

Audited Financial Statements of

School District No. 91 (Nechako Lakes)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 91 (Nechako Lakes)

June 30, 2023

Table of Contents

Management Report	1
Independent Auditors' Report	2-3
Statement of Financial Position - Statement 1	4
Statement of Operations - Statement 2	5
Statement of Changes in Net Debt - Statement 4	6
Statement of Cash Flows - Statement 5	7
Notes to the Financial Statements	8-29
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	30
Schedule of Operating Operations - Schedule 2 (Unaudited)	31
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	32
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	33
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	34
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	36
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	37
Schedule of Capital Operations - Schedule 4 (Unaudited)	40
Schedule 4A - Tangible Capital Assets (Unaudited)	41
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	42
Schedule 4C - Deferred Capital Revenue (Unaudited)	43
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	44

School District No. 91 (Nechako Lakes)

MANAGEMENT REPORT

Version: 3892-3146-1164

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 91 (Nechako Lakes) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 91 (Nechako Lakes) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and externally audited financial statements yearly.

The external auditors, MNP 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. 91 (Nechako Lakes) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 91 (Nechako Lakes)

Original Signed

Sept 25, 2023

Signature of the Chairperson of the Board of Education

Date Signed
Sept 25, 2023

Original Signed

Signature of the Superintendent

Date Signed
Sept 25, 2023

Original Signed

Signature of the Secretary Treasurer

Date Signed

To the Board of Education of School District No. 91 (Nechako Lakes), and
To the Minister of Education, Province of British Columbia:

Opinion

We have audited the financial statements of School District No. 91 (Nechako Lakes) (the "School District"), which comprise the statement of financial position as at June 30, 2023, 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 present fairly, in all material respects, the financial position of the School District as at June 30, 2023, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with the financial reporting provisions 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 (the "special purpose framework").

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(a) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the School District in complying with the special purpose framework. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises Unaudited Schedules 1-4D attached to the audited financial statements and Financial Statement Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the special purpose framework 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Prince George, British Columbia

September 25, 2023

MNP LLP

Chartered Professional Accountants

School District No. 91 (Nechako Lakes)

Statement 1

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	16,435,142	16,087,180
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	292,301	376,039
Due from First Nations	615,771	26,581
Other (Note 3)	232,767	242,385
Portfolio Investments (Note 4)	80,193	64,871
Total Financial Assets	17,656,174	16,797,056
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	2,120	
Other (Note 5)	5,134,122	5,035,400
Unearned Revenue (Note 6)		3,450
Deferred Revenue (Note 7)	3,521,529	3,707,199
Deferred Capital Revenue (Note 8)	43,036,386	41,052,865
Employee Future Benefits (Note 9)	3,594,531	3,574,773
Asset Retirement Obligation (Note 19)	6,462,634	6,462,634
Capital Lease Obligations (Note 10)	8,001	32,005
Total Liabilities	61,759,323	59,868,326
Net Debt	(44,103,149)	(43,071,270)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	64,100,123	64,189,329
Restricted Assets (Endowments) (Note 14)	195,367	195,243
Prepaid Expenses	360,850	437,671
Total Non-Financial Assets	64,656,340	64,822,243
Accumulated Surplus (Deficit)	20,553,191	21,750,973
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	20,553,191	21,750,973
Accumulated Remeasurement Gains (Losses)		
	20,553,191	21,750,973

Contractual Obligations (Note 17)

Approved by the Board

Original Signed Sept 25, 2023

Signature of the Chairperson of the Board of Education Date Signed

Original Signed Sept 25, 2023

Signature of the Superintendent Date Signed

Original Signed Sept 25, 2023

Signature of the Secretary Treasurer Date Signed

School District No. 91 (Nechako Lakes)

Statement 2

Statement of Operations

Year Ended June 30, 2023

	2023 Budget (Note 18) \$	2023 Actual \$	2022 Actual (Restated - Note 23) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	58,204,907	58,802,339	56,077,317
Other	32,215	55,716	19,675
Tuition	257,437	212,984	266,918
Other Revenue	7,653,418	8,692,724	8,487,273
Rentals and Leases	104,580	87,343	109,442
Investment Income	448,771	473,968	147,432
Gain (Loss) on Disposal of Tangible Capital Assets	(18,457)	13,113	100,033
Amortization of Deferred Capital Revenue	2,223,736	2,173,105	2,204,941
Total Revenue	68,906,607	70,511,292	67,413,031
Expenses			
Instruction	55,849,451	55,661,047	53,167,039
District Administration	3,227,686	3,378,645	2,958,094
Operations and Maintenance	9,314,906	9,159,336	8,847,111
Transportation and Housing	3,630,574	3,510,170	3,330,357
Total Expense	72,022,617	71,709,198	68,302,601
Surplus (Deficit) for the year, before endowment contributions	(3,116,010)	(1,197,906)	(889,570)
Endowment Contributions		124	32
Surplus (Deficit) for the year	(3,116,010)	(1,197,782)	(889,538)
Accumulated Surplus (Deficit) from Operations, beginning of year		21,750,973	22,640,511
Accumulated Surplus (Deficit) from Operations, end of year		20,553,191	21,750,973

School District No. 91 (Nechako Lakes)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 18) \$	2023 Actual \$	2022 Actual (Restated - Note 23) \$
Surplus (Deficit) for the year	(3,116,010)	(1,197,782)	(889,538)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,302,987)	(3,020,415)	(3,379,167)
Amortization of Tangible Capital Assets	3,042,063	2,992,641	3,044,795
Net carrying value of Tangible Capital Assets disposed of	18,548	116,980	37,967
Total Effect of change in Tangible Capital Assets	(242,376)	89,206	(296,405)
Acquisition of Prepaid Expenses		(360,850)	(437,670)
Use of Prepaid Expenses		437,671	440,618
Endowment Contributions		(124)	(32)
Total Effect of change in Other Non-Financial Assets	-	76,697	2,916
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(3,358,386)	(1,031,879)	(1,183,027)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(1,031,879)	(1,183,027)
Net Debt, beginning of year		(43,071,270)	(41,888,243)
Net Debt, end of year		(44,103,149)	(43,071,270)

