



Ministry of Education

# SCHOOL DISTRICT STATEMENT OF FINANCIAL INFORMATION (SOFI)

6049

SCHOOL DISTRICT NUMBER <b>81</b>	NAME OF SCHOOL DISTRICT <b>Fort Nelson</b>	YEAR <b>2023</b>
OFFICE LOCATION(S) <b>5110 Airport Drive</b>		TELEPHONE NUMBER <b>250-774-2591</b>
MAILING ADDRESS <b>PO Box 87</b>		
CITY <b>Fort Nelson</b>	PROVINCE <b>BC</b>	POSTAL CODE <b>V0C 1R0</b>
NAME OF SUPERINTENDENT <b>Mark Theobald</b>		TELEPHONE NUMBER <b>250-774-2591</b>
NAME OF SECRETARY TREASURER <b>Mike Power</b>		TELEPHONE NUMBER <b>250-774-2591</b>

### DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information for the year ended June 30, 2023

for School District No. 81 as required under Section 2 of the Financial Information Act.

SIGNATURE		DATE SIGNED <b>19 Dec 2023</b>
SIGNATURE		DATE SIGNED <b>Dec 20/23</b>
SIGNATURE		DATE SIGNED <b>19 Dec 2023</b>

**School District  
Statement of Financial Information (SOFI)**

**School District No. 81 (Fort Nelson)**

**Fiscal Year Ended June 30, 2023**

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2. Financial Information Act Submission Checklist
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5. Schedule of Debt
6. Schedule of Guarantee and Indemnity Agreements
7. Schedule of Remuneration and Expenses including:
  - Statement of Severance Agreements
  - Reconciliation or explanation of differences to Audited Financial Statements
8. Schedule of Payments for the Provision of Goods and Services including:
  - Reconciliation or explanation of differences to Audited Financial Statements

**School District  
Statement of Financial Information (SOFI)**

**School District No. 81 (Fort Nelson)**

**Fiscal Year Ended June 30, 2023**

**MANAGEMENT REPORT**

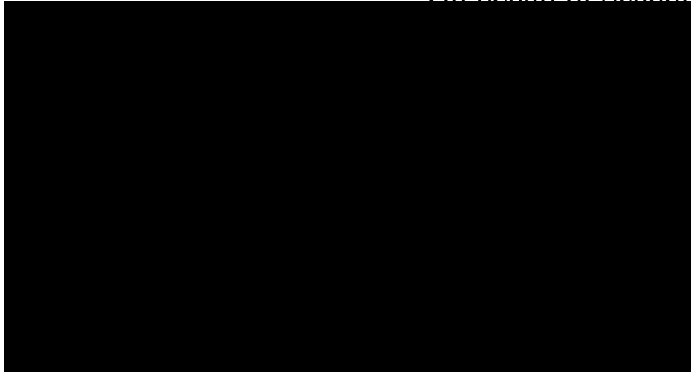
The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Education is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements as required by the *School Act*. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the board's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of School District



Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

Audited Financial Statements of

**School District No. 81 (Fort Nelson)**

And Independent Auditors' Report thereon

June 30, 2023

# School District No. 81 (Fort Nelson)

June 30, 2023

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# School District No. 81 (Fort Nelson)

## MANAGEMENT REPORT

Version: 4559-3813-1831

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 81 (Fort Nelson) 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.

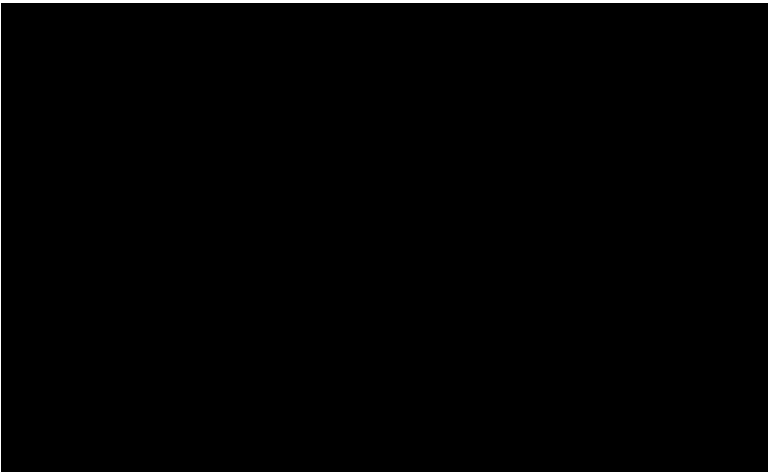
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 81 (Fort Nelson) (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, KMPG, 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. 81 (Fort Nelson) 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. 81 (Fort Nelson)



29-Sep-2023

Date Signed

Sept 29/23

Date Signed

29 Sept 2023

Date Signed



KPMG LLP  
177 Victoria Street, Suite 400  
Prince George, BC V2L 5R8  
Canada  
Telephone (250) 563-7151  
Fax (250) 563-5693

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 81 (Fort Nelson), and  
To the Minister of Education and Child Care, Province of British Columbia

### Opinion

We have audited the financial statements of School District No. 81 (Fort Nelson) (the Entity), which comprise:

- the statement of financial position as at June 30, 2023
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2023 of the Entity 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity 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.



### **Emphasis of Matter – Comparative Information**

We draw attention to Note 18 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2022 has been restated. Note 18 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

### **Other Matter – Comparative Information**

As part of our audit of the financial statements for the year ended June 30, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended June 30, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

### **Other Information**

Management is responsible for the other information. Other information comprises:

- Information included in Unaudited Schedules 1-4 attached to the audited financial statements

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information included in the Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's 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 auditor's 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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 Entity'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 Entity'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 Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Prince George, Canada

