

**POLICY, OPERATIONS & FINANCE PARTNER ADVISORY COMMITTEE
AGENDA**

TUESDAY, SEPTEMBER 10, 2024

3:30 PM – 4:30 PM

In person: School Board Office, 811 Stanley Street, Nelson BC

Via video conference: [Zoom](#) - Webinar ID: 657 3277 9733 – Password: 495118

1. Call to Order

2. Acknowledgement of Aboriginal Territory

We acknowledge, respect and honour the First Nations in whose traditional territories the Kootenay Lake School District operates and all Aboriginal people residing within the boundaries of School District No. 8.

3. Receiving Presentations/Delegations - Nil

4. Changes or Omissions to Minutes (p. 2)

App. 4

5. New or Ongoing Business

A. 2024-2025 Terms of Reference (p. 6)

App. 5A

B. 2023-2024 Audited Financial Statements (p. 7)

App. 5B

Guest: David Bond, KPMG

C. Policy Review (p. 98)

App. 5C

Updates on policies:

- Policy 770: Transportation
- Policy 771: Transportation for Independent School Students
- Policy 780: Transportation Assistance

6. Comments or Questions from the Public Regarding Items in this Agenda

7. Meeting Schedule & Reminders

The next meeting of the Committee is scheduled for November 12, 2024.

Please watch out for Policy 173: Climate Action and Sustainability to be posted for field testing on the [district website](#).

8. Adjournment



**POLICY PARTNER ADVISORY COMMITTEE
MEETING MINUTES
TUESDAY, FEBRUARY 13, 2024**

Board:

D. Lang, Chair *(via video conference)*
J. Bremner, Vice-Chair and Committee Chair
M. J. Blackmore *(via video conference)*
S. Chew *(via video conference)*
K. Etheridge *(via video conference)*
A. Gribbin
S. Nazaroff
M. Shunter
L. Trenaman

District Staff:

T. Smillie, Superintendent
C. MacArthur, Secretary-Treasurer
B. Eaton, District Director of Instruction – Innovative Learning
C. Kerr, Director of Operations
J. Konken, Principal and KLPVPA Partner *(via video conference)*
C. Singh, Director of Human Resources
S. Bruskowski, Executive Assistant
H. Kerr, Executive Assistant

Partners:

T. Dobie, DPAC *(via video conference)*
N. Nazaroff, DPAC *(via video conference)*

Regrets:

D. Holitzki, District Director of Instruction – Equity, Inclusion & Diversity

1. Call to Order

The meeting was called to order at 1:33 pm.

2. Acknowledgement of Aboriginal Territory

3. Changes to Proposed Agenda – Nil

4. Adoption of Agenda – Nil

5. Receiving Presentations – Nil

6. Opportunity for Comments by the Public regarding items on this Agenda – Nil

7. Correspondence – Nil

8. Adoption of Minutes

9. Unfinished Business – Nil

10. New Business

A. Terms of Reference



The 2023-2024 Terms of Reference were reviewed during the meeting.

B. Upcoming Sustainability Policy Development

Superintendent Smillie informed the committee of the upcoming sustainability policy development which follows commitments of the Strategic Plan. A development schedule will be presented for approval at the Meeting of the Board Held in Public later the same day. A committee will be formed to provide advice to the Board.

C. Policies

- Policy 621: Accumulated Operating Surplus

Policy 621 was revised and approved for field testing at the January 09, 2024 Meeting of the Board Held in Public to comply with ministry requirements and guidelines. No feedback was received from the public during the field-testing period. Secretary-Treasurer MacArthur outlined the changes in the draft policy compared to the existing version.

11. Comments or Questions from the Public

- Secretary-Treasurer MacArthur explained that districts are not allowed to have operating deficits. Boards can determine how to use accumulated surpluses.
- Superintendent Smillie informed Trustees that APs 3303 and 3304 were updated within the last month after Policy 230 was rescinded.

12. Policy Schedule

13. Meeting Schedule & Reminders

The next meeting of the Committee is scheduled for March 12, 2024.

14. Adjournment of Meeting

The meeting was adjourned at 1:52 pm.

Committee Chair

Secretary-Treasurer



**OPERATIONS & FINANCE PARTNER ADVISORY COMMITTEE
MINUTES
TUESDAY, MAY 14, 2024**

Board: K. Etheridge, Committee Chair (*via video conference*)
D. Lang, Chair
J. Bremner, Vice-Chair
M.J. Blackmore
S. Nazaroff
M. Shunter
L. Trenaman

Partners J. Adams, KLPVPA
C. Bayly, DPAC
S. Kalabis, KLPVPA
A. Morrow, DPAC
N. Nazaroff, DPAC
C. Wilson, KLTF

District Staff: T. Smillie, Superintendent
C. MacArthur, Secretary-Treasurer
B. Eaton, Director of Instruction – Innovative Learning
D. Holitzki, Assistant Superintendent
C. Kerr, Director of Operations
C. Singh, Director of Human Resources
S. Bruskowski, Executive Assistant

Guests: D. Bond, KPMG (for agenda item 10A)

Regrets: S. Chew
A. Gribbin

1. Call to Order

The meeting was called to order at 3:00 PM.

2. Acknowledgement of Aboriginal Territory

3. Changes to Proposed Agenda – Nil

4. Adoption of Agenda

The agenda was adopted as circulated.

5. Receiving Presentations – Nil

6. Opportunity for Comments by the Public regarding items on this Agenda – Nil

7. Correspondence – Nil

8. Adoption of Minutes

The minutes were adopted as circulated.

9. Unfinished Business – Nil

10. New Business – Secretary Treasurer



A. 2023-2024 Audit Plan Presentation

Guest: David Bond, KPMG

Secretary-Treasurer MacArthur welcomed guest David Bond representing KPMG who presented the 2024-2025 audit plan. KPMG won the bidding process and will do their first audit for School District No. 8 (Kootenay Lake) this summer.

David presented the financial reporting framework and the process and timeline for the 2023-2024 audit and risk mitigation.

B. 2024-2025 Annual Budget

Secretary-Treasurer MacArthur presented the final version of the 2024-2025 draft budget. A budget survey had been posted and feedback was received on prioritizing Strategic Priorities as well as allocating surplus funds.

Superintendent Smillie presented the strategic priorities and the strategies in which they are addressed.

Secretary-Treasurer MacArthur presented the 2024-2025 draft budget which is aligned to the strategic plan and reflects its strategic priorities. A budget overview was provided based on enrolment projections and framework assumptions to ensure expenditures stay within the projected funding increases. Labour settlement funding has not been announced yet and is not expected until after June 30th. This means the budget now shows an operating deficit which is balanced with funds coming from the opening accumulated operating surplus. Labour settlement funding will be included in the amended budget, thereby eliminating the deficit and the use of opening accumulated operating surplus for operations. The budget includes the use of opening accumulated operating surplus for purchase of tangible capital assets which was contemplated and approved in September 2023. As per BC School Act, districts are required to provide a balanced budget.

No questions were raised about the budget.

11. Comments or Questions from the Public – Nil

12. Meeting Schedule & Reminders

The next meeting of the Committee is scheduled for September 10, 2024.

13. Adjournment of Meeting

The meeting was adjourned at 3:46 PM.

Committee Chair

Secretary-Treasurer



POLICY, OPERATIONS & FINANCE PARTNER ADVISORY COMMITTEE

2024-2025 TERMS OF REFERENCE

Reviewed: September 10, 2024

Purpose

The Policy, Operations & Finance Partner Advisory Committee will provide advice to the Board on specific topics that are relevant to the Board's governance responsibilities. The Policy, Operations & Finance Partner Advisory Committee will offer an opportunity for the Board to engage with partner groups around a specific topic.

Discussions will be held in a manner that builds trust and sustains strong functional relationships and strengthens communication and information sharing. The discussions will be purposeful and constructive.

Scope

Policy, Operations & Finance Partner Advisory Committee input will be considered in matters related to the district but will not replace the accountability of district management and the Board of Policy, Operations & Finance in decision-making. The Policy, Operations & Finance Partner Advisory Committee does not have the authority for decision-making and no motions will be brought forward.

Committee Membership

Chair: Trustee Elected by the Board

Members: Board of Policy, Operations & Finance, Senior Leadership Team, 2 Principal or Vice- Principal reps, 2 KLTF reps, 2 CUPE reps, 2 DPAC reps, and Indigenous Rights Holders Representatives

Meetings

An annual schedule of meetings will be developed and approved by the Board.

The Policy, Operations & Finance Partner Advisory Committee will meet up to four times per year during the period when schools are in session.

An agenda will be developed prior to each meeting to meet the Board's accountabilities. Partner representatives may bring forward topics of interest for consideration as it aligns to the purpose of the Committee. These items will be brought forward to the Policy, Operations & Finance Partner Advisory Committee Chair and Superintendent two weeks prior to the committee meeting or at the Policy, Operations & Finance Partner Committee for consideration at agenda setting to be considered for following relevant meetings. A rationale will be provided if an item is not placed on the agenda for the following meetings. Operational issues, labour relations or personnel matters will not be addressed.

To facilitate open discussion, summary minutes will be recorded, following the minute-taking standards in Policy 124.

Order of Business

The order of business will be as follows:

- Call to Order
- Acknowledgement of Aboriginal Territory
- Receiving Presentations/Delegations
- Changes or omissions to Minutes
- New or Ongoing Business
- Comments or Questions from the Public regarding items on this Agenda
- Meeting Schedule and Reminders
- Adjournment



Memorandum to the Board of Education Policy, Operations and Finance Partner Advisory Committee

FROM: Cathy MacArthur, Interim Secretary-Treasurer
DATE: September 10, 2024
SUBJECT: 2023-2024 Audited Financial Statements

For Information

Introduction

This memorandum provides information to the Board on the Audited Financial Statements for the 2023-2024 school year ending June 30, 2024 and the accompanying 2023-2024 Financial Statement, Discussion and Analysis.

Information

The draft Audited Financial Statements for the 2023-2024 school year ending June 30, 2024 in the required format as per the Ministry of Education and Child Care and the accompanying 2023-2024 Financial Statement, Discussion and Analysis are attached. The audited financial statements and Discussion and Analysis contain information on the following funds:

- Operating Fund
- Special Purpose fund
- Capital Fund

The financial statements have been reviewed by the district's external auditors, KPMG LLP and are considered in final draft. When presented and approved by the Board of Education in the Public meeting later this evening, these statements will be filed with the Ministry of Education and Child Care who will consolidate our information with the other districts across the province to calculate the provincial totals.

This update is for the Policy, Operations and Finance Partner Advisory Committee information and requires no further action at this time.





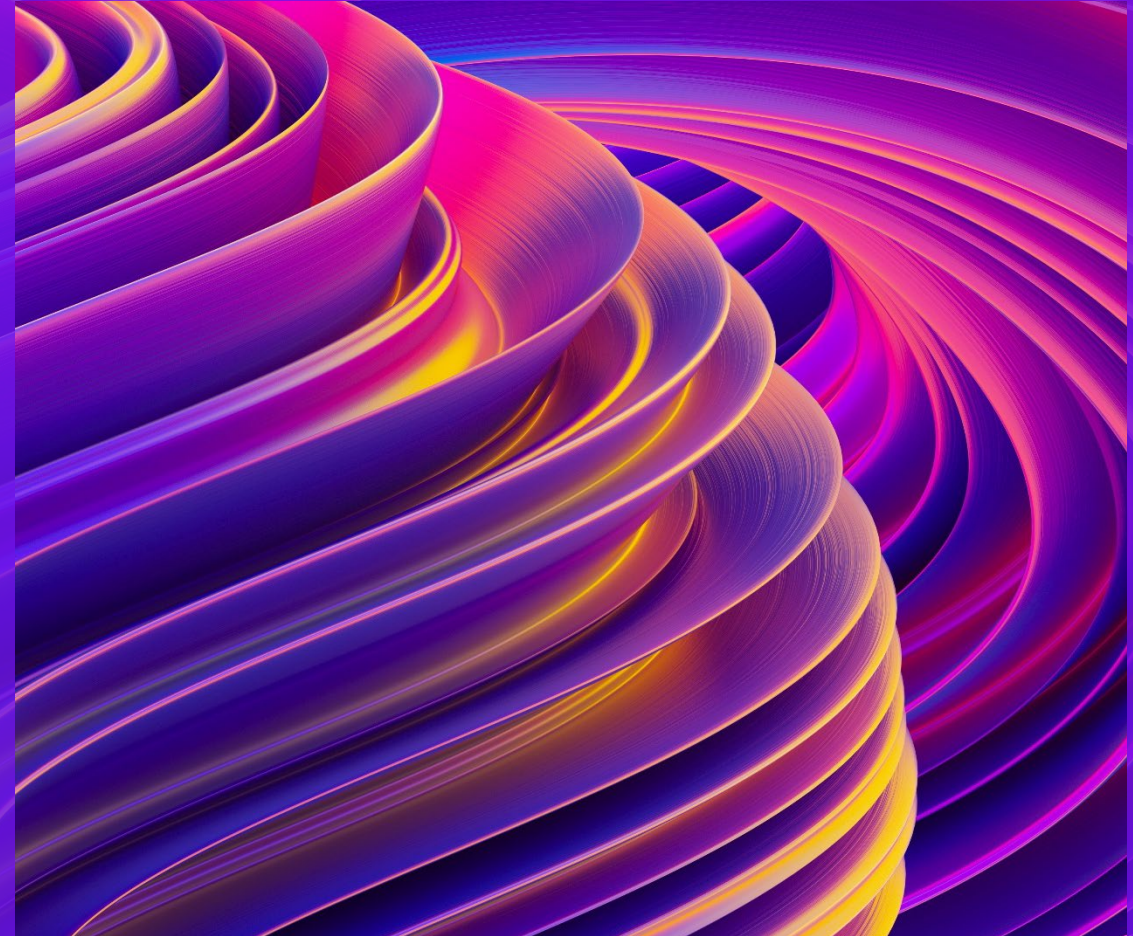
School District No. 8 (Kootenay Lake)

**Audit Findings Report
for the year ended June 30, 2024**



For presentation on September 10, 2024

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



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Lead Audit Engagement Manager

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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

4	Highlights	5	Status	6	Risks and results
11	Control deficiencies	12	Policies and practices	13	Appendices

The purpose of this report is to assist you, as a member of the Board of Education, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Operations and Finance Committee, and the Board of Education and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





Audit highlights




No matters to report



Matters to report – see link for details

Status


We have completed the audit of the financial statements, with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report. 

Significant changes

Significant changes since our audit plan

- There were no significant changes to our audit plan which was originally communicated to you in the audit planning report.

Risks and results

Significant risks 

- No other risks were identified beyond those required by professional standards - presumed risk of management override of controls

Other risks of material misstatement 

- Tangible capital assets and deferred capital revenue
- Revenue and deferred revenue
- Salaries and benefits
- Accounts payable and expenses

Uncorrected misstatements

Uncorrected misstatements


No significant uncorrected misstatements were identified.

