

Audited Financial Statements of

School District No. 81 (Fort Nelson)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 81 (Fort Nelson)

June 30, 2021

Table of Contents

Management Report	1
Independent Auditors' Report	2-4
Statement of Financial Position - Statement 1	5
Statement of Operations - Statement 2	6
Statement of Changes in Net Debt - Statement 4	7
Statement of Cash Flows - Statement 5	8
Notes to the Financial Statements	9-26
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	27
Schedule of Operating Operations - Schedule 2 (Unaudited)	28
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	29
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	30
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	31
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	33
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	34
Schedule of Capital Operations - Schedule 4 (Unaudited)	37
Schedule 4A - Tangible Capital Assets (Unaudited)	38
Schedule 4C - Deferred Capital Revenue (Unaudited)	39
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	40

School District No. 81 (Fort Nelson)

MANAGEMENT REPORT

Version: 6691-5946-3963

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 81 (Fort Nelson) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.



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

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

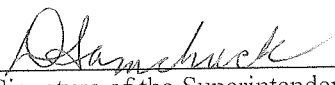
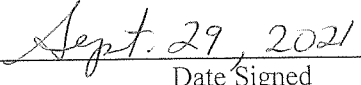
The Board of Education of School District No. 81 (Fort Nelson) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 81 (Fort Nelson) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

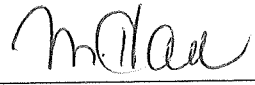
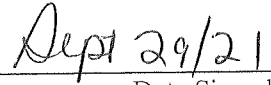
On behalf of School District No. 81 (Fort Nelson)

Signature of the Chairperson of the Board of Education Date Signed

Signature of the Superintendent Date Signed

Signature of the Secretary Treasurer Date Signed



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

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the statement of financial position as at June 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

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

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

Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.



Other Information

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

- Unaudited Schedules 1-4 attached to the audited financial statements

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

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

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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



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

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

We also:

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

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

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

Chartered Professional Accountants

Prince George, Canada
September 28, 2021


School District No. 81 (Fort Nelson)

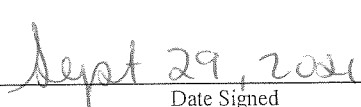
Statement of Financial Position

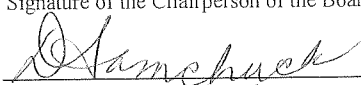
As at June 30, 2021

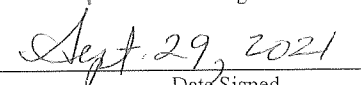
	2021 Actual \$	2020 Actual \$
Financial Assets		
Cash and Cash Equivalents	2,049,205	2,070,638
Accounts Receivable		
Due from Province - Ministry of Education	120,158	278,822
Due from First Nations	105,613	168,130
Other (Note 3)	49,812	42,697
Total Financial Assets	2,324,788	2,560,287
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	1,012,810	1,220,948
Unearned Revenue (Note 5)	11,333	1,497
Deferred Revenue (Note 6)	253,044	276,457
Deferred Capital Revenue (Note 7)	11,183,859	9,126,678
Employee Future Benefits (Note 8)	353,503	325,969
Debt (Note 9)	702,585	913,787
Total Liabilities	13,517,134	11,865,336
Net Debt	(11,192,346)	(9,305,049)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	16,935,350	15,059,299
Prepaid Expenses	81,429	5,210
Total Non-Financial Assets	17,016,779	15,064,509
Accumulated Surplus (Deficit)	5,824,433	5,759,460


Approved by the Board

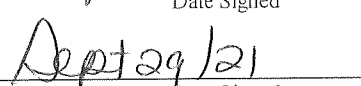

 Signature of the Chairperson of the Board of Education


 Date Signed


 Signature of the Superintendent


 Date Signed


 Signature of the Secretary Treasurer


 Date Signed

School District No. 81 (Fort Nelson)