September 27, 2023

# School District No. 81 (Fort Nelson)

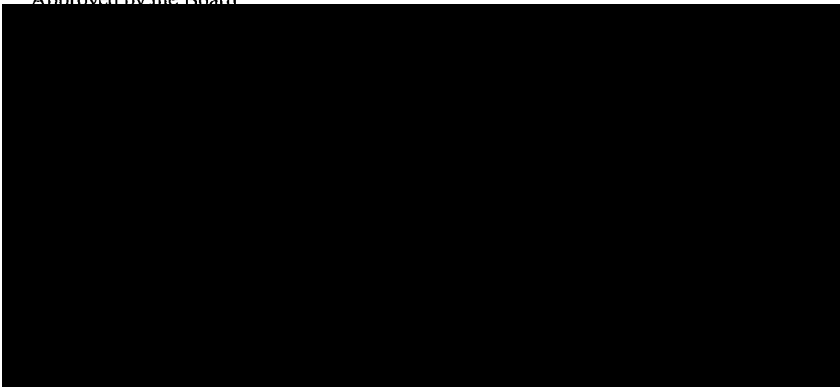
## Statement of Financial Position

As at June 30, 2023

Statement 1

	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	2,481,881	2,552,794
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	7,829	53,344
Other (Note 3)	37,304	22,242
<b>Total Financial Assets</b>	<u>2,527,014</u>	<u>2,628,380</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	867,209	1,100,998
Unearned Revenue (Note 5)	650	650
Deferred Revenue (Note 6)	362,637	312,850
Deferred Capital Revenue (Note 7)	13,070,054	12,568,338
Employee Future Benefits (Note 8)	380,938	386,222
Asset Retirement Obligation (Note 16)	1,983,886	1,983,886
Debt (Note 9)	462,254	689,626
<b>Total Liabilities</b>	<u>17,127,628</u>	<u>17,042,570</u>
<b>Net Debt</b>	<u>(14,600,614)</u>	<u>(14,414,190)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	18,463,662	18,295,506
Prepaid Expenses	43,483	360
<b>Total Non-Financial Assets</b>	<u>18,507,145</u>	<u>18,295,866</u>
<b>Accumulated Surplus (Deficit)</b>	<u>3,906,531</u>	<u>3,881,676</u>
<b>Accumulated Surplus (Deficit) is comprised of:</b>		
Accumulated Surplus (Deficit) from Operations	3,906,531	3,881,676
Accumulated Remeasurement Gains (Losses)		
	<u>3,906,531</u>	<u>3,881,676</u>

Approved by the Board



24. Sep 2023

Date Signed

Sept 29 / 23

Date Signed

29 Sept 2023

Date Signed

# School District No. 81 (Fort Nelson)

Statement of Operations  
Year Ended June 30, 2023

	2023 Budget (Note 15) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	11,554,028	11,771,469	11,262,703
Other	139,572	177,003	207,124
Other Revenue	544,381	600,405	431,593
Rentals and Leases	31,260	31,484	36,520
Investment Income	40,830	91,284	25,246
Amortization of Deferred Capital Revenue	452,146	475,047	445,855
<b>Total Revenue</b>	<u>12,762,217</u>	<u>13,146,692</u>	<u>12,409,041</u>
<b>Expenses</b>			
Instruction	9,639,493	9,425,350	8,837,560
District Administration	973,962	972,530	773,114
Operations and Maintenance	2,164,092	2,165,437	2,069,344
Transportation and Housing	471,227	536,740	491,439
Debt Services	20,109	21,780	6,953
<b>Total Expense</b>	<u>13,268,883</u>	<u>13,121,837</u>	<u>12,178,410</u>
<b>Surplus (Deficit) for the year</b>	<u>(506,666)</u>	<u>24,855</u>	<u>230,631</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<u>3,881,676</u>	<u>3,651,045</u>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u>3,906,531</u></u>	<u><u>3,881,676</u></u>

# School District No. 81 (Fort Nelson)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 15) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
<b>Surplus (Deficit) for the year</b>	<u>(506,666)</u>	<u>24,855</u>	<u>230,631</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(40,674)	(1,034,603)	(2,605,607)
Amortization of Tangible Capital Assets	866,192	866,447	846,305
<b>Total Effect of change in Tangible Capital Assets</b>	<u>825,518</u>	<u>(168,156)</u>	<u>(1,759,302)</u>
Acquisition of Prepaid Expenses		(43,483)	(360)
Use of Prepaid Expenses		360	81,429
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(43,123)</u>	<u>81,069</u>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>318,852</u>	<u>(186,424)</u>	<u>(1,447,602)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<u>(186,424)</u>	<u>(1,447,602)</u>
<b>Net Debt, beginning of year</b>		<u>(14,414,190)</u>	<u>(12,966,588)</u>
<b>Net Debt, end of year</b>		<u>(14,600,614)</u>	<u>(14,414,190)</u>

# School District No. 81 (Fort Nelson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 18)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	24,855	230,631
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	30,453	199,997
Prepaid Expenses	(43,123)	81,069
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(233,789)	88,188
Unearned Revenue	-	(10,683)
Deferred Revenue	49,787	59,806
Employee Future Benefits	(5,284)	32,719
Amortization of Tangible Capital Assets	866,447	846,305
Amortization of Deferred Capital Revenue	(475,047)	(445,855)
By Law Spent on Loan Payments	(103,864)	(101,126)
<b>Total Operating Transactions</b>	<u>110,435</u>	<u>981,051</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(1,034,603)	(2,378,840)
Asset Purchase from Loan Proceeds	-	(226,767)
<b>Total Capital Transactions</b>	<u>(1,034,603)</u>	<u>(2,605,607)</u>
<b>Financing Transactions</b>		
Loan Proceeds	-	226,767
Loan Payments	(227,372)	(239,726)
Capital Revenue Received	1,080,627	2,141,104
<b>Total Financing Transactions</b>	<u>853,255</u>	<u>2,128,145</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(70,913)</u>	<u>503,589</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>2,552,794</u>	<u>2,049,205</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>2,481,881</u>	<u>2,552,794</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>2,481,881</u>	<u>2,552,794</u>
	<u>2,481,881</u>	<u>2,552,794</u>

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 1 AUTHORITY AND PURPOSE**

The School District, established in 1955, 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. 81 (Fort Nelson)", and operates as "School District No. 81 (Fort Nelson)." 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. School District No. 81 (Fort Nelson) is exempt from federal and provincial corporate income taxes.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

**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(e) and 2(m).

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(e) and 2(m), 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:

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**a) Basis of Accounting (Continued)**

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

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

Year-ended June 30, 2022 -increase in annual surplus by \$1,871,623

June 30, 2022 -increase in accumulated surplus and decrease in deferred contributions by \$12,568,338

Year-ended June 30,2023 -increase in annual surplus by \$501,716

June 30, 2023 -increase in accumulated surplus and decrease in deferred contributions by \$13,070,054.

**b) Cash and Cash Equivalents**

Cash and cash equivalents include cash and cash equivalents that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. 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 receivables are measured at amortized cost and shown net of allowance for doubtful accounts.

**d) Unearned Revenue**

Unearned revenue includes tuition received for courses to be delivered in future periods and receipt of proceeds for service 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 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**e) 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 (m).

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.

**f) 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 (EARSL) 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.

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



**SCHOOL DISTRICT 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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

**g) 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.
- (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 begin amortized on the same basis as the related tangible capital asset (see note 2 i). Assumptions used in the calculations are reviewed annually.

**h) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- An environmental standard exists.
- Contamination exceeds the environmental standard.
- The 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.

**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.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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**i) Tangible Capital Assets (Continued)**

- 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.
- 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

**j) 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.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**k) Prepaid Expenses**

Payments for insurance, annual software licenses, subscriptions, membership and maintenance contracts for use within the District in a future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**l) 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.

**m) Revenue Recognition**

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

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

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

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

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

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.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**m)      Revenue Recognition *(Continued)***

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.

**n)      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 office contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees 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 aboriginal 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.

**o) 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.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**o) Financial Instruments (Continued)**

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and debt. Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, 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.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented, therefore no statement of remeasurement gains or losses is included in these financial statements.