Corrected misstatements

Corrected misstatements


No corrected misstatements were identified. Corrected items related to recommendations on financial statement presentation and disclosure.


Control deficiencies


Significant deficiencies 

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

Policies and practices & Specific topics

Significant unusual transactions 

Accounting policies and practices 

Other financial reporting matters 





Status

As of the date of this report, we have completed the audit of June 30, 2024 financial statements of School District No.8 (Kootenay Lake) ("the School District"), with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Board of Education
- Obtaining evidence of the Board's approval of the financial statements
- Obtaining a signed management representation letter
- Completing subsequent event review procedures up to the date of the Board's approval of the financial statements
- Reporting to the Office of the Auditor General for the purposes of reliance on our audit opinion in the audit of the summary financial statements of the Province.

We will update the Board, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.





Auditor's Report on Compliance Framework



Auditor's Report on Compliance Framework

The financial statements are prepared under Canadian Public Sector Accounting standards ("PSAS"), supplemented by the requirements of Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

These regulations direct the School District to apply Public Sector Accounting Standards (PSAS), except in regard to accounting for restricted contributions. Under the regulations, capital contributions are deferred and amortized on the same basis as the amortization of the related tangible capital assets, not in accordance with the underlying stipulations on the funding, as required under PSAS.

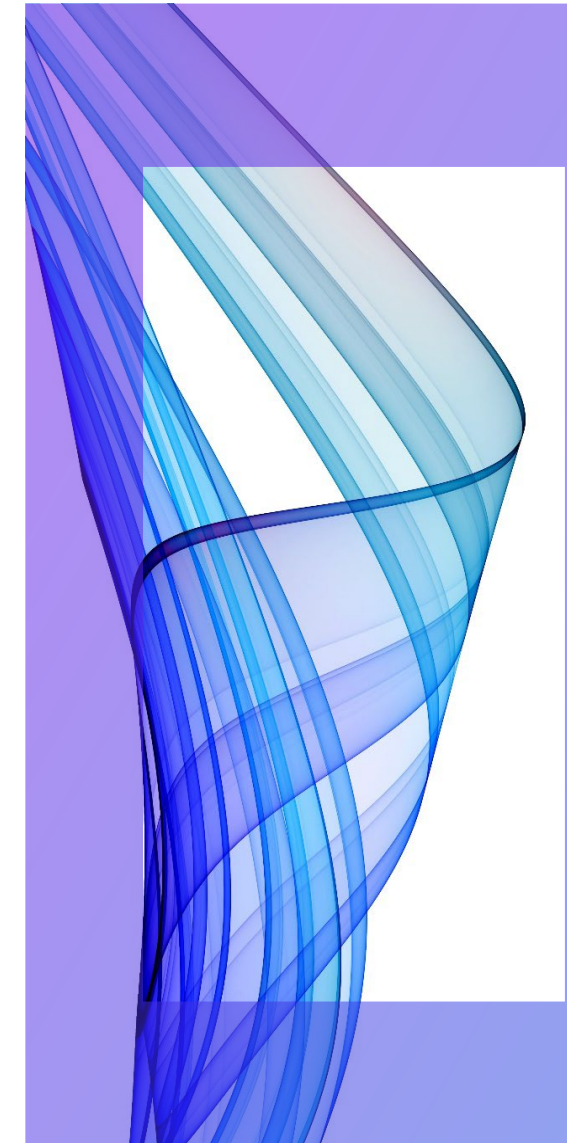
As a result, the School District's revenue recognized in the statement of operations and certain related deferred capital revenue would have been recorded differently under Canadian Public Sector Accounting Standards.

Our Response

- The Office of the Auditor General ("OAG") has requested additional reporting, under the Group Auditor requirements, in order to perform the consolidation of the Provincial Accounts under the PSA standards.
- We have reviewed the reporting prepared for the OAG, including the reconciliation of deferred capital contributions and will report to OAG accordingly.

Results

- No issues were noted as a result of the procedures performed.
- The auditor's report has been modified from a standard report to include an Emphasis of Matter section related to the Special Purpose Financial Reporting Framework. Specifically, that the financial statements are required to be prepared under Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.





Significant risks and results



Fraud risk from management override of controls

This is a presumed fraud risk in accordance with Canadian Auditing Standards. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities. We have not identified any specific additional risks of management override relating to this audit.

Our Response

Our procedures included:

- testing of journal entries and other adjustments
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

Significant findings

- No issues were noted as a result of the procedures performed.





Other risks of material misstatement and results



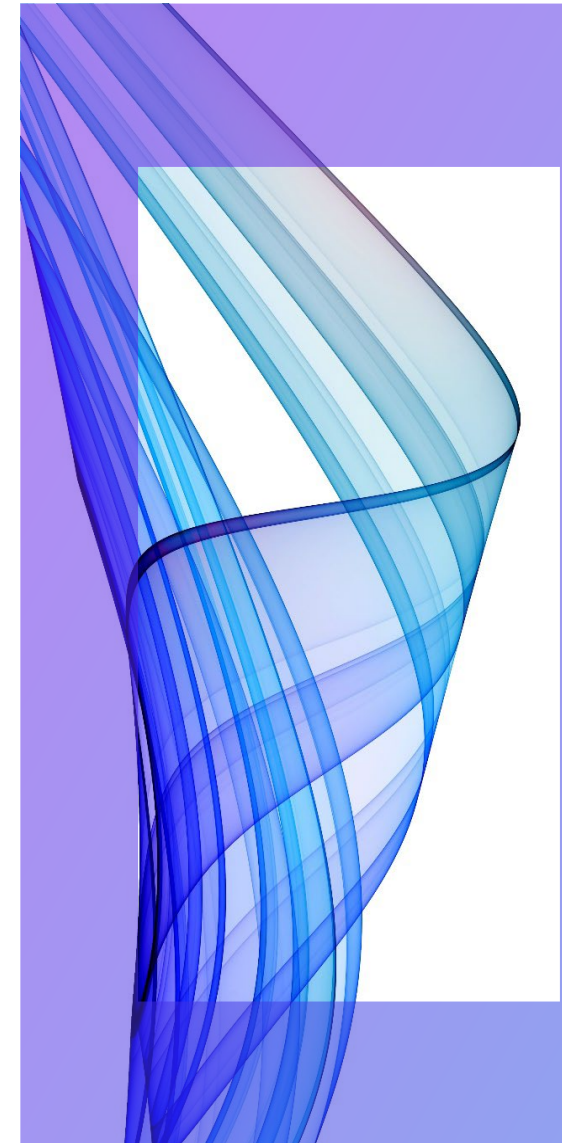
Tangible capital assets and deferred capital revenue

Our procedures and results

- We obtained an understanding of the process activities and controls over tangible capital assets and deferred capital revenue, including the approval and related review processes for capital expenditures to ensure they are consistent with approved budgets and board approvals.
- We selected a sample of additions, for testing and inspected the supporting invoices to determine if the amount recognized agreed, was capital in nature, and eligible per the funding sources.
- We performed a reasonability assessment of amortization expense based on estimated useful life of capital assets.
- We confirmed capital revenue received and recognized during the year to assess if amounts are appropriately restricted and accurately recorded.
- We performed a reasonability assessment of the amortized deferred capital contributions recorded during the year based on its correlation to amortization of tangible capital assets.
- We reviewed the information related to deferred capital revenue, which is used to support our additional reporting to the Office of the Auditor General (“OAG”).

We noted no issues as a result of the procedures performed.

We noted, consistent with other BC School Districts, that the School District records an annual estimated deemed disposal of certain fully-amortized assets (furniture and equipment and vehicles) after a prescribed period of time. While recording deemed disposals is a useful way of updating the School District’s accounting records, the best tool available to School District is a detailed capital asset register, that lists date acquired, active use and scheduled replacement date. Using a detailed capital asset register, a School District can track and record disposals in the year they occur and can use this tool for future capital budgeting.





Other risks of material misstatement and results



Revenue, deferred revenue and unearned revenue

Our procedures and results

- We obtained an understanding of the process activities and controls over revenue, deferred revenue and unearned revenue.
- We obtained a confirmation from the Ministry for the funding provided in the 2024 fiscal year and agreed the operating grants to the amount of revenue recognized.
- We agreed the special purpose funding received and recorded in deferred revenue to the confirmation received from the Ministry.
- We assessed management's process for evaluating the impact of new accounting standard PS3400, *Revenue*. The new standard resulted in minor process changes on a go forward basis for certain miscellaneous revenues.

We noted no issues as a result of the procedures performed.

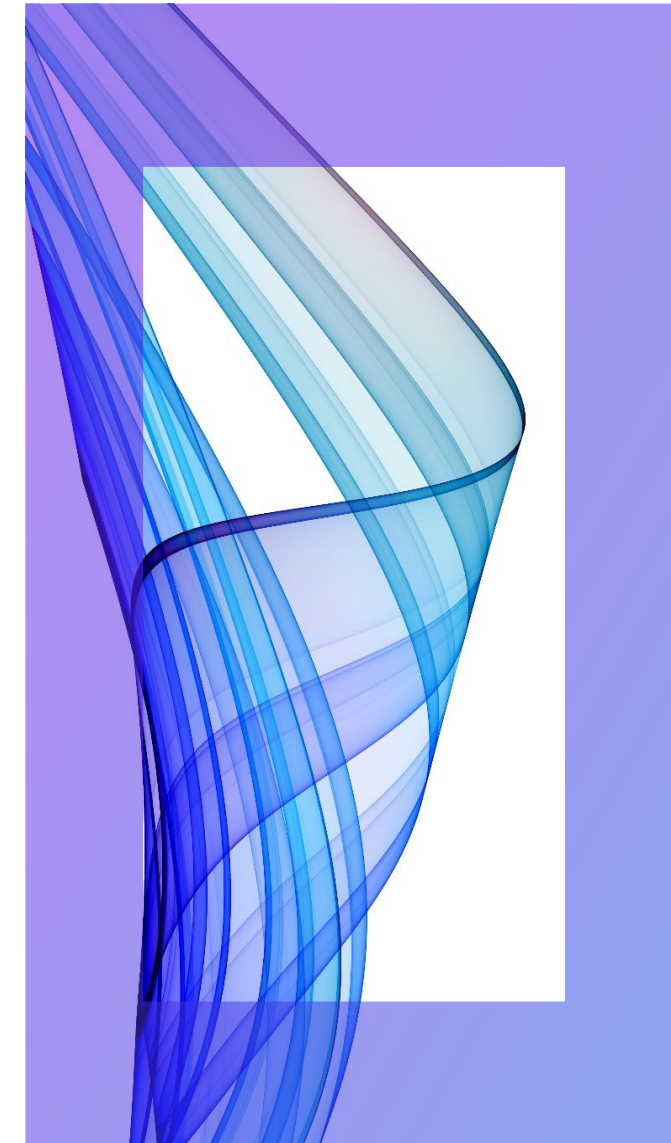


Accounts payable, accrued liabilities and expenses

Our procedures and results

- We obtained an understanding of the process activities and controls over expenses, payables and accrued liabilities.
- We obtained an understanding of the variances in expenses relative to prior year and the approved budget. We corroborated significant variances by reviewing supporting documentation.
- We selected a sample of payments made, trade payables recorded and invoices received subsequent to year-end to assess if they were recorded in the appropriate fiscal year.

We noted no issues as a result of the procedures performed.





Other risks of material misstatement and results



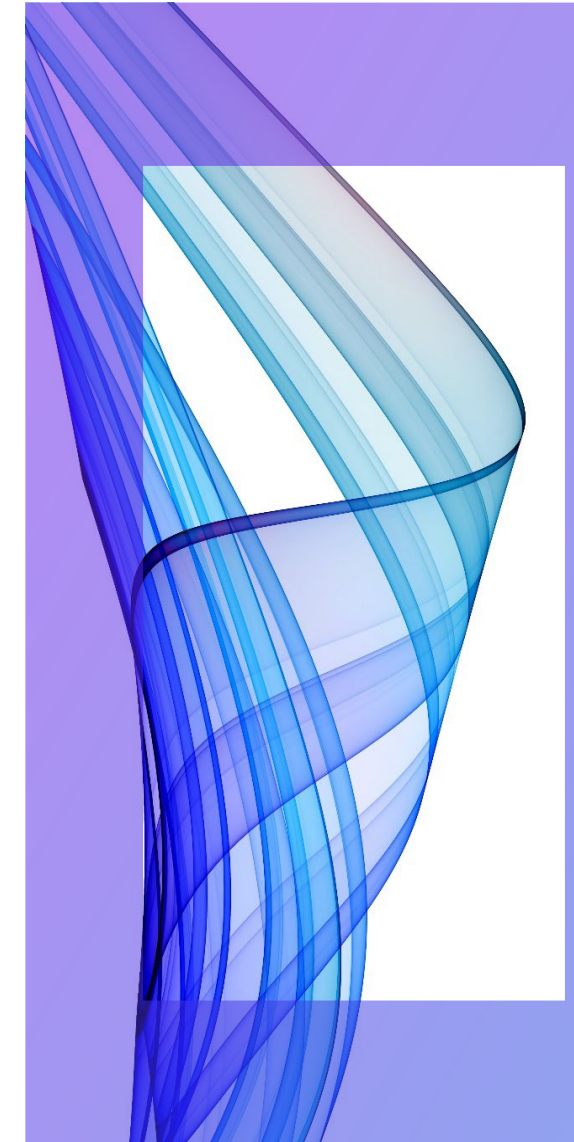
Salaries and benefits, employee future benefits obligations

Our procedures and results

- We obtained an understanding of the process activities and controls over employee salaries and benefits expense.
- We performed a test of details over the payroll expenses for the year and agreed them to timesheets and collective agreements.
- We obtained the valuation report for employee future benefits performed by Mercer as at March 31, 2024, and management's projection to June 30.
- We reviewed the assumptions used by management and agreed them to the Actuary's report.
- We reviewed financial statement presentation, including related note disclosure and confirm that it is in accordance with PSAB guidelines.

We noted no issues as a result of the procedures performed.

We did note that the next appr year for Employee Future Benefits, this will be in 2025. As a result, we recommend you ensure that all employee data is up to date and accurate in the system to be sent to Mercer. We will be doing additional work over this in next years audit.





Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

We did not identify any significant deficiencies in internal control over financial reporting.





Other financial reporting matters

We also highlight the following:



Significant accounting policies



- Management adopted *PS 3400 Revenue*, *PS 3160 Public Private Partnerships*, and *PSG 8 Purchased Intangibles*. There were no issues noted as a result of adoption.
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of the School District's transactions in relation to the period in which they were recorded, other than matters previously described in this report.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.



Significant accounting estimates



- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.
- There were no significant factors affecting the School District's asset and liability carrying values.



Significant qualitative aspects of financial statement presentation and disclosure



- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures and uncertainties.



Appendices

1

Required communications

2

Management representation letter

3

Audit Quality

4

Thought leadership and insights





Appendix 1: Required communications



Auditor's report

Refer to the draft report attached to the financial statements.