School District No. 91 (Nechako Lakes)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(1,197,782)	(889,538)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(495,835)	1,600,705
Prepaid Expenses	76,821	2,947
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	100,842	(798,493)
Unearned Revenue	(3,450)	3,450
Deferred Revenue	(185,670)	1,097,058
Employee Future Benefits	19,758	172,062
Loss (Gain) on Disposal of Tangible Capital Assets	(13,113)	(100,033)
Amortization of Tangible Capital Assets	2,992,641	3,044,795
Amortization of Deferred Capital Revenue	(2,173,105)	(2,204,941)
Recognition of Deferred Capital Revenue Spent on Sites	(300)	(15,937)
Total Operating Transactions	(879,193)	1,912,075
Capital Transactions		
Tangible Capital Assets Purchased	(463,757)	(1,614,510)
Tangible Capital Assets -WIP Purchased	(2,556,658)	(1,764,657)
District Portion of Proceeds on Disposal	100,001	138,000
Total Capital Transactions	(2,920,414)	(3,241,167)
Financing Transactions		
Capital Revenue Received	4,187,018	3,175,454
Endowment Contributions	(124)	(32)
Capital Lease Principal Payments	(24,003)	(24,003)
Total Financing Transactions	4,162,891	3,151,419
Investing Transactions		
Investments in Portfolio Investments	(15,322)	1,555
Total Investing Transactions	(15,322)	1,555
Net Increase (Decrease) in Cash and Cash Equivalents	347,962	1,823,882
Cash and Cash Equivalents, beginning of year	16,087,180	14,263,298
Cash and Cash Equivalents, end of year	16,435,142	16,087,180
Cash and Cash Equivalents, end of year, is made up of:		
Cash	16,435,142	16,087,180
	16,435,142	16,087,180

Or

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1 AUTHORITY AND PURPOSE

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. 91 (Nechako Lakes)", and operates as "School District No. 91 (Nechako Lakes)". A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 91 (Nechako Lakes) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transfer; 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.

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

a) Basis of Accounting (cont'd)

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Increase in Annual Surplus	\$ 1,983,521	\$ 954,576
Increase in Accumulated Surplus	\$ 43,036,386	\$ 41,052,865
Decrease in Deferred Contributions	\$ 43,036,386	\$ 41,052,865

b) Cash and Cash Equivalents

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

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 GIC's and term deposits that have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits, and other investments not quoted in an active market are reported at cost.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

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.

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

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(n).

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.

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) Asset Retirement Obligations

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

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

h) Asset Retirement Obligations (cont'd)

- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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

i) 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.

j) 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.

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

j) Tangible Capital Assets (cont'd)

- 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

k) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

l) Prepaid Expenses

Goods and services paid for, but not yet received at year-end are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

m) 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 15 – Interfund Transfers and Note 21 – Internally Restricted Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

n) 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; or
- 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.

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

Revenue related to fees or services received in advance of the fee being earned, or the service is performed, is deferred and recognized when the fee is earned, or service performed.

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

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

o) 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.

p) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

q) 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, accounts payable, and accrued liabilities.

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

q) Financial Instruments (cont'd)

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. 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 costs, the effective interest rate method is used to determine interest revenue or expense.

r) 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.

s) Future Changes in Accounting Policies

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
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2023	2022
Due from Federal Government	\$ 110,772	\$ 94,667
Other	121,995	147,718
	<u>\$ 232,767</u>	<u>\$ 242,385</u>

NOTE 4 PORTFOLIO INVESTMENTS

	2023	2022
Investments in the cost and amortized cost category:		
GIC's	\$ 40,823	\$ 40,823
Term deposits	39,370	24,048
	<u>\$ 80,193</u>	<u>\$ 64,871</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2023	2022
Trade payables	\$ 917,596	\$ 1,068,429
Salaries and benefits payable	3,582,475	3,062,690
Accrued vacation pay	634,051	904,281
	<u>\$ 5,134,122</u>	<u>\$ 5,035,400</u>

NOTE 6 UNEARNED REVENUE

	2023	2022
Balance, beginning of year	\$ 3,450	\$ 0
Changes for the year:		
Increase:		
Rents		3,450
Balance, end of year		<u>3,450</u>
Decrease:		
Rental	3,450	
Net changes for the year	<u>(3,450)</u>	<u>3,450</u>
Balance, end of year	<u>\$ 0</u>	<u>\$3,450</u>

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 7 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Deferred Revenue, Beginning of Year	\$ 3,707,199	\$ 2,610,141
 Add: Restricted Grants		
Provincial Grants	5,626,095	4,848,565
Other	1,784,082	3,544,401
Investment Income	118,022	31,784
	<u>11,235,398</u>	<u>11,034,891</u>
 Less:		
Allocated to Revenue	7,713,869	7,327,692
 Deferred Revenue, End of Year	<u><u>\$ 3,521,529</u></u>	<u><u>\$ 3,707,199</u></u>

