

Audited Financial Statements of

School District No. 58 (Nicola-Similkameen)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 58 (Nicola-Similkameen)

June 30, 2023

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School District No. 58 (Nicola-Similkameen)

MANAGEMENT REPORT

Version: 3782-3036-1054

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 58 (Nicola-Similkameen) 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. 58 (Nicola-Similkameen) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 58 (Nicola-Similkameen) 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. 58 (Nicola-Similkameen)

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed



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Kamloops BC V2C 6J3

Independent Auditor's Report

To the Board of Education of School District No. 58 (Nicola-Similkameen)

Opinion

We have audited the financial statements of School District No. 58 (Nicola-Similkameen) (the "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 District as at June 30, 2023, and its result of operations, change in net debt and cash flows for the year then ended in accordance with the accounting requirements 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 report. We are independent of the 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

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 24 through 38 of School District No. 58 (Nicola-Similkameen)'s financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 23.1 of the Budget 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 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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 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 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.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
September 13, 2023

School District No. 58 (Nicola-Similkameen)

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	8,868,315	10,118,056
Accounts Receivable		
Due from Province - Ministry of Education and Child Care (Note 3)	455,310	1,453,651
Due from First Nations (Note 3)	546,754	476,676
Other (Note 3)	598,387	510,329
Total Financial Assets	<u>10,468,766</u>	<u>12,558,712</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	2,996,349	3,793,851
Unearned Revenue (Note 5)	2,189	500
Deferred Revenue (Note 6)	1,414,679	1,279,500
Deferred Capital Revenue (Note 7)	24,089,637	22,840,653
Employee Future Benefits (Note 8)	1,307,999	1,318,383
Asset Retirement Obligation (Note 14)	2,535,201	2,535,201
Total Liabilities	<u>32,346,054</u>	<u>31,768,088</u>
Net Debt	<u>(21,877,288)</u>	<u>(19,209,376)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 9)	33,784,392	32,710,045
Prepaid Expenses	271,725	290,032
Supplies Inventory	221,940	
Total Non-Financial Assets	<u>34,278,057</u>	<u>33,000,077</u>
Accumulated Surplus (Deficit)	<u>12,400,769</u>	<u>13,790,701</u>
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	12,400,769	13,790,701
Accumulated Remeasurement Gains (Losses)		
	<u>12,400,769</u>	<u>13,790,701</u>

Approved by the Board

Signature of the Chairperson of the Board of Education Date Signed

Signature of the Superintendent Date Signed

Signature of the Secretary Treasurer Date Signed

School District No. 58 (Nicola-Similkameen)

Statement of Operations
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	37,162,498	36,594,634	35,535,017
Other	34,200	54,977	98,396
Federal Grants			17,719
Other Revenue	4,176,875	4,496,727	3,896,231
Rentals and Leases	73,647	91,285	65,175
Investment Income	157,500	327,487	96,327
Amortization of Deferred Capital Revenue	1,019,121	1,063,107	1,044,214
Total Revenue	42,623,841	42,628,217	40,753,079
Expenses			
Instruction	26,420,437	26,624,717	25,259,474
District Administration	1,730,021	1,702,868	1,443,171
Operations and Maintenance	14,607,804	5,954,337	5,326,663
Transportation and Housing	1,185,448	1,447,839	1,010,400
Flood Restoration		8,288,388	7,694,974
Total Expense	43,943,710	44,018,149	40,734,682
Surplus (Deficit) for the year	(1,319,869)	(1,389,932)	18,397
Accumulated Surplus (Deficit) from Operations, beginning of year		13,790,701	13,772,304
Accumulated Surplus (Deficit) from Operations, end of year		12,400,769	13,790,701

School District No. 58 (Nicola-Similkameen)

Statement of Changes in Net Debt
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(1,319,869)</u>	<u>(1,389,932)</u>	18,397
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,326,638)	(2,955,281)	(2,797,407)
Amortization of Tangible Capital Assets	1,852,949	1,880,934	1,794,687
Total Effect of change in Tangible Capital Assets	<u>(1,473,689)</u>	<u>(1,074,347)</u>	(1,002,720)
Acquisition of Prepaid Expenses		(271,725)	(290,032)
Use of Prepaid Expenses		290,032	346,958
Acquisition of Supplies Inventory		(221,940)	
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(203,633)</u>	56,926
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(2,793,558)</u>	<u>(2,667,912)</u>	(927,397)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(2,667,912)</u>	(927,397)
Net Debt, beginning of year		(19,209,376)	(18,281,979)
Net Debt, end of year		<u>(21,877,288)</u>	<u>(19,209,376)</u>

School District No. 58 (Nicola-Similkameen)