Engagement letter

A copy of the engagement letter was included with our Audit Planning Report.



Independence

As required by professional standards, we have considered all relationships between KPMG and the District that may have a bearing on independence. We confirm that we are independent with respect to the School District within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation from July 1, 2023 up until the date of this report.

Management representation letter

A copy of the management representation letter is attached.





Appendix 2: Management representation letter

See attached management representation letter



KPMG LLP
200-3200 Richter Street
Kelowna, BC V1W 5K9
Canada

September 10, 2024

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of School District No. 8 (Kootenay Lake) (“the Entity”) as at and for the period ended June 30, 2024.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated January 24, 2024, including for:
 - a) the preparation of the financial statements and believe that these financial statements have been prepared in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.



- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others
 where such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.



Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Employee future benefits:

- 8) The employee future benefits costs and obligations have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- 9) All arrangements (contractual or otherwise) by which programs have been established to provide employee benefits have been disclosed to you and included in the determination of employee future benefits costs and obligations.
- 10) The assumptions included in the actuarial valuation are those that management instructed Mercer to use in computing amounts to be used by the Entity in determining non-pension post employment benefits costs and obligations and in making required disclosures in the above-named financial statements, in accordance with the relevant financial reporting framework.
- 11) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.
- 12) The extrapolations are accurate and properly reflect the effects of changes and events that occurred subsequent to the most recent valuation and that had a material effect on the extrapolation.
- 13) All material events and changes to the plan subsequent to the most recent actuarial valuation have been properly reflected in the extrapolation.

Environmental matters:

- 14) The Entity has appropriately recognized, measured and disclosed liabilities for contaminated sites in the financial statements.

Estimates:

- 15) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.



- 16) The Entity's asset retirement obligations liability as at June 30, 2024 is a reasonable approximation of the Entity's asset retirement obligation and no accretion expense was required for the 2024 fiscal year.

Going concern:

- 17) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 18) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Accounting changes:

- 19) We believe that the change in policy related to the application of the half-year rule for disposals is reliable and more relevant than the previous accounting policy because it results in a more precise estimate of amortization that aligns with the period of use of the tangible capital asset.

Non-SEC registrants or non-reporting issuers:

- 20) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 21) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Other:

- 22) The amounts reported as differences between accounting for Non-Provincial restricted contributions in accordance with the Restricted Contributions Regulation as compared to Public Sector Accounting Standards for the purpose of reporting to the Office of the Auditor General are complete and accurate.

Yours very truly,

School District No. 8 (Kootenay Lake)

By: Cathy MacArthur, Secretary-Treasurer



Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.





Appendix 3: Audit quality - How do we deliver audit quality?

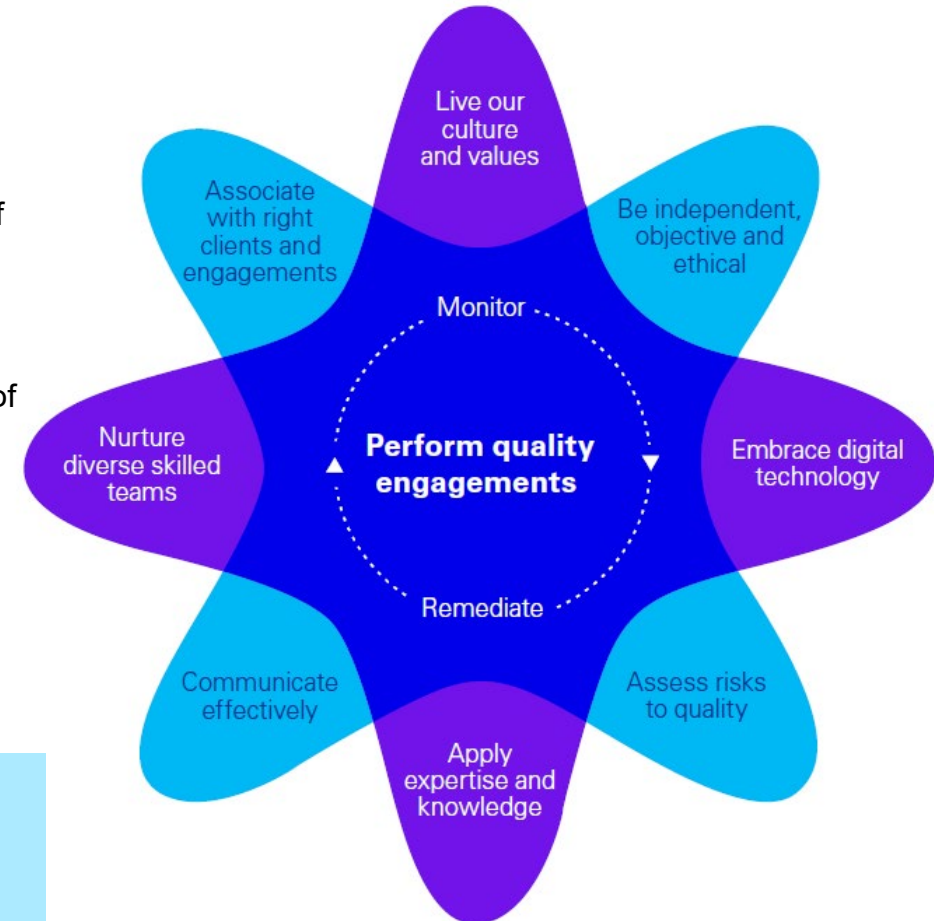
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

[KPMG Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.





Appendix 4: Thought leadership and insights

Current trends in Internal Audit

Organizations continually face a wide spectrum of risks beyond the already complex financial and regulatory compliance risks. Many organizations are recognizing the impact and benefit of internal audit activity that is agile, properly resourced, effectively managed, and aligned with strategic priorities, which can improve risk management and control processes and drive better efficiencies.

Examples of internal audits are noted below.

Cost reduction / efficiency planning

Review the governance arrangements for the monitoring and efficiency delivery of programs/services as required. This includes considering how efficiency requirements have been apportioned and communicated to support planning.

Fraud Risk Management

Internal Audit assesses whether a fraud risk management framework exists and whether fraud risk assessment is performed at these levels. IA reviews the overall governance surrounding this process and review the communication and reporting protocols in place.

Staff Inclusion and Diversity

Assess the strategy and plan in place for inclusion and diversity amongst staff, the governance of them and the measures in place to measure achievement of the goals. Training and awareness programs are offered to staff and faculty to provide understanding of roles and responsibilities pertaining to EDI and material is updated on a regular basis.

Asset Management / Maintenance

Review the processes and controls in place to ensure assets are adequately managed based on an appropriate schedule.

Wellbeing (Staff)

Review processes in place to develop and promote employee wellness programs and mental-health strategies for faculty and staff. Areas of focus include overall program framework, communication to faculty and staff, feedback mechanisms and management's approach to assessing the suitability of the current wellness offerings version faculty and staff needs.





Appendix 4: Thought leadership and insights (continued)

Cybersecurity: Incident Response Preparedness

With cyber attacks growing more widespread, it is becoming essential for executives to be involved in responding to cybersecurity incidents. Incident response preparedness can help leaders quickly identify gaps and gain information necessary to make informed decisions when faced with cybersecurity threats. Example of common topics addressed in incident response plans are noted below.



Which roles are included in the District's core executive incident response team to make decisions and address circumstances surrounding an incident?

Who is responsible for engaging the School District's insurer?

Consideration should be given to who should contact the insurance provider and under what circumstances the insurance provider should be engaged.

Who is responsible for leading communications?

Consideration should be given to who should be involved in enacting the communication plan and managing internal and external communications.

Should a ransom be paid?

Consideration should be given to who should be involved in the decision to pay a ransom, the engagement of a third-party to negotiate the ransom on behalf of the District, risks associated with ransom demands from prohibited organizations or countries and the District insurance provider's stance on ransom payment.



Who is responsible for notifying the Board of Education?

Consideration should be given to who should engage the Board of Education and under what circumstances the Board of Education should be engaged?

Should Law Enforcement be Involved?

Consideration should be given to whether law enforcement should be contacted regarding the incident and, if so, who should be responsible for contacting law enforcement.

Who is responsible for considering additional risks?

Consideration should be given to risks associated with non-restoration of systems, data exposure, subsequent attacks and potential sanctions.



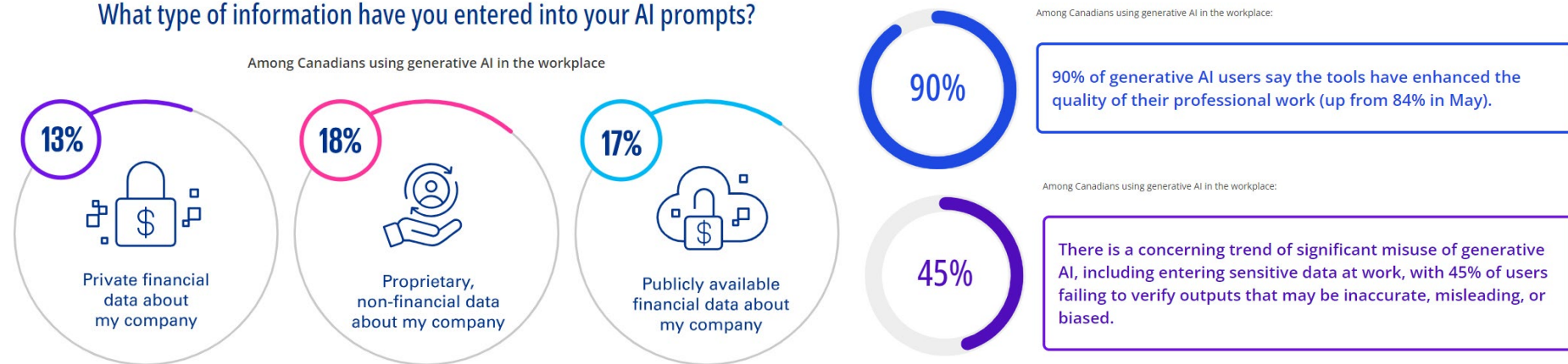


Appendix 4: Thought Leadership and Insights (continued)

Generative AI

Ever since ChatGPT launched publicly on November 30, 2022, generative AI has caught the attention of users around the world – including Canada. One year after its launch, KPMG in Canada conducted a survey about generative AI use in Canada's workplaces. [Generative AI Adoption Index - KPMG Canada](#)

What type of information have you entered into your AI prompts?



For board members, generative AI stands as a pivotal innovation that offers unprecedented opportunities to drive business value, improve productivity, reach broader audiences, streamline operations, and help address complicated global issues. However, it also raises complex business and ethical questions. To gain the full trust of stakeholders, AI systems need to be designed with governance, risk, legal, and ethical frameworks in mind. The aim is not just to manage these challenges as they emerge, but to proactively elevate your organization's AI practices to achieve Trusted AI.

3 key guiding principles that can help boards achieve their Trusted AI objectives

- Ensure AI applications align with ethical and legal standards, safeguarding the organization from potential financial, operational, and reputational risks
- Foster innovation, enabling the business to gain a competitive edge through trustworthy AI development
- Establish a commitment to Trusted AI, enhancing trust and brand value among stakeholders and employees

Learn more about how generative AI affects Board responsibilities and tools to emerge as leaders of responsible innovation that serves the greater good.

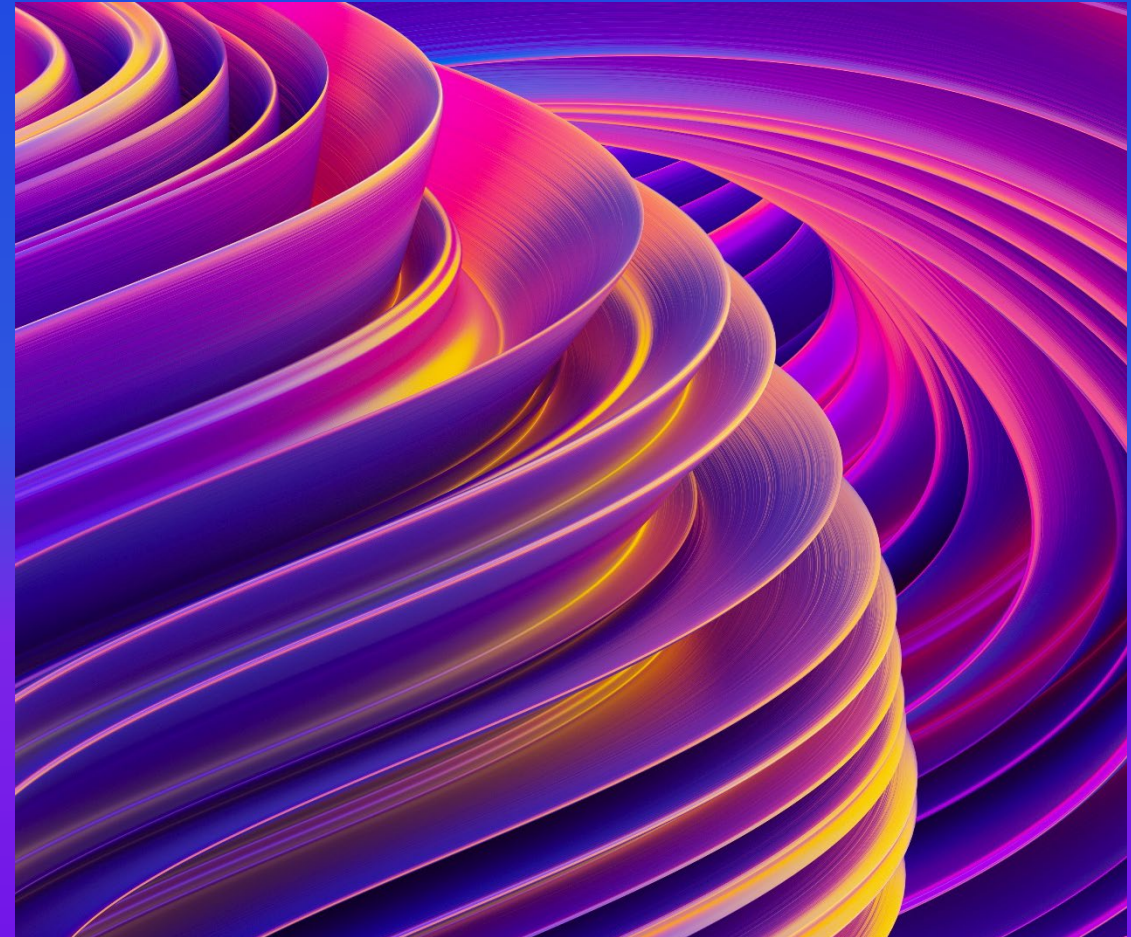
[Preparing your Board for Generative AI](#)





<https://kpmg.com/ca/en/home.html>

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Audited Financial Statements of

School District No. 8 (Kootenay Lake)

And Independent Auditors' Report thereon

June 30, 2024

School District No. 8 (Kootenay Lake)

June 30, 2024

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School District No. 8 (Kootenay Lake)

MANAGEMENT REPORT

DRAFT

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 8 (Kootenay Lake) 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. 8 (Kootenay Lake) (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 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. 8 (Kootenay Lake) 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. 8 (Kootenay Lake)

DRAFT

Signature of the Superintendent of the District of Education Date Signed

Signature of Superintendent Date Signed

Signature of the Secretary Treasurer

Date Signed



KPMG LLP
200 – 3200 Richter Street
Kelowna BC V1W 5K9
Canada
Telephone 250-979-7150
Fax 250-763-0044

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 8 (Kootenay Lake), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 8 (Kootenay Lake) (the School District), which comprise:

- the statement of financial position as at June 30, 2024
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of remeasurement gains and losses 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 policy information (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2024 of the School District 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 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 – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.