Statement of Operations

Year Ended June 30, 2021

Statement 2

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	10,986,892	11,252,879	10,372,872
Other	126,000	201,895	190,700
Other Revenue	651,079	461,692	656,224
Rentals and Leases	37,139	27,456	38,481
Investment Income	28,000	28,359	32,434
Amortization of Deferred Capital Revenue	367,526	370,326	362,776
Total Revenue	<u>12,196,636</u>	<u>12,342,607</u>	<u>11,653,487</u>
Expenses			
Instruction	9,111,174	8,965,936	8,279,455
District Administration	1,057,179	928,421	806,092
Operations and Maintenance	2,036,121	1,795,402	1,987,270
Transportation and Housing	415,263	577,940	424,585
Debt Services	10,023	9,935	24,437
Total Expense	<u>12,629,760</u>	<u>12,277,634</u>	<u>11,521,839</u>
Surplus (Deficit) for the year	<u>(433,124)</u>	<u>64,973</u>	<u>131,648</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		5,759,460	5,627,812
Accumulated Surplus (Deficit) from Operations, end of year		<u>5,824,433</u>	<u>5,759,460</u>

School District No. 81 (Fort Nelson)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(433,124)	64,973	131,648
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(121,187)	(2,575,654)	(530,253)
Amortization of Tangible Capital Assets	797,054	699,603	714,076
Total Effect of change in Tangible Capital Assets	675,867	(1,876,051)	183,823
Acquisition of Prepaid Expenses		(81,429)	(5,211)
Use of Prepaid Expenses		5,210	5,015
Total Effect of change in Other Non-Financial Assets	-	(76,219)	(196)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	242,743	(1,887,297)	315,275
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(1,887,297)	315,275
Net Debt, beginning of year		(9,305,049)	(9,620,324)
Net Debt, end of year		(11,192,346)	(9,305,049)

School District No. 81 (Fort Nelson)

Statement of Cash Flows
Year Ended June 30, 2021

Statement 5

	2021 Actual \$	2020 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	64,973	131,648
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	214,084	(268,994)
Prepaid Expenses	(76,237)	(196)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(208,138)	15,622
Unearned Revenue	9,836	(1,347)
Deferred Revenue	(23,413)	130,291
Employee Future Benefits	27,534	(9,588)
Amortization of Tangible Capital Assets	699,603	714,076
Amortization of Deferred Capital Revenue	(370,326)	(362,776)
By Law Spent on Loan Payments	(99,076)	(98,389)
Total Operating Transactions	238,840	250,347
Capital Transactions		
Tangible Capital Assets Purchased	(2,549,698)	(530,253)
Asset Purchase from loan proceeds	(25,956)	
Total Capital Transactions	(2,575,654)	(530,253)
Financing Transactions		
Loan Proceeds	25,956	
Loan Payments	(237,158)	(227,525)
Capital Revenue Received	2,526,583	569,596
Total Financing Transactions	2,315,381	342,071
Net Increase (Decrease) in Cash and Cash Equivalents	(21,433)	62,165
Cash and Cash Equivalents, beginning of year	2,070,638	2,008,473
Cash and Cash Equivalents, end of year	2,049,205	2,070,638
Cash and Cash Equivalents, end of year, is made up of:		
Cash	2,049,205	2,070,638
	2,049,205	2,070,638

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 1955, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 81 (Fort Nelson)", and operates as "School District No. 81 (Fort Nelson)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 81 (Fort Nelson) is exempt from federal and provincial corporate income taxes.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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

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

As noted in notes 2(f) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

e) Unearned Revenue

Unearned revenue includes tuitions received for courses to be delivered in future periods and receipt of proceeds for service or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 6 (o).

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.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) 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. The next valuation will be performed at 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.

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

h) Liability for Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The District is directly responsible or accepts responsibility

It is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. Management's estimate of the cost of post-remediation including operation, maintenance, and monitoring that are an integral part of the remediation strategy for a contaminated site.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Tangible Capital Assets

The following criteria apply:

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

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

j) Capital Leases

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

k) Prepaid Expenses

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

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

m) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. 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 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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Revenue Recognition (continued)

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.

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

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

n) Expenditures

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

o) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and debt. Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Financial Instruments (continued)

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

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

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

p) Measurement Uncertainty

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

q) Future Changes in Accounting Policies

PS 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 July 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.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

A modified retroactive application has been recommended by Government pending approval in the Fall of 2020. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2021	2020
Due from Federal Government	\$ 5,037	\$ 15,316
Other	44,775	27,381
	<u>\$ 49,812</u>	<u>\$ 42,697</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED

LIABILITIES

	2021	2020
Trade payables	\$ 47,455	\$ 353,834
Salaries and benefits payable	\$ 741,350	685,470
Accrued vacation pay	\$ 224,005	181,644
	<u>\$1,012,810</u>	<u>\$1,220,948</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 5 UNEARNED REVENUE

	2021	2020
Balance, beginning of year	\$ 1,497	\$ 2,845
Changes for the year:		
Increase:		
Rental/Lease of facilities	11,100	11,075
Grants	20,000	20,000
	<u>\$ 32,597</u>	<u>\$ 33,920</u>
Decrease:		
Rental/Lease of facilities	(4,492)	(2,845)
Fund Expenses	(16,772)	(32,572)
	<u>(21,264)</u>	<u>(35,417)</u>
Net changes for the year	(21,264)	(35,417)
Balance, end of year	<u>\$ 11,333</u>	<u>\$ 1,497</u>

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.