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(1,389,932)	18,397
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	840,205	500,344
Supplies Inventories	(221,940)	
Prepaid Expenses	18,307	56,926
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(797,502)	30,018
Unearned Revenue	1,689	(5,000)
Deferred Revenue	135,179	267,330
Employee Future Benefits	(10,384)	31,374
Amortization of Tangible Capital Assets	1,880,934	1,794,687
Amortization of Deferred Capital Revenue	(1,063,107)	(1,044,214)
Deferred Capital Revenue Spent on Flood Restoration Projects	(8,270,995)	
Total Operating Transactions	<u>(8,877,546)</u>	<u>1,649,862</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,281,773)	(2,797,407)
Tangible Capital Assets -WIP Purchased	(673,508)	
Total Capital Transactions	<u>(2,955,281)</u>	<u>(2,797,407)</u>
Financing Transactions		
Capital Revenue Received	10,583,086	1,422,628
Total Financing Transactions	<u>10,583,086</u>	<u>1,422,628</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,249,741)</u>	<u>275,083</u>
Cash and Cash Equivalents, beginning of year	<u>10,118,056</u>	<u>9,842,973</u>
Cash and Cash Equivalents, end of year	<u>8,868,315</u>	<u>10,118,056</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>8,868,315</u>	<u>10,118,056</u>
	<u>8,868,315</u>	<u>10,118,056</u>

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
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. 58 (Nicola-Similkameen)", and operates as "School District No. 58 (Nicola-Similkameen)." 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. 58 (Nicola-Similkameen) is exempt from federal and provincial corporate income taxes.

In November 2021, an atmospheric river caused significant damage and flooding within the geographic area that the School District is situated in. The flooding caused significant damage to District facilities and resulted in multiple sites being closed during remediation work. The nature of the damage was such that once repairs were completed, the facilities were returned to their original condition. As there were no betterments to District facilities resulting from the repairs, the repairs have been expensed on the statement of operations with an offsetting revenue either from insurance proceeds or funding from the Province of British Columbia.

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(e) and 2(l).

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

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (*cont'd*)

- 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
 - decrease in annual surplus by \$395,807
 - increase in accumulated surplus and decrease in deferred contributions by \$22,840,653
- Year-ended June 30, 2023
 - decrease in annual surplus by \$1,248,984
 - increase in accumulated surplus and decrease in deferred contributions by \$24,089,637

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit with the Bank of Montreal, the Royal Bank of Canada, and the Province of British Columbia under the Central Deposit Program 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 is measured at amortized cost and shown net of allowance for doubtful accounts.

d) Unearned Revenue

Unearned revenue includes 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 No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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(l).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2(a) for the impact of this policy on these financial statements.

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 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.

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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 being amortized on the same basis as the related tangible capital asset (see note 2(h)). Assumptions used in the calculations are reviewed annually.

h) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

h) Tangible Capital Assets *(cont'd)*

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

i) Prepaid Expenses

Prepaid expenses consist of software licenses, professional learning, and membership fees. They are included as a prepaid expense, stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

j) Supplies Inventory

Supplies inventory held for consumption or use include computers to be deployed into classrooms for use beginning in September 2023, and are recorded at the lower of historical cost and replacement cost.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 11 – Interfund Transfers and Note 16 – Internally Restricted Surplus).

l) Revenue Recognition

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

Contributions received or accrued 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:

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

l) Revenue Recognition (*cont'd*)

- 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 a description of the impact of accounting for deferred capital contributions has on these financial statements.

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

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

m) Expenditures

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

Categories of Salaries

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and Indigenous education, are allocated

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

m) Expenditures (*cont'd*)

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.

n) Financial Instruments

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

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.

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

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

o) Measurement Uncertainty

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

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
Due from Federal Government	\$ 373,545	\$ 254,765
Due from Province - Ministry of Education	455,310	1,453,651
Other	224,842	255,564
Sub-Total Other	1,053,697	1,963,980
Due from LEA/Direct Fundings	546,754	476,676
Total	\$ 1,600,451	\$ 2,440,656

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	<u>2023</u>	<u>2022</u>
Trades payable	\$ 1,548,697	\$ 1,605,564
Salaries and benefits payables	1,015,080	1,871,001
Accrued vacation pay	432,572	309,713
Other	-	7,573
Total	\$ 2,996,349	\$ 3,793,851

NOTE 5 UNEARNED REVENUE

	<u>2023</u>	<u>2022</u>
Beginning Balance:	\$ 500	\$ -
Increase:		
Lease Income	189	500
Project Fees	2,000	-
Decrease:		
Lease Income	(500)	-
Net changes for year	1,689	500
Ending Balance:	\$ 2,189	\$ 500

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,279,500	\$ 1,012,170
Contributions received during the year	6,934,574	6,067,668
Revenue recognized from deferred contributions	(6,799,395)	(5,800,338)
Total	<u>\$ 1,414,679</u>	<u>\$ 1,279,500</u>