Other Matter – Comparative Information

The financial statements for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on September 12, 2023.

Other Information

Management is responsible for the other information. Other information comprises information, other than the financial statements and the auditors' report thereon, included in unaudited schedules 1-4 attached to the audited financial statements and the financial statement discussion and analysis document.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the Information, other than the financial statements and the auditors' report thereon, included in the unaudited schedules 1-4 attached to the audited financial statements and the financial statement discussion and analysis document, at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the 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 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.

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 School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 School District 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

Kelowna, Canada

September 10, 2024

School District No. 8 (Kootenay Lake)

Statement 1

Statement of Financial Position

As at June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	17,947,023	15,945,527
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	741,485	291,636
Due from Province - Other	-	86,231
Other (Note 4)	962,502	947,266
Portfolio Investments (Note 5)	375,996	434,075
Total Financial Assets	20,027,006	17,704,735
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	-	6,360
Other (Note 6)	6,774,872	6,478,595
Unearned Revenue (Note 7)	542,471	937,494
Deferred Revenue (Note 8)	2,790,183	2,798,945
Deferred Capital Revenue (Note 9)	51,156,219	50,605,861
Employee Future Benefits (Note 10)	1,779,325	1,640,511
Asset Retirement Obligation	2,240,535	2,240,535
Total Liabilities	65,283,605	64,708,301
Net Debt	(45,256,599)	(47,003,566)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	73,033,602	72,707,655
Prepaid Expenses	351,858	282,533
Total Non-Financial Assets	73,385,460	72,990,188
Accumulated Surplus (Deficit) (Note 19)	28,128,861	25,986,622
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	28,036,990	25,924,514
Accumulated Remeasurement Gains (Losses)	91,871	62,108
	28,128,861	25,986,622

Contractual Obligations (Note 15)

Contingent Liabilities (Note 16)

Approved by the Board

Signature of the Chairperson of the Board of Education

Signed

Signature of the Superintendent

Signed

Signature of the Secretary Treasurer

Date Signed

DRAFT

School District No. 8 (Kootenay Lake)

Statement 2

Statement of Operations
Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	77,303,500	77,056,962	70,486,364
Other	400,685	391,338	333,503
Tuition	1,198,450	1,161,627	1,721,799
Other Revenue	1,848,368	2,760,753	2,364,118
Rentals and Leases	90,000	121,783	112,997
Investment Income	508,000	554,915	279,827
Amortization of Deferred Capital Revenue	3,002,516	2,955,837	2,859,351
Total Revenue	84,351,519	85,003,215	78,157,959
Expenses (Note 18)			
Instruction	62,869,316	61,638,549	54,962,964
District Administration	4,774,110	4,658,536	4,455,409
Operations and Maintenance	13,130,755	13,368,074	12,633,002
Transportation and Housing	3,474,128	3,225,580	2,931,420
Total Expense	84,248,309	82,890,739	74,982,795
Surplus (Deficit) for the year	103,210	2,112,476	3,175,164
Accumulated Surplus (Deficit) from Operations, beginning of year		25,924,514	22,749,350
Accumulated Surplus (Deficit) from Operations, end of year		28,036,990	25,924,514

School District No. 8 (Kootenay Lake)

Statement 3

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Accumulated Remeasurement Gains (Losses) at beginning of year	62,108	-
Unrealized Gains (Losses) attributable to:		
Portfolio Investments	29,763	62,108
Net Remeasurement Gains (Losses) for the year	29,763	62,108
Accumulated Remeasurement Gains (Losses) at end of year	91,871	62,108

School District No. 8 (Kootenay Lake)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Surplus (Deficit) for the year	103,210	2,112,476	3,175,164
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(5,614,362)	(4,270,763)	(4,872,354)
Amortization of Tangible Capital Assets	4,008,306	3,944,816	3,864,779
Total Effect of change in Tangible Capital Assets	<u>(1,606,056)</u>	<u>(325,947)</u>	<u>(1,007,575)</u>
Acquisition of Prepaid Expenses		(748,089)	(684,455)
Use of Prepaid Expenses		678,764	618,186
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(69,325)</u>	<u>(66,269)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(1,502,846)</u>	1,717,204	2,101,320
Net Remeasurement Gains (Losses)		<u>29,763</u>	62,108
(Increase) Decrease in Net Debt		1,746,967	2,163,428
Net Debt, beginning of year		(47,003,566)	(49,166,994)
Net Debt, end of year		<u>(45,256,599)</u>	<u>(47,003,566)</u>

School District No. 8 (Kootenay Lake)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,112,476	3,175,164
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(378,854)	(183,547)
Prepaid Expenses	(69,325)	(66,269)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	289,917	1,028,368
Unearned Revenue	(395,023)	(28,700)
Deferred Revenue	(8,762)	44,648
Employee Future Benefits	138,814	151,987
Amortization of Tangible Capital Assets	3,944,816	3,864,779
Amortization of Deferred Capital Revenue	(2,955,837)	(2,859,351)
Total Operating Transactions	<u>2,678,222</u>	<u>5,127,079</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,270,763)	(4,872,354)
Total Capital Transactions	<u>(4,270,763)</u>	<u>(4,872,354)</u>
Financing Transactions		
Capital Revenue Received	3,506,195	4,196,391
Total Financing Transactions	<u>3,506,195</u>	<u>4,196,391</u>
Investing Transactions		
Disposal of Portfolio Investments	87,842	44,801
Total Investing Transactions	<u>87,842</u>	<u>44,801</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,001,496</u>	<u>4,495,917</u>
Cash and Cash Equivalents, beginning of year	<u>15,945,527</u>	<u>11,449,610</u>
Cash and Cash Equivalents, end of year	<u>17,947,023</u>	<u>15,945,527</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>17,947,023</u>	<u>15,945,527</u>
	<u>17,947,023</u>	<u>15,945,527</u>

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 1 AUTHORITY AND PURPOSE

The School District No. 8 (Kootenay Lake) (the “**School District**”), established on December 2, 1996, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 8 (Kootenay Lake)", and operates as "School District No. 8 (Kootenay Lake)." A board of education (“**Board**”) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No.8 (Kootenay Lake) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

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

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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Portfolio Investments

The School District has investments in equity instruments and mutual funds with no maturity date and bonds with a maturity date of greater than 3 months at the time of acquisition. Bonds not quoted in an active market are measured at cost or amortized cost. Portfolio investments in equity instruments that are quoted in an active market are measured at fair value and the associated transaction costs are expensed upon recognition. The change in fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are disposed. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue is recognized in the 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 2 (l).

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

f) Deferred Revenue and Deferred Capital Revenue *(Continued)*

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.

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime, and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

h) Asset Retirement Obligation

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

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

A liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District was initially recognized using the modified retroactive method. The liability is

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

h) Asset Retirement Obligation *(Continued)*

measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs are capitalized into the carrying amount of tangible capital assets and are amortized on the same basis as the related tangible capital asset (see note 2(i)). The liability is reviewed annually and adjusted prospectively to reflect current market conditions in estimated costs.

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. Transfers of tangible capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written off.
- Works of art, historic assets, and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

j) Prepaid Expenses

Prepaid software licenses, membership fees, insurance and annual utilities costs are included as prepaid expenses and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 14 – Interfund Transfers and Note 20 – Internally Restricted Surplus).

l) Revenue Recognition

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

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

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

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

Donated tangible capital assets other than sites are recorded, in deferred capital revenue, at fair market value and amortized to revenue 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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

1) Revenue Recognition *(Continued)*

Revenue from transactions with performance obligations, such as rental, leases and other revenue, is recognized when the performance obligation is satisfied through the provision of agreed goods or services. Revenue from transactions with no performance obligations is recognized when the School District has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

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

m) Expenses

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

Categories of Salaries

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

Allocation of Costs

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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

n) Financial Instruments

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

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

Except for portfolio investments in equity instruments quoted in an active market that are measured at fair value, all financial assets and liabilities are measured at cost or amortized cost and the associated transactions costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in 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. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

o) Measurement Uncertainty

Preparation of financial statements 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 tangible capital asset and deferred capital revenue amortization and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 3 CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are funds in the amount of \$1,066,512 (2023 - \$1,024,293), which are restricted and paid out to teachers who contribute to and take part in the District's self-funded summer saving plan.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER

	2024	2023
Goods and Services Tax recoverable	\$ 317,387	\$ 153,526
Due from Other School Districts	312,710	285,760
Other	332,405	507,980
Total Accounts Receivable – Other	\$ 962,502	\$ 947,266

NOTE 5 PORTFOLIO INVESTMENTS

Financial instruments which are recorded at fair value on the statement of financial position, are classified into one of three hierarchy levels. Each level is based upon the significance of the inputs used to measure the fair value. The hierarchy levels are as follows:

- Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments

	2024	2023
Investments in fair value category – Level 1		
Cash	\$ 30,846	\$ 7,803
Canadian corporate bonds	48,034	48,091
Canadian equity instruments	27,252	28,515
Canadian mutual funds	269,864	349,666
Total Portfolio Investments	\$ 375,996	\$ 434,075

The fair value of portfolio investments exceeded its cost amount, as at June 30, 2024, by \$91,871 (2023 - \$62,108), which is presented in the statement of remeasurement gains and losses.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2024	2023
Trade	\$ 2,059,847	\$ 1,854,345
Salaries and benefits	3,063,663	3,057,971
Accrued vacation pay	584,850	541,986
Other – summer teachers’ savings plan	1,066,512	1,024,293
Total Accounts Payable and Accrued Liabilities - Other	\$ 6,774,872	\$ 6,478,595

NOTE 7 UNEARNED REVENUE

	2024	2023
Balance, beginning of year	\$ 937,494	\$ 966,194
Tuition fees collected	542,471	937,494
Tuition fees recognized in revenue	(937,494)	(996,194)
Total Unearned Revenue	\$ 542,471	\$ 937,494

NOTE 8 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.

	2024	2023
Balance, beginning of year	\$ 2,798,945	\$ 2,754,297
Provincial grants received	13,440,938	11,107,040
Other revenue received	2,142,160	1,762,662
Investment income	3,987	(2,274)
Revenue recognized	(15,503,827)	(12,709,801)
Revenue recovered	(92,020)	(112,979)
Total Deferred Revenue	\$ 2,790,183	\$ 2,798,945

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 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.

	2024	2023
<u>Deferred capital revenue subject to amortization</u>		
Balance, beginning of year	\$ 49,842,247	\$ 48,321,402
Transfers from deferred capital revenue – unspent portion	3,471,588	4,380,196
Amortization of deferred capital revenue	(2,955,837)	(2,859,351)
Balance, end of year	\$ 50,357,998	\$ 49,842,247
<u>Deferred capital revenue – unspent portion</u>		
Balance, beginning of year	\$ 763,614	\$ 947,419
Provincial grants – Ministry of Education and Child Care	3,464,020	4,148,072
Provincial grants - Other	42,175	48,319
Transfer to deferred capital revenue	(3,471,588)	(4,380,196)
Balance, end of year	\$ 798,221	\$ 763,614
Total Deferred Capital Revenue	\$ 51,156,219	\$ 50,605,861

NOTE 10 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.

	2024	2023
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,407,217	\$ 1,479,881
Service Cost	126,832	128,958
Interest Cost	57,774	48,349
Benefit Payments	(53,890)	(103,057)
Actuarial (Gain) Loss	(147,101)	(146,914)
Accrued Benefit Obligation	\$ 1,390,832	\$ 1,407,217

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 10 **EMPLOYEE FUTURE BENEFITS** *(Continued)*

	2024	2023
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Liability – March 31	\$ 1,390,832	\$ 1,407,217
Benefits expense after measurement date	46,586	46,152
Unamortized net actuarial (gain) loss	341,907	187,142
Accrued Benefit Liability – June 30	\$ 1,779,325	\$ 1,640,511
 Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 1,640,511	\$ 1,488,524
Net expense for fiscal year	192,703	209,241
Employer contributions	(53,889)	(57,254)
Accrued Benefit Liability – June 30	\$ 1,779,325	\$ 1,640,511
 Components of Net Benefit Expense		
Service cost	\$ 126,433	\$ 128,426
Interest cost	58,607	50,705
Amortization of net actuarial (gain) loss	7,663	30,110
Net benefit expense	\$ 192,703	\$ 209,241

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

	2024	2023
Discount rate – April 1	4.00%	3.25%
Discount rate – March 31	4.25%	4.00%
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	9.2	9.2

NOTE 11 **TANGIBLE CAPITAL ASSETS**

Net Book Value:	2024	2023
Sites	\$ 8,958,823	\$ 8,958,823
Buildings	60,045,701	59,608,991
Vehicles	2,412,330	2,728,753
Furniture and Equipment	1,151,020	829,691
Computer Hardware	465,728	581,397
Total	\$ 73,033,602	\$ 72,707,655

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2024

	Opening Cost	Additions	Disposals	Closing Cost
Sites	\$ 8,958,823	\$ -	\$ -	\$ 8,958,823
Buildings	146,702,369	3,437,751	-	150,140,120
Vehicles	5,111,164	176,231	(545,473)	4,741,922
Furniture and equipment	1,393,569	479,249	(107,994)	1,764,824
Computer hardware	1,679,520	177,532	(604,549)	1,252,503
Total	\$ 163,845,445	\$ 4,270,763	\$ (1,258,016)	\$ 166,858,192

	Opening Accumulated Amortization	Additions	Disposals	Closing Accumulated Amortization
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	87,093,378	3,001,041	-	90,094,419
Vehicles	2,382,411	492,654	(545,473)	2,329,592
Furniture and equipment	563,878	157,920	(107,994)	613,804
Computer hardware	1,098,123	293,201	(604,549)	786,775
Total	\$ 91,137,790	\$ 3,944,816	\$ (1,258,016)	\$ 93,824,590

June 30, 2023

	Opening Cost	Additions	Disposals	Closing Cost
Sites	\$ 8,958,823	\$ -	\$ -	\$ 8,958,823
Buildings	143,581,294	3,121,075	-	146,702,369
Vehicles	4,229,708	1,347,270	(465,814)	5,111,164
Furniture and equipment	1,226,856	261,047	(94,334)	1,393,569
Computer hardware	1,536,558	142,962	-	1,679,520
Total	\$ 159,533,239	\$ 4,872,354	\$ (560,148)	\$ 163,845,445

	Opening Accumulated Amortization	Additions	Disposals	Closing Accumulated Amortization
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	84,148,271	2,945,107	-	87,093,378
Vehicles	2,381,181	467,044	(465,814)	2,382,411
Furniture and equipment	527,191	131,021	(94,334)	563,878
Computer hardware	776,516	321,607	-	1,098,123
Total	\$ 87,833,159	\$ 3,864,779	\$ (560,148)	\$ 91,137,790

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2023, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2023, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2020, indicated a \$1,584 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3.761 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$5.473 million for employer contributions to the plans for the year ended June 30, 2024 (2023: \$4.952 million).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2024.