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

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

**p) 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, estimates for contingent liabilities, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

**q) 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 do not have 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.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**q.   Future Changes in Accounting Policies (Continued)**

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 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2023	2022
Due from Federal Government	\$ 14,329	\$ 10,493
Other	22,975	11,749
	\$37,304	\$ 22,242

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023	2022
Trade payables	\$ 322,909	\$269,723
Source deductions payable	151	119,678
Salaries and benefits payable	293,852	468,472
Accrued vacation pay	250,297	243,125
	\$ 867,209	\$1,100,998

**NOTE 5 UNEARNED REVENUE**

	2023	2022
Balance, beginning of year	\$ 650	\$ 11,333
Changes for the year:		
Increase:		
Rental/Lease of facilities	650	650
	1,300	11,983
Decrease:		
Rental/Lease of facilities	(650)	(11,333)
Net changes for the year	-	(10,683)
Balance, end of year	\$ 650	\$ 650

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 6 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.

	2023	2022
Balance, beginning of year	\$ 312,850	\$ 253,044
Increase:		
Provincial Grants-Ministry of Education	1,753,454	1,335,010
Provincial Grants – Other	-	79,051
Other	103,234	43,729
Investment Income	6,295	4,200
	2,175,833	1,715,034
Decrease:		
Allocated to Revenue	(1,813,196)	(1,398,256)
Recovered	-	(3,928)
Balance, end of year	\$ 362,637	\$ 312,850



**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 7 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.

	2023	2022
Deferred capital revenue, beginning of year	\$ 12,568,338	\$ 10,696,715
Increases:		
Capital Additions	976,763	2,317,478
	13,545,101	13,014,193
Decreases:		
Amortization	(475,047)	(445,855)
Deferred capital revenue, end of year	<u>\$13,070,054</u>	<u>\$ 12,568,338</u>
Unspent deferred capital revenue, beginning of year	\$ -	\$ -
Increases:		
Provincial Grants – Ministry of Education	1,080,627	2,141,104
Provincial Grants – Other	-	277,500
Decreases:		
Transfer to deferred capital revenue subject to Amortization	(976,763)	(2,317,478)
AFG bylaw loan payment	(103,864)	(101,126)
Unspent deferred capital revenue, end of the year	-	-
<b>Total deferred capital revenue balance, end of year</b>	<u>\$ 13,070,054</u>	<u>\$ 12,568,338</u>

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 8 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.

	2023	2022
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 305,453	\$ 301,012
Service Cost	33,212	36,885
Interest Cost	10,347	8,070
Benefit Payments	(28,858)	(4,113)
Actuarial (Gain) Loss	(12,450)	(36,401)
Accrued Benefit Obligation – March 31	\$ 307,704	\$ 305,453
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 307,704	\$ 305,453
Market Value of Plan Assets – March 31		
Funded Status – Surplus (Deficit)	(307,704)	(305,453)
Employer contributions after measurement dates	9,435	-
Benefits Expense After Measurement Date	(11,520)	(10,890)
Unamortized Net Actuarial (Gain) Loss	(71,149)	(69,879)
Accrued Benefit Asset (Liability) – June 30	\$ (380,938)	\$ (386,222)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability – July 1	\$ 386,222	\$ 353,503
Net expense for Fiscal Year	33,008	36,832
Employer Contributions	(38,292)	(4,113)
Accrued Benefit Liability – June 30	\$ 380,938	\$ 386,222
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 33,166	\$ 35,966
Interest Cost	11,023	8,640
Amortization of Net Actuarial (Gain)/Loss	(11,181)	(7,774)
Net Benefit Expense (Income)	\$ 33,008	\$ 36,832

**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% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9.9	9.9

**SCHOOL DISTRICT 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

**NOTE 9 DEBT**

The following loans approved under *Section 144* of the *School Act* are outstanding:

	2023	2022
Demand Loan #0006-1 of \$1,182,938, approved on June 28, 2017, borrowed on July 31, 2017 from the Municipal Finance Authority of BC for a term of 5 years, refer to demand loan #0006-2 for refinancing of remaining loan balance. Principal and interest paid up to date are \$715,045 and \$79,388 respectively.	\$ -	\$ 493,234
Demand Loan #0006-2 of \$467,893, refinanced on May 24, 2022, borrowed on August 1, 2022 from the Municipal Finance Authority of BC for a term of 35 months bearing interest as at June 30, 2023 of 5.23%, repayable in blended monthly principal and interest payments of \$13,651, due June 30, 2025. Principal and interest paid up to date are \$121,810 and \$14,700 respectively.	346,084	-
Demand Loan #0007-0 of \$106,890, approved on June 6, 2018, borrowed on June 15, 2018 from the Municipal Finance Authority of B.C. for a term of 4 years, demand loan was repaid in the year. Principal and interest paid up to date are \$106,890 and \$4,687 respectively.	-	1,025
Demand Loan #0008-0 of \$25,956, approved on October 9, 2020, borrowed on November 2, 2020 from the Municipal Finance Authority of B.C. for a term of 24 months, demand loan was repaid in the year. Principal and interest paid up to date are \$25,956 and \$319, respectively.	-	6,484
Demand Loan #0009-0 of \$130,215, approved on June 4, 2021, borrowed on July 30, 2021, from the Municipal Finance Authority of B.C. for a term of 3 years, bearing interest as at June 30, 2023 of 5.23%, repayable in blended monthly principal and interest payments of \$3,882, due May 31, 2024. Principal and interest paid up to date are \$81,771 and \$3,652 respectively.	48,444	92,331
Demand Loan #0010-0 of \$96,552, approved on May 4, 2022, borrowed on May 30, 2022, from the Municipal Finance Authority of B.C. for a term of 3 years, bearing interest as at June 30, 2023 of 5.23%, repayable in blended monthly principal and interest payments of \$2,667, due June 30, 2025. Principal and interest paid up to date are \$28,827 and \$3,194 respectively	67,726	96,552
	<u>\$ 462,254</u>	<u>\$ 689,626</u>

**SCHOOL DISTRICT 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

**NOTE 9 DEBT (Continued)**

Anticipated annual principal repayments over the next three years are as follows:

2024	\$ 226,384
2025	187,664
2026	48,206
	\$ 462,254

**NOTE 10 TANGIBLE CAPITAL ASSETS**

<b>Net Book Value:</b>	2023	2022
Sites	\$1,175,101	\$1,175,101
Buildings	16,583,601	16,231,553
Furniture & Equipment	343,672	404,331
Vehicles	22,431	27,828
Computer Software	90,904	126,377
Computer Hardware	247,953	330,316
<b>Total</b>	<b>\$18,463,662</b>	<b>\$18,295,506</b>

**June 30, 2023**

<b>Cost:</b>	Opening Cost (Restated – Note 18)	Additions	Disposals	Total 2023
Sites	\$ 1,175,101	\$ -	\$ -	\$ 1,175,101
Buildings	33,666,751	981,426	-	34,648,177
Furniture & Equipment	941,808	21,425	263,365	699,868
Vehicles	53,974			53,974
Computer Software	181,955	1,020		182,975
Computer Hardware	656,806	30,732	213,397	474,141
<b>Total</b>	<b>\$ 36,676,395</b>	<b>\$ 1,034,603</b>	<b>\$ 476,762</b>	<b>\$ 37,234,236</b>