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.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 22,840,653	\$ 22,462,239
Contributions received during the year	10,572,775	9,132,367
Investment Income	10,311	2,628
Insurance Proceeds Expended	(8,270,995)	(7,712,367)
Revenue recognized from deferred contributions	(1,063,107)	(1,044,214)
Total	<u>\$ 24,089,637</u>	<u>\$ 22,840,653</u>

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
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.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 899,575	\$ 1,174,412
Service Cost	86,331	111,355
Interest Cost	29,828	30,106
Benefit Payments	-99,729	-135,581
Actuarial (Gain) Loss	-47,952	-280,717
Accrued Benefit Obligation – March 31	<u>\$ 868,053</u>	<u>\$ 899,575</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 868,053	\$ 899,575
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	-868,053	-899,575
Employer Contributions After Measurement Date	0	22,014
Benefits Expense After Measurement Date	-30,029	-29,040
Unamortized Net Actuarial (Gain) Loss	-409,918	-411,783
Accrued Benefit Asset (Liability) - June 30	<u>-\$ 1,307,999</u>	<u>-\$ 1,318,383</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	\$ 1,318,384	\$ 1,287,008
Net Expense for Fiscal Year	67,331	111,801
Employer Contributions	-77,715	-80,426
Accrued Benefit Liability (Asset) - June 30	<u>\$ 1,307,999</u>	<u>\$ 1,318,383</u>
Components of Net Benefit Expense		
Service Cost	\$ 85,662	105,099
Interest Cost	31,485	30,037
Amortization of Net Actuarial (Gain)/Loss	-49,817	-23,334
Net Benefit Expense (Income)	<u>\$ 67,331</u>	<u>\$ 111,801</u>
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	10.6	10.6

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value		
	2022	
	2023	(restated - Note 18)
Sites	\$ 2,723,449	\$ 2,723,449
Buildings	27,403,200	26,865,211
Buildings - work in progress	673,508	-
Furniture & Equipment	989,322	994,441
Vehicles	826,626	1,019,260
Computer Software	358,280	288,733
Computer Hardware	810,007	818,951
Total	\$ 33,784,392	\$ 32,710,045

June 30, 2023					
Cost	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2023
Sites	\$ 2,723,449				\$ 2,723,449
Buildings	58,015,237	\$ 1,668,335			59,683,572
Buildings - work in progress	-	673,508			673,508
Furniture & Equipment	1,907,025	187,058	(157,565)		1,936,518
Vehicles	2,085,258		(317,843)		1,767,415
Computer Software	346,899	154,363			501,262
Computer Hardware	1,386,733	272,017	(235,877)		1,422,873
Total	\$ 66,464,601	\$ 2,955,281	(711,285)	-	\$ 68,708,597

Accumulated Amortization	Opening Cost	Additions	Disposals	Total 2023
Buildings	\$ 31,150,026	\$ 1,130,346		\$ 32,280,372
Furniture & Equipment	912,584	192,177	(157,565)	947,196
Vehicles	1,065,998	192,634	(317,843)	940,789
Computer Software	58,166	84,816		142,982
Computer Hardware	567,782	280,961	(235,877)	612,866
Total	\$ 33,754,556	\$ 1,880,934	(711,285)	\$ 34,924,205

June 30, 2022						
Cost	Opening Cost	ARO (see note 18)	Additions	Disposals	Transfers (WIP)	Total 2022 (restated - Note 18)
Sites	\$ 2,723,449					\$ 2,723,449
Buildings	53,382,222	\$ 2,535,201	\$ 2,097,814			58,015,237
Buildings - work in progress	-					-
Furniture & Equipment	1,938,893		12,816	(44,684)		1,907,025
Vehicles	2,047,977		45,579	(8,298)		2,085,258
Computer Software	117,377		229,522			346,899
Computer Hardware	1,318,491		411,676	(343,434)		1,386,733
Total	\$ 61,528,409	\$ 2,535,201	\$ 2,797,407	(396,416)	\$ -	\$ 66,464,601

Accumulated Amortization	Opening Cost	ARO (see note 18)	Additions	Disposals	Total 2022 (restated - Note 18)
Buildings	\$ 27,604,428	\$ 2,466,819	\$ 1,078,779		\$ 31,150,026
Furniture & Equipment	764,972		192,296	(44,684)	912,584
Vehicles	867,634		206,662	(8,298)	1,065,998
Computer Software	11,738		46,428		58,166
Computer Hardware	640,694		270,522	(343,434)	567,782
Total	\$ 29,889,466	\$ 2,466,819	\$ 1,794,687	(396,416)	\$ 33,754,556

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 **TANGIBLE CAPITAL ASSETS** (*Continued*)

- Buildings – work in progress having a value of \$673,508 (2022 - nil) have not been amortized. Amortization of these assets will commence when the asset is put into service.

NOTE 10 **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.