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

	June 30, 2023	June 30, 2022
Deferred Capital Revenue, Beginning of Year	\$ 40,408,038	\$ 39,505,712
Transfers from Deferred Revenue		
Capital Additions	44,875	1,371,841
Transfers from Work in Progress	2,507,357	1,735,426
Amortization of Deferred Capital Revenue	(2,173,105)	(2,204,941)
Revenue Recognized on Disposal of Buildings	(30,092)	
	<u>\$ 40,757,073</u>	<u>\$ 40,408,038</u>
	June 30, 2023	June 30, 2022
Work in Progress, Beginning of Year	\$ 223,116	\$ 193,885
Transferred from Deferred Revenue		
Work in Progress	2,556,658	1,764,657
Work in Progress, End of Year	(2,507,357)	(1,735,426)
Net Changes for the Year	272,417	223,116
Total Deferred Capital Revenue, End of Year	<u>\$ 41,029,490</u>	<u>\$ 40,631,154</u>
	June 30, 2023	June 30, 2022
Changes in Unspent Deferred Capital Revenue		
Balance, Beginning of Year	\$ 421,711	\$ 398,692
Provincial Grants - Ministry of Education	3,879,018	3,163,470
Other	8,000	11,984
Med Restricted Portion of Proceeds on Disposal	300,000	
Transfers to DCR - Capital Additions	(44,875)	(1,371,841)
Transfers to DCR - Work in Progress	(2,556,658)	(1,764,657)
Transfers to revenue – Site Purchases	(300)	(15,937)
Balance, End of Year	<u>2,006,896</u>	<u>421,711</u>
	<u>\$ 43,036,386</u>	<u>\$ 41,052,865</u>

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 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.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 3,383,650	\$ 3,407,834
Service Cost	205,907	236,433
Interest Cost	111,333	86,423
Benefit Payments	(252,758)	(209,808)
Actuarial (Gain) Loss	(123,135)	(137,232)
Accrued Benefit Obligation – March 31	<u>\$ 3,324,997</u>	<u>\$ 3,383,650</u>

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation - March 31	\$ 3,324,997	\$ 3,383,650
Market Value of Plan Assets - March 31		
Funded Status - Surplus (Deficit)	(3,324,997)	(3,383,650)
Employer Contributions After Measurement Date	84,189	8,476
Benefits Expense After Measurement Date	(83,484)	(79,310)
Unamortized Net Actuarial (Gain) Loss	(270,239)	(120,289)
Accrued Benefit Asset (Liability) - June 30	<u>\$ (3,594,531)</u>	<u>\$ (3,574,773)</u>

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	\$ 3,574,773	\$ 3,402,711
Net Expense for Fiscal Year	348,229	360,743
Employer Contributions	(328,471)	(188,681)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 3,594,531</u>	<u>\$ 3,574,773</u>

Components of Net Benefit Expense

Service Cost	\$ 198,992	\$ 228,802
Interest Cost	136,114	92,651
Amortization of Net Actuarial (Gain)/Loss	13,331	39,291
Net Benefit Expense (Income)	<u>\$ 348,437</u>	<u>\$ 360,744</u>

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 EMPLOYEE FUTURE BENEFITS (Continued)

Assumptions

Discount Rate - April 1	3.25%	2.50%
Discount Rate - March 31	4.00%	3.25%
Long Term Salary Growth - April 1*	2.50%	2.50%
Long Term Salary Growth - March 31*	2.50%	2.50%
EARSL - March 31	11.0	11.0

Note: * +Seniority

NOTE 10 CAPITAL LEASE OBLIGATIONS

Wells Fargo Equipment Finance Company, non-interest bearing, repayable in monthly instalments of \$2,000, secured by equipment with a net book value of \$53,074.

	June 30, 2023	June 30, 2022
	\$ 8,001	\$ 32,005
Repayments Remaining:		
2023	8,001	
Total Minimum Lease Payments Remaining	\$ 8,001	

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2022 (restated see Note 23)	Net Book Value 2023
Sites	\$ 7,748,399	\$ 7,680,680
Buildings	53,000,888	53,189,575
Buildings - Work in Progress	223,116	272,417
Furniture & Equipment	933,178	915,153
Vehicles	2,270,313	2,034,779
Computer Software	3,050	1,831
Computer Hardware	10,385	5,688
Total	\$ 64,189,329	\$ 64,100,123

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2023	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2023
Sites	\$ 7,748,399	\$ 300	\$ (68,019)		\$ 7,680,680
Buildings	121,982,358	6,570,325	(2,433,143)	2,507,357	128,626,897
Buildings - Work in Progress	223,116	2,556,658		(2,507,357)	272,417
Furniture & Equipment	1,855,146	162,973	(253,308)		1,764,811
Vehicles	4,649,507	192,793	(925,273)		3,917,027
Computer Software	6,096				6,096
Computer Hardware	28,010		(9,053)		18,957
Total	\$ 136,492,632	\$ 9,483,049	\$ (3,688,796)	\$ 0	\$ 142,286,885

	Opening Accumulated Amortization (restated-Note 23)	Additions	Disposals	Total 2023
Buildings	\$ 68,981,470	\$ 8,840,034	\$ (2,384,182)	\$ 75,437,322
Furniture & Equipment	921,968	180,998	(253,308)	849,658
Vehicles	2,379,194	428,327	(925,273)	1,882,248
Computer Software	3,046	1,219		4,265
Computer Hardware	17,625	4,697	(9,053)	13,269
Total	\$ 72,303,303	\$ 9,455,275	\$ (3,571,816)	\$ 78,186,762

Included in Furniture & Equipment is leased equipment with a net book value of \$53,074 (\$2022 - \$59,708).

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2022

	Opening Cost (restated-Note 23)	ARO (see Note 19)	Additions	Disposals	Transfers (WIP)	Total 2022
Sites	\$ 7,770,429		\$ 15,937	\$ (37,967)		\$ 7,748,399
Buildings	112,944,717	6,462,634	843,607		1,731,400	121,982,358
Buildings Work in Progress	193,885		1,760,631		(1,731,400)	223,116
Furniture & Equipment	2,078,014		108,467	(331,335)		1,855,146
Vehicles	4,990,772		650,525	(991,790)		4,649,507
Computer Software	6,096					6,096
Computer Hardware	28,010					28,010
Total	\$ 128,011,923	\$ 6,462,634	\$ 3,379,167	\$(1,361,092)	\$ 0	\$ 136,492,632

	Accumulated Amortization (restated-Note 23)	ARO (see Note 19)	Additions	Disposals	Total 2022
Buildings	\$ 60,159,534	\$ 6,462,634	\$ 2,359,302	\$	\$ 68,981,470
Furniture & Equipment	1,056,645		196,658	(331,335)	921,968
Vehicles	2,888,970		482,014	(991,790)	2,379,194
Computer Software	1,827		1,219		3,046
Computer Hardware	12,023		5,602		17,625
Total	\$ 64,118,999	\$ 6,462,634	\$ 3,044,795	\$ (1,323,125)	\$ 72,303,303

Buildings – work in progress having a value of \$272,417 (2022: \$223,116) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

The School District disposed of the Former Burns Lake Maintenance/Bus Garage facility and Sowchea Elementary School.