<b>Accumulated Amortization:</b>	Opening Accumulated Amortization (Restated – Note 18)	Additions	Disposals	Total 2023
Buildings	\$ 17,435,198	\$ 629,378	\$ -	\$ 18,064,576
Furniture & Equipment	537,477	82,084	263,365	356,196
Vehicles	26,146	5,397		31,543
Computer Software	55,578	36,493		92,071
Computer Hardware	326,490	113,095	213,397	226,188
<b>Total</b>	<b>\$ 18,380,889</b>	<b>\$ 866,447</b>	<b>\$ 476,762</b>	<b>\$ 18,770,574</b>

**SCHOOL DISTRICT 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

**NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)**

<b>June 30, 2022</b>				
Cost:	Opening Cost (Restated – Note 18)	Additions	Disposals	Total 2022 (Restated – Note 18)
Sites	\$ 1,175,101	\$ -	\$ -	\$ 1,175,101
Buildings	31,349,273	2,317,478	-	33,666,751
Furniture & Equipment	1,022,599	29,018	109,809	941,808
Vehicles	53,974	-	-	53,974
Computer Software	187,534	624	6,203	181,955
Computer Hardware	451,015	258,487	52,696	656,806
<b>Total</b>	<b>\$ 32,255,610</b>	<b>\$ 2,605,607</b>	<b>\$ 168,708</b>	<b>\$ 34,692,509</b>

<b>Accumulated Amortization:</b>	Opening Accumulated Amortization (Restated – Note 18)	Additions (Restated – Note 18)	Disposals	Total 2022 (Restated – Note 18)
Buildings	\$ 16,840,241	\$ 594,957	\$ -	\$ 17,435,198
Furniture & Equipment	549,066	98,220	109,809	537,477
Vehicles	20,749	5,397	-	26,146
Computer Software	24,832	36,949	6,203	55,578
Computer Hardware	268,404	110,782	52,696	326,490
<b>Total</b>	<b>\$ 15,721,428</b>	<b>\$ 846,305</b>	<b>\$ 168,708</b>	<b>\$ 16,397,003</b>

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 11 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 of the pension plan, including investing assets and administering benefits. The plans are multi-employer defined benefits pension plans. Basic pension benefits provided 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 at 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.

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 \$770,148 for employer contributions to these plans in the year ended June 30, 2023 (2022 \$737,407).

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 late 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.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 12 ACCUMULATED SURPLUS**

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

Operating Fund:	2023	2022
Internally Restricted (appropriated) by Board for:		(Restated – Note 18)
Children First	\$ 1,497	\$ 1,497
Advisory Council	6,000	6,000
Holdback Allocation	9,115	19,683
Aspire Grant	1,182	1,182
Janitor Equip. Rental	66,350	52,169
LEA Grant	5,594	13,700
EHT -Employee Housing	5,108	9,090
Pro D (District)	187,454	236,047
HLP (FNSS Cafeteria)	42,016	42,016
Anti Racism Grant	12,858	6,429
Equity in Action	2,920	5,000
Breakfast Club of Canada	27,572	23,750
Employer Training Initiative	27,141	-
Expose & Inspire	1,166	-
Early Career Mentorship-FNDTA	13,789	-
Indigenous Targeted Funds	5,899	-
Subtotal Internally Restricted	<u>415,661</u>	<u>416,563</u>
Unrestricted Operating Surplus	<u>349,303</u>	<u>217,358</u>
Total Operating Funds	<u>\$ 764,964</u>	<u>\$ 633,921</u>
Capital Fund:		
Investment in Tangible Capital Assets	\$ 3,138,484	\$ 3,244,672
Local Capital Reserve	3,083	3,083
Total Capital Fund	<u>\$ 3,141,567</u>	<u>\$ 3,247,755</u>
Accumulated surplus, end of year	<u>\$ 3,906,531</u>	<u>\$ 3,881,676</u>

**NOTE 13 INTERFUND TRANSFERS**

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

- Accumulated surplus transferred from operating fund to capital fund: \$57,840, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from operating fund to capital fund: \$66,632, for the capital loan payments.
- Accumulated surplus transferred from special purpose fund to capital fund: \$78,655, for the capital loan payments.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**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.

**NOTE 15 BUDGET FIGURES**

The budget figures data presented in these financial statements is based upon the 2023 amended annual budget adopted by the Board on February 7, 2023. The chart following reconciles the originally approved annual budget bylaw approved on June 14, 2022 to the amended annual budget bylaw reported in these financial statements.

	Amended Budget	Annual Budget
Revenues		
Provincial Grants		
Ministry of Education	\$ 11,554,028	\$ 11,006,983
Other	139,572	209,637
Other Revenue	544,381	513,888
Rentals and Leases	31,260	32,000
Investment Income	40,830	28,000
Amortization of Deferred Capital Revenue	452,146	487,049
<b>Total Revenue</b>	<b>12,762,217</b>	<b>12,277,557</b>
Expenses		
Instruction	\$ 9,639,493	\$ 8,978,727
District administration	973,962	995,872
Operations and Maintenance	2,164,092	2,112,642
Transportation and Housing	471,227	499,643
Debt Services	20,109	10,010
<b>Total Expense</b>	<b>\$ 13,268,883</b>	<b>\$ 12,596,894</b>
Net Revenue (expense)	(506,666)	(319,337)
Budgeted allocation of surplus	348,686	228,872
<b>Budgeted surplus (deficit) for the year</b>	<b>\$ (157,980)</b>	<b>\$ (90,465)</b>



**SCHOOL DISTRICT 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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**NOTE 16 – ASSET RETIREMENT OBLIGATION**

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials such as asbestos and lead paint 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 of July 1, 2022 (see Note 18 – 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 18)	\$	1,983,886
Settlements during the year		-
Asset Retirement Obligation, closing balance	\$	<u>1,983,886</u>

**NOTE 17      EXPENSE BY OBJECT**

	2023	2022 (Restated – Note 18)
Salaries and benefits	\$ 9,905,460	\$ 9,345,387
Services and supplies	2,328,150	1,979,765
Interest	21,780	6,953
Amortization	866,447	846,305
	<u>\$ 13,122,837</u>	<u>\$ 12,178,410</u>

**NOTE 18 PRIOR PERIOD ADJUSTMENTS – CHANGE IN ACCOUNTING POLICY**

On July 1, 2021 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 16). This standard was adopted using the modified retroactive approach.

On July 1, 2021 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos and lead paint. The liability has been measured at current costs as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying values 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*).

**SCHOOL DISTRICT 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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**NOTE 18 – PRIOR PERIOD ADJUSTMENT** *(Continued)*

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

	Increase (Decrease)
Asset Retirement Obligation (Liability)	1,983,886
Tangible Capital Assets – cost	1,983,886
Tangible Capital Assets – accumulated amortization	1,983,886
Operations and Maintenance Expense – Asset Amortization	2,022
Accumulated Surplus – Invested in Capital Assets	(1,983,886)

**NOTE 19 ECONOMIC DEPENDENCE**

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

**NOTE 20 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, cash equivalents, and amounts receivable.

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

**SCHOOL DISTRICT 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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**NOTE 20 – 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 market interest rates. The School District is exposed to interest rate risk through its cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid (e.g. term deposits) that have a maturity date of no more than 3 years. The School District is also exposed to interest rate risk on its debt, the majority of which pays interest at a variable rate.