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 \$2,195,617 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$2,094,635).

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.

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 11 INTERFUND TRANSFERS

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

	<u>2023</u>	<u>2022</u>
Transfer of Funds from Local Capital to Operating	\$ 182,475	\$ -
Purchase of Assets from the Special Purpose Fund for the Capital Fund	115,143	152,465
Total	<u>\$ 297,618</u>	<u>\$ 152,465</u>

NOTE 12 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 13 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 8, 2023. The Board adopted a preliminary annual budget on June 8, 2022. The amended budget is used for comparison purposes, as these are based on actual student enrolments. Reconciliation to the original approved budget is presented below:

	<u>Original</u>		<u>Amended</u>
	<u>Approved Budget</u>	<u>Amendments</u>	<u>Approved Budget</u>
Revenue:			
Ministry of Education Provincial Grants	\$ 26,922,581	\$ 10,239,917	\$ 37,162,498
Other Provincial Ministry Grants	34,200	-	34,200
Rentals & Leases	71,400	2,247	73,647
Investment Income	82,500	75,000	157,500
Other Income	3,711,922	464,953	4,176,875
Amortization of Deferred Capital Revenue	1,124,541	(105,420)	1,019,121
	<u>\$ 31,947,144</u>	<u>\$ 10,676,697</u>	<u>\$ 42,623,841</u>
Expenses:			
Instruction	\$ 25,076,813	\$ 1,343,624	\$ 26,420,437
District Administration	1,512,605	217,416	1,730,021
Operations & Maintenance	5,416,732	9,191,072	14,607,804
Transportation & Housing	951,135	234,313	1,185,448
	<u>\$ 32,957,285</u>	<u>\$ 10,986,425</u>	<u>\$ 43,943,710</u>
Net Expense	<u>\$ (1,010,141)</u>	<u>\$ (309,728)</u>	<u>\$ (1,319,869)</u>
Budgeted Allocation of Surplus	286,529	249,512	536,041
Budgeted Annual Deficit for the Year	<u>\$ (723,612)</u>	<u>\$ (60,216)</u>	<u>\$ (783,828)</u>
Comprised of:			
Operating Fund Surplus	\$ -	\$ -	\$ -
Special Purpose Fund Surplus	-	-	-
Capital Fund Deficiency	(723,612)	(60,216)	(783,828)
Budgeted Annual Deficit for the Year	<u>\$ (723,612)</u>	<u>\$ (60,216)</u>	<u>\$ (783,828)</u>

NOTE 14 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 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.

	<u>2023</u>
Asset Retirement Obligation, July 1, 2022	\$ 2,535,201
Settlements during the year	-
Asset Retirement Obligation, closing balance	<u>\$ 2,535,201</u>

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 15 EXPENSE BY OBJECT

	<u>2023</u>	<u>2022</u>
Salaries and Benefits	\$ 27,636,941	\$ 26,480,742
Services and Supplies	14,500,274	12,459,253
Amortization	1,880,934	1,794,687
Total	\$ 44,018,149	\$ 40,734,682

NOTE 16 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	<u>2022/23</u>	<u>2021/22</u>
Internally Restricted		
- Aboriginal Education Surplus	\$ 27,150	\$ 11,165
- School Surpluses	354,485	278,490
- BCTEA LEA Capacity	23,991	23,991
- Mentorship Fund	-	50,000
- CUPE Service Improvement Fund - Article 26G	67,088	57,088
- Extreme Weather Grant	94,530	333,598
- Staff Appreciation Fund	-	5,800
Subtotal Internally Restricted	\$ 567,244	\$ 760,132
Unrestricted Accumulated Operating Surplus	1,721,658	2,064,811
Total Available for Future Operations	\$ 2,288,902	\$ 2,824,943

NOTE 17 ECONOMIC DEPENDENCE

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

NOTE 18 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 27). 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

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 18 PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING POLICY
(continued)

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:

	Increase (Decrease)
Asset Retirement Obligation (liability)	\$ 2,535,201
Tangible Capital Assets - cost	\$ 2,535,201
Tangible Capital Assets - accumulated amortization	\$ 2,466,819
Operations & Maintenance expense - Asset amortization	
Accumulated Surplus - Invested in Capital Assets	-\$ 2,466,819

NOTE 19 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

b) Interest Rate risk:

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management’s opinion that the School District is not exposed to significant interest rate risk.