	2021	2020
Balance, beginning of year	\$ 276,457	\$ 146,166
Changes for the year:		
Increase:		
Provincial Grants-Ministry of Education	1,632,899	1,397,810
Provincial Grants – Other	73,827	73,184
Other	90,003	154,769
Investment Income	5,200	200
	<u>2,078,386</u>	<u>1,772,129</u>
Decrease:		
Allocated to Revenue	(1,825,342)	(1,495,675)
Net changes for the year	<u>253,044</u>	<u>276,454</u>
Balance, end of year	<u>\$ 253,044</u>	<u>\$ 276,457</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

Deferred capital revenue subject to amortization

	2021	2020
Balance, beginning of year	\$9,126,678	\$ 9,004,214
Increases:		
Capital Additions	2,150,007	485,240
Decreases:		
Amortization	(370,326)	(362,776)
Net changes for the year	1,779,681	122,464
Balance, end of year	\$10,906,359	\$ 9,126,678

Unspent deferred capital revenue

Balance, beginning of year	-	14,033
Increases:		
Provincial Grants – Ministry of Education	2,249,083	569,596
Provincial Grants – Other	277,500	
Decreases:		
Transfer to deferred capital revenue subject to Amortization	(2,249,083)	(583,629)
Balance, end of the year	277,500	-
Total deferred capital revenue balance, end of year	\$11,183,859	9,126,678

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

	June 30, 2021	June 30, 2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 294,051	299,370
Service Cost	36,771	35,109
Interest Cost	7,088	7,696
Benefit Payments	(10,854)	(54,949)
Increase (Decrease) in obligation due to Plan Amendment		
Actuarial (Gain) Loss	(26,044)	6,825
Accrued Benefit Obligation – March 31	<u>\$ 301,012</u>	<u>\$ 294,051</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 301,012	\$ 294,051
Market Value of Plan Assets – March 31		
Funded Status – Surplus (Deficit)	(301,012)	(294,051)
Employer Contributions After Measurement Date	0	0
Benefits Expense After Measurement Date	(11,239)	(10,965)
Unamortized Net Actuarial (Gain) Loss	(41,252)	(20,954)
Accrued Benefit Asset (Liability) – June 30	<u>\$(353,503)</u>	<u>\$ (325,969)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 325,969	\$ 335,558
Net expense for Fiscal Year	38,388	36,627
Employer Contributions	(10,854)	(46,215)
Accrued Benefit Liability – June 30	<u>\$ 353,503</u>	<u>\$ 325,969</u>

Components of Net Benefit Expense		
Service Cost	\$ 36,800	\$ 35,525
Interest Cost	7,334	7,544
Immediate Recognition of Plan Amendment		
Amortization of Net Actuarial (Gain)/Loss	(5,745)	(6,442)
Net Benefit Expense (Income)	<u>\$ 38,388</u>	<u>\$ 36,627</u>

