUDGET FIGURES *(Continued)*

Expenses			
Instruction	60,638,228	2,231,088	62,869,316
District Administration	4,316,337	457,773	4,774,110
Operations and Maintenance	12,981,697	149,058	13,130,755
Transportation and Housing	3,370,141	103,987	3,474,128
Total Expenses	81,306,403	2,941,906	84,248,309
Budgeted Surplus (Deficit) for the year	(662,220)	765,430	103,210

NOTE 18 EXPENSE BY OBJECT

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

	2024	2023
Salaries and benefits	\$ 66,886,297	\$ 59,669,933
Services and supplies	12,059,626	11,448,083
Amortization of tangible capital assets	3,944,816	3,864,779
Total Expenses by Object	\$ 82,890,739	\$ 74,982,795

NOTE 19 ACCUMULATED SURPLUS

The operating fund accounts for the School District’s operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the operating fund, whereby budgeted expenditures do not exceed the total of the budgeted revenue plus any surplus in the operating fund carried forward from the previous year.

	2024	2023
Operating Fund Accumulated Surplus		
Internally Restricted/Appropriated by the Board:		
Due to Nature of Constraints on the Fund	\$ 110,769	\$ 149,173
For Unanticipated Unusual Expenses	350,000	100,000
For Operations Spanning Multiple School Years	3,661,635	2,434,633
Total Internally Restricted Operating Surplus	4,122,404	2,683,806
Unrestricted Operating Surplus	3,331,850	2,475,897
Total Operating Fund Accumulated Surplus	7,454,254	5,159,703
Capital Fund Accumulated Surplus		
Internally Restricted/Appropriated by the Board for:		
Facilities equipment and vehicles	147,668	139,939
Total Internally Restricted Capital Surplus	147,668	139,939
Unrestricted Capital Surplus	20,435,068	20,624,872
Total Capital Fund Accumulated Surplus	20,582,736	20,764,811

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 19 **ACCUMULATED SURPLUS** *(Continued)*

Total Accumulated Surplus from Operations	28,036,990	25,924,514
Accumulated Remeasurement Gains	91,871	62,108
Accumulated Surplus	\$ 28,128,861	\$ 25,986,622

NOTE 20 **ECONOMIC DEPENDENCE**

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

NOTE 21 **RISK MANAGEMENT**

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

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

a) Credit risk:

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

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

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

b) Market 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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 21 **RISK MANAGEMENT** *(Continued)*

b) Market risk *(Continued)*:

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.

School District No. 8 (Kootenay Lake)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2024

	Operating Fund	Special Purpose Fund	Capital Fund	2024 Actual	2023 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,159,703		20,764,811	25,924,514	22,749,350
Changes for the year					
Surplus (Deficit) for the year	2,909,839	183,887	(981,250)	2,112,476	3,175,164
Interfund Transfers					
Tangible Capital Assets Purchased	(615,288)	(183,887)	799,175	-	
Net Changes for the year	2,294,551	-	(182,075)	2,112,476	3,175,164
Accumulated Surplus (Deficit), end of year - Statement 2	7,454,254	-	20,582,736	28,036,990	25,924,514
Accumulated Remeasurement Gains (Losses) - Statement 3		91,871		91,871	62,108
	7,454,254	91,871	20,582,736	28,128,861	25,986,622

School District No. 8 (Kootenay Lake)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	63,567,090	63,772,531	59,588,322
Other	296,176	307,036	291,137
Tuition	1,198,450	1,161,627	1,721,799
Other Revenue	551,368	643,903	592,451
Rentals and Leases	90,000	121,783	112,997
Investment Income	483,000	528,942	274,554
Total Revenue	<u>66,186,084</u>	<u>66,535,822</u>	<u>62,581,260</u>
Expenses			
Instruction	48,019,734	46,666,137	42,904,269
District Administration	4,774,110	4,609,060	4,373,441
Operations and Maintenance	8,942,809	9,149,903	8,326,630
Transportation and Housing	3,449,431	3,200,883	2,906,660
Total Expense	<u>65,186,084</u>	<u>63,625,983</u>	<u>58,511,000</u>
Operating Surplus (Deficit) for the year	<u>1,000,000</u>	<u>2,909,839</u>	<u>4,070,260</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	<u>(1,000,000)</u>	<u>(615,288)</u>	<u>(389,373)</u>
Total Net Transfers	<u>(1,000,000)</u>	<u>(615,288)</u>	<u>(389,373)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>2,294,551</u>	<u>3,680,887</u>
Operating Surplus (Deficit), beginning of year		<u>5,159,703</u>	<u>1,478,816</u>
Operating Surplus (Deficit), end of year		<u><u>7,454,254</u></u>	<u><u>5,159,703</u></u>
Operating Surplus (Deficit), end of year			
Internally Restricted		<u>4,122,404</u>	<u>2,683,806</u>
Unrestricted		<u>3,331,850</u>	<u>2,475,897</u>
Total Operating Surplus (Deficit), end of year		<u><u>7,454,254</u></u>	<u><u>5,159,703</u></u>