Former Burns Lake Maintenance/Bus Garage

The former Burns Lake Maintenance/Bus Garage site was disposed of for \$1 to Carrier Sekani Family Services for the sole purpose of building and operating a Foundry. The building was erected in 1957 with additions in 2009, 2012, 2013, 2014, 2019 with costs of \$25,770.

Sowchea Elementary School

The provincial Inventory Policy for Real Property requires that properties which are surplus to government needs must be made available to other provincial ministries, agencies and bodies, such as BC Housing and Health Authorities, prior to disposal. This is a process facilitated by the Ministry of Citizens' Services, Strategic Real Estate Services (SRES), via the Enhanced Referral Process. The SRES received interest in Sowchea Elementary School from internal government agency. The purchaser was the Ministry of Transportation (*His Majesty the King in Right of the Province of British Columbia represented by the Minister responsible for the Transportation Act*). The original cost of land was \$68,019 in 1981 and the school was complete in 1983 for a cost of \$2,407,373. The proceeds of \$400,000 have been allocated as follows \$300,000 to Restricted Capital and \$100,000 to Local Capital.

NOTE 13 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

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

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 13 EMPLOYEE PENSION PLANS *(Continued)*

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 \$4,463,726 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$4,348,259).

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, with results available in 2025.

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 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the School District. One restriction is that the original contribution should not be spent. Another potential restriction is that any investment income of the endowment fund that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

	Balance	Contributions	Balance
	June 30, 2022	June 30, 2023	June 30, 2023
M. Goodwin	\$ 4,244	\$ 101	\$ 4,345
D. Bunting	5,500		5,500
Barteaux	70,717		70,717
Fortin	16,000		16,000
Holiday	8,500		8,500
Steinbach	5,200		5,200
T'Saiku	5,000		5,000
Hoffman	9,986		9,986
Nourse	10,000		10,000
Marks	10,000		10,000
JP Diemert	50,096	23	50,119
Total	\$ 195,243	\$ 124	\$ 195,367

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 15 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2023, were as follows:

	<u>2022-23</u>	<u>2021-22</u>
Transferred from operating funds to local capital	\$ 63,872	\$ 65,792
Transferred from operating funds to capital	\$ 10,265	\$ 15,414
Transferred from special purpose funds to capital	\$ 97,426	\$ 114,690

NOTE 16 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 17 CONTRACTUAL OBLIGATIONS

The School District has entered into multiple-year contracts for the lease of office equipment for 5 years. The lease is considered an operating lease, and the lease payments are charged to expenses when incurred. The cost of the lease is \$80,831 each year, starting in 2021/22 and ending at the end of the 2025/26 school year.

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 18 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 27, 2023. The Board adopted an annual budget on June 13, 2022. The amended budget is used for comparison purposes, as these are based on actual student enrollments. Reconciliation to the original approved budget is presented below:

	<u>Annual Budget</u>	<u>Amendments</u>	<u>Amended Annual Budget</u>
Revenue:			
Ministry of Education Provincial Grants	\$ 55,013,540	\$ 3,191,367	\$ 58,204,907
Other Provincial Ministry Grants	22,000	10,215	32,215
Tuition	260,000	(2,563)	257,437
Other Income	7,385,566	267,852	7,653,418
Rentals & Leases	86,880	17,700	104,580
Investment Income	316,471	132,300	448,771
Gain (Loss) on Disposal-Tangible Capital Assets		(18,457)	(18,457)
Amortization of Deferred Capital Revenue	2,229,830	(6,094)	2,223,736
Total Revenue	<u>\$ 65,314,287</u>	<u>\$ 3,592,320</u>	<u>\$ 68,906,607</u>
Expenses:			
Instruction	\$ 51,790,683	\$ 4,058,768	\$ 55,849,451
District Administration	3,035,496	192,190	3,227,686
Operations & Maintenance	9,078,423	236,483	9,314,906
Transportation & Housing	3,505,625	124,949	3,630,574
Total Expense	<u>\$ 67,410,227</u>	<u>\$ 4,612,390</u>	<u>\$ 72,022,617</u>
Net Revenue (Expense)	<u>\$ (2,095,940)</u>	<u>\$ (1,020,070)</u>	<u>\$ (3,116,010)</u>
Budgeted Allocation of Surplus	<u>1,500,349</u>	<u>1,064,723</u>	<u>2,565,072</u>
Budgeted Annual (Deficit), for the Year	<u><u>\$ (595,591)</u></u>	<u><u>\$ 44,653</u></u>	<u><u>\$ (550,938)</u></u>
Budgeted (Deficit), for the year comprised of:			
Capital Fund (Deficit)	(595,591)	44,653	(550,938)
Budgeted Annual (Deficit) for the Year	<u><u>\$ (595,591)</u></u>	<u><u>\$ 44,653</u></u>	<u><u>\$ (550,938)</u></u>

SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 19 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 23 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

Asset Retirement Obligation, July 1, 2022 (see Note 23)	\$ 6,462,634
Settlements during the year	
Asset Retirement Obligation, closing balance	<u>\$ 6,462,634</u>

NOTE 20 EXPENSE BY OBJECT

	<u>2023</u>	<u>2022</u>
Salaries and benefits	\$ 54,899,196	\$ 52,898,063
Services and supplies	13,817,361	12,359,743
Amortization	2,992,641	3,044,795
	<u>\$ 71,709,198</u>	<u>\$ 68,302,601</u>

NOTE 21 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Internally Restricted (appropriated) by Board for:		
Schools/Departments	\$ 341,747	\$ 533,865
Indigenous Education	444,459	452,448
Other Restricted - 22/23 Budget Deficit		595,591
Other Targeted	369,157	407,467
Sub-Total Internally Restricted	1,155,363	1,989,371
Unrestricted Operating Surplus	896,289	710,649
Total Available for Future Operations	<u>\$ 2,051,652</u>	<u>\$ 2,700,020</u>

NOTE 22 ECONOMIC DEPENDENCE

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

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 23 PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY

On July 1, 2022, the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation, and disclosure of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 19). This standard was adopted using the modified retroactive approach.