Assumptions

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	9.8	9.8

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 DEBT

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

	2021	2020
Demand loan #000-1 of \$66,181, approved on July 3, 2015, borrowed on July 8, 2015 from the Municipal Finance Authority of BC for a term of 5 years, bearing interest at a current rate of .93%, repayable in blended monthly principal and interest payments of \$1,150, due July 31, 2020. Principal and interest paid up to date are \$66,181 and \$2,908 respectively.	\$ -	\$ 2,327
Demand Loan #0005-0 of \$198,824, approved on June 22, 2017, borrowed on June 30, 2017 from the Municipal Finance Authority of BC for a term of 4 years, bearing interest at a current rate of .93%, repayable in blended monthly principal and interest payments of \$4,257, due June 30, 2021. Principal and interest paid up to date are \$191,210 and \$8,893 respectively.	\$7,614	\$58,249
Demand Loan #0006-1 of \$1,182,938, approved on June 28, 2017, borrowed on June 30, 2017 from the Municipal Finance Authority of BC for a term of 5 years, bearing interest at a current rate of .93%, repayable in blended monthly principal and interest payments of \$13,240, due July 31, 2022. Principal and interest paid up to date are \$536,533 and \$72,544 respectively.	\$646,405	\$796,488
Demand Loan #0007-0 of \$106,890, approved on June 6, 2018, borrowed on June 15, 2018 from the Municipal Finance Authority of B.C. for a term of 4 years, bearing interest at a current rate of .93%, repayable in blended monthly principal and interest payments of \$2,350, due June 30, 2022. Principal and interest paid up to date are \$77,821 and \$4,529 respectively.	\$29,069	\$56,723
Demand Loan #0008-0 of \$25,956, approved on October 9, 2020, borrowed on November 2, 2020 from the Municipal Finance Authority of B.C. for a term of 24 months, bearing interest at a current rate of .93%, repayable in blended monthly principal and interest payments of \$1,095.43, due November 30 2022. Principal and interest paid up to date are \$6,459 and \$138.85, respectively.	\$19,497	-
	<u>\$702,585</u>	<u>\$913,787</u>

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2022	202,186
2023	162,449
2024	156,398
2025	157,859
2026	23,693
	<u>\$702,585</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2021	Net Book Value 2020
Sites	\$ 1,175,101	\$1,175,101
Buildings	14,790,196	13,157,595
Buildings – work in progress		
Furniture & Equipment	524,958	444,329
Vehicles	35,926	14,198
Computer Software	181,454	5,406
Computer Hardware	227,715	262,670
Total	\$16,935,350	\$15,059,299

Cost

	Opening Cost	Additions	Disposals	Total 2021
Sites	\$1,175,101	\$ -	\$ -	\$1,175,101
Buildings	27,215,380	2,150,007	-	29,365,387
Furniture & Equipment	914,676	172,097	64,174	1,022,599
Vehicles	64,601	28,188	38,815	53,974
Computer Software	9,572	177,962	-	187,534
Computer Hardware	411,776	47,400	8,161	451,015
Total	\$29,791,106	2,575,654	111,150	32,255,610

Accumulated Amortization

	Opening Accumulated Amortization	Additions	Disposals	Total 2021
Buildings	14,057,785	517,406	-	14,575,191
Furniture & Equipment	470,347	91,468	64,174	497,641
Vehicles	50,403	6,460	38,815	18,048
Computer Software	4,166	1,914	-	6,080
Computer Hardware	149,106	82,355	8,161	223,300
Total	\$14,731,807	699,603	111,150	15,320,260

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension Plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering of the pension plan, including investing assets and administering benefits. The plans are multi-employer defined benefits pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2020, the Teachers' Pension Plan has about 49,000 active members from school districts, and approximately 40,000 retired members. As at December 31, 2020 the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 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, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

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 school district paid \$ 706,595.09 for employer contributions to these plans in the year ended June 30, 2021 (2020: \$677,345).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in late 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 each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 12 ACCUMULATED SURPLUS

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

Operating Fund:

	2021	2020
Internally Restricted (appropriated) by Board for:		
ASPIRE – RLA	\$ 3,737	\$ 3,737
Advisory Councils	6,000	6,000
RLA Imperial Oil -2010/11	531	531
CARS Grant – RLA	31,074	23,891
Holdback Allocation		13,700
Subtotal Internally Restricted	\$41,342	\$47,860
Unrestricted Operating Surplus (Deficit)	262,587	498,675
Total Available for Future Operations	\$303,929	\$546,535

Capital Fund:

Investment in Tangible Capital Assets

Local Capital Reserve

5,517,421 Total Capital
3,083 Fund Surplus

Accumulated Surplus

Sum of Total Available for Future Operations & Accumulated Surplus

5,824,433

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2021, were as follows:

- Accumulated surplus transferred from operating fund to capital fund: \$244,243, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from special purpose fund to capital fund: \$155,448, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from operating fund to capital fund: \$88,225, for the capital loan payments.
- Accumulated surplus transferred from special purpose fund to capital fund: \$59,799, for the capital lease payments.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Certain schools in the School District may contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of the future removal costs cannot be reasonably estimated due to unknown timelines.