School District No. 8 (Kootenay Lake)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	61,835,495	62,074,291	56,709,254
ISC/LEA Recovery	(87,632)	(135,431)	(78,012)
Other Ministry of Education and Child Care Grants			
Pay Equity	300,996	300,996	300,996
Funding for Graduated Adults	14,147	27,872	16,348
Student Transportation Fund	419,602	419,602	419,602
Support Staff Benefits Grant	-	-	725
FSA Scorer Grant	8,187	8,187	8,187
Labour Settlement Funding	1,018,885	1,018,885	2,168,022
NGN Self-Provisioned Site Grant	52,410	53,129	43,200
Equity Scan Grant	5,000	5,000	-
Total Provincial Grants - Ministry of Education and Child Care	63,567,090	63,772,531	59,588,322
Provincial Grants - Other	296,176	307,036	291,137
Tuition			
International and Out of Province Students	1,158,450	1,103,127	1,692,799
Distance Education/Correspondence Course Fees	40,000	58,500	29,000
Total Tuition	1,198,450	1,161,627	1,721,799
Other Revenues			
Other School District/Education Authorities	367,018	392,425	344,676
Funding from First Nations	87,632	135,431	78,012
Miscellaneous			
Private School Bussing	67,348	50,391	62,716
Cultural Grants	10,370		10,370
Miscellaneous	15,000	47,378	2,892
After School Program Fees	4,000	18,278	17,550
Porceeds on Disposal of Vehicle			76,235
Total Other Revenue	551,368	643,903	592,451
Rentals and Leases	90,000	121,783	112,997
Investment Income	483,000	528,942	274,554
Total Operating Revenue	66,186,084	66,535,822	62,581,260

School District No. 8 (Kootenay Lake)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2024

	2024 Budget (Note 17)	2024 Actual	2023 Actual
	\$	\$	\$
Salaries			
Teachers	22,759,615	22,490,810	20,597,715
Principals and Vice Principals	4,420,655	4,429,781	4,079,725
Educational Assistants	3,614,535	3,410,656	2,998,257
Support Staff	7,440,581	7,487,358	6,812,096
Other Professionals	2,602,102	2,599,474	2,406,001
Substitutes	3,371,661	3,066,477	2,808,524
Total Salaries	44,209,149	43,484,556	39,702,318
Employee Benefits	11,255,197	11,196,496	10,076,100
Total Salaries and Benefits	55,464,346	54,681,052	49,778,418
Services and Supplies			
Services	2,552,661	2,333,444	2,425,920
Student Transportation	340,309	339,750	300,049
Professional Development and Travel	932,742	773,344	840,609
Rentals and Leases	79,891	87,590	36,629
Dues and Fees	118,682	90,098	112,113
Insurance	177,539	158,069	171,324
Supplies	3,745,465	3,400,858	3,165,357
Utilities	1,774,449	1,761,778	1,680,581
Total Services and Supplies	9,721,738	8,944,931	8,732,582
Total Operating Expense	65,186,084	63,625,983	58,511,000

School District No. 8 (Kootenay Lake)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2024

	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	19,920,307					2,036,979	21,957,286
1.03 Career Programs							-
1.07 Library Services	111,626			87,386		161	199,173
1.08 Counselling	104,013						104,013
1.10 Special Education	1,483,602		3,283,687	63,921	176,875	301,935	5,310,020
1.30 English Language Learning	90,362						90,362
1.31 Indigenous Education	707,555	136,271	126,969			8,130	978,925
1.41 School Administration		3,981,556		1,244,959		133,463	5,359,978
1.62 International and Out of Province Students	73,345	192,416		81,177			346,938
1.64 Other							-
Total Function 1	22,490,810	4,310,243	3,410,656	1,477,443	176,875	2,480,668	34,346,695
4 District Administration							
4.11 Educational Administration		119,538			643,356		762,894
4.40 School District Governance					188,293		188,293
4.41 Business Administration				337,420	1,141,389	2,203	1,481,012
Total Function 4	-	119,538	-	337,420	1,973,038	2,203	2,432,199
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				49,644	375,408		425,052
5.50 Maintenance Operations				3,612,807		337,761	3,950,568
5.52 Maintenance of Grounds				190,749		65,098	255,847
5.56 Utilities							-
Total Function 5	-	-	-	3,853,200	375,408	402,859	4,631,467
7 Transportation and Housing							
7.41 Transportation and Housing Administration				49,404	74,153	1,494	125,051
7.70 Student Transportation				1,769,891		179,253	1,949,144
Total Function 7	-	-	-	1,819,295	74,153	180,747	2,074,195
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	22,490,810	4,429,781	3,410,656	7,487,358	2,599,474	3,066,477	43,484,556

