

Audited Financial Statements of

School District No. 5 (Southeast Kootenay)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 5 (Southeast Kootenay)

June 30, 2021

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School District No. 5 (Southeast Kootenay)

MANAGEMENT REPORT

Version: 8400-7654-5672

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 5 (Southeast Kootenay) 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.




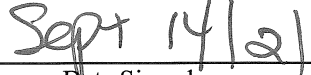
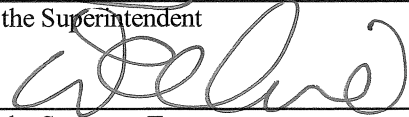

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 5 (Southeast Kootenay) (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. 5 (Southeast Kootenay) 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. 5 (Southeast Kootenay)

 _____ Signature of the Chairperson of the Board of Education	 _____ Date Signed
 _____ Signature of the Superintendent	 _____ Date Signed
 _____ Signature of the Secretary Treasurer	 _____ Date Signed

Independent Auditor's Report

**To the Board of Education of School District No. 5 (Southeast Kootenay) and
the Minister of Education of the Province of British Columbia**

Opinion

We have audited the accompanying financial statements of the School District No. 5 (Southeast Kootenay), which comprise the statement of financial position as at June 30, 2021 and the statements of operations, changes in net debt and cash flows for the year ended June 30, 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the School District No. 5 (Southeast Kootenay) for the year ended June 30, 2021 are prepared, in all material respects, in accordance with 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 School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

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

Other Matters

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

Other Information

Management is responsible for the other information. The other information, other than the financial statements and our auditor's report thereon, includes the Financial Statement Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do 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.

Prior to the date of this auditor's report, we obtained the Financial Statement Discussion and Analysis prepared by management. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Independent Auditor's Report (Continued)

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, which requires Canadian public sector accounting standards modified by B.C. Regulation 198/2011 "Restricted Contributions", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the School District to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the School District audit. We remain solely responsible for our audit opinion.



Independent Auditor's Report (Continued)

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.

A handwritten signature in black ink, appearing to read 'BDO Canada LLP'.

Chartered Professional Accountants
Cranbrook, BC
September 14, 2021

School District No. 5 (Southeast Kootenay)

Statement of Financial Position

As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	12,917,106	13,659,370
Accounts Receivable		
Due from Province - Ministry of Education	327,000	628,990
Due from First Nations	107,125	75,371
Other (Note 3)	571,606	264,082
Total Financial Assets	13,922,837	14,627,813
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	8,196	
Other (Note 4)	6,775,472	6,050,439
Unearned Revenue	410	38,509
Deferred Revenue (Note 5)	1,257,794	1,723,537
Deferred Capital Revenue (Note 6)	61,310,501	60,149,382
Employee Future Benefits (Note 7)	598,823	479,658
Total Liabilities	69,951,196	68,441,525
Net Debt	(56,028,359)	(53,813,712)
Non-Financial Assets		
Tangible Capital Assets (Note 8)	83,529,032	77,605,668
Prepaid Expenses	387,996	975,118
Total Non-Financial Assets	83,917,028	78,580,786
Accumulated Surplus (Deficit)	27,888,669	24,767,074

Contractual Obligations (Note 11)

Contractual Rights (Note 12)

Approved by the Board

Signature of the Chairperson of the Board of Education

Sgt 8/24/21
Date Signed

Signature of the Superintendent

Sept 14/21
Date Signed

Signature of the Secretary Treasurer

Sept 14/21
Date Signed

School District No. 5 (Southeast Kootenay)

Statement 2

Statement of Operations
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	69,074,870	76,209,796	67,781,775
Other	100,164	207,620	231,237
Other Revenue	1,182,403	1,215,012	2,854,313
Rentals and Leases	200,000	200,728	207,297
Investment Income	32,500	78,418	143,721
Amortization of Deferred Capital Revenue	2,856,382	2,875,518	2,856,382
Total Revenue	<u>73,446,319</u>	<u>80,787,092</u>	<u>74,074,725</u>
Expenses (Note 14)			
Instruction	57,955,878	62,169,223	57,840,986
District Administration	2,342,318	2,222,915	2,207,180
Operations and Maintenance	10,588,917	11,371,584	10,011,441
Transportation and Housing	1,988,745	1,901,775	1,712,699
Total Expense	<u>72,875,858</u>	<u>77,665,497</u>	<u>71,772,306</u>
Surplus (Deficit) for the year	<u>570,461</u>	<u>3,121,595</u>	<u>2,302,419</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		<u>24,767,074</u>	<u>22,464,655</u>
Accumulated Surplus (Deficit) from Operations, end of year		<u>27,888,669</u>	<u>24,767,074</u>