NOTE 16 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2021 amended annual budget adopted by the Board on January 20, 2021. The chart following reconciles the originally approved annual budget bylaw approved on June 18, 2020 to the amended annual budget bylaw reported in these financial statements.

	2021 amended budget	2021 annual budget
Revenues		
Provincial Grants		
Ministry of Education	\$10,986,892	\$10,730,012
Other	126,000	171,327
Other Revenue	651,079	656,845
Rentals and Leases	37,139	40,000
Investment Income	28,000	28,000
Amortization of Deferred Capital Revenue	367,526	367,526
Total Revenue	\$12,196,636	\$11,993,710
Expenses		
Instruction	\$9,111,174	\$8,588,446
District administration	1,057,179	881,444
Operations and Maintenance	2,036,121	2,035,245
Transportation and Housing	415,263	434,864
Debt Services	10,023	12,333
Total Expense	\$12,629,760	\$11,952,332
Surplus (deficit) for the year		
Budgeted allocation of surplus	361,853	-
Budgeted surplus (deficit) for the year	(71,271)	41,378

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 17 **EXPENSE BY OBJECT**

	2021	2020
Salaries and benefits	\$9,426,959	\$8,836,965
Services and supplies	2,141,137	1,946,361
Interest	9,935	24,437
Amortization	699,603	714,076
	\$12,277,634	\$11,521,839

NOTE 18 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 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, cash equivalents, and amounts receivable.

The School District is exposed to credit risk in the event of non-performance by a borrower.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents as they are placed in recognized British Columbia institutions.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 19 RISK MANAGEMENT (continued)

b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held, and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The School District is exposed to interest rate risk through its cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely investments that are considered liquid (e.g. term deposits) that have a maturity date of no more than 3 years. The School District is also exposed to interest rate risk on its debt, the majority of which pays interest at a variable rate.

c) Liquidity risk

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

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

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

School District No. 81 (Fort Nelson)
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	546,535		5,212,925	5,759,460	5,627,812
Changes for the year	89,862	215,247	(240,136)	64,973	131,648
Surplus (Deficit) for the year				-	-
Interfund Transfers	(244,243)	(155,448)	399,691	-	-
Tangible Capital Assets Purchased	(88,225)	(59,799)	148,024	-	-
Other	(242,606)	-	307,579	64,973	131,648
Net Changes for the year					
Accumulated Surplus (Deficit), end of year - Statement 2	303,929	-	5,520,504	5,824,433	5,759,460

School District No. 81 (Fort Nelson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	9,270,680	9,499,621	8,995,444
Other	126,000	111,871	126,350
Other Revenue	494,206	387,606	506,441
Rentals and Leases	37,139	27,456	38,481
Investment Income	28,000	21,309	29,934
Total Revenue	<u>9,956,025</u>	<u>10,047,863</u>	<u>9,696,650</u>
Expenses			
Instruction	7,468,151	7,523,646	6,915,343
District Administration	1,057,179	928,421	806,092
Operations and Maintenance	1,239,067	1,090,987	1,273,194
Transportation and Housing	415,263	414,947	353,511
Total Expense	<u>10,179,660</u>	<u>9,958,001</u>	<u>9,348,140</u>
Operating Surplus (Deficit) for the year	<u>(223,635)</u>	<u>89,862</u>	<u>348,510</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>361,853</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(50,000)	(244,243)	(45,013)
Other	(88,218)	(88,225)	(93,087)
Total Net Transfers	<u>(138,218)</u>	<u>(332,468)</u>	<u>(138,100)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(242,606)</u>	<u>210,410</u>
Operating Surplus (Deficit), beginning of year		546,535	336,125
Operating Surplus (Deficit), end of year		<u>303,929</u>	<u>546,535</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		41,342	47,860
Unrestricted		262,587	498,675
Total Operating Surplus (Deficit), end of year		<u>303,929</u>	<u>546,535</u>

School District No. 81 (Fort Nelson)