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2024, were as follows:

- Tangible capital assets purchased from operating funds - \$615,288 (2023 - \$389,373)
- Tangible capital assets purchased from special purpose funds - \$183,887 (2023 - \$102,785)

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	<u>2025</u>	<u>2026</u>	<u>2027</u>
Computer Hardware	\$ 294,855	\$ 24,938	\$ -
Furniture & Equipment	157,303	-	-
Vehicle Leases	39,549	37,675	17,054
	<u>\$ 491,707</u>	<u>\$ 62,613</u>	<u>\$ 17,054</u>

NOTE 16 CONTINGENT LIABILITIES

The School District is involved in certain legal actions. Some of these legal actions are managed and covered by the British Columbia Schools Protection Program. The outcome of these matters cannot be determined at this time. In the event that any claims are successful, it is management’s opinion that the settlement of such claims would not have a material effect on the financial position of the Schools District. The resulting loss on the School District, if any, will be recorded in the period in which it is determinable.

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements are the School District’s amended annual budget adopted by the Board of Education on February 13, 2024, whereas the original budget was approved by the Board on May 9, 2023. Significant changes between the original and amended budget are as follows:

	<u>Annual Budget</u>	<u>Change</u>	<u>Amended Annual Budget</u>
Revenue			
Provincial Grants			
Ministry of Education and Child Care	\$ 73,625,661	\$ 3,677,839	\$ 77,303,500
Other	385,676	15,009	400,685
Tuition	1,654,150	(455,700)	1,198,450
Other Revenue	1,810,616	37,752	1,848,368
Rentals and Leases	64,000	26,000	90,000
Investment Income	116,000	392,000	508,000
Amortization of Deferred Capital Revenue	2,988,080	14,436	3,002,516
Total Revenue	<u>80,644,183</u>	<u>3,707,336</u>	<u>84,351,519</u>

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 17 BUDGET FIGURES *(Continued)*

Expenses			
Instruction	60,638,228	2,231,088	62,869,316
District Administration	4,316,337	457,773	4,774,110
Operations and Maintenance	12,981,697	149,058	13,130,755
Transportation and Housing	3,370,141	103,987	3,474,128
Total Expenses	81,306,403	2,941,906	84,248,309
Budgeted Surplus (Deficit) for the year	(662,220)	765,430	103,210

NOTE 18 EXPENSE BY OBJECT

The following are total expenses from operating, special and capital funds:

	2024	2023
Salaries and benefits	\$ 66,886,297	\$ 59,669,933
Services and supplies	12,059,626	11,448,083
Amortization of tangible capital assets	3,944,816	3,864,779
Total Expenses by Object	\$ 82,890,739	\$ 74,982,795

NOTE 19 ACCUMULATED SURPLUS

The operating fund accounts for the School District’s operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the operating fund, whereby budgeted expenditures do not exceed the total of the budgeted revenue plus any surplus in the operating fund carried forward from the previous year.

	2024	2023
Operating Fund Accumulated Surplus		
Internally Restricted/Appropriated by the Board:		
Due to Nature of Constraints on the Fund	\$ 110,769	\$ 149,173
For Unanticipated Unusual Expenses	350,000	100,000
For Operations Spanning Multiple School Years	3,661,635	2,434,633
Total Internally Restricted Operating Surplus	4,122,404	2,683,806
Unrestricted Operating Surplus	3,331,850	2,475,897
Total Operating Fund Accumulated Surplus	7,454,254	5,159,703
Capital Fund Accumulated Surplus		
Internally Restricted/Appropriated by the Board for:		
Facilities equipment and vehicles	147,668	139,939
Total Internally Restricted Capital Surplus	147,668	139,939
Unrestricted Capital Surplus	20,435,068	20,624,872
Total Capital Fund Accumulated Surplus	20,582,736	20,764,811

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 19 **ACCUMULATED SURPLUS** (*Continued*)

Total Accumulated Surplus from Operations	28,036,990	25,924,514
Accumulated Remeasurement Gains	91,871	62,108
Accumulated Surplus	\$ 28,128,861	\$ 25,986,622

NOTE 20 **ECONOMIC DEPENDENCE**

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

NOTE 21 **RISK MANAGEMENT**

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

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

a) Credit risk:

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

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

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

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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 21 **RISK MANAGEMENT** *(Continued)*

b) Market risk *(Continued)*:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in term deposits that have a maturity date of no more than 3 years, and mutual funds.

c) Liquidity risk:

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

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

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2021 related to credit, market, or liquidity risks.

School District No. 8 (Kootenay Lake)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2024

	Operating Fund	Special Purpose Fund	Capital Fund	2024 Actual	2023 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,159,703		20,764,811	25,924,514	22,749,350
Changes for the year					
Surplus (Deficit) for the year	2,909,839	183,887	(981,250)	2,112,476	3,175,164
Interfund Transfers					
Tangible Capital Assets Purchased	(615,288)	(183,887)	799,175	-	
Net Changes for the year	2,294,551	-	(182,075)	2,112,476	3,175,164
Accumulated Surplus (Deficit), end of year - Statement 2	7,454,254	-	20,582,736	28,036,990	25,924,514
Accumulated Remeasurement Gains (Losses) - Statement 3		91,871		91,871	62,108
	7,454,254	91,871	20,582,736	28,128,861	25,986,622

School District No. 8 (Kootenay Lake)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	63,567,090	63,772,531	59,588,322
Other	296,176	307,036	291,137
Tuition	1,198,450	1,161,627	1,721,799
Other Revenue	551,368	643,903	592,451
Rentals and Leases	90,000	121,783	112,997
Investment Income	483,000	528,942	274,554
Total Revenue	<u>66,186,084</u>	<u>66,535,822</u>	<u>62,581,260</u>
Expenses			
Instruction	48,019,734	46,666,137	42,904,269
District Administration	4,774,110	4,609,060	4,373,441
Operations and Maintenance	8,942,809	9,149,903	8,326,630
Transportation and Housing	3,449,431	3,200,883	2,906,660
Total Expense	<u>65,186,084</u>	<u>63,625,983</u>	<u>58,511,000</u>
Operating Surplus (Deficit) for the year	<u>1,000,000</u>	<u>2,909,839</u>	<u>4,070,260</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	<u>(1,000,000)</u>	<u>(615,288)</u>	<u>(389,373)</u>
Total Net Transfers	<u>(1,000,000)</u>	<u>(615,288)</u>	<u>(389,373)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>2,294,551</u>	<u>3,680,887</u>
Operating Surplus (Deficit), beginning of year		<u>5,159,703</u>	<u>1,478,816</u>
Operating Surplus (Deficit), end of year		<u><u>7,454,254</u></u>	<u><u>5,159,703</u></u>
Operating Surplus (Deficit), end of year			
Internally Restricted		<u>4,122,404</u>	<u>2,683,806</u>
Unrestricted		<u>3,331,850</u>	<u>2,475,897</u>
Total Operating Surplus (Deficit), end of year		<u><u>7,454,254</u></u>	<u><u>5,159,703</u></u>

School District No. 8 (Kootenay Lake)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	61,835,495	62,074,291	56,709,254
ISC/LEA Recovery	(87,632)	(135,431)	(78,012)
Other Ministry of Education and Child Care Grants			
Pay Equity	300,996	300,996	300,996
Funding for Graduated Adults	14,147	27,872	16,348
Student Transportation Fund	419,602	419,602	419,602
Support Staff Benefits Grant	-	-	725
FSA Scorer Grant	8,187	8,187	8,187
Labour Settlement Funding	1,018,885	1,018,885	2,168,022
NGN Self-Provisioned Site Grant	52,410	53,129	43,200
Equity Scan Grant	5,000	5,000	-
Total Provincial Grants - Ministry of Education and Child Care	63,567,090	63,772,531	59,588,322
Provincial Grants - Other	296,176	307,036	291,137
Tuition			
International and Out of Province Students	1,158,450	1,103,127	1,692,799
Distance Education/Correspondence Course Fees	40,000	58,500	29,000
Total Tuition	1,198,450	1,161,627	1,721,799
Other Revenues			
Other School District/Education Authorities	367,018	392,425	344,676
Funding from First Nations	87,632	135,431	78,012
Miscellaneous			
Private School Bussing	67,348	50,391	62,716
Cultural Grants	10,370		10,370
Miscellaneous	15,000	47,378	2,892
After School Program Fees	4,000	18,278	17,550
Porceeds on Disposal of Vehicle			76,235
Total Other Revenue	551,368	643,903	592,451
Rentals and Leases	90,000	121,783	112,997
Investment Income	483,000	528,942	274,554
Total Operating Revenue	66,186,084	66,535,822	62,581,260

School District No. 8 (Kootenay Lake)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2024

	2024 Budget (Note 17)	2024 Actual	2023 Actual
	\$	\$	\$
Salaries			
Teachers	22,759,615	22,490,810	20,597,715
Principals and Vice Principals	4,420,655	4,429,781	4,079,725
Educational Assistants	3,614,535	3,410,656	2,998,257
Support Staff	7,440,581	7,487,358	6,812,096
Other Professionals	2,602,102	2,599,474	2,406,001
Substitutes	3,371,661	3,066,477	2,808,524
Total Salaries	44,209,149	43,484,556	39,702,318
Employee Benefits	11,255,197	11,196,496	10,076,100
Total Salaries and Benefits	55,464,346	54,681,052	49,778,418
Services and Supplies			
Services	2,552,661	2,333,444	2,425,920
Student Transportation	340,309	339,750	300,049
Professional Development and Travel	932,742	773,344	840,609
Rentals and Leases	79,891	87,590	36,629
Dues and Fees	118,682	90,098	112,113
Insurance	177,539	158,069	171,324
Supplies	3,745,465	3,400,858	3,165,357
Utilities	1,774,449	1,761,778	1,680,581
Total Services and Supplies	9,721,738	8,944,931	8,732,582
Total Operating Expense	65,186,084	63,625,983	58,511,000

School District No. 8 (Kootenay Lake)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2024

	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	19,920,307					2,036,979	21,957,286
1.03 Career Programs							-
1.07 Library Services	111,626			87,386		161	199,173
1.08 Counselling	104,013						104,013
1.10 Special Education	1,483,602		3,283,687	63,921	176,875	301,935	5,310,020
1.30 English Language Learning	90,362						90,362
1.31 Indigenous Education	707,555	136,271	126,969			8,130	978,925
1.41 School Administration		3,981,556		1,244,959		133,463	5,359,978
1.62 International and Out of Province Students	73,345	192,416		81,177			346,938
1.64 Other							-
Total Function 1	22,490,810	4,310,243	3,410,656	1,477,443	176,875	2,480,668	34,346,695
4 District Administration							
4.11 Educational Administration		119,538			643,356		762,894
4.40 School District Governance					188,293		188,293
4.41 Business Administration				337,420	1,141,389	2,203	1,481,012
Total Function 4	-	119,538	-	337,420	1,973,038	2,203	2,432,199
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				49,644	375,408		425,052
5.50 Maintenance Operations				3,612,807		337,761	3,950,568
5.52 Maintenance of Grounds				190,749		65,098	255,847
5.56 Utilities							-
Total Function 5	-	-	-	3,853,200	375,408	402,859	4,631,467
7 Transportation and Housing							
7.41 Transportation and Housing Administration				49,404	74,153	1,494	125,051
7.70 Student Transportation				1,769,891		179,253	1,949,144
Total Function 7	-	-	-	1,819,295	74,153	180,747	2,074,195
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	22,490,810	4,429,781	3,410,656	7,487,358	2,599,474	3,066,477	43,484,556

School District No. 8 (Kootenay Lake)

Operating Expense by Function, Program and Object

Year Ended June 30, 2024

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2024 Actual	2024 Budget (Note 17)	2023 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,957,286	5,620,933	27,578,219	2,037,456	29,615,675	30,884,852	27,235,703
1.03 Career Programs	-	-	-	1,205	1,205	2,000	2,181
1.07 Library Services	199,173	58,406	257,579	47,518	305,097	289,159	196,225
1.08 Counselling	104,013	34,956	138,969	(328)	138,641	148,181	251,074
1.10 Special Education	5,310,020	1,552,247	6,862,267	286,006	7,148,273	7,300,457	6,337,268
1.30 English Language Learning	90,362	25,615	115,977	-	115,977	-	-
1.31 Indigenous Education	978,925	259,148	1,238,073	215,600	1,453,673	1,568,284	1,367,628
1.41 School Administration	5,359,978	1,260,689	6,620,667	200,441	6,821,108	6,806,260	6,157,924
1.62 International and Out of Province Students	346,938	75,081	422,019	644,469	1,066,488	1,020,541	1,356,206
1.64 Other	-	-	-	-	-	-	60
Total Function 1	34,346,695	8,887,075	43,233,770	3,432,367	46,666,137	48,019,734	42,904,269
4 District Administration							
4.11 Educational Administration	762,894	149,305	912,199	281,462	1,193,661	1,372,518	1,086,854
4.40 School District Governance	188,293	10,677	198,970	238,627	437,597	488,319	482,133
4.41 Business Administration	1,481,012	351,634	1,832,646	1,145,156	2,977,802	2,913,273	2,804,454
Total Function 4	2,432,199	511,616	2,943,815	1,665,245	4,609,060	4,774,110	4,373,441
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	425,052	93,138	518,190	312,033	830,223	770,573	800,889
5.50 Maintenance Operations	3,950,568	1,076,854	5,027,422	878,122	5,905,544	5,785,290	5,292,856
5.52 Maintenance of Grounds	255,847	71,751	327,598	120,609	448,207	428,685	396,757
5.56 Utilities	-	-	-	1,965,929	1,965,929	1,958,261	1,836,128
Total Function 5	4,631,467	1,241,743	5,873,210	3,276,693	9,149,903	8,942,809	8,326,630
7 Transportation and Housing							
7.41 Transportation and Housing Administration	125,051	33,494	158,545	33,694	192,239	245,269	89,839
7.70 Student Transportation	1,949,144	522,568	2,471,712	536,932	3,008,644	3,204,162	2,816,821
Total Function 7	2,074,195	556,062	2,630,257	570,626	3,200,883	3,449,431	2,906,660
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	43,484,556	11,196,496	54,681,052	8,944,931	63,625,983	65,186,084	58,511,000

School District No. 8 (Kootenay Lake)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2024