School District No. 8 (Kootenay Lake)

Operating Expense by Function, Program and Object

Year Ended June 30, 2024

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2024 Actual	2024 Budget (Note 17)	2023 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,957,286	5,620,933	27,578,219	2,037,456	29,615,675	30,884,852	27,235,703
1.03 Career Programs	-	-	-	1,205	1,205	2,000	2,181
1.07 Library Services	199,173	58,406	257,579	47,518	305,097	289,159	196,225
1.08 Counselling	104,013	34,956	138,969	(328)	138,641	148,181	251,074
1.10 Special Education	5,310,020	1,552,247	6,862,267	286,006	7,148,273	7,300,457	6,337,268
1.30 English Language Learning	90,362	25,615	115,977	-	115,977	-	-
1.31 Indigenous Education	978,925	259,148	1,238,073	215,600	1,453,673	1,568,284	1,367,628
1.41 School Administration	5,359,978	1,260,689	6,620,667	200,441	6,821,108	6,806,260	6,157,924
1.62 International and Out of Province Students	346,938	75,081	422,019	644,469	1,066,488	1,020,541	1,356,206
1.64 Other	-	-	-	-	-	-	60
Total Function 1	34,346,695	8,887,075	43,233,770	3,432,367	46,666,137	48,019,734	42,904,269
4 District Administration							
4.11 Educational Administration	762,894	149,305	912,199	281,462	1,193,661	1,372,518	1,086,854
4.40 School District Governance	188,293	10,677	198,970	238,627	437,597	488,319	482,133
4.41 Business Administration	1,481,012	351,634	1,832,646	1,145,156	2,977,802	2,913,273	2,804,454
Total Function 4	2,432,199	511,616	2,943,815	1,665,245	4,609,060	4,774,110	4,373,441
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	425,052	93,138	518,190	312,033	830,223	770,573	800,889
5.50 Maintenance Operations	3,950,568	1,076,854	5,027,422	878,122	5,905,544	5,785,290	5,292,856
5.52 Maintenance of Grounds	255,847	71,751	327,598	120,609	448,207	428,685	396,757
5.56 Utilities	-	-	-	1,965,929	1,965,929	1,958,261	1,836,128
Total Function 5	4,631,467	1,241,743	5,873,210	3,276,693	9,149,903	8,942,809	8,326,630
7 Transportation and Housing							
7.41 Transportation and Housing Administration	125,051	33,494	158,545	33,694	192,239	245,269	89,839
7.70 Student Transportation	1,949,144	522,568	2,471,712	536,932	3,008,644	3,204,162	2,816,821
Total Function 7	2,074,195	556,062	2,630,257	570,626	3,200,883	3,449,431	2,906,660
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	43,484,556	11,196,496	54,681,052	8,944,931	63,625,983	65,186,084	58,511,000

School District No. 8 (Kootenay Lake)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	13,736,410	13,284,431	10,898,042
Other	104,509	84,302	42,366
Other Revenue	1,297,000	2,116,850	1,771,667
Investment Income	16,000	18,244	(2,274)
Total Revenue	<u>15,153,919</u>	<u>15,503,827</u>	<u>12,709,801</u>
Expenses			
Instruction	14,849,582	14,972,412	12,058,695
District Administration		49,476	81,968
Operations and Maintenance	179,640	273,355	441,593
Transportation and Housing	24,697	24,697	24,760
Total Expense	<u>15,053,919</u>	<u>15,319,940</u>	<u>12,607,016</u>
Special Purpose Surplus (Deficit) for the year	<u>100,000</u>	<u>183,887</u>	<u>102,785</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(100,000)	(183,887)	(102,785)
Total Net Transfers	<u>(100,000)</u>	<u>(183,887)</u>	<u>(102,785)</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, 2024