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	9,426,392	9,529,166	9,152,752
ISC/LEA Recovery	(484,610)	(366,681)	(484,610)
Other Ministry of Education Grants			
Pay Equity	79,311	79,311	79,311
Student Transportation Fund	32,744	32,744	32,744
Carbon Tax Grant			18,855
Employer Health Tax Grant			66,972
Support Staff Benefits Grant	893	8,630	3,242
Support Staff Wage Increase Funding			39,774
Teachers' Labour Settlement Funding	195,956	195,956	80,909
Early Career Mentorship Funding	15,000	15,000	
FSA Scorer Grant	4,094	4,094	4,094
Support Staff PFA	900		
ELF Implementation Grant		1,401	1,401
Total Provincial Grants - Ministry of Education	9,270,680	9,499,621	8,995,444
Provincial Grants - Other	126,000	111,871	126,350
Other Revenues			
Funding from First Nations	484,610	366,681	484,610
Miscellaneous			
Visa Rewards	3,354	3,354	6,007
Teacher Pro D	6,242		6,254
Artstarts			6,400
Donation/sale of assets		17,571	3,170
Total Other Revenue	494,206	387,606	506,441
Rentals and Leases	37,139	27,456	38,481
Investment Income	28,000	21,309	29,934
Total Operating Revenue	9,956,025	10,047,863	9,696,650

School District No. 81 (Fort Nelson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Salaries			
Teachers	3,260,989	3,300,388	3,030,314
Principals and Vice Principals	679,132	703,319	678,324
Educational Assistants	1,052,465	1,113,289	925,335
Support Staff	592,155	609,041	629,349
Other Professionals	673,769	585,133	658,715
Substitutes	231,288	249,997	228,156
Total Salaries	6,489,798	6,561,167	6,150,193
Employee Benefits	1,445,649	1,712,302	1,512,868
Total Salaries and Benefits	7,935,447	8,273,469	7,663,061
Services and Supplies			
Services	923,393	685,876	647,943
Student Transportation	348,999	354,967	295,902
Professional Development and Travel	292,885	17,095	41,694
Rentals and Leases	39,252	41,971	45,352
Dues and Fees	24,496	22,078	14,383
Insurance	36,744	37,210	36,980
Supplies	263,302	214,851	286,329
Utilities	315,142	310,484	316,496
Total Services and Supplies	2,244,213	1,684,532	1,685,079
Total Operating Expense	10,179,660	9,958,001	9,348,140

School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

Schedule 2C (Unaudited)

	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	2,639,432	180,260	29,731	282,726		145,276	3,277,425
1.03 Career Programs	21,070	4,544				1,527	27,141
1.07 Library Services	117,934			78,306		9,799	206,039
1.08 Counselling	141,074	8,684				2,748	152,506
1.10 Special Education	326,994	61,755	919,526		1,606	78,831	1,388,712
1.31 Indigenous Education	37,169	25,987	164,032		15,412	11,816	254,416
1.41 School Administration	16,715	360,720					377,435
Total Function 1	3,300,388	641,950	1,113,289	361,032	17,018	249,997	5,683,674
4 District Administration							
4.11 Educational Administration				22,832	78,850		101,682
4.40 School District Governance					53,469		53,469
4.41 Business Administration		61,369		61,332	391,084		513,785
Total Function 4	-	61,369	-	84,164	523,403	-	668,936
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				8,708	18,798		27,506
5.50 Maintenance Operations				135,110			135,110
5.52 Maintenance of Grounds							-
5.56 Utilities							-
Total Function 5	-	-	-	143,818	18,798	-	162,616
7 Transportation and Housing							
7.41 Transportation and Housing Administration					25,914		25,914
7.70 Student Transportation				20,027			20,027
Total Function 7	-	-	-	20,027	25,914	-	45,941
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	3,300,388	703,319	1,113,289	609,041	585,133	249,997	6,561,167

School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

Schedule 2C (Unaudited)