School District No. 5 (Southeast Kootenay)

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Surplus (Deficit) for the year	570,461	3,121,595	2,302,419
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,515,621)	(9,393,964)	(4,691,839)
Amortization of Tangible Capital Assets	3,409,042	3,470,600	3,409,042
Total Effect of change in Tangible Capital Assets	1,893,421	(5,923,364)	(1,282,797)
Acquisition of Prepaid Expenses	(401,221)	(394,846)	(975,118)
Use of Prepaid Expenses	401,221	981,968	665,738
Total Effect of change in Other Non-Financial Assets	-	587,122	(309,380)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>2,463,882</u>	<u>(2,214,647)</u>	710,242
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(2,214,647)</u>	710,242
Net Debt, beginning of year		<u>(53,813,712)</u>	(54,523,954)
Net Debt, end of year		<u><u>(56,028,359)</u></u>	<u>(53,813,712)</u>

School District No. 5 (Southeast Kootenay)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	3,121,595	2,302,419
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(37,288)	(107,218)
Prepaid Expenses	587,122	(309,380)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	733,229	249,825
Unearned Revenue	(38,099)	38,509
Deferred Revenue	(465,743)	176,790
Employee Future Benefits	119,165	98,418
Amortization of Tangible Capital Assets	3,470,600	3,409,042
Amortization of Deferred Capital Revenue	(2,875,518)	(2,856,382)
Recognition of Deferred Capital Revenue Spent on Sites	(3,449,139)	
Total Operating Transactions	1,165,924	3,002,023
Capital Transactions		
Tangible Capital Assets Purchased	(9,393,964)	(4,691,839)
Total Capital Transactions	(9,393,964)	(4,691,839)
Financing Transactions		
Capital Revenue Received	7,485,776	3,367,699
Total Financing Transactions	7,485,776	3,367,699
Net Increase (Decrease) in Cash and Cash Equivalents	(742,264)	1,677,883
Cash and Cash Equivalents, beginning of year	13,659,370	11,981,487
Cash and Cash Equivalents, end of year	12,917,106	13,659,370
Cash and Cash Equivalents, end of year, is made up of:		
Cash	7,812,713	10,207,255
Cash Equivalents	5,104,393	3,452,115
	12,917,106	13,659,370

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 AUTHORITY AND PURPOSE

The School District 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. 5 (Southeast Kootenay)", and operates as "School District No. 5 (Southeast Kootenay)." 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.

The impact of Covid-19 continues to exist and has had a significant financial, market and social dislocating impact worldwide. 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 ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

In September 2010, the Province of British Columbia Treasury Board ("Treasury Board") provided directive through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sector to adopt PSA standards of the Canadian Institute of Chartered Accountants ("CICA") without not-for-profit provisions from their first fiscal year commencing after January 1, 2012. In March 2011, PSAB released a new *Section PS 3410 "Government Transfers"*. 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. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Notes 2(d) and 2(i).

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As noted in notes 2 (d) and 2 (i), 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 these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2020	- overstatement of revenue and annual surplus of \$109,760
June 30, 2020	- understatement of accumulated surplus and an overstatement of deferred capital revenue by \$59,385,576
Year-ended June 30, 2021	- understatement of revenue and annual surplus of \$1,282,526
June 30, 2021	- understatement of accumulated surplus and an overstatement of deferred capital revenue by \$60,668,102

b) Cash and Cash Equivalents

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

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) 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 (i).

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.

e) 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, 2019 and projected to March 31, 2022. 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. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective April 1, 2022. A liability will be 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.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

A modified retroactive application has been approved by Government. Management will be adopting this standard on the School District's fiscal year ended June 30, 2023.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) 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.
- 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.
- 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 Hardware	5 years

h) Prepaid Expenses

Prepaid membership dues, insurance, travel expenses and software licensing fees are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

i) 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 within accumulated surplus when approved (see Note 15 – Internally Restricted Surplus).

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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 restricted 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.

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

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Expenditures

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

- 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.

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under a personal services contract are categorized as Principals and Vice-Principals.
- Superintendents, Secretary-Treasurers, Exempt Staff, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and other liabilities.