	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			696,218	1,434,416	70,549	4,114	26,808	42,624	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	279,640	233,351			160,000	39,200	129,101	733,454	226,647
Provincial Grants - Other				2,063,387					
Other				18,244					
Investment Income			(3,727)						
	279,640	233,351	(3,727)	2,081,631	160,000	39,200	129,101	733,454	226,647
Less: Allocated to Revenue	279,640	233,351	32,162	2,088,976	174,196	43,314	115,909	740,104	226,647
Recovered							40,000		
Deferred Revenue, end of year	-	-	660,329	1,427,071	56,353	-	-	35,974	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	279,640	233,351			174,196	43,314	115,909	740,104	226,647
Provincial Grants - Other									
Other Revenue			32,162	2,070,732					
Investment Income				18,244					
	279,640	233,351	32,162	2,088,976	174,196	43,314	115,909	740,104	226,647
Expenses									
Salaries									
Teachers							14,044	38,320	
Principals and Vice Principals									
Educational Assistants		175,532				21,040	25,930	434,491	
Support Staff									167,207
Other Professionals							14,514		
Substitutes						7,068	2,025		
	-	175,532	-	-	-	28,108	56,513	472,811	167,207
Employee Benefits		57,819				7,350	18,256	153,794	45,732
Services and Supplies	95,753		32,162	2,088,976	174,196	7,856	41,140	113,499	13,708
	95,753	233,351	32,162	2,088,976	174,196	43,314	115,909	740,104	226,647
Net Revenue (Expense) before Interfund Transfers	183,887	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(183,887)								
	(183,887)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	52,020	-	-	9,966	8,472	108,594	244,058	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	10,254,201	177,984	24,697	55,000		55,400	79,000	100,000	19,000
Provincial Grants - Other									
Other									
Investment Income									
	10,254,201	177,984	24,697	55,000	-	55,400	79,000	100,000	19,000
Less: Allocated to Revenue									
Recovered	10,254,201	159,723	24,697	55,000	1,663	47,938	102,619	140,154	10,571
		52,020							
Deferred Revenue, end of year	-	18,261	-	-	8,303	15,934	84,975	203,904	8,429
Revenues									
Provincial Grants - Ministry of Education and Child Care	10,254,201	159,723	24,697	55,000	1,663	47,938	102,619	140,154	10,571
Provincial Grants - Other									
Other Revenue									
Investment Income									
	10,254,201	159,723	24,697	55,000	1,663	47,938	102,619	140,154	10,571
Expenses									
Salaries									
Teachers	8,269,592			44,605					
Principals and Vice Principals							64,467		
Educational Assistants						35,667		1,184	
Support Staff									
Other Professionals							14,935		
Substitutes		134,535			1,487				
	8,269,592	134,535	-	44,605	1,487	35,667	79,402	1,184	-
Employee Benefits	1,984,609	25,188		10,395	176	11,841	17,535	436	
Services and Supplies			24,697			430	5,682	138,534	10,571
	10,254,201	159,723	24,697	55,000	1,663	47,938	102,619	140,154	10,571
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

Schedule 3A (Unaudited)

	ECL (Early Care & Learning)	Feeding Futures Fund	After School Sports and Arts Grant	Health Promoting Schools	Donations	Work Experience Enhancement Initiative	Health Care Work Experiental Learning	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	62,134	-	38,972	-	-	2,798,945
Add: Restricted Grants								
Provincial Grants - Ministry of Education and Child Care	175,000	644,263				50,000	5,000	13,440,938
Provincial Grants - Other			20,500	31,516				52,016
Other					16,227			2,079,614
Investment Income								14,517
	175,000	644,263	20,500	31,516	16,227	50,000	5,000	15,587,085
Less: Allocated to Revenue	175,000	499,704	52,786	31,516	13,956	-	-	15,503,827
Recovered								92,020
Deferred Revenue, end of year	-	144,559	29,848	-	41,243	50,000	5,000	2,790,183
Revenues								
Provincial Grants - Ministry of Education and Child Care	175,000	499,704						13,284,431
Provincial Grants - Other			52,786	31,516				84,302
Other Revenue					13,956			2,116,850
Investment Income								18,244
	175,000	499,704	52,786	31,516	13,956	-	-	15,503,827
Expenses								
Salaries								
Teachers				25,659				8,392,220
Principals and Vice Principals	142,345							206,812
Educational Assistants		89,225						783,069
Support Staff								167,207
Other Professionals		65,623						95,072
Substitutes								145,115
	142,345	154,848	-	25,659	-	-	-	9,789,495
Employee Benefits	32,655	44,107		5,857				2,415,750
Services and Supplies		300,749	52,786		13,956			3,114,695
	175,000	499,704	52,786	31,516	13,956	-	-	15,319,940
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	183,887
Interfund Transfers								
Tangible Capital Assets Purchased								(183,887)
	-	-	-	-	-	-	-	(183,887)
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2024