	2024 Budget (Note 17) \$	2024 Actual \$	2023 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	13,736,410	13,284,431	10,898,042
Other	104,509	84,302	42,366
Other Revenue	1,297,000	2,116,850	1,771,667
Investment Income	16,000	18,244	(2,274)
Total Revenue	<u>15,153,919</u>	<u>15,503,827</u>	<u>12,709,801</u>
Expenses			
Instruction	14,849,582	14,972,412	12,058,695
District Administration		49,476	81,968
Operations and Maintenance	179,640	273,355	441,593
Transportation and Housing	24,697	24,697	24,760
Total Expense	<u>15,053,919</u>	<u>15,319,940</u>	<u>12,607,016</u>
Special Purpose Surplus (Deficit) for the year	<u>100,000</u>	<u>183,887</u>	<u>102,785</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(100,000)	(183,887)	(102,785)
Total Net Transfers	<u>(100,000)</u>	<u>(183,887)</u>	<u>(102,785)</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. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	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			696,218	1,434,416	70,549	4,114	26,808	42,624	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	279,640	233,351			160,000	39,200	129,101	733,454	226,647
Provincial Grants - Other				2,063,387					
Other				18,244					
Investment Income			(3,727)						
	279,640	233,351	(3,727)	2,081,631	160,000	39,200	129,101	733,454	226,647
Less: Allocated to Revenue	279,640	233,351	32,162	2,088,976	174,196	43,314	115,909	740,104	226,647
Recovered							40,000		
Deferred Revenue, end of year	-	-	660,329	1,427,071	56,353	-	-	35,974	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	279,640	233,351			174,196	43,314	115,909	740,104	226,647
Provincial Grants - Other									
Other Revenue			32,162	2,070,732					
Investment Income				18,244					
	279,640	233,351	32,162	2,088,976	174,196	43,314	115,909	740,104	226,647
Expenses									
Salaries									
Teachers							14,044	38,320	
Principals and Vice Principals									
Educational Assistants		175,532				21,040	25,930	434,491	
Support Staff									167,207
Other Professionals							14,514		
Substitutes						7,068	2,025		
	-	175,532	-	-	-	28,108	56,513	472,811	167,207
Employee Benefits		57,819				7,350	18,256	153,794	45,732
Services and Supplies	95,753		32,162	2,088,976	174,196	7,856	41,140	113,499	13,708
	95,753	233,351	32,162	2,088,976	174,196	43,314	115,909	740,104	226,647
Net Revenue (Expense) before Interfund Transfers	183,887	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(183,887)								
	(183,887)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	52,020	-	-	9,966	8,472	108,594	244,058	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	10,254,201	177,984	24,697	55,000		55,400	79,000	100,000	19,000
Provincial Grants - Other									
Other									
Investment Income									
	10,254,201	177,984	24,697	55,000	-	55,400	79,000	100,000	19,000
Less: Allocated to Revenue	10,254,201	159,723	24,697	55,000	1,663	47,938	102,619	140,154	10,571
Recovered		52,020							
Deferred Revenue, end of year	-	18,261	-	-	8,303	15,934	84,975	203,904	8,429
Revenues									
Provincial Grants - Ministry of Education and Child Care	10,254,201	159,723	24,697	55,000	1,663	47,938	102,619	140,154	10,571
Provincial Grants - Other									
Other Revenue									
Investment Income									
	10,254,201	159,723	24,697	55,000	1,663	47,938	102,619	140,154	10,571
Expenses									
Salaries									
Teachers	8,269,592			44,605					
Principals and Vice Principals							64,467		
Educational Assistants						35,667		1,184	
Support Staff									
Other Professionals							14,935		
Substitutes		134,535			1,487				
	8,269,592	134,535	-	44,605	1,487	35,667	79,402	1,184	-
Employee Benefits	1,984,609	25,188		10,395	176	11,841	17,535	436	
Services and Supplies			24,697			430	5,682	138,534	10,571
	10,254,201	159,723	24,697	55,000	1,663	47,938	102,619	140,154	10,571
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	ECL (Early Care & Learning)	Feeding Futures Fund	After School Sports and Arts Grant	Health Promoting Schools	Donations	Work Experience Enhancement Initiative	Health Care Work Experiental Learning	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	62,134	-	38,972	-	-	2,798,945
Add: Restricted Grants								
Provincial Grants - Ministry of Education and Child Care	175,000	644,263				50,000	5,000	13,440,938
Provincial Grants - Other			20,500	31,516				52,016
Other					16,227			2,079,614
Investment Income								14,517
	175,000	644,263	20,500	31,516	16,227	50,000	5,000	15,587,085
Less: Allocated to Revenue	175,000	499,704	52,786	31,516	13,956	-	-	15,503,827
Recovered								92,020
Deferred Revenue, end of year	-	144,559	29,848	-	41,243	50,000	5,000	2,790,183
Revenues								
Provincial Grants - Ministry of Education and Child Care	175,000	499,704						13,284,431
Provincial Grants - Other			52,786	31,516				84,302
Other Revenue					13,956			2,116,850
Investment Income								18,244
	175,000	499,704	52,786	31,516	13,956	-	-	15,503,827
Expenses								
Salaries								
Teachers				25,659				8,392,220
Principals and Vice Principals	142,345							206,812
Educational Assistants		89,225						783,069
Support Staff								167,207
Other Professionals		65,623						95,072
Substitutes								145,115
	142,345	154,848	-	25,659	-	-	-	9,789,495
Employee Benefits	32,655	44,107		5,857				2,415,750
Services and Supplies		300,749	52,786		13,956			3,114,695
	175,000	499,704	52,786	31,516	13,956	-	-	15,319,940
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	183,887
Interfund Transfers								
Tangible Capital Assets Purchased								(183,887)
	-	-	-	-	-	-	-	(183,887)
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2024

	2024	2024 Actual			2023
	Budget (Note 17)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Investment Income	9,000		7,729	7,729	7,547
Amortization of Deferred Capital Revenue	3,002,516	2,955,837		2,955,837	2,859,351
Total Revenue	<u>3,011,516</u>	<u>2,955,837</u>	<u>7,729</u>	<u>2,963,566</u>	<u>2,866,898</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,008,306	3,944,816		3,944,816	3,864,779
Total Expense	<u>4,008,306</u>	<u>3,944,816</u>	<u>-</u>	<u>3,944,816</u>	<u>3,864,779</u>
Capital Surplus (Deficit) for the year	<u>(996,790)</u>	<u>(988,979)</u>	<u>7,729</u>	<u>(981,250)</u>	<u>(997,881)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,100,000	799,175		799,175	492,158
Total Net Transfers	<u>1,100,000</u>	<u>799,175</u>	<u>-</u>	<u>799,175</u>	<u>492,158</u>
Total Capital Surplus (Deficit) for the year	<u>103,210</u>	<u>(189,804)</u>	<u>7,729</u>	<u>(182,075)</u>	<u>(505,723)</u>
Capital Surplus (Deficit), beginning of year		<u>20,624,872</u>	<u>139,939</u>	<u>20,764,811</u>	<u>21,270,534</u>
Capital Surplus (Deficit), end of year		<u>20,435,068</u>	<u>147,668</u>	<u>20,582,736</u>	<u>20,764,811</u>

School District No. 8 (Kootenay Lake)

Tangible Capital Assets
Year Ended June 30, 2024

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,958,823	146,702,369	1,393,569	5,111,164	-	1,679,520	163,845,445
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,246,296	217,724				3,464,020
Deferred Capital Revenue - Other		7,568					7,568
Operating Fund			261,525	176,231		177,532	615,288
Special Purpose Funds		183,887					183,887
	-	3,437,751	479,249	176,231	-	177,532	4,270,763
Decrease:							
Deemed Disposals			107,994	545,473		604,549	1,258,016
	-	-	107,994	545,473	-	604,549	1,258,016
Cost, end of year	8,958,823	150,140,120	1,764,824	4,741,922	-	1,252,503	166,858,192
Work in Progress, end of year							-
Cost and Work in Progress, end of year	8,958,823	150,140,120	1,764,824	4,741,922	-	1,252,503	166,858,192
Accumulated Amortization, beginning of year		87,093,378	563,878	2,382,411		1,098,123	91,137,790
Changes for the Year							
Increase: Amortization for the Year		3,001,041	157,920	492,654		293,201	3,944,816
Decrease:							
Deemed Disposals			107,994	545,473		604,549	1,258,016
		-	107,994	545,473	-	604,549	1,258,016
Accumulated Amortization, end of year		90,094,419	613,804	2,329,592	-	786,775	93,824,590
Tangible Capital Assets - Net	8,958,823	60,045,701	1,151,020	2,412,330	-	465,728	73,033,602

School District No. 8 (Kootenay Lake)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2024

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	47,721,951	1,882,034	238,262	49,842,247
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,464,020	7,568		3,471,588
	3,464,020	7,568	-	3,471,588
Decrease:				
Amortization of Deferred Capital Revenue	2,849,500	96,993	9,344	2,955,837
	2,849,500	96,993	9,344	2,955,837
Net Changes for the Year	614,520	(89,425)	(9,344)	515,751
Deferred Capital Revenue, end of year	48,336,471	1,792,609	228,918	50,357,998
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	48,336,471	1,792,609	228,918	50,357,998

School District No. 8 (Kootenay Lake)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2024

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	763,614	-	-	-	763,614
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	3,464,020					3,464,020
Investment Income		42,175				42,175
	<u>3,464,020</u>	<u>42,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,506,195</u>
Decrease:						
Transferred to DCR - Capital Additions	3,464,020	7,568				3,471,588
	<u>3,464,020</u>	<u>7,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,471,588</u>
Net Changes for the Year	<u>-</u>	<u>34,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,607</u>
Balance, end of year	<u>-</u>	<u>798,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>798,221</u>



School District 8
Kootenay Lake

Financial Discussion & Analysis

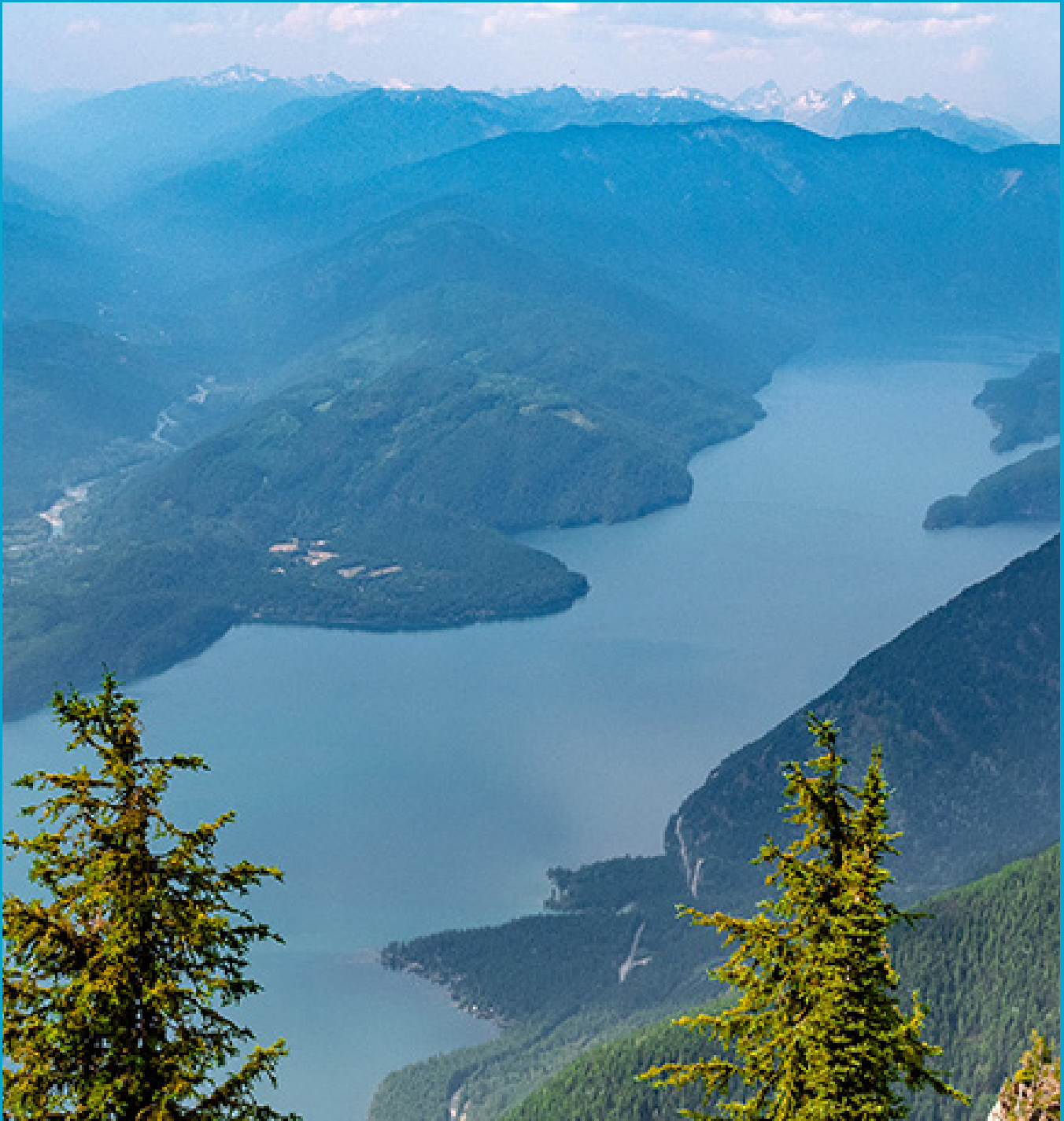
For the Year Ended June 30, 2024





ACKNOWLEDGEMENT

We acknowledge, respect and honour the First Nations in whose traditional territories the Kootenay Lake School District operates and all Aboriginal people residing within the boundaries of School District No. 8.



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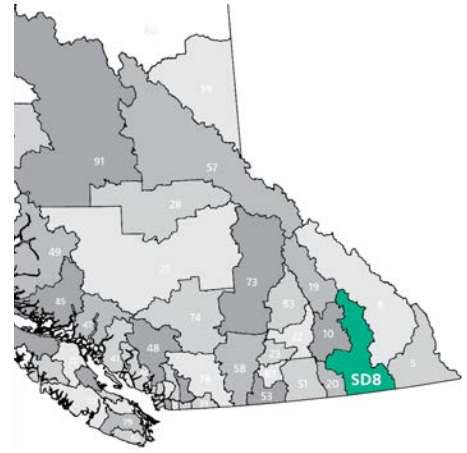
ABOUT THE DISTRICT

Located in the Central Kootenays in BC, School District No. 8 (SD8) operates six families of schools in the communities of Nelson, Salmo, Creston, Crawford Bay, Kaslo and the Slocan Valley with the majority of the students living in Nelson and Creston. The school district serves approximately 4,800 students and their families in over 15 rural communities and employs about 900 full- and part-time staff. The district’s overall operating budget for 2023–24 was \$85 million.