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

The impact of the prior period adjustment on the June 30, 2022, comparative amounts is as follows:

	<u>Increase (Decrease)</u>
Asset Retirement Obligation (liability)	\$ (6,462,634)
Tangible Capital Assets – cost	6,462,634
Tangible Capital Assets – accumulated amortization	(6,464,634)
Accumulated Surplus – Invested in Capital Assets	6,462,634

NOTE 24 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 Accounts receivable are due from the Province and are collectible.

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

**SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 24 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 guaranteed investment certificates that have a maturity date of no more than 3 years.

c) Liquidity risk:

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2022 related to credit, market or liquidity risks.

School District No. 91 (Nechako Lakes)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,700,020	195,243	18,855,710	21,750,973	29,103,145
Prior Period Adjustments					(6,462,634)
Accumulated Surplus (Deficit), beginning of year, as restated	2,700,020	195,243	18,855,710	21,750,973	22,640,511
Changes for the year					
Surplus (Deficit) for the year	(574,231)	97,550	(721,101)	(1,197,782)	(889,538)
Interfund Transfers					
Tangible Capital Assets Purchased	(10,265)	(97,426)	107,691	-	
Local Capital	(63,872)		63,872	-	
Net Changes for the year	(648,368)	124	(549,538)	(1,197,782)	(889,538)
Accumulated Surplus (Deficit), end of year - Statement 2	2,051,652	195,367	18,306,172	20,553,191	21,750,973

School District No. 91 (Nechako Lakes)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 18)	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	52,157,366	53,430,244	51,213,649
Other	30,215	52,020	16,900
Tuition	257,437	212,984	266,918
Other Revenue	5,928,658	6,339,026	6,015,972
Rentals and Leases	104,580	87,343	109,442
Investment Income	350,000	404,266	100,861
Total Revenue	58,828,256	60,525,883	57,723,742
Expenses			
Instruction	48,867,522	48,248,464	46,396,579
District Administration	3,227,686	3,378,645	2,958,094
Operations and Maintenance	6,469,842	6,402,965	5,862,917
Transportation and Housing	2,828,278	3,070,040	2,827,214
Total Expense	61,393,328	61,100,114	58,044,804
Operating Surplus (Deficit) for the year	(2,565,072)	(574,231)	(321,062)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	2,565,072		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(10,265)	(15,414)
Local Capital		(63,872)	(65,792)
Total Net Transfers	-	(74,137)	(81,206)
Total Operating Surplus (Deficit), for the year	-	(648,368)	(402,268)
Operating Surplus (Deficit), beginning of year		2,700,020	3,102,288
Operating Surplus (Deficit), end of year		2,051,652	2,700,020
Operating Surplus (Deficit), end of year			
Internally Restricted		1,155,363	1,989,371
Unrestricted		896,289	710,649
Total Operating Surplus (Deficit), end of year		2,051,652	2,700,020

School District No. 91 (Nechako Lakes)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 18)	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	54,025,152	55,305,031	54,423,106
ISC/LEA Recovery	(5,390,407)	(5,720,562)	(5,149,603)
Other Ministry of Education and Child Care Grants			
Pay Equity	1,096,373	1,096,373	1,096,373
Funding for Graduated Adults	85,000	93,370	122,607
Student Transportation Fund	503,247	503,247	503,247
Support Staff Benefits Grant	96,069	97,335	96,069
FSA Scorer Grant	8,187	8,187	8,187
Early Learning Framework (ELF) Implementation	722	722	2,123
Labour Settlement Funding	1,367,892	1,976,748	
EBUS Additional Revenue	357,750		
Equity Scan	7,381	7,381	
PLN Self Provisioned Sites Grant		62,412	111,540
Total Provincial Grants - Ministry of Education and Child Care	52,157,366	53,430,244	51,213,649
Provincial Grants - Other	30,215	52,020	16,900
Tuition			
International and Out of Province Students	257,437	212,984	266,918
Total Tuition	257,437	212,984	266,918
Other Revenues			
Funding from First Nations	5,390,407	5,704,431	5,149,603
Miscellaneous			
Bottle Depot	164,000	222,117	211,230
Bus Charter	13,500	28,380	13,457
Miscellaneous	110,751	224,407	370,000
Premium Holiday	250,000	159,691	271,682
Total Other Revenue	5,928,658	6,339,026	6,015,972
Rentals and Leases	104,580	87,343	109,442
Investment Income	350,000	404,266	100,861
Total Operating Revenue	58,828,256	60,525,883	57,723,742

School District No. 91 (Nechako Lakes)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget (Note 18)	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$
Salaries			
Teachers	21,070,171	20,903,156	20,871,862
Principals and Vice Principals	3,566,998	3,554,347	3,478,759
Educational Assistants	5,097,701	4,972,144	4,759,799
Support Staff	6,589,198	6,950,207	6,588,503
Other Professionals	3,140,395	3,179,943	2,714,291
Substitutes	1,421,938	1,476,981	1,451,665
Total Salaries	40,886,401	41,036,778	39,864,879
Employee Benefits	9,405,986	9,502,263	9,097,412
Total Salaries and Benefits	50,292,387	50,539,041	48,962,291
Services and Supplies			
Services	2,780,223	2,235,197	2,167,682
Student Transportation	119,359	129,885	73,114
Professional Development and Travel	1,063,454	1,130,430	819,235
Rentals and Leases	86,450	64,303	69,185
Dues and Fees	77,859	74,825	61,778
Insurance	223,244	164,216	147,441
Supplies	5,191,621	5,396,127	4,559,408
Utilities	1,558,731	1,366,090	1,184,670
Total Services and Supplies	11,100,941	10,561,073	9,082,513
Total Operating Expense	61,393,328	61,100,114	58,044,804