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. 81 (Fort Nelson)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	633,921		3,247,755	3,881,676	5,632,909
Prior Period Adjustments					(1,981,864)
Accumulated Surplus (Deficit), beginning of year, as restated	633,921	-	3,247,755	3,881,676	3,651,045
Changes for the year					
Surplus (Deficit) for the year	255,515	78,655	(309,315)	24,855	230,631
Interfund Transfers	(57,840)		57,840	-	
Tangible Capital Assets Purchased	(66,632)	(78,655)	145,287	-	
Other					
Net Changes for the year	131,043	-	(106,188)	24,855	230,631
Accumulated Surplus (Deficit), end of year - Statement 2	764,964	-	3,141,567	3,906,531	3,881,676

# School District No. 81 (Fort Nelson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 15) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	9,728,242	10,070,850	9,901,127
Other	58,000	98,200	128,073
Other Revenue	463,381	464,419	378,838
Rentals and Leases	31,260	31,484	36,520
Investment Income	40,830	89,631	19,246
<b>Total Revenue</b>	<u>10,321,713</u>	<u>10,754,584</u>	<u>10,463,804</u>
<b>Expenses</b>			
Instruction	7,800,466	7,807,283	7,648,005
District Administration	973,962	972,530	773,114
Operations and Maintenance	1,297,900	1,293,490	1,172,459
Transportation and Housing	471,227	425,766	395,987
<b>Total Expense</b>	<u>10,543,555</u>	<u>10,499,069</u>	<u>9,989,565</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(221,842)</u>	<u>255,515</u>	<u>474,239</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>348,686</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(40,674)	(57,840)	(56,442)
Other	(86,170)	(66,632)	(87,805)
<b>Total Net Transfers</b>	<u>(126,844)</u>	<u>(124,472)</u>	<u>(144,247)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>131,043</u>	<u>329,992</u>
<b>Operating Surplus (Deficit), beginning of year</b>		633,921	303,929
<b>Operating Surplus (Deficit), end of year</b>		<u>764,964</u>	<u>633,921</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 12)		415,661	416,563
Unrestricted		349,303	217,358
<b>Total Operating Surplus (Deficit), end of year</b>		<u>764,964</u>	<u>633,921</u>

# School District No. 81 (Fort Nelson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 15) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	9,944,734	9,956,360	10,096,024
ISC/LEA Recovery	(332,738)	(408,625)	(332,738)
Other Ministry of Education and Child Care Grants			
Pay Equity	79,311	79,311	79,311
Student Transportation Fund	32,744	32,744	32,744
Support Staff Benefits Grant		9,151	8,862
FSA Scorer Grant	4,094	4,094	4,094
Early Learning Framework (ELF) Implementation	97	97	1,401
Labour Settlement Funding		391,289	
Anti Racism		6,429	6,429
Equity Scan			5,000
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>9,728,242</b>	<b>10,070,850</b>	<b>9,901,127</b>
<b>Provincial Grants - Other</b>	<b>58,000</b>	<b>98,200</b>	<b>128,073</b>
<b>Other Revenues</b>			
Funding from First Nations	332,738	408,625	332,738
Miscellaneous			
Visa Awards	3,215	3,215	3,452
Teacher Pro D	5,132	5,312	6,225
Tech Revenue	18,362	18,517	12,673
Breakfast Club of Canada	22,350	22,350	23,750
Blue Cross	34,584		
Admin Fees	47,000		
Art Starts		6,400	
<b>Total Other Revenue</b>	<b>463,381</b>	<b>464,419</b>	<b>378,838</b>
<b>Rentals and Leases</b>	<b>31,260</b>	<b>31,484</b>	<b>36,520</b>
<b>Investment Income</b>	<b>40,830</b>	<b>89,631</b>	<b>19,246</b>
<b>Total Operating Revenue</b>	<b>10,321,713</b>	<b>10,754,584</b>	<b>10,463,804</b>

# School District No. 81 (Fort Nelson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2023

	2023 Budget (Note 15) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
<b>Salaries</b>			
Teachers	3,317,549	3,407,367	3,518,937
Principals and Vice Principals	629,477	743,995	671,814
Educational Assistants	1,104,236	1,124,920	1,150,453
Support Staff	733,052	690,507	668,260
Other Professionals	784,397	658,454	571,690
Substitutes	235,300	234,728	233,014
<b>Total Salaries</b>	<b>6,804,011</b>	<b>6,859,971</b>	<b>6,814,168</b>
<b>Employee Benefits</b>	<b>1,778,819</b>	<b>1,797,634</b>	<b>1,498,315</b>
<b>Total Salaries and Benefits</b>	<b>8,582,830</b>	<b>8,657,605</b>	<b>8,312,483</b>
<b>Services and Supplies</b>			
Services	762,486	703,947	686,776
Student Transportation	411,088	370,266	337,625
Professional Development and Travel	72,240	84,329	35,696
Rentals and Leases	43,256	41,782	41,782
Dues and Fees	26,654	21,733	16,185
Insurance	37,048	37,821	38,654
Supplies	283,832	287,524	240,426
Utilities	324,121	294,062	279,938
<b>Total Services and Supplies</b>	<b>1,960,725</b>	<b>1,841,464</b>	<b>1,677,082</b>
<b>Total Operating Expense</b>	<b>10,543,555</b>	<b>10,499,069</b>	<b>9,989,565</b>

# School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	2,678,782	262,405	33,012	312,793	12,945	142,526	3,442,463
1.03 Career Programs	20,226	6,982					27,208
1.07 Library Services	158,784			76,536		21,442	256,762
1.08 Counselling	164,222					922	165,144
1.10 Special Education	301,172	59,655	917,736			67,008	1,345,571
1.31 Indigenous Education	68,540	46,682	174,172			2,830	292,224
1.41 School Administration	15,641	353,606					369,247
<b>Total Function 1</b>	<b>3,407,367</b>	<b>729,330</b>	<b>1,124,920</b>	<b>389,329</b>	<b>12,945</b>	<b>234,728</b>	<b>5,898,619</b>
<b>4 District Administration</b>							
4.11 Educational Administration				23,295	90,209		113,504
4.40 School District Governance					55,649		55,649
4.41 Business Administration		14,665		75,341	368,822		458,828
<b>Total Function 4</b>	<b>-</b>	<b>14,665</b>	<b>-</b>	<b>98,636</b>	<b>514,680</b>	<b>-</b>	<b>627,981</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				9,398	101,605		111,003
5.50 Maintenance Operations				181,890			181,890
5.52 Maintenance of Grounds							-
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191,288</b>	<b>101,605</b>	<b>-</b>	<b>292,893</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					29,224		29,224
7.70 Student Transportation				11,254			11,254
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,254</b>	<b>29,224</b>	<b>-</b>	<b>40,478</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>3,407,367</b>	<b>743,995</b>	<b>1,124,920</b>	<b>690,507</b>	<b>658,454</b>	<b>234,728</b>	<b>6,859,971</b>