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
1 Instruction							
1.02 Regular Instruction	3,277,425	945,920	4,223,345	215,618	4,438,963	4,518,256	4,321,120
1.03 Career Programs	27,141	7,770	34,911		34,911	46,514	42,245
1.07 Library Services	206,039	55,862	261,901	5,251	267,152	270,287	261,710
1.08 Counselling	152,506	37,905	190,411	41	190,452	193,885	175,080
1.10 Special Education	1,388,712	348,780	1,737,492	67,018	1,804,510	1,698,547	1,377,652
1.31 Indigenous Education	254,416	65,097	319,513	4,321	323,834	321,000	317,707
1.41 School Administration	377,435	66,603	444,038	19,786	463,824	419,662	419,829
Total Function 1	5,683,674	1,527,937	7,211,611	312,035	7,523,646	7,468,151	6,915,343
4 District Administration							
4.11 Educational Administration	101,682	26,181	127,863	21,020	148,883	147,815	136,317
4.40 School District Governance	53,469	2,522	55,991	15,739	71,730	90,822	69,125
4.41 Business Administration	513,785	75,679	589,464	118,344	707,808	818,542	600,650
Total Function 4	668,936	104,382	773,318	155,103	928,421	1,057,179	806,092
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	27,506	33,528	61,034	31,253	92,287	238,058	237,594
5.50 Maintenance Operations	135,110	35,506	170,616	514,072	684,688	678,317	711,442
5.52 Maintenance of Grounds	-	-	-	3,528	3,528	7,550	7,662
5.56 Utilities	-	-	-	310,484	310,484	315,142	316,496
Total Function 5	162,616	69,034	231,650	859,337	1,090,987	1,239,067	1,273,194
7 Transportation and Housing							
7.41 Transportation and Housing Administration	25,914	4,019	29,933		29,933	30,110	30,431
7.70 Student Transportation	20,027	6,930	26,957	358,057	385,014	385,153	323,080
Total Function 7	45,941	10,949	56,890	358,057	414,947	415,263	353,511
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	6,561,167	1,712,302	8,273,469	1,684,532	9,958,001	10,179,660	9,348,140

School District No. 81 (Fort Nelson)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,617,136	1,654,182	1,279,039
Other		90,024	64,350
Other Revenue	156,873	74,086	149,783
Investment Income		7,050	2,500
Total Revenue	<u>1,774,009</u>	<u>1,825,342</u>	<u>1,495,672</u>
Expenses			
Instruction	1,643,023	1,442,290	1,364,112
Operations and Maintenance		4,812	
Transportation and Housing		162,993	71,074
Total Expense	<u>1,643,023</u>	<u>1,610,095</u>	<u>1,435,186</u>
Special Purpose Surplus (Deficit) for the year	<u>130,986</u>	<u>215,247</u>	<u>60,486</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(71,187)	(155,448)	
Other	(59,799)	(59,799)	(60,486)
Total Net Transfers	<u>(130,986)</u>	<u>(215,247)</u>	<u>(60,486)</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. 81 (Fort Nelson)

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

Schedule 3A (Unaudited)

ferred Revenue, beginning of year

dd: Restricted Grants
 Provincial Grants - Ministry of Education
 Provincial Grants - Other
 Other
 Investment Income

ess: Allocated to Revenue
 eferred Revenue, end of year

venues
 Provincial Grants - Ministry of Education
 Provincial Grants - Other
 Other Revenue
 Investment Income

xpenses

Salaries
 Teachers
 Principals and Vice Principals
 Educational Assistants
 Support Staff
 Other Professionals
 Substitutes

Employee Benefits
 Services and Supplies

et Revenue (Expense) before Interfund Transfers

terfund Transfers
 Tangible Capital Assets Purchased
 Other

et Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
\$	\$	\$	\$	\$	\$	\$	\$	\$
64,611	34,469	2,610	2,006	8,350	127,495	64,000	7,350	7,002
64,611	34,469	-	-	5,200	90,003	64,000	7,350	7,431
64,611	34,469	2,610	169	7,050	74,086	64,000	7,350	1,886
-	-	-	1,837	6,500	143,412	-	-	12,547
64,611	34,469	2,610	169	-	-	64,000	7,350	1,886
64,611	34,469	2,610	169	7,050	74,086	64,000	7,350	1,886
-	26,598	-	-	-	-	47,577	3,785	1,486
4,812	7,871	2,610	-	7,050	74,086	16,423	389	400
4,812	34,469	2,610	-	7,050	74,086	64,000	7,350	1,886
59,799	-	-	169	-	-	-	-	-
(59,799)	-	-	(169)	-	-	-	-	-
(59,799)	-	-	(169)	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 81 (Fort Nelson)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	TOTAL
	\$
Deferred Revenue, beginning of year	276,457
Add: Restricted Grants	
Provincial Grants - Ministry of Education	1,632,899
Provincial Grants - Other	73,827
Other	90,003
Investment Income	5,200
	1,801,929
Less: Allocated to Revenue	1,825,342
Deferred Revenue, end of year	<u>253,044</u>
Revenues	
Provincial Grants - Ministry of Education	1,654,182
Provincial Grants - Other	90,024
Other Revenue	74,086
Investment Income	7,050
	<u>1,825,342</u>
Expenses	
Salaries	
Teachers	403,702
Principals and Vice Principals	126,845
Educational Assistants	183,024
Support Staff	5,823
Other Professionals	111,901
Substitutes	3,179
	<u>834,474</u>
Employee Benefits	319,016
Services and Supplies	456,605
	<u>1,610,095</u>
Net Revenue (Expense) before Interfund Transfers	<u>215,247</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(155,448)
Other	(59,799)
	<u>(215,247)</u>
Net Revenue (Expense)	<u>-</u>