School District No. 58 (Nicola-Similkameen)

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	2,824,943		10,965,758	13,790,701	16,239,123
Prior Period Adjustments					(2,466,819)
Accumulated Surplus (Deficit), beginning of year, as restated	2,824,943	-	10,965,758	13,790,701	13,772,304
Changes for the year					
Surplus (Deficit) for the year	(718,516)	115,143	(786,559)	(1,389,932)	18,397
Interfund Transfers					
Tangible Capital Assets Purchased	182,475	(115,143)	115,143	-	-
Local Capital	(536,041)	-	(853,891)	(1,389,932)	18,397
Net Changes for the year	2,288,902	-	10,111,867	12,400,769	13,790,701

School District No. 58 (Nicola-Similkameen)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	22,119,408	22,803,499	22,826,515
Other	34,200	56,458	63,500
Federal Grants			17,719
Other Revenue	3,521,975	3,216,605	3,128,009
Rentals and Leases	73,647	91,285	65,175
Investment Income	147,500	278,212	77,774
Total Revenue	<u>25,896,730</u>	<u>26,446,059</u>	<u>26,178,692</u>
Expenses			
Instruction	20,425,127	20,060,055	19,772,230
District Administration	1,614,021	1,702,868	1,443,171
Operations and Maintenance	3,515,424	4,236,750	3,425,857
Transportation and Housing	878,199	1,164,902	955,890
Total Expense	<u>26,432,771</u>	<u>27,164,575</u>	<u>25,597,148</u>
Operating Surplus (Deficit) for the year	<u>(536,041)</u>	<u>(718,516)</u>	<u>581,544</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>536,041</u>		
Net Transfers (to) from other funds			
Local Capital		182,475	(501,798)
Total Net Transfers	<u>-</u>	<u>182,475</u>	<u>(501,798)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(536,041)</u>	<u>79,746</u>
Operating Surplus (Deficit), beginning of year		2,824,943	2,745,197
Operating Surplus (Deficit), end of year		<u>2,288,902</u>	<u>2,824,943</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		2,288,902	2,824,943
Total Operating Surplus (Deficit), end of year		<u>2,288,902</u>	<u>2,824,943</u>

School District No. 58 (Nicola-Similkameen)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	24,530,519	24,560,278	24,819,042
ISC/LEA Recovery	(3,480,975)	(3,179,245)	(3,070,922)
Other Ministry of Education and Child Care Grants			
Pay Equity	120,216	120,216	120,216
Funding for Graduated Adults	22,950	69,163	61,303
Student Transportation Fund	170,292	170,292	170,292
Support Staff Benefits Grant	29,580	30,025	29,580
FSA Scorer Grant	7,506	7,506	7,506
Early Learning Framework (ELF) Implementation	369	369	1,860
Labour Settlement Funding	712,522	1,018,466	
Anti-Racism in Early Care Grant	6,429	6,429	6,429
Equity in Action Grant			4,000
Extreme Weather Grant			677,209
Total Provincial Grants - Ministry of Education and Child Care	22,119,408	22,803,499	22,826,515
Provincial Grants - Other	34,200	56,458	63,500
Federal Grants			17,719
Other Revenues			
Funding from First Nations	3,480,975	3,179,245	3,070,922
Miscellaneous			
Miscellaneous Revenue	41,000	37,360	57,087
Total Other Revenue	3,521,975	3,216,605	3,128,009
Rentals and Leases	73,647	91,285	65,175
Investment Income	147,500	278,212	77,774
Total Operating Revenue	25,896,730	26,446,059	26,178,692

School District No. 58 (Nicola-Similkameen)

Schedule 2B (Unaudited)

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

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$
Salaries			
Teachers	8,592,946	8,684,430	8,392,243
Principals and Vice Principals	2,230,956	2,088,631	2,071,763
Educational Assistants	2,355,765	2,611,653	2,442,083
Support Staff	2,738,773	3,193,429	2,970,289
Other Professionals	1,313,697	1,253,297	1,073,250
Substitutes	1,321,899	1,050,401	1,021,160
Total Salaries	18,554,036	18,881,841	17,970,788
Employee Benefits	4,273,328	4,107,349	4,102,094
Total Salaries and Benefits	22,827,364	22,989,190	22,072,882
Services and Supplies			
Services	1,029,943	1,229,891	952,808
Student Transportation	168,016	211,573	140,277
Professional Development and Travel	350,745	323,744	236,156
Rentals and Leases	550		
Dues and Fees	99,200	110,376	106,546
Insurance	98,000	88,049	107,689
Supplies	1,269,043	1,371,783	1,418,655
Utilities	589,910	839,969	562,135
Total Services and Supplies	3,605,407	4,175,385	3,524,266
Total Operating Expense	26,432,771	27,164,575	25,597,148

School District No. 58 (Nicola-Similkameen)