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 are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

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

Financial instruments have been accounted for prospectively since June 30, 2013 in accordance with public sector accounting standards as described above.

m) 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. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2021	June 30, 2020
Due from Federal Government	\$379,226	\$177,157
Other	192,380	86,925
	\$571,606	\$264,082

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2021	June 30, 2020
Trade payables	\$1,067,969	\$1,211,822
Salaries and benefits payable	5,707,503	4,838,617
	\$6,775,472	\$6,050,439

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 5 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.

	June 30, 2021	June 30, 2020
Ministry of Education Grants	\$85,151	\$612,636
Province of BC Grants	22,541	17,803
School Generated	347,844	293,624
Scholarships	783,189	786,336
Other	19,069	13,138
	\$1,257,794	\$1,723,537
	June 30, 2021	June 30, 2020
Balance, beginning of year	\$1,723,537	\$1,546,747
Changes for the year:		
Increase: Grants and contributions received		
Provincial	7,015,611	4,166,065
Other	748,016	2,092,423
Decrease: Grants and contributions recognized		
Provincial	(7,538,358)	(3,987,298)
Other	(691,012)	(2,094,400)
	\$1,257,794	\$1,723,537

NOTE 6 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.

	June 30, 2021	June 30, 2020
Balance, beginning of year	\$60,149,382	\$59,638,065
Changes for the year:		
Increase:		
Grants and contributions received	7,485,776	3,367,699
Decrease:		
Amortization of deferred capital revenue	(2,875,518)	(2,856,382)
Transferred to revenue – Site purchase	(3,449,139)	-
	\$61,310,501	\$60,149,382

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 7 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.

	June 30, 2021	June 30, 2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	822,087	771,158
Service Cost	74,230	70,161
Interest Cost	19,586	20,316
Benefit Payments	(28,663)	(52,998)
Actuarial Loss	(41,598)	13,450
Accrued Benefit Obligation – March 31	<u>845,642</u>	<u>822,087</u>
Reconciliation of Funded Status at End of Fiscal Year		
Funded Status - Deficit	(845,642)	(822,087)
Employer Contributions After Measurement Date	-	-
Benefit Expenses After Measurement Date	(23,980)	(23,454)
Unamortized Net Actuarial Loss	270,799	365,883
Accrued Benefit Liability - June 30	<u>(598,823)</u>	<u>(479,658)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	479,658	381,239
Net Expense for Fiscal Year	147,828	145,578
Employer Contributions	(28,663)	(47,159)
Accrued Benefit Liability - June 30	<u>598,823</u>	<u>479,658</u>
Components of Net Benefit Expense		
Service Cost	74,100	71,178
Interest Cost	20,241	20,134
Amortization of Net Actuarial Loss	53,487	54,266
Net Benefit Expense	<u>147,828</u>	<u>145,578</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 7 EMPLOYEE FUTURE BENEFITS (Continued)

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Discount Rate – April 1	2.25%	2.50%
Discount Rate – March 31	2.50%	2.25%
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	10.9	10.9

NOTE 8 TANGIBLE CAPITAL ASSETS

June 30, 2021

Cost:	<u>Balance at June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2021</u>
Sites	\$ 5,987,977	\$3,449,139	\$	\$ 9,437,116
Buildings	146,123,271	4,852,248		150,975,518
Furniture & Equipment	1,702,789	232,356	140,871	1,794,274
Vehicles	3,368,770	723,721	356,213	3,736,278
Computer Hardware	196,880	136,500	62,115	271,265
Total	\$157,379,686	\$9,393,964	\$559,199	\$166,214,451

Accumulated Amortization:	<u>Balance at June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2021</u>
Sites	\$	\$	\$	\$
Buildings	77,297,630	2,924,068		780,221,698
Furniture & Equipment	746,760	170,279	140,871	776,168
Vehicles	1,638,009	336,877	356,213	1,618,673
Computer Hardware	91,619	39,376	62,115	68,880
Total	\$79,774,018	\$3,470,600	\$559,199	\$82,685,419

Net Book Value	<u>Net Book Value June 30, 2020</u>	<u>Net Book Value June 30, 2021</u>
Sites	\$ 5,987,977	\$ 9,437,116
Buildings	68,825,640	70,753,820
Furniture & Equipment	956,029	1,018,106
Vehicles	1,730,761	2,117,605
Computer Hardware	105,261	202,385
Total	\$77,605,668	\$83,529,032

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 8 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2020

Cost:	Balance at June 30, 2019	Additions	Disposals	Balance at June 30, 2020
Sites	\$ 5,987,977	\$	\$	\$ 5,987,977
Buildings	14,196,879	4,154,475		146,123,270
Furniture & Equipment	1,666,836	189,271	153,318	1,702,789
Vehicles	3,628,628	304,917	564,775	3,368,770
Computer Hardware	178,681	43,176	24,977	196,880
Total	\$153,430,917	\$4,691,839	\$743,070	\$157,379,686