**School District No. 81 (Fort Nelson)**

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	2023	2023	2023	2022
	Total	Employee	Total Salaries	Actual
	Salaries	Benefits	and Benefits	Budget
	\$	\$	\$	(Note 15)
			Supplies	(Restated - Note 18)
			\$	\$
<b>1 Instruction</b>				
1.02 Regular Instruction	3,442,463	935,602	4,378,065	4,661,642
1.03 Career Programs	27,208	9,351	36,559	4,759,665
1.07 Library Services	256,762	58,434	315,196	10,004
1.08 Counseling	165,144	36,219	201,363	295,661
1.10 Special Education	1,345,571	361,051	1,706,622	187,402
1.31 Indigenous Education	292,224	84,319	376,543	1,774,868
1.41 School Administration	369,247	73,324	442,571	383,576
<b>Total Function 1</b>	<b>5,898,619</b>	<b>1,558,300</b>	<b>7,456,919</b>	<b>7,807,283</b>
			<b>350,364</b>	<b>7,800,466</b>
<b>4 District Administration</b>				
4.11 Educational Administration	113,504	38,136	151,640	177,056
4.40 School District Governance	55,649	2,247	57,896	148,029
4.41 Business Administration	458,828	119,506	578,334	122,717
<b>Total Function 4</b>	<b>627,981</b>	<b>159,889</b>	<b>787,870</b>	<b>703,216</b>
			<b>184,660</b>	<b>973,962</b>
<b>5 Operations and Maintenance</b>				
5.41 Operations and Maintenance Administration	111,003	31,143	142,146	177,061
5.50 Maintenance Operations	181,890	40,914	222,804	809,857
5.52 Maintenance of Grounds	-	-	-	752,553
5.56 Utilities	-	-	-	7,550
<b>Total Function 5</b>	<b>292,893</b>	<b>72,057</b>	<b>364,950</b>	<b>324,121</b>
			<b>928,540</b>	<b>1,297,900</b>
<b>7 Transportation and Housing</b>				
7.41 Transportation and Housing Administration	29,224	4,869	34,093	25,556
7.70 Student Transportation	11,254	2,519	13,773	445,671
<b>Total Function 7</b>	<b>40,478</b>	<b>7,388</b>	<b>47,866</b>	<b>471,227</b>
			<b>377,900</b>	<b>395,987</b>
<b>9 Debt Services</b>				
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>6,859,971</b>	<b>1,797,634</b>	<b>8,657,605</b>	<b>10,543,555</b>
			<b>1,841,464</b>	<b>9,989,565</b>

# School District No. 81 (Fort Nelson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 15) \$	2023 Actual \$	2022 Actual (Restated - Note 18) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	1,735,579	1,596,754	1,260,450
Other	81,572	78,803	79,051
Other Revenue	81,000	135,986	52,755
Investment Income		1,653	6,000
<b>Total Revenue</b>	<u>1,898,151</u>	<u>1,813,196</u>	<u>1,398,256</u>
<b>Expenses</b>			
Instruction	1,839,027	1,618,067	1,189,555
Operations and Maintenance		5,500	50,580
Transportation and Housing		110,974	95,452
<b>Total Expense</b>	<u>1,839,027</u>	<u>1,734,541</u>	<u>1,335,587</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>59,124</u>	<u>78,655</u>	<u>62,669</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased			(4,920)
Other	(59,124)	(78,655)	(57,749)
<b>Total Net Transfers</b>	<u>(59,124)</u>	<u>(78,655)</u>	<u>(62,669)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>

# School District No. 81 (Fort Nelson)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
<b>Add: Restricted Grants</b>									
Provincial Grants - Ministry of Education and Child Care	64,624	35,115	1,837	4,700	134,386	64,000	7,350	7,623	143,314
Provincial Grants - Other									
Other					103,234				
Investment Income				6,295					
Less: Allocated to Revenue Recovered	64,624	35,115	-	6,295	103,234	64,000	7,350	7,623	143,314
Deferred Revenue, end of year	-	-	1,837	9,342	101,634	-	-	6,098	-
<b>Revenues</b>	64,624	35,115				64,000	7,350	21,056	143,314
Provincial Grants - Ministry of Education and Child Care	64,624	35,115				64,000	7,350	21,056	143,314
Provincial Grants - Other									
Other Revenue				1,653	135,986				
Investment Income				1,653					
<b>Expenses</b>	64,624	35,115				64,000	7,350	21,056	143,314
Salaries									
Teachers		26,984							
Principals and Vice Principals		8,131							
Educational Assistants									
Support Staff		26,984							
Other Professionals									
Substitutes									
Employee Benefits									
Services and Supplies	5,500			1,653	135,986	45,370	3,116	1,201	95,261
Net Revenue (Expense) before Interfund Transfers	5,500	35,115	-	1,653	135,986	64,000	7,350	1,525	143,314
Interfund Transfers	59,124	-	-	-	-	-	-	19,531	-
Other	(59,124)	-	-	-	-	-	-	(19,531)	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 81 (Fort Nelson)**  
 Changes in Special Purpose Funds and Expense by Object  
 Year Ended June 30, 2023

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Student & Family Affordability	ECL (Early Care & Learning)	Speech Path	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			516	17,054	134,826				312,850
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	183,109	549,351	9,949	128,732	57,000	250,000	175,000	78,803	1,675,167
Provincial Grants - Other									78,803
Other									103,234
Investment Income									6,295
Less: Allocated to Revenue	183,109	549,351	9,949	128,732	57,000	250,000	175,000	78,803	1,863,499
Recovered	183,109	549,351	9,949	110,974	64,062	168,850	175,000	78,803	1,813,196
Deferred Revenue, end of year	-	-	-	34,812	127,764	81,150	-	-	362,637
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	183,109	549,351	9,949	110,974	64,062	168,850	175,000	78,803	1,596,754
Provincial Grants - Other									78,803
Other Revenue									135,986
Investment Income									1,653
<b>Expenses</b>									
Salaries									
Teachers									378,183
Principals and Vice Principals	80,738	333,151			21,423		22,408		80,738
Educational Assistants									122,245
Support Staff	53,772								53,772
Other Professionals									265,642
Substitutes	2,439	9,399					136,195		11,838
Employee Benefits	136,949	342,550			21,423		158,603		912,418
Services and Supplies	37,006	206,801			4,408		16,397		335,437
	9,154		9,949	110,974	38,231	168,850		775	486,686
	183,109	549,351	9,949	110,974	64,062	168,850	175,000	78,803	1,734,541
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	78,655
<b>Interfund Transfers</b>									
Other									(78,655)
<b>Net Revenue (Expense)</b>									(78,655)