School District No. 91 (Nechako Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	16,013,834	1,603,918		2,069,267	157,934	1,043,386	20,888,339
1.03 Career Programs	316,130				18,687	10,658	345,475
1.07 Library Services				105,514		3,225	108,739
1.08 Counselling	1,406,727				49,164		1,455,891
1.10 Special Education	2,947,412	147,394	4,244,151		500,084	218,381	8,057,422
1.30 English Language Learning							-
1.31 Indigenous Education	219,053		727,993		231,202	25,444	1,203,692
1.41 School Administration		1,803,035		421,694		4,841	2,229,570
1.62 International and Out of Province Students							-
1.64 Other							-
Total Function 1	20,903,156	3,554,347	4,972,144	2,596,475	957,071	1,305,935	34,289,128
4 District Administration							
4.11 Educational Administration					963,558		963,558
4.40 School District Governance					97,290		97,290
4.41 Business Administration				243,419	776,678	2,750	1,022,847
Total Function 4	-	-	-	243,419	1,837,526	2,750	2,083,695
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				6,507	268,010	1,557	276,074
5.50 Maintenance Operations				2,445,568	20,260	113,478	2,579,306
5.52 Maintenance of Grounds				192,257			192,257
5.56 Utilities							-
Total Function 5	-	-	-	2,644,332	288,270	115,035	3,047,637
7 Transportation and Housing							
7.41 Transportation and Housing Administration					97,076		97,076
7.70 Student Transportation				1,465,981		53,261	1,519,242
Total Function 7	-	-	-	1,465,981	97,076	53,261	1,616,318
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	20,903,156	3,554,347	4,972,144	6,950,207	3,179,943	1,476,981	41,036,778

School District No. 91 (Nechako Lakes)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget (Note 18)	2022 Actual (Restated - Note 23)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	20,888,339	4,949,244	25,837,583	2,290,970	28,128,553	28,044,208	27,999,146
1.03 Career Programs	345,475	69,293	414,768	179,600	594,368	448,461	606,088
1.07 Library Services	108,739	29,663	138,402	17,459	155,861	157,347	158,400
1.08 Counselling	1,455,891	309,666	1,765,557	60,177	1,825,734	1,779,497	1,693,688
1.10 Special Education	8,057,422	1,875,239	9,932,661	2,502,499	12,435,160	12,638,936	10,684,158
1.30 English Language Learning	-	-	-	-	-	-	14,238
1.31 Indigenous Education	1,203,692	300,533	1,504,225	542,726	2,046,951	2,546,943	1,889,288
1.41 School Administration	2,229,570	480,879	2,710,449	136,202	2,846,651	2,913,588	3,123,623
1.62 International and Out of Province Students	-	-	-	4,386	4,386	78,111	10,140
1.64 Other	-	-	-	210,800	210,800	260,431	217,810
Total Function 1	34,289,128	8,014,517	42,303,645	5,944,819	48,248,464	48,867,522	46,396,579
4 District Administration							
4.11 Educational Administration	963,558	202,122	1,165,680	175,087	1,340,767	1,199,122	1,144,933
4.40 School District Governance	97,290	5,532	102,822	172,285	275,107	281,669	178,887
4.41 Business Administration	1,022,847	225,928	1,248,775	513,996	1,762,771	1,746,895	1,634,274
Total Function 4	2,083,695	433,582	2,517,277	861,368	3,378,645	3,227,686	2,958,094
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	276,074	65,818	341,892	116,640	458,532	486,409	366,989
5.50 Maintenance Operations	2,579,306	579,113	3,158,419	829,730	3,988,149	3,970,497	3,826,746
5.52 Maintenance of Grounds	192,257	37,437	229,694	360,500	590,194	454,205	484,512
5.56 Utilities	-	-	-	1,366,090	1,366,090	1,558,731	1,184,670
Total Function 5	3,047,637	682,368	3,730,005	2,672,960	6,402,965	6,469,842	5,862,917
7 Transportation and Housing							
7.41 Transportation and Housing Administration	97,076	22,694	119,770	33,154	152,924	145,748	130,238
7.70 Student Transportation	1,519,242	349,102	1,868,344	1,048,772	2,917,116	2,682,530	2,696,976
Total Function 7	1,616,318	371,796	1,988,114	1,081,926	3,070,040	2,828,278	2,827,214
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	41,036,778	9,502,263	50,539,041	10,561,073	61,100,114	61,393,328	58,044,804

School District No. 91 (Nechako Lakes)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 18)	2023 Actual	2022 Actual (Restated - Note 23)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	5,910,704	5,372,095	4,860,949
Other	2,000	3,696	2,775
Other Revenue	1,702,750	2,331,388	2,433,083
Investment Income	48,471	6,690	30,885
Total Revenue	7,663,925	7,713,869	7,327,692
Expenses			
Instruction	6,981,929	7,412,583	6,770,460
Operations and Maintenance	112,137	192,057	421,413
Transportation and Housing	356,323	11,803	21,129
Total Expense	7,450,389	7,616,443	7,213,002
Special Purpose Surplus (Deficit) for the year, before endowment contributions	213,536	97,426	114,690
Endowment Contributions		124	32
Special Purpose Surplus (Deficit) for the year	213,536	97,550	114,722
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(213,536)	(97,426)	(114,690)
Total Net Transfers	(213,536)	(97,426)	(114,690)
Total Special Purpose Surplus (Deficit) for the year	-	124	32
Special Purpose Surplus (Deficit), beginning of year		195,243	195,211
Special Purpose Surplus (Deficit), end of year		195,367	195,243
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		195,367	195,243
Total Special Purpose Surplus (Deficit), end of year		195,367	195,243