Accumulated Amortization:	Balance at June 30, 2019	Additions	Disposals	Balance at June 30, 2020
Sites	\$	\$	\$	\$
Buildings	74,453,871	2,843,759		77,297,630
Furniture & Equipment	733,394	166,684	153,318	746,760
Vehicles	1,839,921	362,863	564,775	1,638,009
Computer Hardware	80,860	35,736	24,977	91,619
Total	\$77,108,046	\$3409,042	\$743,070	\$79,774,018

Net Book Value	Net Book Value June 30, 2019	Net Book Value June 30, 2020
Sites	\$ 5,987,977	\$ 5,987,977
Buildings	67,514,924	68,825,640
Furniture & Equipment	933,442	956,029
Vehicles	1,788,707	1,730,761
Computer Hardware	97,821	105,261
Total	\$76,322,871	\$77,605,668

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2020 the Teachers' Pension Plan has about 49,000 active members from school districts, and approximately 40,000 retired members from school districts. As of December 31, 2020 the Municipal Pension Plan has about 220,000 active members, of which approximately 28,000 are 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 latest actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. The next valuation will be December 31, 2020, with results available in 2021.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be December 31, 2021, with results available in 2022.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for the plans 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. 5 (Southeast Kootenay) expensed \$5,115,641 (2020 - \$4,805,072) for employer contributions to these plans in the year ended June 30, 2021.

NOTE 10 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. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

\$77,665,497

\$71,772,306

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Appropriations Summary	June 2021	June 2020
<u>Special Education</u>		
- District Summary	\$ 510,555	\$ 504,995
- Itinerant Summary 707	26,953	94,295
	<u>537,508</u>	<u>599,290</u>
<u>Schools</u>		
- Operating	242,093	194,708
- Learning Resources	101,600	104,259
- Growth Plans	73,903	56,818
- School Based Special Ed	116,011	101,437
	<u>533,607</u>	<u>457,222</u>
<u>Other appropriations</u>		
Contractual Pro-D	194,013	119,956
Aboriginal Education 131	134,926	350,933
Technology Program 701	274,812	353,813
Student Learning 702	26,217	17,485
Education Accounts 703	66,179	57,488
Education Plan 708	2,486	85
Operating Grant Holdback	158,614	-
Capital support fund - Major Projects	-	600,000
Employee Pro-D	60,000	120,000
School Generated Funds	1,109,079	1,036,807
Capital Expansion – IDES	500,000	500,000
Covid-19 Related Costs	-	250,000
Operating Projects	286,152	141,972
Transportation Fund	519,265	547,806
5 year Technology Plan	300,000	400,000
Appropriations - Restricted	<u><u>\$4,702,857</u></u>	<u><u>\$5,552,857</u></u>
<u>Surplus Summary June 2021</u>		
Surplus Beginning of year	\$6,235,960	\$4,712,828
Surplus/Deficit for year	(516,573)	2,723,132
Transfer to Local Capital	(700,000)	(1,200,000)
Accumulated Surplus	<u><u>\$5,019,387</u></u>	<u><u>\$6,235,960</u></u>
Appropriations - Restricted	\$4,702,857	\$5,552,857
Appropriations - Unrestricted	316,530	683,103
Accumulated Surplus	<u><u>\$5,019,387</u></u>	<u><u>\$6,235,960</u></u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 16 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 17 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit 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 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 deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in term deposits.

b) 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.

School District No. 5 (Southeast Kootenay)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2021

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	6,235,960		18,531,114	24,767,074	22,464,655
Changes for the year					
Surplus (Deficit) for the year	(516,573)	778,280	2,859,888	3,121,595	2,302,419
Interfund Transfers					
Tangible Capital Assets Purchased		(778,280)	778,280	-	
Local Capital	(700,000)		700,000	-	
Net Changes for the year	(1,216,573)	-	4,338,168	3,121,595	2,302,419
Accumulated Surplus (Deficit), end of year - Statement 2	5,019,387	-	22,869,282	27,888,669	24,767,074