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	7,354,663	529,017		349,175	104,946	573,119	8,910,920
1.03 Career Programs		26,653				1,044	27,697
1.07 Library Services	98,487			24,498		128	123,113
1.08 Counselling	340,387			12,264			352,651
1.10 Special Education	859,606	129,414	2,078,710		13,582	134,639	3,215,951
1.30 English Language Learning	24,390	152,099	510,223		26,954	4,122	717,788
1.31 Indigenous Education	6,897	1,251,448	22,720	529,569		42,680	1,853,314
1.41 School Administration							
Total Function 1	8,684,430	2,088,631	2,611,653	915,506	145,482	755,732	15,201,434
4 District Administration							
4.11 Educational Administration					345,656		345,656
4.40 School District Governance					158,338		158,338
4.41 Business Administration				219,997	254,810		474,807
Total Function 4	-	-	-	219,997	758,804	-	978,801
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					275,310	1,493	276,803
5.50 Maintenance Operations				1,492,428		122,133	1,614,561
5.52 Maintenance of Grounds				130,041			130,041
5.56 Utilities							-
Total Function 5	-	-	-	1,622,469	275,310	123,626	2,021,405
7 Transportation and Housing							
7.41 Transportation and Housing Administration				18,449	73,701		92,150
7.70 Student Transportation				417,008		171,043	588,051
Total Function 7	-	-	-	435,457	73,701	171,043	680,201
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	8,684,430	2,088,631	2,611,653	3,193,429	1,253,297	1,050,401	18,881,841

School District No. 58 (Nicola-Similkameen)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$	\$	\$	\$	(Restated - Note 18) \$
1 Instruction							
1.02 Regular Instruction	8,910,920	1,932,837	10,843,757	760,475	11,604,232	11,978,848	11,556,846
1.03 Career Programs	27,697	6,008	33,705	42,563	76,268	77,327	52,447
1.07 Library Services	123,113	26,704	149,817	38,556	188,373	206,332	186,012
1.08 Counselling	352,651	76,492	429,143	8,196	437,339	420,446	414,906
1.10 Special Education	3,215,951	697,561	3,913,512	263,268	4,176,780	3,903,638	3,876,682
1.30 English Language Learning	-	-	-	180	180	-	-
1.31 Indigenous Education	717,788	167,446	885,234	382,081	1,267,315	1,294,465	1,464,060
1.41 School Administration	1,853,314	401,996	2,255,310	54,258	2,309,568	2,544,071	2,221,277
Total Function 1	15,201,434	3,309,044	18,510,478	1,549,577	20,060,055	20,425,127	19,772,230
4 District Administration							
4.11 Educational Administration	345,656	74,975	420,631	80,118	500,749	496,162	451,061
4.40 School District Governance	158,338	34,345	192,683	100,332	293,015	257,163	238,635
4.41 Business Administration	474,807	102,989	577,796	331,308	909,104	860,696	753,475
Total Function 4	978,801	212,309	1,191,110	511,758	1,702,868	1,614,021	1,443,171
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	276,803	60,040	336,843	81,767	418,610	472,817	442,832
5.50 Maintenance Operations	1,614,561	350,209	1,964,770	759,925	2,724,695	2,368,218	2,204,033
5.52 Maintenance of Grounds	130,041	28,207	158,248	95,228	253,476	84,479	194,151
5.56 Utilities	-	-	-	839,969	839,969	589,910	584,841
Total Function 5	2,021,405	438,456	2,459,861	1,776,889	4,236,750	3,515,424	3,425,857
7 Transportation and Housing							
7.41 Transportation and Housing Administration	92,150	19,988	112,138	-	112,138	126,838	112,732
7.70 Student Transportation	588,051	127,552	715,603	337,161	1,052,764	751,361	843,158
Total Function 7	680,201	147,540	827,741	337,161	1,164,902	878,199	955,890
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	18,891,841	4,107,349	22,999,190	4,175,385	27,164,575	26,432,771	25,597,148

School District No. 58 (Nicola-Similkameen)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 18)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	5,755,457	5,520,140	4,996,135
Other		(1,481)	34,896
Other Revenue	654,900	1,280,122	768,222
Investment Income		614	1,085
Total Revenue	<u>6,410,357</u>	<u>6,799,395</u>	<u>5,800,338</u>
Expenses			
Instruction	5,995,310	6,564,662	5,487,244
District Administration	116,000		
Operations and Maintenance	144,430	29,287	106,119
Transportation and Housing	114,617	90,303	54,510
Total Expense	<u>6,370,357</u>	<u>6,684,252</u>	<u>5,647,873</u>
Special Purpose Surplus (Deficit) for the year	<u>40,000</u>	<u>115,143</u>	<u>152,465</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(40,000)	(115,143)	(152,465)
Total Net Transfers	<u>(40,000)</u>	<u>(115,143)</u>	<u>(152,465)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 58 (Nicola-Similkameen)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year									
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	125,854	87,678	14,762	649,090	86,377	8,049	7,656	306,052	313,178
Provincial Grants - Other				1,240,708					
Other				63					
Investment Income									
Less: Allocated to Revenue									
Deferred Revenue, end of year									
	125,854	87,678	14,762	649,090	86,377	8,049	7,656	306,052	313,178
	125,854	87,678	-	1,240,771	128,000	14,700	140,303	306,052	313,178
	-	-	1,059	1,179,557	130,055	1,764	111,893	300,585	313,178
	-	-	13,703	710,304	84,322	20,985	36,066	5,467	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	125,854	87,678	1,059		130,055	1,764	111,893	300,585	313,178
Provincial Grants - Other				1,179,494					
Other Revenue				63					
Investment Income									
Expenses									
Salaries									
Teachers									
Principals and Vice Principals							21,573	101,207	48,150
Educational Assistants								26,712	
Support Staff		69,108			86,004			37,844	
Other Professionals									44,501
Substitutes							3,468	67,972	
Employee Benefits		69,108					25,041	165,763	160,623
Services and Supplies	10,711	18,570	1,059	1,179,557	20,560	1,764	6,368	32,915	24,117
	10,711	87,678	1,059	1,179,557	130,055	1,764	80,484	101,907	128,438
							111,893	300,585	313,178
Net Revenue (Expense) before Interfund Transfers	115,143	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(115,143)								
	(115,143)								
Net Revenue (Expense)									
	-	-	-	-	-	-	-	-	-