SD8 serves the Lower Kootenay Band located in Creston, B.C. According to the B.C. Adolescent Health Survey for SD8, of the Indigenous student population, which constitutes 15% of the student body, 56% identified as First Nations, 45% as Metis, and 8% as having another Indigenous background. Additionally, 9% of students identified with diverse abilities, and less than 1% of students are identified as children and youth in care.

Climate change is raising the risk of more frequent and severe wildfires that will result in smoke during the summer months and affect surrounding areas in shoulder seasons as well.

Residents in the Kootenay Lake area have the highest median age of all the economic regions in the province. Unemployment in this region has consistently been higher than the provincial average. Workforce recruitment is a significant challenge for the district.



British Columbia School Districts



School District 8 Kootenay Lake Families of Schools

4,800
students

21
schools

900
staff

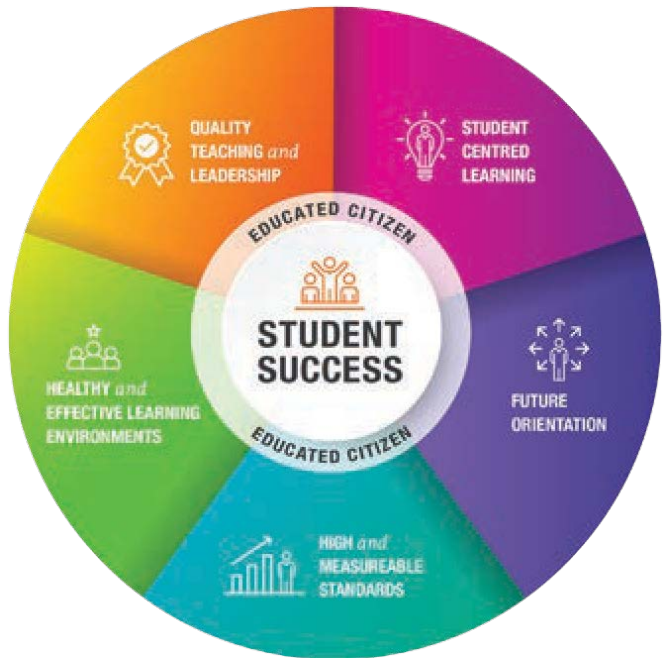


STRATEGIC PLAN PRIORITIES

SD8's financial planning and results focus on meeting its strategic priorities outlined in the Strategic Plan. All SD8 financial decisions are guided by the district's mission, vision and values and are based on evidence and extensive consultation.

Strategies and structures support the learning success of individual Indigenous students, students with diverse abilities, and children and youth in care within each school. Together these district processes work to support the goals and vision of the Ministry of Education and Child Care Service Plan.

Aboriginal education (ABED) is core focus in the district, articulated through the Aboriginal Focus Area of belonging, success, truth before reconciliation, and history and culture. These plans are tied to SD8's strategic plan and the ministry service plan.



Mission

We inspire and support each learner to thrive in a caring learning environment.

Vision

Our learners grow as global citizens in an innovative and inclusive community.

Values

Our values help shape the culture of our schools and workplaces. By upholding these beliefs and attitudes, we can build learning communities that will lead to the fulfilment of our mission.

Strategic Priorities

Lifelong Learners

We improve student learning through interest-based, competency-based, flexible and innovative approaches.



Connected Learners

We inspire learners to become curious, critical, and creative stewards of the natural world and the local and global community.



Caring and Inclusive Learning Culture

We promote physical and mental well-being through social-emotional learning to foster compassionate learners.



Cultural and Identity Development

We promote a positive sense of identity in culturally safe and responsive communities of learning.



Career Development

We prepare students to graduate with options for their future life and career goals.



FINANCIAL DISCUSSION AND ANALYSIS

Introduction

This document will discuss and analyze the financial performance of School District No. 8 (Kootenay Lake) for the fiscal year that ended on June 30, 2024 and will provide information in relation to the prior year and the amended annual budget. The district's financial statements represent the consolidation of three separate funds: operating, special purpose and capital. This is only an introduction and should be read in conjunction with the district's audited financial statements and accompanying notes.

District Funding and Enrolment

SD8 is funded through the Operating Grant received from the B.C. Ministry of Education and Child Care. The Operating Grant is based on student enrolment, confirmed through a process called the 1701 in September, February, and May. The district receives a fixed amount per full-time enrolled student (FTE). For each student identified with unique needs, the district receives a supplementary grant on top of the basic per-pupil grant which provides additional financial resources required to ensure schools respond to the needs of diverse learners.

In grades kindergarten through nine, one student equates to one FTE. At the secondary level, in grades ten through twelve, students are funded based on the percentage of full-time enrolment. As a result, there is variation in funding for secondary students, as students may enrol in more or less than a full course load or seek learning opportunities and experiences outside of school to meet their credit requirements. Online learners are funded based on the percentage of full-time enrolment and are funded at a lower rate per student FTE than the non-online learners.

Student Enrolment

The following table compares the student FTE enrolment against the previous year:

	February 2023 Enrolment	February 2022 Enrolment	Change	
	Figures	Figures	FTE	%
	FTE	FTE	FTE	%
School Age	4,820.563	4,732.563	88.000	1.9%
Adult	1.750	2.125	(0.375)	(17.6%)
Total FTEs	4,822.313	4,734.688	87.625	1.9%

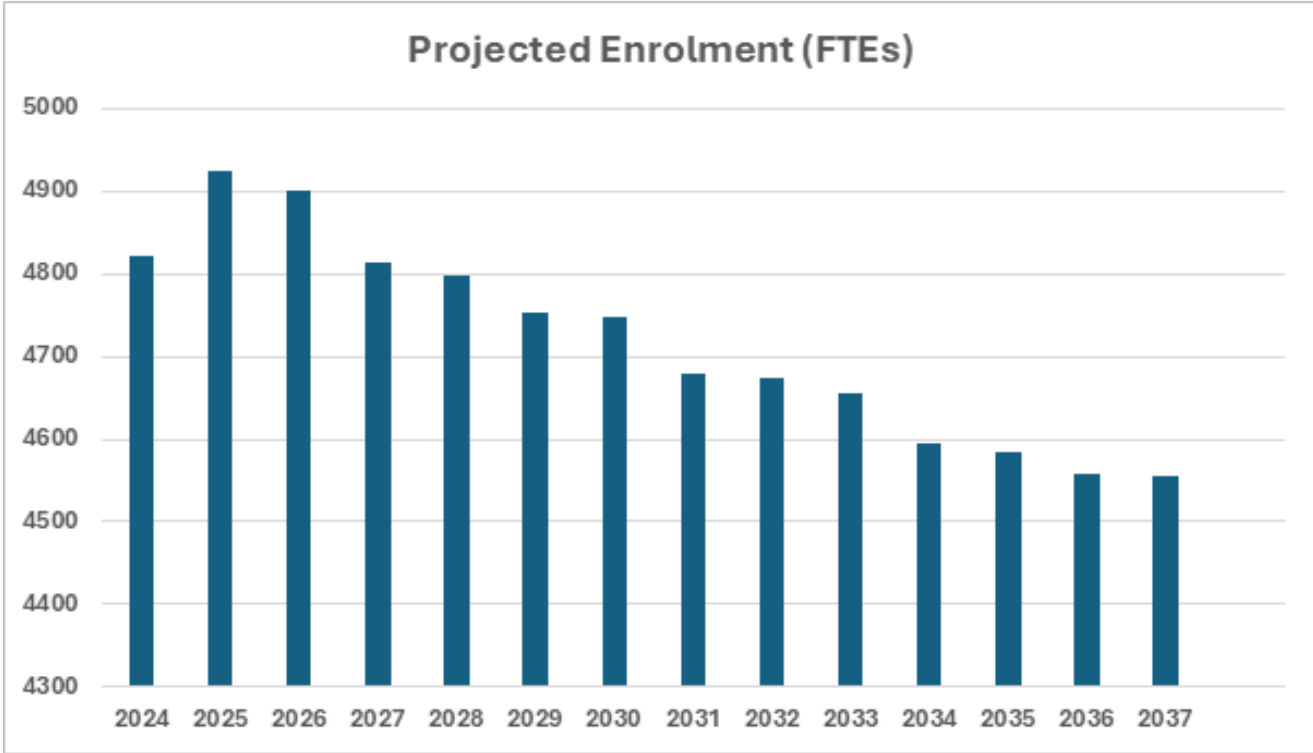
As can be seen in this table, 2023-2024 enrolment increased by 87.625 student FTE (1.9%) when compared to the prior year.





Wildflower Nelson school staff, students and families in their wildscape playground in June 2024. The [Wildflower program](#) is offered in Nelson and Creston.

Future Enrolment Projections



The trend for student enrolments in the district shows an overall projected decline of 267 student FTEs (5.5%) between 2024 and 2037. The district might also expect changes in net migration that may positively impact enrolment.

Financial Planning Process

The annual budget cycle begins with the Board's endorsement of a process and timeline for budget adoption in the Board's Governance Framework and Learning Plan. By February 15th each year, the district must submit the expected student enrolment for the upcoming school year to the Ministry of Education and Child Care.

Provincial operating grant funding estimates are based on these initial student enrolment projections, which are released each March. Throughout the spring, an internal and public consultation process is undertaken to identify budget priorities. The district incorporates those priorities into the preliminary operating budget as directed by the Board. By June 30th each year, the Board must adopt a budget for the upcoming school year. Additionally, the Board is required to approve an amended budget based on actual confirmed enrolment counts and Operating Grant.



Financial Statements – Accounting Policies and Funds

The financial statements of School District No. 8 (Kootenay Lake) have been prepared in accordance with the Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the British Columbia Treasury Board.

Significant accounting and reporting practices are summarized in Note 2 of the financial statements. These include the following:

- Operating expenses are recorded in the year the good or service is received.
- Operating grants are not restricted in use and are recorded as revenue when received or receivable.
- Restricted contributions are recorded as deferred contributions until the funds are expended.
- Contributions for capital projects are recorded as deferred capital contributions once they are invested in capital assets.
- Capital assets and deferred capital contributions are amortized over the estimated useful life of the assets.

To meet reporting requirements, the following funds are utilized:

<p>Operating Fund</p>	<ul style="list-style-type: none"> • Transactions include operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation. • Boards of Education are required by the School Act to prepare a balanced budget for the Operating Fund (i.e. no deficit).
<p>Special Purpose Funds</p>	<ul style="list-style-type: none"> • Special Purpose Funds consist of targeted funding and related funding provided to the school district for a specific purpose and related expenditures. • Pursuant to Sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund. • Unspent special purpose funds are carried forward to be used in future year(s) for their specified purpose.
<p>Capital Fund</p>	<ul style="list-style-type: none"> • Transactions include capital expenditures related to equipment and facility purchases as well as equipment and facility enhancements. • The funding source of these purchases and enhancements determines to which capital fund the expenditures will be charged. • Funding sources include Ministry of Education and Child Care Bylaw Capital, Ministry of Education and Child Care Restricted Capital, Other Provincially Restricted Capital, Land Capital as well as Local Capital. • The Capital Fund is not part of a Board’s operating balanced budget and may be in deficit. As such a board may incur an annual deficit for the portion of amortization expense that exceeds amortization of deferred capital contributions.



Statement of Operations – By Fund

The following table breaks out district operations for the year ended June 30, 2024 by Operating, Special Purpose and Capital funds, as well showing fund surpluses and transfers between funds.

Year Ended June 30, 2024	Operating Fund	Special Purpose Funds	Capital Funds	All Funds Total
Revenues	\$	\$	\$	\$
Provincial Grants				
Ministry of Education & Child Care	63,772,531	13,284,431	-	77,056,962
Other	307,036	84,302	-	391,338
Tuition	1,161,627	-	-	1,161,627
Other Revenue	643,903	2,116,850	-	2,760,753
Rentals & Leases	121,783	-	-	121,783
Investment Income	528,942	18,244	7,729	554,915
Amortization of Deferred Capital Revenue	-	-	2,955,837	2,955,837
Total Revenue	66,535,822	15,503,827	2,963,566	85,003,215
Expenses				
Instruction	46,666,137	14,972,412	-	61,638,549
District Administration	4,609,060	49,476	-	4,658,536
Operations & Maintenance	9,149,903	273,355	-	9,423,258
Transportation & Housing	3,200,883	24,697	-	3,225,580
Amortization of Tangible Capital Assets	-	-	3,944,816	3,944,816
Total Expenses	63,625,983	15,319,940	3,944,816	82,890,739
Surplus (Deficit)	2,909,839	183,887	(981,250)	2,112,476
Net Transfers from/(to) Other Funds				
Transfers for Tangible Capital Asset Purchases	(615,288)	(183,887)	799,175	-
Total Net Transfers	(615,288)	(183,887)	799,175	-
Total Surplus (Deficit) for the year	2,294,551	-	(182,075)	2,112,476
Accumulated Surplus, beginning of year	5,159,703	-	20,764,811	25,924,514
Accumulated Surplus, end of year	7,454,254	-	20,582,736	28,036,990

The district realized \$66.5 million in operating revenue and \$15.5 million in special purpose fund revenue during the year. The remaining revenue of \$3.0 million relates to the Capital Fund. A small portion of the Operating Fund revenues (\$0.6 million) and Special Purpose Funds revenues (\$0.2 million) were used to invest in tangible capital assets. These amounts are reflected as net transfers to the Capital Fund for tangible capital asset purchases. The resulting Accumulated Surplus for the Operating Fund on June 30, 2024 is \$7.5 million.



Statement of Operations – All Funds

The following table compares the year ended June 30, 2024 to the prior year and to the amended budget for the Operating, Fund, Special Purpose Fund and Capital Fund combined, summarizing key information in Statement 2 of the financial statements.

Year Ended June 30, 2024	2023–2024 Actual	2022–2023 Actual	Variance to 2022–2023 Actual	2023–2024 Amended Budget	Variance to Amended Budget
Revenues	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education & Child Care	77,056,962	70,486,364	6,570,598	77,303,500	(246,538)
Other	391,338	333,503	57,835	400,685	(9,347)
Tuition	1,161,627	1,721,799	(560,172)	1,198,450	(36,823)
Other Revenue	2,760,753	2,364,118	396,635	1,848,368	912,385
Rentals & Leases	121,783	112,997	8,786	90,000	31,783
Investment Income	554,915	279,827	275,088	508,000	46,915
Amortization of Deferred Capital Revenue	2,955,837	2,859,351	96,486	3,002,516	(46,679)
Total Revenue	85,003,215	78,157,959	6,845,256	84,351,519	651,696
Expenses					
Salaries	53,274,051	47,681,145	5,592,906	54,072,281	798,230
Employee Benefits	13,612,246	11,988,788	1,623,458	13,670,242	57,996
Total Salaries and Benefits	66,886,297	59,669,933	7,216,364	67,742,523	856,226
Supplies and Services	12,059,626	11,448,083	611,543	12,497,480	437,854
Amortization of Tangible Capital Assets	3,944,816	3,864,779	80,037	4,008,306	63,490
Total Expenses	82,890,739	74,982,795	7,907,944	84,248,309	1,357,570
Surplus for the Year	2,112,476	3,175,164	(1,062,688)	103,210	2,009,266

Revenues

Total revenues for 2023–2024 were \$85.0 million and increased by \$6.8 million (9%) over the prior year, primarily due to an increase in provincial grants of \$6.6 million (\$4.2 million in the Operating Fund and \$2.4 million in the Special Purpose Funds). Other revenue increased by \$0.4 million primarily from School Generated Funds. Investment income increased by \$0.3 million due to higher investment balances and higher interest rates. Reduced enrolments in the International Education programs resulted in a \$0.6 million reduction in tuition revenue.