School District No. 5 (Southeast Kootenay)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	65,187,150	65,388,966	63,904,452
Other		47,872	121,262
Other Revenue	282,484	535,353	780,456
Rentals and Leases	200,000	200,728	207,297
Investment Income	25,000	61,234	115,652
Total Revenue	<u>65,694,634</u>	<u>66,234,153</u>	<u>65,129,119</u>
Expenses			
Instruction	53,515,696	55,323,559	51,886,492
District Administration	2,310,318	2,222,915	2,207,180
Operations and Maintenance	7,179,875	7,305,525	6,602,399
Transportation and Housing	1,988,745	1,898,727	1,709,916
Total Expense	<u>64,994,634</u>	<u>66,750,726</u>	<u>62,405,987</u>
Operating Surplus (Deficit) for the year	<u>700,000</u>	<u>(516,573)</u>	<u>2,723,132</u>
Net Transfers (to) from other funds			
Local Capital	(700,000)	(700,000)	(1,200,000)
Total Net Transfers	<u>(700,000)</u>	<u>(700,000)</u>	<u>(1,200,000)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(1,216,573)</u>	<u>1,523,132</u>
Operating Surplus (Deficit), beginning of year		6,235,960	4,712,828
Operating Surplus (Deficit), end of year		<u>5,019,387</u>	<u>6,235,960</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 15)		4,702,857	5,552,857
Unrestricted		316,530	683,103
Total Operating Surplus (Deficit), end of year		<u>5,019,387</u>	<u>6,235,960</u>

School District No. 5 (Southeast Kootenay)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	65,373,362	63,017,400	61,749,031
ISC/LEA Recovery	(245,484)	(218,161)	(209,965)
Other Ministry of Education Grants			
Pay Equity	457,171	457,171	457,171
Funding for Graduated Adults		27,133	22,074
Student Transportation Fund	361,459	361,459	361,459
Carbon Tax Grant			94,835
Employer Health Tax Grant			473,691
Support Staff Benefits Grant	52,993	103,274	68,257
Support Staff Wage Increase Funding			248,912
Teachers' Labour Settlement Funding		1,510,285	623,582
Early Career Mentorship Funding		120,000	
FSA Scorer Grant	8,187	8,187	8,187
Growing Innovations			5,000
Early Learning Framework		2,218	2,218
Enrollment/Other Adjustments	(888,538)		
ITA	68,000		
Total Provincial Grants - Ministry of Education	65,187,150	65,388,966	63,904,452
Provincial Grants - Other		47,872	121,262
Other Revenues			
Other School District/Education Authorities		120,401	379,652
Funding from First Nations	245,484	218,161	209,965
Miscellaneous			
Miscellaneous	10,000	67,862	108,394
Courtsey Riders		13,158	12,518
Art Start			10,800
Health Promoting Schools	27,000	27,000	27,000
Unrestricted Portion of School Generated Funds		72,271	32,127
Growing Innovations - UBC		16,500	
Total Other Revenue	282,484	535,353	780,456
Rentals and Leases	200,000	200,728	207,297
Investment Income	25,000	61,234	115,652
Total Operating Revenue	65,694,634	66,234,153	65,129,119

School District No. 5 (Southeast Kootenay)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Salaries			
Teachers	28,213,647	26,910,029	25,801,992
Principals and Vice Principals	3,822,001	4,562,928	4,236,482
Educational Assistants	5,154,182	5,491,889	5,335,931
Support Staff	4,585,525	5,660,782	5,313,499
Other Professionals	3,057,970	2,040,975	1,884,339
Substitutes	1,795,360	2,528,129	2,138,213
Total Salaries	46,628,685	47,194,732	44,710,456
Employee Benefits	11,629,416	11,268,417	10,801,005
Total Salaries and Benefits	58,258,101	58,463,149	55,511,461
Services and Supplies			
Services	1,257,516	2,128,104	1,975,663
Student Transportation	158,116	79,330	77,868
Professional Development and Travel	875,225	572,725	543,908
Rentals and Leases	78,200	90,512	92,814
Dues and Fees	63,900	59,985	56,672
Insurance	155,600	134,123	137,507
Supplies	2,862,976	3,751,489	2,768,584
Utilities	1,285,000	1,471,309	1,241,510
Total Services and Supplies	6,736,533	8,287,577	6,894,526
Total Operating Expense	64,994,634	66,750,726	62,405,987

School District No. 5 (Southeast Kootenay)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object
Year Ended June 30, 2021