School District No. 58 (Nicola-Similkameen)

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	Federal Safe Return to Class/ Ventilation Fund	Seamless Day Kindergarten	Student & Family Affordability	JUST B4
	\$	\$	\$	\$	\$	\$	\$	\$	
Deferred Revenue, beginning of year			70,637	108,089	15,991	18,576			
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	3,849,319	11,496	43,980	55,000	6,750		55,400	25,000	
Provincial Grants - Other									
Other									
Investment Income									
Less: Allocated to Revenue	3,849,319	11,496	43,980	55,000	6,750		55,400	25,000	
Deferred Revenue, end of year	-	2,012	24,314	67,617	18,572		55,400	25,000	
Revenues	3,849,319	9,484	90,303	95,472	4,169	18,576		233,828	
Provincial Grants - Ministry of Education and Child Care									
Provincial Grants - Other									
Other Revenue									
Investment Income									
Expenses	3,849,319	9,484	90,303	95,472	4,169	18,576		233,828	
Salaries									
Teachers	3,129,527								
Principals and Vice Principals									
Educational Assistants									
Support Staff									
Other Professionals								9,038	
Substitutes		2,783	38,698						
Employee Benefits	3,129,527	2,783	38,698					9,038	
Services and Supplies	719,792	363	8,901					923	
		6,338	42,704	95,472	4,169	18,576		223,867	
	3,849,319	9,484	90,303	95,472	4,169	18,576		233,828	
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)	-	-	-	-	-	-	-	-	

School District No. 58 (Nicola-Similkameen)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	AREA Multicultural Program	Charitable Society	ASSAI	United Way	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year							
Add: Restricted Grants	19,000	175,000			30,382	19,498	1,279,500
Provincial Grants - Ministry of Education and Child Care							5,606,710
Provincial Grants - Other						9,900	9,900
Other				76,642			1,317,350
Investment Income				551			614
Less: Allocated to Revenue	4,772	142,151	3,872	97,307	(1,481)	-	6,799,395
Deferred Revenue, end of year	14,228	32,849	23,141	203,266	31,863	29,398	1,414,679
Revenues							
Provincial Grants - Ministry of Education and Child Care	4,772	142,151			(1,481)		5,520,140
Provincial Grants - Other							(1,481)
Other Revenue			3,872	96,756			1,280,122
Investment Income				551			614
Expenses							
Salaries							
Teachers							3,252,307
Principals and Vice Principals		103,146					151,296
Educational Assistants							181,824
Support Staff					(721)		46,161
Other Professionals							44,501
Substitutes							113,716
Employee Benefits		103,146			(721)		3,789,805
Services and Supplies	4,772	24,081			(780)		857,946
	4,772	14,924	3,872	97,307	20		2,036,501
	4,772	142,151	3,872	97,307	(1,481)		6,684,252
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	115,143
Interfund Transfers							
Tangible Capital Assets Purchased							(115,143)
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 58 (Nicola-Similkameen)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023 Budget	2023 Actual			2022 Actual (Restated - Note 18)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	9,287,633	8,270,995		8,270,995	7,712,367
Investment Income	10,000		48,661	48,661	17,468
Amortization of Deferred Capital Revenue	1,019,121	1,063,107		1,063,107	1,044,214
Total Revenue	<u>10,316,754</u>	<u>9,334,102</u>	<u>48,661</u>	<u>9,382,763</u>	<u>8,774,049</u>
Expenses					
Operations and Maintenance	9,287,633			-	
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,660,317	1,688,300		1,688,300	1,794,687
Transportation and Housing	192,632	192,634		192,634	
Flood Restoration		8,288,388		8,288,388	7,694,974
Total Expense	<u>11,140,582</u>	<u>10,169,322</u>	<u>-</u>	<u>10,169,322</u>	<u>9,489,661</u>
Capital Surplus (Deficit) for the year	<u>(823,828)</u>	<u>(835,220)</u>	<u>48,661</u>	<u>(786,559)</u>	<u>(715,612)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	40,000	115,143		115,143	152,465
Local Capital			(182,475)	(182,475)	501,798
Total Net Transfers	<u>40,000</u>	<u>115,143</u>	<u>(182,475)</u>	<u>(67,332)</u>	<u>654,263</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		613,438	(613,438)	-	
Total Other Adjustments to Fund Balances		<u>613,438</u>	<u>(613,438)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(783,828)</u>	<u>(106,639)</u>	<u>(747,252)</u>	<u>(853,891)</u>	<u>(61,349)</u>
Capital Surplus (Deficit), beginning of year		8,050,374	2,915,384	10,965,758	13,493,926
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(2,466,819)
Capital Surplus (Deficit), beginning of year, as restated		<u>8,050,374</u>	<u>2,915,384</u>	<u>10,965,758</u>	<u>11,027,107</u>
Capital Surplus (Deficit), end of year		<u>7,943,735</u>	<u>2,168,132</u>	<u>10,111,867</u>	<u>10,965,758</u>