# School District No. 81 (Fort Nelson)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 15)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 18)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education and Child Care	90,207	103,865		103,865	101,126
Amortization of Deferred Capital Revenue	452,146	475,047		475,047	445,855
<b>Total Revenue</b>	<u>542,353</u>	<u>578,912</u>	<u>-</u>	<u>578,912</u>	<u>546,981</u>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	866,192	866,447		866,447	846,305
Debt Services					
Capital Loan Interest	20,109		21,780	21,780	6,953
<b>Total Expense</b>	<u>886,301</u>	<u>866,447</u>	<u>21,780</u>	<u>888,227</u>	<u>853,258</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(343,948)</u>	<u>(287,535)</u>	<u>(21,780)</u>	<u>(309,315)</u>	<u>(306,277)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	40,674	57,840		57,840	61,362
Capital Loan Payment	145,294		145,287	145,287	145,554
<b>Total Net Transfers</b>	<u>185,968</u>	<u>57,840</u>	<u>145,287</u>	<u>203,127</u>	<u>206,916</u>
<b>Other Adjustments to Fund Balances</b>					
Principal Payment					
Capital Loan		227,372	(227,372)	-	
AFG Bylaw paid to loan		(103,865)	103,865	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>123,507</u>	<u>(123,507)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(157,980)</u>	<u>(106,188)</u>	<u>-</u>	<u>(106,188)</u>	<u>(99,361)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		3,244,672	3,083	3,247,755	5,328,980
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(1,981,864)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<u>3,244,672</u>	<u>3,083</u>	<u>3,247,755</u>	<u>3,347,116</u>
<b>Capital Surplus (Deficit), end of year</b>		<u>3,138,484</u>	<u>3,083</u>	<u>3,141,567</u>	<u>3,247,755</u>

**School District No. 81 (Fort Nelson)**

Tangible Capital Assets

Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	1,175,101	31,682,865	941,808	53,974	181,955	656,806	34,692,509
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		1,983,886					1,983,886
Cost, beginning of year, as restated	1,175,101	33,666,751	941,808	53,974	181,955	656,806	36,676,395
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		976,763					976,763
Operating Fund		4,663	21,425		1,020	30,732	57,840
		981,426	21,425	-	1,020	30,732	1,034,603
Decrease:							
Deemed Disposals			263,365			213,397	476,762
			263,365			213,397	476,762
Cost, end of year	1,175,101	34,648,177	699,868	53,974	182,975	474,141	37,234,236
Work in Progress, end of year							
Cost and Work in Progress, end of year	1,175,101	34,648,177	699,868	53,974	182,975	474,141	37,234,236
Accumulated Amortization, beginning of year		15,451,312	537,477	26,146	55,578	326,490	16,397,003
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		1,983,886					1,983,886
Accumulated Amortization, beginning of year, as restated		17,435,198	537,477	26,146	55,578	326,490	18,380,889
Changes for the Year							
Increase: Amortization for the Year		629,378	82,084	5,397	36,493	113,095	866,447
Decrease:							
Deemed Disposals			263,365			213,397	476,762
			263,365			213,397	476,762
Accumulated Amortization, end of year		18,064,576	356,196	31,543	92,071	226,188	18,770,574
Tangible Capital Assets - Net	1,175,101	16,583,601	343,672	22,431	90,904	247,953	18,463,662

# School District No. 81 (Fort Nelson)

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	11,957,439	610,899		12,568,338
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	976,763			976,763
	976,763	-	-	976,763
Decrease:				
Amortization of Deferred Capital Revenue	451,215	23,832		475,047
	451,215	23,832	-	475,047
<b>Net Changes for the Year</b>	525,548	(23,832)	-	501,716
<b>Deferred Capital Revenue, end of year</b>	12,482,987	587,067	-	13,070,054
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
<b>Net Changes for the Year</b>	-	-	-	-
<b>Work in Progress, end of year</b>	-	-	-	-
<b>Total Deferred Capital Revenue, end of year</b>	12,482,987	587,067	-	13,070,054

# School District No. 81 (Fort Nelson)

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						-
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	1,080,627					1,080,627
	1,080,627	-	-	-	-	1,080,627
Decrease:						
Transferred to DCR - Capital Additions	976,763					976,763
AFG bylaw loan payment	103,864					103,864
	1,080,627	-	-	-	-	1,080,627
<b>Net Changes for the Year</b>	-	-	-	-	-	-
<b>Balance, end of year</b>	-	-	-	-	-	-



**School District  
Statement of Financial Information (SOFI)**

**School District No. 81 (Fort Nelson)**

**Fiscal Year Ended June 30, 2023**

**SCHEDULE OF DEBT**

Information on all long-term debt is included in the School District Audited Financial Statements.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 4

**School District  
Statement of Financial Information (SOFI)**

**School District No. 81 (Fort Nelson)**

**Fiscal Year Ended June 30, 2023**

**SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS**

School District No.81 (Fort Nelson) has not given any guarantee or indemnity under the Guarantees and Indemnities Regulation.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 5

**School District  
Statement of Financial Information (SOFI)**

**School District No. 81 (Fort Nelson)**

**Fiscal Year Ended June 30, 2023**

**STATEMENT OF SEVERANCE AGREEMENTS**

There were no severance agreements made between School District No.81 (Fort Nelson) and its non-unionized employees during fiscal year 2023.

Prepared as required by *Financial Information Regulation*, Schedule 1, subsection 6(7)

**School District 81**  
**Schedule of Remuneration and Expense**  
**Year Ended June 30, 2023**

NAME	POSITION	REMUNERATION	EXPENSE
<b>Elected Officials:</b>			
DICKIE, KATHI	TRUSTEE	6,686.96	1,010.53
DOLAN, WILLIAM	TRUSTEE	10,388.64	2,527.30
DOLEN, LINDA	TRUSTEE	11,914.92	4,006.76
GILBERT, MIKE	TRUSTEE	3,701.68	-
IRWIN, RAY	TRUSTEE	11,129.33	-
PEACH, FRANCIS	TRUSTEE	6,686.96	1,726.18
TAYLOR, YVETTE	TRUSTEE	10,388.64	241.59
<b>Total For Elected Officials</b>		<b>60,897.13</b>	<b>8,501.83</b>
<b>Detailed Employees &gt; 75,000.00</b>			
ABRAHAM, TYLER	TEACHERS	104645.5	371.00
ATTRILL, SARAH	ADMIN STAFF	157079.51	8,417.45
BARTLETT, JAMES	TEACHERS	99569.22	425.00
BRADLEY, CHELSEA	TEACHERS	99569.28	3,542.00
BRADLEY, RYAN	TEACHERS	99569.24	2,119.00
CLARK, SHANNON	TEACHERS	105480.34	2,602.23
COWAN, KATHARINA	TEACHERS	79035.6	425.00
DAWE, ADELINE D	TEACHERS	94391.53	2,929.40
DESROCHES-FENTON, WILLIAM	SUPPORT 12 MO	79590.78	1,833.50
DOGHERTY, GENEVIEVE C	TEACHERS	98828.48	1,365.28
DOROSZ, ELLIE L	TEACHERS	106253.32	4,353.04
EMMELKAMP, SHELLEY	TEACHERS	88685.91	1,825.00
FIORIN, JENNIFER	TEACHERS	98155.08	-
FOREMAN, JUSTIN G	TEACHERS	96377.54	2,417.75
FORSYTH, CHLOE	TEACHERS	98631.38	2,902.44
FROESE, REBECCA	ADMIN STAFF	145212.88	3,863.44
GOODMAN, CORINNE	TEACHERS	99569.24	3,086.70
GOUGH, GLEN	TEACHERS	99569.22	3,075.00
GOUGH, SARAH	TEACHERS	99569.16	3,225.00
HALL, CHRISTOPHER	CASUAL DAILY	75328.98	1,675.71
HALL, MARGARET-ANNE	ADMIN STAFF	155897.34	19,720.49
JOHNSTONE, DAVID	TEACHERS	126920.67	3,050.05
KELLER, ANDREW	TEACHERS	99569.23	3,560.31
KENNEY, SHIRLEY	ADMIN STAFF	137463.84	3,029.52
LARSON, KERRI	TEACHERS	105078.53	2,945.74
LOE, COREEN	TEACHERS	106253.23	425.00
LOW, DARRYL	ADMIN STAFF	136929.86	5,972.44