	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	21,865,022	1,348,387		454,137	58,253	1,661,004	25,386,803
1.03 Career Programs	82,120					3,500	85,620
1.07 Library Services	713,150			139,746		35,205	888,101
1.08 Counselling	875,597					36,513	912,110
1.10 Special Education	3,175,520	140,176	4,874,160	20,102	582,832	451,148	9,243,938
1.30 English Language Learning	116,490						116,490
1.31 Indigenous Education	82,130	76,208	617,729		104,247	37,023	917,337
1.41 School Administration		2,870,424		953,441		86,479	3,910,344
Total Function 1	26,910,029	4,435,195	5,491,889	1,567,426	745,332	2,310,872	41,460,743
4 District Administration							
4.11 Educational Administration		127,733			207,394	6,463	341,590
4.40 School District Governance					135,754		135,754
4.41 Business Administration				226,953	772,794	3,155	1,002,902
Total Function 4	-	127,733	-	226,953	1,115,942	9,618	1,480,246
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				64,939	123,536	82,178	270,653
5.50 Maintenance Operations				2,834,621		63,632	2,898,253
5.52 Maintenance of Grounds				47,033			47,033
5.56 Utilities							-
Total Function 5	-	-	-	2,946,593	123,536	145,810	3,215,939
7 Transportation and Housing							
7.41 Transportation and Housing Administration					56,165		56,165
7.70 Student Transportation				919,810		61,829	981,639
Total Function 7	-	-	-	919,810	56,165	61,829	1,037,804
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	26,910,029	4,562,928	5,491,889	5,660,782	2,040,975	2,528,129	47,194,732

School District No. 5 (Southeast Kootenay)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	25,386,803	5,731,439	31,118,242	2,805,897	33,924,139	34,326,024	31,937,658
1.03 Career Programs	85,620	20,380	106,000	48,655	154,655		150,110
1.07 Library Services	888,101	227,590	1,115,691	133,555	1,249,246	896,430	1,188,524
1.08 Counselling	912,110	218,073	1,130,183	6,202	1,136,385	1,213,311	1,114,588
1.10 Special Education	9,243,938	2,397,816	11,641,754	350,357	11,992,111	11,241,085	11,309,611
1.30 English Language Learning	116,490	31,910	148,400	22,580	170,980	155,700	152,900
1.31 Indigenous Education	917,337	256,526	1,173,863	540,643	1,714,506	1,590,000	1,274,695
1.41 School Administration	3,910,344	973,509	4,883,853	97,684	4,981,537	4,093,146	4,758,406
Total Function 1	41,460,743	9,857,243	51,317,986	4,005,573	55,323,559	53,515,696	51,886,492
4 District Administration							
4.11 Educational Administration	341,590	77,486	419,076	42,469	461,545	554,028	533,050
4.40 School District Governance	135,754	5,665	141,419	135,776	277,195	253,154	244,086
4.41 Business Administration	1,002,902	240,005	1,242,907	241,268	1,484,175	1,503,136	1,430,044
Total Function 4	1,480,246	323,156	1,803,402	419,513	2,222,915	2,310,318	2,207,180
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	270,653	51,711	322,364	402,865	725,229	355,134	489,959
5.50 Maintenance Operations	2,898,253	758,766	3,657,019	1,125,966	4,782,985	5,155,400	4,514,524
5.52 Maintenance of Grounds	47,033	13,699	60,732	265,269	326,001	384,341	356,406
5.56 Utilities	-	-	-	1,471,310	1,471,310	1,285,000	1,241,510
Total Function 5	3,215,939	824,176	4,040,115	3,265,410	7,305,525	7,179,875	6,602,399
7 Transportation and Housing							
7.41 Transportation and Housing Administration	56,165	12,356	68,521	977	69,498	73,309	66,132
7.70 Student Transportation	981,639	251,486	1,233,125	596,104	1,829,229	1,915,436	1,643,784
Total Function 7	1,037,804	263,842	1,301,646	597,081	1,898,727	1,988,745	1,709,916
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	47,194,732	11,268,417	58,463,149	8,287,577	66,750,726	64,994,634	62,405,987