School District No. 91 (Nechako Lakes)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	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		73,681	39,975	1,782,179	216,798	86,473	13,744		
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	289,483	186,616			160,000	26,950	241,281	540,388	265,413
Provincial Grants - Other									
Other				1,738,991					
Investment Income			1,340	66,665					
	289,483	186,616	1,340	1,805,656	160,000	26,950	241,281	540,388	265,413
Less: Allocated to Revenue	289,483	224,317	5,100	1,918,939	223,137	33,563	129,660	503,282	265,413
Deferred Revenue, end of year	-	35,980	36,215	1,668,896	153,661	79,860	125,365	37,106	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	289,483	224,317			223,137	33,563	129,660	503,282	265,413
Provincial Grants - Other									
Other Revenue			3,760	1,918,939					
Investment Income			1,340						
	289,483	224,317	5,100	1,918,939	223,137	33,563	129,660	503,282	265,413
Expenses									
Salaries									
Teachers						3,007	16,219		
Principals and Vice Principals									29,462
Educational Assistants		175,546			152,963		55,933	263,204	
Support Staff		4,562			7,990	2,165	2,010	46,672	28,865
Other Professionals									11,239
Substitutes							2,536	5,663	104,458
	-	180,108	-	-	160,953	5,172	76,698	315,539	174,024
Employee Benefits		44,209			29,863	1,149	22,050	84,614	38,652
Services and Supplies	192,057		5,100	1,918,939	32,321	27,242	30,912	103,129	52,737
	192,057	224,317	5,100	1,918,939	223,137	33,563	129,660	503,282	265,413
Net Revenue (Expense) before Interfund Transfers	97,426	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(97,426)								
	(97,426)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 91 (Nechako Lakes)

Schedule 3A (Unaudited)

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

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Student & Family Affordability	JUST B4	ECL (Early Care & Learning)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			213,094	39,942	10,380	6,767			
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,945,348	10,761	124,740	55,000	6,000	55,400	515,019	25,000	175,000
Provincial Grants - Other						3,696			
Other						8,420			
Investment Income									
	2,945,348	10,761	124,740	55,000	6,000	67,516	515,019	25,000	175,000
Less: Allocated to Revenue	2,945,348	10,761	11,803	88,310	3,474	74,283	400,664	7,095	173,618
Deferred Revenue, end of year	-	-	326,031	6,632	12,906	-	114,355	17,905	1,382
Revenues									
Provincial Grants - Ministry of Education and Child Care	2,945,348	10,761	11,803	88,310	3,474	62,167	400,664	7,095	173,618
Provincial Grants - Other						3,696			
Other Revenue						8,420			
Investment Income									
	2,945,348	10,761	11,803	88,310	3,474	74,283	400,664	7,095	173,618
Expenses									
Salaries									
Teachers	2,354,242								
Principals and Vice Principals									139,032
Educational Assistants						42,664	10,286	3,470	
Support Staff						5,609	16,169		
Other Professionals									
Substitutes		2,958			508	2,644			
	2,354,242	2,958	-	-	508	50,917	26,455	3,470	139,032
Employee Benefits	591,106	883			63	17,403	7,803	871	30,743
Services and Supplies		6,920	11,803	88,310	2,903	5,963	366,406	2,754	3,843
	2,945,348	10,761	11,803	88,310	3,474	74,283	400,664	7,095	173,618
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 91 (Nechako Lakes)

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

Schedule 3A (Unaudited)

	Endowment Income	Literacy Now Stewardship	Fort St James Woodlot	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year	6,184	47,077	1,170,905	3,707,199
Add: Restricted Grants				
Provincial Grants - Ministry of Education and Child Care				5,622,399
Provincial Grants - Other				3,696
Other		36,671		1,784,082
Investment Income	9,237		40,780	118,022
	9,237	36,671	40,780	7,528,199
Less: Allocated to Revenue	5,350	46,608	353,661	7,713,869
Deferred Revenue, end of year	10,071	37,140	858,024	3,521,529
Revenues				
Provincial Grants - Ministry of Education and Child Care				5,372,095
Provincial Grants - Other				3,696
Other Revenue		46,608	353,661	2,331,388
Investment Income	5,350			6,690
	5,350	46,608	353,661	7,713,869
Expenses				
Salaries				
Teachers			533	2,374,001
Principals and Vice Principals				168,494
Educational Assistants				704,066
Support Staff				114,042
Other Professionals				11,239
Substitutes				118,767
	-	-	533	3,490,609
Employee Benefits			138	869,547
Services and Supplies	5,350	46,608	352,990	3,256,287
	5,350	46,608	353,661	7,616,443
Net Revenue (Expense) before Interfund Transfers	-	-	-	97,426
Interfund Transfers				
Tangible Capital Assets Purchased				(97,426)
	-	-	-	(97,426)
Net Revenue (Expense)	-	-	-	-