MERCER, AMANDA	TEACHERS	106253.15	1,795.90
MOLLIKA, CLAYTON	TEACHERS	105141.04	3,114.55
MORGRET, CHRISTINA E	TEACHERS	110308.24	1,777.43
MURRIN, MELISSA	ADMIN STAFF	130945.04	5,489.89
NELSON, PAT	TEACHERS	102825.45	2,980.64
OSTOPOVICH, NATASHA	ADMIN STAFF	110146.65	535.00
POWER, MEREDITH	TEACHERS	101158.21	1,675.00
SAMCHUCK, DIANA	ADMIN STAFF	145698.72	4,400.99
SCHOFIELD, HUGH	TEACHERS	95009.7	4,341.37
SMITH, STEVEN	TEACHERS	100144.21	2,340.90
SPARSHU, HEATHER	TEACHERS	106376.79	5,710.54
SUTHERLAND, DAVE	TEACHERS	99569.21	3,225.00
SYSTAD, SHARON	TEACHERS	95053.51	1,825.00
THEOBALD, MARK	ADMIN STAFF	177437.99	2,245.16
TOFFLEMIRE, SARAH L	TEACHERS	88685.98	2,521.70
VANDERSTEEN, KYLE	TEACHERS	78591.56	-
WOODCOCK, GLORIA	TEACHERS	104515.23	1,825.00
WOODWORTH, LORA	TEACHERS	100141.37	3,225.00
YEAGER-LOBB, CANDICE	TEACHERS	104515.22	275.00
<b>Total Detailed Employees &gt; 75,000.00</b>		<b>4,955,742.16</b>	<b>138,461.56</b>
<b>Total Detailed Employees &lt;= 75,000.00</b>		<b>3,278,494.93</b>	<b>84,891.26</b>
<b>TOTAL</b>		<b>8,295,134.22</b>	<b>231,854.65</b>
<b>TOTAL EMPLOYER PREMIUM FOR CPP/EI</b>			<b>466,875.39</b>

**School District 81**  
**Schedule of Payments for Goods & Service**  
**Year Ended June 30, 2023**

VENDOR NAME	EXPENSE
<b>Detailed Vendors &gt; 25,000.00</b>	
AMAZON	29,576.56
BC HYDRO	119,276.41
BCPSEA	157,125.32
BUNZL CLEANING & HYGIENE	47,174.94
CHALO SCHOOL	147,465.06
DEMCO ELECTRIC LTD.	122,730.67
DIVERSIFIED TRANSPORTATION	514,702.46
FORT NELSON FAMILY DEV.SOCIETY	54,108.00
FORTIS BC	129,160.06
GRAYSTONE CONCRETE & MASONRY	38,216.30
H&G CONTRACTING	91,944.25
HABITAT SYSTEMS INC.	147,788.01
JDC CLEANING SERVICES	277,153.60
KPMG LLP	27,195.00
MFA LOAN - COMPUTERS	32,013.12
MFA LOAN - COMPUTERS	46,590.96
MFA LOAN - VENT	162,988.92
MINISTRY OF FINANCE-EHT	159,818.30
MUNICIPAL PENSION PLAN	244,685.76
NORTHERN ROCKIES PLUMBING & HE	114,784.15
NORTHERN ROCKIES REG. MUNICIPA	47,927.93
NORTHERN WOODWORKER LTD.	26,469.79
NORTHWESTEL INVOICES	31,620.77
PACIFIC BLUE CROSS	52,179.35
PEBT	166,741.98
POWERSCHOOL CANADA ULC	25,863.61
PROPHET RIVER FIRST NATION	73,493.00
RECEIVER GENERAL CANADA	494,441.97
RFS CANADA	38,706.96
SECURE ENERGY	27,028.59
SERVICE GLASS	102,005.01
STAPLES	49,854.11
TEACHERS' PENSION PLAN	518,931.44
W.L. CONSTRUCTION LTD	400,089.75
WORKSAFE BC	76,786.70
<b>Total Detailed Vendors &gt; 25,000.00</b>	<b>\$4,796,638.81</b>
<b>Total Vendors &lt;= 25,000.00</b>	<b>656,152.01</b>
<b>Total Payments for the Goods and Services</b>	<b>\$5,452,790.82</b>

**School District 81**  
**Payment to Financial Statement Reconciliation**  
**Year ended June 30,2023**

**SCHEDULED PAYMENTS**

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REMUNERATION	8,295,134.22
EMPLOYEE EXPENSES	231,854.65
EMPLOYER CPP/EI	466,875.39
 PAYMENTS FOR GOODS AND SERVICES	 \$5,452,790.82
 TOTAL SCHEDULED PAYMENTS	 <u><u>14,446,655.08</u></u>

**RECONCILIATION ITEMS**

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**NON CASH ITEMS:**

ACCOUNTS PAYABLE ACCRUALS	-	233,789.00
PAYROLL ACCRUALS	-	5,284.00
INVENTORIES AND PREPAIDS		43,123.00

**OTHER:**

THIRD PARTY RECOVERIES	-	10,467.62
GST REBATE	-	102,620.92
RECOVERIES OF EXPENSES	-	31,412.28
<b>MISCELLANEOUS</b>		30,231.00

TOTAL CAPITAL PURCHASES	-	1,034,603.00
SCHOOL GENERATED FUNDS		135,986.00
ACCOUNTS RECEIVABLE	-	34,665.26
CAPITAL LOAN OBLIGATIONS	-	462,254.00
EMPLOYEE FUTURE BENEFITS		380,938.00

TOTAL RECONCILIATION ITEMS	-	<u><u>1,324,818.08</u></u>
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**FINANCIAL STATEMENT EXPENDITURES**

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OPERATING FUND	10,499,069.00
TRUST FUND	1,734,541.00
CAPITAL FUND	888,227.00

TOTAL FINANCIAL STATEMENT EXPENDITURES	<u><u>13,121,837.00</u></u>
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BALANCE	<u><u>-</u></u>
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