School District No. 5 (Southeast Kootenay)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	3,887,720	7,371,691	3,877,323
Other	100,164	159,748	109,975
Other Revenue	899,919	679,659	2,073,857
Investment Income		11,353	20,543
Total Revenue	<u>4,887,803</u>	<u>8,222,451</u>	<u>6,081,698</u>
Expenses			
Instruction	4,440,182	6,845,664	5,954,494
District Administration	32,000		
Operations and Maintenance		595,459	
Transportation and Housing		3,048	2,783
Total Expense	<u>4,472,182</u>	<u>7,444,171</u>	<u>5,957,277</u>
Special Purpose Surplus (Deficit) for the year	<u>415,621</u>	<u>778,280</u>	<u>124,421</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(415,621)	(778,280)	(124,421)
Total Net Transfers	<u>(415,621)</u>	<u>(778,280)</u>	<u>(124,421)</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. 5 (Southeast Kootenay)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	512,659		786,336	293,624	11,820	15,499	34,717		6,919
Add: Restricted Grants									
Provincial Grants - Ministry of Education	286,997	236,579			128,000	26,950	143,211	373,586	148,845
Provincial Grants - Other							54,322		
Other			6,750	695,748					
Investment Income			11,353						
	286,997	236,579	18,103	695,748	128,000	26,950	197,533	373,586	148,845
Less: Allocated to Revenue	799,656	236,579	21,250	641,528	135,299	25,703	206,460	373,586	148,845
Recovered									6,919
Deferred Revenue, end of year	-	-	783,189	347,844	4,521	16,746	25,790	-	-
Revenues									
Provincial Grants - Ministry of Education	799,656	236,579			135,299	25,703	152,138	373,586	148,845
Provincial Grants - Other							54,322		
Other Revenue			9,897	641,528					
Investment Income			11,353						
	799,656	236,579	21,250	641,528	135,299	25,703	206,460	373,586	148,845
Expenses									
Salaries									
Teachers							79,428		
Educational Assistants		193,179					32,696	239,761	
Support Staff									
Other Professionals									
Substitutes						8,020	3,040		
	-	193,179	-	-	-	8,020	115,164	239,761	-
Employee Benefits		43,400				2,395	16,587	80,875	
Services and Supplies	21,376		21,250	641,528	135,299	15,288	74,709	52,950	148,845
	21,376	236,579	21,250	641,528	135,299	25,703	206,460	373,586	148,845
Net Revenue (Expense) before Interfund Transfers	778,280	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(778,280)								
Other	(778,280)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 5 (Southeast Kootenay)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund	MCF Programs	CBT Plays
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year				28,138	2,884			17,803	13,138
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,788,968	46,481	3,048	52,000	11,250	493,581	2,111,629		
Provincial Grants - Other								110,164	
Other									24,885
Investment Income									
	2,788,968	46,481	3,048	52,000	11,250	493,581	2,111,629	110,164	24,885
Less: Allocated to Revenue Recovered	2,764,402	46,481	3,048	80,138	606	493,581	2,111,629	105,426	23,726
Deferred Revenue, end of year	24,566	-	-	-	13,528	-	-	22,541	14,297
Revenues									
Provincial Grants - Ministry of Education	2,764,402	46,481	3,048	80,138	606	493,581	2,111,629		
Provincial Grants - Other								105,426	
Other Revenue									23,726
Investment Income									
	2,764,402	46,481	3,048	80,138	606	493,581	2,111,629	105,426	23,726
Expenses									
Salaries									
Teachers	2,091,844			62,083			936,000		
Educational Assistants							276,500		
Support Staff						201,586	393,873		
Other Professionals								80,173	
Substitutes	137,763	35,332		3,077	420				
	2,229,607	35,332	-	65,160	420	201,586	1,606,373	80,173	-
Employee Benefits	534,795	11,149		14,978		60,214	70,853		20,188
Services and Supplies			3,048		186	231,781	434,403	5,065	23,726
	2,764,402	46,481	3,048	80,138	606	493,581	2,111,629	105,426	23,726
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
Other									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 5 (Southeast Kootenay)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

Schedule 3A (Unaudited)

	Clear Sky Summit	C.A.R.S Path Two	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year			1,723,537
Add: Restricted Grants			
Provincial Grants - Ministry of Education			6,851,125
Provincial Grants - Other			164,486
Other	4,000	5,280	736,663
Investment Income			11,353
	4,000	5,280	7,763,627
Less: Allocated to Revenue	4,000	508	8,222,451
Recovered			6,919
Deferred Revenue, end of year	-	4,772	1,257,794
Revenues			
Provincial Grants - Ministry of Education			7,371,691
Provincial Grants - Other			159,748
Other Revenue	4,000	508	679,659
Investment Income			11,353
	4,000	508	8,222,451
Expenses			
Salaries			
Teachers			3,169,355
Educational Assistants			742,136
Support Staff			595,459
Other Professionals			80,173
Substitutes			187,652
	-	-	4,774,775
Employee Benefits			855,434
Services and Supplies	4,000	508	1,813,962
	4,000	508	7,444,171
Net Revenue (Expense) before Interfund Transfers	-	-	778,280
Interfund Transfers			
Tangible Capital Assets Purchased			(778,280)
Other			-
	-	-	(778,280)
Net Revenue (Expense)	-	-	-