School District No. 81 (Fort Nelson)

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	99,076	99,076		99,076	98,389
Amortization of Deferred Capital Revenue	367,526	370,326		370,326	362,776
Total Revenue	<u>466,602</u>	<u>469,402</u>	<u>-</u>	<u>469,402</u>	<u>461,165</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	797,054	699,603		699,603	714,076
Debt Services					
Capital Loan Interest	10,023		9,935	9,935	24,437
Total Expense	<u>807,077</u>	<u>699,603</u>	<u>9,935</u>	<u>709,538</u>	<u>738,513</u>
Capital Surplus (Deficit) for the year	<u>(340,475)</u>	<u>(230,201)</u>	<u>(9,935)</u>	<u>(240,136)</u>	<u>(277,348)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	121,187	399,691		399,691	45,013
Capital Loan Payment	148,017		148,024	148,024	153,573
Total Net Transfers	<u>269,204</u>	<u>399,691</u>	<u>148,024</u>	<u>547,715</u>	<u>198,586</u>
Other Adjustments to Fund Balances					
Principal Payment					
Capital Loan		237,158	(237,158)	-	
AFG Bylaw paid to loan		(99,076)	99,076	-	
Total Other Adjustments to Fund Balances		<u>138,082</u>	<u>(138,082)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(71,271)</u>	<u>307,572</u>	<u>7</u>	<u>307,579</u>	<u>(78,762)</u>
Capital Surplus (Deficit), beginning of year		<u>5,209,849</u>	<u>3,076</u>	<u>5,212,925</u>	<u>5,291,687</u>
Capital Surplus (Deficit), end of year		<u>5,517,421</u>	<u>3,083</u>	<u>5,520,504</u>	<u>5,212,925</u>

School District No. 81 (Fort Nelson)

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	1,175,101	27,215,380	914,676	64,601	9,572	411,776	29,791,106
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,150,007					2,150,007
Operating Fund			39,274	2,232	177,962	24,775	244,243
Special Purpose Funds			132,823			22,625	155,448
Loan Proceeds				25,956			25,956
	-	2,150,007	172,097	28,188	177,962	47,400	2,575,654
Decrease:							
Deemed Disposals			64,174	38,815		8,161	111,150
	-	-	64,174	38,815	-	8,161	111,150
Cost, end of year	1,175,101	29,365,387	1,022,599	53,974	187,534	451,015	32,255,610
Work in Progress, end of year							-
Cost and Work in Progress, end of year	1,175,101	29,365,387	1,022,599	53,974	187,534	451,015	32,255,610
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year							
Deemed Disposals			64,174	38,815		8,161	111,150
	-	-	64,174	38,815	-	8,161	111,150
Decrease:							
Deemed Disposals							
Accumulated Amortization, end of year			497,641	18,048	6,080	223,300	15,320,260
	14,575,191						
Tangible Capital Assets - Net	1,175,101	14,790,196	524,958	35,926	181,454	227,715	16,935,350

School District No. 81 (Fort Nelson)

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	8,747,575	379,103		9,126,678
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,150,007			2,150,007
	2,150,007	-	-	2,150,007
Decrease:				
Amortization of Deferred Capital Revenue	353,432	16,894		370,326
	353,432	16,894	-	370,326
Net Changes for the Year	1,796,575	(16,894)	-	1,779,681
Deferred Capital Revenue, end of year	10,544,150	362,209	-	10,906,359
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	10,544,150	362,209	-	10,906,359

School District No. 81 (Fort Nelson)

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						-
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,249,083		277,500			2,249,083
Provincial Grants - Other	2,249,083	-	277,500	-	-	2,526,583
Decrease:						
Transferred to DCR - Capital Additions	2,150,007					2,150,007
AFG bylaw loan payment	99,076					99,076
	2,249,083	-	-	-	-	2,249,083
Net Changes for the Year	-	-	277,500	-	-	277,500
Balance, end of year	-	-	277,500	-	-	277,500