School District No. 58 (Nicola-Similkameen)

Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,723,449	55,480,036	1,907,025	2,085,258	346,899	1,386,733	63,929,400
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		2,535,201					2,535,201
Cost, beginning of year, as restated	2,723,449	58,015,237	1,907,025	2,085,258	346,899	1,386,733	66,464,601
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,553,192					1,553,192
Special Purpose Funds		115,143					115,143
Local Capital			187,058		154,363	272,017	613,438
Decrease:							
Deemed Disposals		1,668,335	187,058	-	154,363	272,017	2,281,773
Cost, end of year							
Work in Progress, end of year			157,565	317,843		235,877	711,285
Cost and Work in Progress, end of year	2,723,449	59,683,572	1,936,518	1,767,415	501,262	1,422,873	68,035,089
		673,508					673,508
	2,723,449	60,357,080	1,936,518	1,767,415	501,262	1,422,873	68,708,597
Accumulated Amortization, beginning of year							
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		28,683,207	912,584	1,065,998	58,166	567,782	31,287,737
Accumulated Amortization, beginning of year, as restated		2,466,819					2,466,819
Changes for the Year							
Increase: Amortization for the Year		31,150,026	912,584	1,065,998	58,166	567,782	33,754,556
Decrease:							
Deemed Disposals		1,130,346	192,177	192,634	84,816	280,961	1,880,934
Accumulated Amortization, end of year							
			157,565	317,843		235,877	711,285
			157,565	317,843		235,877	711,285
	32,280,372	947,196	947,196	940,789	142,982	612,866	34,924,205
Tangible Capital Assets - Net	2,723,449	28,076,708	989,322	826,626	358,280	810,007	33,784,392

School District No. 58 (Nicola-Similkameen)

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					-
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	607,752				607,752
Deferred Capital Revenue - Other	65,756				65,756
	<u>673,508</u>	-	-	-	<u>673,508</u>
Net Changes for the Year	<u>673,508</u>	-	-	-	<u>673,508</u>
Work in Progress, end of year	<u><u>673,508</u></u>	-	-	-	<u><u>673,508</u></u>

School District No. 58 (Nicola-Similkameen)

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	20,885,328	1,256,535		22,141,863
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,553,192			1,553,192
	1,553,192	-	-	1,553,192
Decrease:				
Amortization of Deferred Capital Revenue	1,009,953	53,154		1,063,107
	1,009,953	53,154	-	1,063,107
Net Changes for the Year	543,239	(53,154)	-	490,085
Deferred Capital Revenue, end of year	21,428,567	1,203,381	-	22,631,948
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	607,752	65,756		673,508
	607,752	65,756	-	673,508
Net Changes for the Year	607,752	65,756	-	673,508
Work in Progress, end of year	607,752	65,756	-	673,508
Total Deferred Capital Revenue, end of year	22,036,319	1,269,137	-	23,305,456

School District No. 58 (Nicola-Similkameen)

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	166,574	531,407	809	-	-	698,790
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	10,507,019	10,311	65,756	-	-	10,572,775
Investment Income	10,507,019	10,311	65,756	-	-	10,583,086
Decrease:						
Transferred to DCR - Capital Additions	1,553,192	-	-	-	-	1,553,192
Transferred to DCR - Work in Progress	607,752	-	65,756	-	-	673,508
Transferred to Revenue - Flood Restoration	8,270,995	-	-	-	-	8,270,995
	10,431,939	-	65,756	-	-	10,497,695
Net Changes for the Year	75,080	10,311	-	-	-	85,391
Balance, end of year	241,654	541,718	809	-	-	784,181