School District No. 91 (Nechako Lakes)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023 Budget (Note 18)	2023 Actual			2022 Actual (Restated - Note 23)
	\$	Invested in Tangible Capital Assets	Local Capital	Fund Balance	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	136,837			-	2,719
Other Revenue	22,010	300	22,010	22,310	38,218
Investment Income	50,300		63,012	63,012	15,686
Gain (Loss) on Disposal of Tangible Capital Assets	(18,457)	13,113		13,113	100,033
Amortization of Deferred Capital Revenue	2,223,736	2,173,105		2,173,105	2,204,941
Total Revenue	2,414,426	2,186,518	85,022	2,271,540	2,361,597
Expenses					
Operations and Maintenance	136,837			-	
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,596,090	2,564,314		2,564,314	2,562,781
Transportation and Housing	445,973	428,327		428,327	482,014
Total Expense	3,178,900	2,992,641	-	2,992,641	3,044,795
Capital Surplus (Deficit) for the year	(764,474)	(806,123)	85,022	(721,101)	(683,198)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	213,536	107,691		107,691	130,104
Local Capital			63,872	63,872	65,792
Total Net Transfers	213,536	107,691	63,872	171,563	195,896
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(100,001)	100,001	-	
Tangible Capital Assets Purchased from Local Capital		310,891	(310,891)	-	
Principal Payment					
Capital Lease		24,003	(24,003)	-	
Total Other Adjustments to Fund Balances		234,893	(234,893)	-	
Total Capital Surplus (Deficit) for the year	(550,938)	(463,539)	(85,999)	(549,538)	(487,302)
Capital Surplus (Deficit), beginning of year		17,094,136	1,761,574	18,855,710	25,805,646
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(6,462,634)
Capital Surplus (Deficit), beginning of year, as restated		17,094,136	1,761,574	18,855,710	19,343,012
Capital Surplus (Deficit), end of year		16,630,597	1,675,575	18,306,172	18,855,710

School District No. 91 (Nechako Lakes)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	7,748,399	115,519,724	1,855,146	4,649,507	6,096	28,010	129,806,882
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		6,462,634					6,462,634
Cost, beginning of year, as restated	7,748,399	121,982,358	1,855,146	4,649,507	6,096	28,010	136,269,516
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw				34,875			34,875
Deferred Capital Revenue - Other	300		10,000				10,300
Operating Fund		10,265					10,265
Special Purpose Funds		97,426					97,426
Local Capital			152,973	157,918			310,891
Transferred from Work in Progress		2,507,357					2,507,357
	300	2,615,048	162,973	192,793	-	-	2,971,114
Decrease:							
Disposed of	68,019	2,433,143					2,501,162
Deemed Disposals			253,308	925,273		9,053	1,187,634
	68,019	2,433,143	253,308	925,273	-	9,053	3,688,796
Cost, end of year	7,680,680	122,164,263	1,764,811	3,917,027	6,096	18,957	135,551,834
Work in Progress, end of year		272,417					272,417
Cost and Work in Progress, end of year	7,680,680	122,436,680	1,764,811	3,917,027	6,096	18,957	135,824,251
Accumulated Amortization, beginning of year		62,518,836	921,968	2,379,194	3,046	17,625	65,840,669
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		6,462,634					6,462,634
Accumulated Amortization, beginning of year, as restated		68,981,470	921,968	2,379,194	3,046	17,625	72,303,303
Changes for the Year							
Increase: Amortization for the Year		2,377,400	180,998	428,327	1,219	4,697	2,992,641
Decrease:							
Disposed of		2,384,182					2,384,182
Deemed Disposals			253,308	925,273		9,053	1,187,634
		2,384,182	253,308	925,273	-	9,053	3,571,816
Accumulated Amortization, end of year		68,974,688	849,658	1,882,248	4,265	13,269	71,724,128
Tangible Capital Assets - Net	7,680,680	53,461,992	915,153	2,034,779	1,831	5,688	64,100,123

School District No. 91 (Nechako Lakes)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	223,116				223,116
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	2,556,658				2,556,658
	2,556,658	-	-	-	2,556,658
Decrease:					
Transferred to Tangible Capital Assets	2,507,357				2,507,357
	2,507,357	-	-	-	2,507,357
Net Changes for the Year	49,301	-	-	-	49,301
Work in Progress, end of year	272,417	-	-	-	272,417

School District No. 91 (Nechako Lakes)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	39,955,037	93,246	359,755	40,408,038
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	34,875		10,000	44,875
Transferred from Work in Progress	2,507,357			2,507,357
	<u>2,542,232</u>	<u>-</u>	<u>10,000</u>	<u>2,552,232</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,134,786	11,410	26,909	2,173,105
Revenue Recognized on Disposal of Buildings	30,092			30,092
	<u>2,164,878</u>	<u>11,410</u>	<u>26,909</u>	<u>2,203,197</u>
Net Changes for the Year	<u>377,354</u>	<u>(11,410)</u>	<u>(16,909)</u>	<u>349,035</u>
Deferred Capital Revenue, end of year	<u><u>40,332,391</u></u>	<u><u>81,836</u></u>	<u><u>342,846</u></u>	<u><u>40,757,073</u></u>
 Work in Progress, beginning of year	 223,116			 223,116
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	2,556,658			2,556,658
	<u>2,556,658</u>	<u>-</u>	<u>-</u>	<u>2,556,658</u>
Decrease				
Transferred to Deferred Capital Revenue	2,507,357			2,507,357
	<u>2,507,357</u>	<u>-</u>	<u>-</u>	<u>2,507,357</u>
Net Changes for the Year	<u>49,301</u>	<u>-</u>	<u>-</u>	<u>49,301</u>
Work in Progress, end of year	<u><u>272,417</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>272,417</u></u>
Total Deferred Capital Revenue, end of year	<u><u>40,604,808</u></u>	<u><u>81,836</u></u>	<u><u>342,846</u></u>	<u><u>41,029,490</u></u>

School District No. 91 (Nechako Lakes)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	34,875	374,541			12,295	421,711
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	3,107,704		771,314			3,879,018
Other					8,000	8,000
MECC Restricted Portion of Proceeds on Disposal		300,000				300,000
	3,107,704	300,000	771,314	-	8,000	4,187,018
Decrease:						
Transferred to DCR - Capital Additions	34,875				10,000	44,875
Transferred to DCR - Work in Progress	2,556,658					2,556,658
Transferred to Revenue - Site Purchases					300	300
	2,591,533	-	-	-	10,300	2,601,833
Net Changes for the Year	516,171	300,000	771,314	-	(2,300)	1,585,185
Balance, end of year	551,046	674,541	771,314	-	9,995	2,006,896