	2024	2024 Actual			2023
	Budget (Note 17)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Investment Income	9,000		7,729	7,729	7,547
Amortization of Deferred Capital Revenue	3,002,516	2,955,837		2,955,837	2,859,351
Total Revenue	<u>3,011,516</u>	<u>2,955,837</u>	<u>7,729</u>	<u>2,963,566</u>	<u>2,866,898</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,008,306	3,944,816		3,944,816	3,864,779
Total Expense	<u>4,008,306</u>	<u>3,944,816</u>	<u>-</u>	<u>3,944,816</u>	<u>3,864,779</u>
Capital Surplus (Deficit) for the year	<u>(996,790)</u>	<u>(988,979)</u>	<u>7,729</u>	<u>(981,250)</u>	<u>(997,881)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,100,000	799,175		799,175	492,158
Total Net Transfers	<u>1,100,000</u>	<u>799,175</u>	<u>-</u>	<u>799,175</u>	<u>492,158</u>
Total Capital Surplus (Deficit) for the year	<u>103,210</u>	<u>(189,804)</u>	<u>7,729</u>	<u>(182,075)</u>	<u>(505,723)</u>
Capital Surplus (Deficit), beginning of year		<u>20,624,872</u>	<u>139,939</u>	<u>20,764,811</u>	<u>21,270,534</u>
Capital Surplus (Deficit), end of year		<u>20,435,068</u>	<u>147,668</u>	<u>20,582,736</u>	<u>20,764,811</u>

School District No. 8 (Kootenay Lake)

Tangible Capital Assets
Year Ended June 30, 2024

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,958,823	146,702,369	1,393,569	5,111,164	-	1,679,520	163,845,445
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,246,296	217,724				3,464,020
Deferred Capital Revenue - Other		7,568					7,568
Operating Fund			261,525	176,231		177,532	615,288
Special Purpose Funds		183,887					183,887
	-	3,437,751	479,249	176,231	-	177,532	4,270,763
Decrease:							
Deemed Disposals			107,994	545,473		604,549	1,258,016
	-	-	107,994	545,473	-	604,549	1,258,016
Cost, end of year	8,958,823	150,140,120	1,764,824	4,741,922	-	1,252,503	166,858,192
Work in Progress, end of year							-
Cost and Work in Progress, end of year	8,958,823	150,140,120	1,764,824	4,741,922	-	1,252,503	166,858,192
Accumulated Amortization, beginning of year		87,093,378	563,878	2,382,411		1,098,123	91,137,790
Changes for the Year							
Increase: Amortization for the Year		3,001,041	157,920	492,654		293,201	3,944,816
Decrease:							
Deemed Disposals			107,994	545,473		604,549	1,258,016
		-	107,994	545,473	-	604,549	1,258,016
Accumulated Amortization, end of year		90,094,419	613,804	2,329,592	-	786,775	93,824,590
Tangible Capital Assets - Net	8,958,823	60,045,701	1,151,020	2,412,330	-	465,728	73,033,602

School District No. 8 (Kootenay Lake)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2024

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	47,721,951	1,882,034	238,262	49,842,247
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,464,020	7,568		3,471,588
	3,464,020	7,568	-	3,471,588
Decrease:				
Amortization of Deferred Capital Revenue	2,849,500	96,993	9,344	2,955,837
	2,849,500	96,993	9,344	2,955,837
Net Changes for the Year	614,520	(89,425)	(9,344)	515,751
Deferred Capital Revenue, end of year	48,336,471	1,792,609	228,918	50,357,998
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	48,336,471	1,792,609	228,918	50,357,998

School District No. 8 (Kootenay Lake)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2024

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	763,614	-	-	-	763,614
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	3,464,020					3,464,020
Investment Income		42,175				42,175
	<u>3,464,020</u>	<u>42,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,506,195</u>
Decrease:						
Transferred to DCR - Capital Additions	3,464,020	7,568				3,471,588
	<u>3,464,020</u>	<u>7,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,471,588</u>
Net Changes for the Year	<u>-</u>	<u>34,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,607</u>
Balance, end of year	<u>-</u>	<u>798,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>798,221</u>