School District No. 5 (Southeast Kootenay)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual			2020 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education		3,449,139		3,449,139	
Investment Income	7,500		5,831	5,831	7,526
Amortization of Deferred Capital Revenue	2,856,382	2,875,518		2,875,518	2,856,382
Total Revenue	2,863,882	6,324,657	5,831	6,330,488	2,863,908
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,409,042	3,470,600		3,470,600	3,409,042
Total Expense	3,409,042	3,470,600	-	3,470,600	3,409,042
Capital Surplus (Deficit) for the year	(545,160)	2,854,057	5,831	2,859,888	(545,134)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	415,621	778,280		778,280	124,421
Local Capital	700,000		700,000	700,000	1,200,000
Total Net Transfers	1,115,621	778,280	700,000	1,478,280	1,324,421
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,008,501	(1,008,501)	-	
Total Other Adjustments to Fund Balances		1,008,501	(1,008,501)	-	
Total Capital Surplus (Deficit) for the year	570,461	4,640,838	(302,670)	4,338,168	779,287
Capital Surplus (Deficit), beginning of year		18,220,092	311,022	18,531,114	17,751,827
Capital Surplus (Deficit), end of year		22,860,930	8,352	22,869,282	18,531,114

School District No. 5 (Southeast Kootenay)

Tangible Capital Assets
Year Ended June 30, 2021

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,987,977	146,123,270	1,702,789	3,368,770		196,880	157,379,686
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	3,449,139	2,630,474		405,404			6,485,017
Deferred Capital Revenue - Other		930,150	192,016				1,122,166
Special Purpose Funds		778,280					778,280
Local Capital		513,344	40,340	318,317		136,500	1,008,501
	3,449,139	4,852,248	232,356	723,721	-	136,500	9,393,964
Decrease:							
Deemed Disposals			140,871	356,213		62,115	559,199
	-	-	140,871	356,213	-	62,115	559,199
Cost, end of year	9,437,116	150,975,518	1,794,274	3,736,278	-	271,265	166,214,451
Work in Progress, end of year							-
Cost and Work in Progress, end of year	9,437,116	150,975,518	1,794,274	3,736,278	-	271,265	166,214,451
Accumulated Amortization, beginning of year		77,297,630	746,760	1,638,009		91,619	79,774,018
Changes for the Year							
Increase: Amortization for the Year		2,924,068	170,279	336,877		39,376	3,470,600
Decrease:							
Deemed Disposals			140,871	356,213		62,115	559,199
			-	140,871	-	62,115	559,199
Accumulated Amortization, end of year		80,221,698	776,168	1,618,673	-	68,880	82,685,419
Tangible Capital Assets - Net	9,437,116	70,753,820	1,018,106	2,117,605	-	202,385	83,529,032

School District No. 5 (Southeast Kootenay)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	56,160,763	2,227,593	997,220	59,385,576
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,035,878	38,284	1,083,882	4,158,044
	<u>3,035,878</u>	<u>38,284</u>	<u>1,083,882</u>	<u>4,158,044</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,765,133	72,788	37,597	2,875,518
	<u>2,765,133</u>	<u>72,788</u>	<u>37,597</u>	<u>2,875,518</u>
Net Changes for the Year	<u>270,745</u>	<u>(34,504)</u>	<u>1,046,285</u>	<u>1,282,526</u>
Deferred Capital Revenue, end of year	<u>56,431,508</u>	<u>2,193,089</u>	<u>2,043,505</u>	<u>60,668,102</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	<u>56,431,508</u>	<u>2,193,089</u>	<u>2,043,505</u>	<u>60,668,102</u>

School District No. 5 (Southeast Kootenay)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2021

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,653	365,599	22,769		373,785	763,806
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	6,484,307					6,484,307
Provincial Grants - Other			251,380			251,380
Other					744,737	744,737
Investment Income		5,352				5,352
	6,484,307	5,352	251,380	-	744,737	7,485,776
Decrease:						
Transferred to DCR - Capital Additions	3,035,878		38,284		1,083,882	4,158,044
Transferred to Revenue - Site Purchases	3,449,139					3,449,139
	6,485,017	-	38,284	-	1,083,882	7,607,183
Net Changes for the Year	(710)	5,352	213,096	-	(339,145)	(121,407)
Balance, end of year	943	370,951	235,865	-	34,640	642,399