Total revenues are \$0.7 million (8%) higher than the amended budget with an additional \$350K generated in the Operating Fund and \$350K generated in the Special Purpose Funds. More detail on revenue is provided in the Operating Fund Results, Special Purpose Fund Results and Capital Fund Results sections of this report.

Expenses

Total expenses for 2023–2024 were \$82.9 million and increased by \$7.9 million (11%) over the prior year. The increases included:

- Salaries and Benefits – Increase of \$7.2 million (12%) due to contractual wage increases, progression increases, higher benefit costs, and additional staffing funded by Special Purpose Funds
- Supplies and Services – Increase of \$0.6 million (5%) related to higher student transportation costs, additional rental costs for instructional space, higher supplies costs for operations and grounds, and increased utility costs
- Amortization of Tangible Capital Assets – increase of \$0.1 million (2%) related to additional tangible capital assets purchased/constructed.

Despite the increase of \$7.9 million (11%) in total expenses, total expenses are \$1.4 million (2%) below the amended budget. Savings in salaries and benefits of \$0.9 million (1%) related primarily to lower relief and substitutes costs. Savings in supplies and services of \$0.4 million (4%) related to lower services, professional development and travel, and supplies across all functions (instruction, district, operations and maintenance, and transportation). Lower amortization of tangible capital assets of \$0.1 million (2%) accounted for the remaining savings. More detail on expenses is provided in the Operating Fund Results, Special Purpose Fund Results and Capital Fund Results sections of this report.



Operating Fund Results

The following table compares the year ended June 30, 2024 to the prior year and to the amended budget for the Operating Fund, summarizing key information from Schedules 2, 2A, 2B and 2C in the financial statements.

Year Ended June 30, 2024	2023-2024 Actual	2022-2023 Actual	Variance to 2022-2023 Actual	2023-2024 Amended Budget	Variance to Amended Budget
Revenues	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education & Child Care	63,772,531	59,588,322	4,184,209	63,567,090	205,441
Other	307,036	291,137	15,899	296,176	10,860
Tuition	1,161,627	1,721,799	(560,172)	1,198,450	(36,823)
Other Revenue	643,903	592,451	51,452	551,368	92,535
Rentals & Leases	121,783	112,997	8,786	90,000	31,783
Investment Income	528,942	274,554	254,388	483,000	45,942
Total Revenue	66,535,822	62,581,260	3,954,562	66,186,084	349,738
Expenses					
Salaries	43,484,556	39,702,318	3,782,238	44,209,149	724,593
Employee Benefits	11,196,496	10,076,100	1,120,396	11,255,197	58,701
Total Salaries and Benefits	54,681,052	49,778,418	4,902,634	55,464,346	783,294
Supplies and Services	8,944,931	8,732,582	212,349	9,721,738	776,807
Total Expenses	63,625,983	58,511,000	5,114,983	65,186,084	1,560,101
Surplus for the Year	2,909,839	4,070,260	(1,160,421)	1,000,000	1,909,839
Transfers for Tangible Capital Asset Purchases	(615,288)	(389,373)	(225,915)	(1,000,000)	384,712
Net Surplus for the Year	2,294,551	3,680,887	(1,386,336)	-	2,294,551

Revenues

Total revenues in the Operating Fund for 2023-2024 were \$66.5 million and increased by \$3.9 million (6%) compared to the prior year. Additional grants from the Ministry of Education and Child Care accounted for \$4.2 million and investment income accounted for \$0.3 million. These increases were offset by a reduction in tuition revenue from the International Education Programs of \$0.6 million.

The additional Ministry of Education and Child Care funding of \$4.2 million relates to student enrolment, unique geographic factor, and labour settlement funding. The additional investment income relates to higher investment balances and interest rates. The reduced tuition revenue from International Education programs relates to lower enrolments.

Total revenues in the Operating Fund for 2023-2024 were \$0.3 million (1%) above the amended budget. A slightly higher operating grant was received based on enrolments and student composition (\$0.2 million) and additional other revenue was earned from various sources (\$0.1 million).



Expenses

Total expenses in the Operating Fund for 2023-2024 were \$63.6 million and increased by \$5.1 million (9%) compared to the prior year.

Salaries and benefits increased by \$4.9 million (10%) compared to the prior year and were \$0.8 million (1%) below budget. The increase relates to contractual wage increases, progression increases, and higher benefit costs. The variance to the amended budget relates primarily to unbudgeted vacancies resulting in lower relief and substitutes costs.

Services and supplies include services, student transportation, professional development and travel, rental and leases, dues and fees, insurance, supplies and utilities. Services and Supplies increased by \$0.2 million (2%) compared to the prior year. Some of the increases include:

- Higher student transportation costs due to higher fuel costs and more field trips
- Additional rental costs for instructional space
- Higher supplies costs for operations and grounds

Although services and supplies expenses increased over 2022-2023, services and supplies for 2023-2024 were \$0.8 million (8%) below the amended budget with savings in services, professional development and travel, and supplies across all functions (instruction, district, operations and maintenance, and transportation).

Net Surplus

The resulting net surplus was \$2.9 million of which \$0.6 million was transferred to the Capital Fund for tangible capital asset purchases.



Rosemont Elementary hosted its annual [Bike Rodeo and Parade](#) on June 20, 2024. Staff and students showed up on foot and on bikes to learn about bike safety, maintenance and riding skills.

Special Purpose Fund Results

The following table compares the year ended June 30, 2024 to the prior year and to the amended budget for the Special Purpose Fund, summarizing key information from Schedule 3 of the financial statements.

Year Ended June 30, 2024	2023-2024 Actual	2022-2023 Actual	Variance to 2022-2023 Actual	2023-2024 Amended Budget	Variance to Amended Budget
Revenues	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education & Child Care	13,284,431	10,898,042	2,386,389	13,736,410	(451,979)
Other	84,302	42,366	41,936	104,509	(20,207)
Other Revenue	2,116,850	1,771,667	345,183	1,297,000	819,850
Investment Income	18,244	(2,274)	20,518	16,000	2,244
Total Revenue	15,503,827	12,709,801	2,794,026	15,153,919	349,908
Expenses					
Salaries	9,789,495	7,978,827	1,810,668	9,863,132	73,637
Employee Benefits	2,415,750	1,912,688	503,062	2,415,045	(705)
Total Salaries and Benefits	12,205,245	9,891,515	2,313,730	12,278,177	72,932
Supplies and Services	3,114,695	2,715,501	399,194	2,775,742	(338,953)
Total Expenses	15,319,940	12,607,016	2,712,924	15,053,919	(266,021)
Surplus for the Year	183,887	102,785	81,102	100,000	83,887
Transfers for Tangible Capital Asset Purchases	(183,887)	(102,785)	(81,102)	(100,000)	(83,887)
Net Surplus for the Year	-	-	-	-	-

Revenues and Expenses

Special Purpose Fund revenues for 2023-2024 were \$2.8 million (22%) higher than the prior year and \$0.3 million (2%) above the amended budget. The increase in revenue relates primarily to Ministry-funded programs (\$2.4 million) and an increase in School Generated Funds (\$0.4 million). The Ministry-funded programs are described in more detail in the Special Purpose Results by Program section.

Expenses

For expenses, the salaries and benefits increased by \$2.3 million due to additional salaries and benefits in the Classroom Enhancement Fund and Feeding Futures Fund. Supplies and services were \$0.4 million higher than the prior year and \$0.3 million above the amended budget due to additional spending in the Feeding Futures Fund and School Generated Funds.

Net Surplus

The resulting surplus of \$0.2 million was transferred to the Capital Fund for tangible capital asset purchases.



Special Purpose Results by Program

The following table shows variances to the prior year and to the amended budget for the special purpose programs, summarizing key information from Schedule 3A of the financial statements.

Year Ended June 30, 2024	2023-2024 Actual	2022-2023 Actual	Variance to 2022-2023 Actual	2023-2024 Amended Budget	Variance to Amended Budget
Provincial Grants - Ministry of Education & Child Care Funding	\$	\$	\$	\$	\$
Annual Facility Grant	279,640	279,640	-	279,640	-
Learning Improvement Fund	233,351	195,556	37,795	233,351	-
Strong Start	174,196	99,451	74,745	230,549	(56,353)
Ready, Set, Learn	43,314	35,086	8,228		43,314
OLEP	115,909	97,202	18,707	115,909	-
CommunityLink	740,104	636,884	103,220	776,078	(35,974)
Classroom Enhancement Fund (CEF)	10,640,571	8,535,240	2,105,331	10,658,832	(18,261)
First Nation Student Transportation	24,697	24,760	(63)	24,697	-
Mental Health in Schools	55,000	62,126	(7,126)	55,000	-
Changing Results for Young Children	1,663	30,294	(28,631)	9,966	(8,303)
Safe Return to School	-	58,490	(58,490)	-	-
Federal Safe Return	-	71,564	(71,564)	-	-
Seamless Day Kindergarten	47,938	74,473	(26,535)	63,872	(15,934)
Early Childhood Education Dual Credit Program	102,619	193,780	(91,161)	162,881	(60,262)
Student & Family Affordability	140,154	309,496	(169,342)	244,058	(103,904)
Early Years to Kindergarten (SEY2KT)	10,571	19,000	(8,429)	19,000	(8,429)
Early Care and Learning (ECL)	175,000	175,000	-	175,000	-
Feeding Futures Fund	499,704	-	499,704	644,263	(144,559)
After School Sports & Arts Grant	52,786	15,366	37,420	77,509	(24,723)
Health Promoting Schools	31,516	27,000	4,516	27,000	4,516
Other Internally Restricted Funding Revenue					
Scholarships and Bursaries	32,162	26,390	5,772	38,000	(5,838)
School Generated Funds	2,088,976	1,703,435	385,541	1,250,000	838,976
Donations	13,956	39,568	(25,612)	25,000	(11,044)
Total Revenue	15,503,827	12,709,801	2,794,026	15,110,605	393,222



Capital Fund Results

The following table compares the year ended June 30, 2024 to the prior year and to the amended budget for the Capital Fund, summarizing key information from Schedule 4 in the financial statements.

Year Ended June 30, 2024	2023-2024 Actual	2022-2023 Actual	Variance to 2022-2023 Actual	2023-2024 Amended Budget	Variance to Amended Budget
Revenues	\$	\$	\$	\$	\$
Investment Income	7,729	7,547	182	9,000	(1,271)
Amortization of Deferred Capital Revenue	2,955,837	2,859,351	96,486	3,002,516	(46,679)
Total Revenue	2,963,566	2,866,898	96,668	3,011,516	(47,950)
Expenses					
Amortization of Tangible Capital Assets	3,944,816	3,864,779	80,037	4,008,306	(63,490)
Total Expenses	3,944,816	3,864,779	80,037	4,008,306	(63,490)
Surplus (Deficit) for the Year	(981,250)	(997,881)	16,631	(996,790)	15,540
Transfers for Tangible Capital Asset Purchases	799,175	492,158	307,017	1,100,000	(300,825)
Net Surplus (Deficit) for the Year	(182,075)	(505,723)	323,648	103,210	(285,285)

Unlike the Operating Fund which cannot have a deficit, the Capital Fund will generally have a deficit each year which relates to amortization expense exceeding amortization revenue. The net deficit before transfers is \$1.0 million, which is consistent with the prior year. Transfers from the Operating Fund and Special Purpose Funds of \$0.8 million were lower than budgeted and resulted in a net deficit of \$0.2 million in the Capital Fund after transfers from the Operating Fund and Special Purpose Funds.

Unspent Deferred Capital Revenue

Unspent Deferred Capital Revenue and Local Capital balances in the Capital Fund are available for spending on tangible capital assets in the future, subject to approval for the restricted capital balances. The balances increase when grants are received, investment income is earned and decrease when amount are spent on tangible capital assets.

	June 30, 2023 Balance	Increases	Decreases	June 30, 2024 Balance
	\$	\$	\$	\$
Bylaw Capital	-	3,464,020	(3,464,020)	-
Restricted Capital - Ministry of Education & Child Care	763,614	42,175	(7,568)	798,221
Local Capital	139,939	7,729	-	147,668
Total	903,553	3,513,924	(3,471,588)	945,889



Bylaw Capital

Bylaw Capital represents Ministry of Education and Child Care capital grants drawn on Certificates of Approval (COA) for capital projects and includes amounts for specific capital projects funded by the Ministry of Education and Child Care, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding and other project funding paid through a COA. During the year, the school district received \$3.4 million in bylaw capital funding which was used to upgrade buildings (\$3.2 million) and construct a playground (\$0.2 million).

Restricted Capital

The Ministry of Education and Child Care restricted capital represents the ministry's portion (usually 75%) of the proceeds on disposal of land and buildings, and any bylaw project surpluses on completed projects. The ministry's permission must be received to spend these funds. The ending accumulated surplus balance for the Ministry of Education and Child Car restricted capital remains at \$0.8 million on June 30, 2024.

Local Capital Reserve

The Board's Local Capital Reserve was generated in prior years from investment income and 25% of the proceeds received on excess real estate sold which are added to local capital. Local Capital Reserves were not utilized in 2023-2024 for tangible capital asset acquisitions and increased slightly due to investment income earned.



Staff, students, PAC members and school families gather for the Grand opening and ribbon cutting ceremony at [Canyon-Lister Elementary School Playground](#) on November 16, 2023.



Statement of Financial Position

The following table shows the district's financial position as at June 30, 2024 compared to the prior year.

As at	June 30, 2024 Actual	June 30, 2023 Actual	Increase (Decrease)	Increase (Decrease)
Financial Assets	\$	\$	\$	%
Cash & Cash Equivalents	17,947,023	15,945,527	2,001,496	13%
Accounts Receivable				
Due from Province - MoECC	741,485	291,636	449,849	154%
Due from Province - Other	-	86,231	(86,231)	(100%)
Other	962,502	947,266	15,236	2%
Portfolio Investments	375,996	434,075	(58,079)	(13%)
Total Financial Assets	20,027,006	17,704,735	2,322,271	13%
Liabilities				
Accounts Payable				
Due to Province - Ministry of Education and Child Care	-	6,360	(6,360)	(100%)
Other	6,774,872	6,478,595	296,277	5%
Unearned Revenue	542,471	937,494	(395,023)	(42%)
Deferred Revenue	2,790,183	2,798,945	(8,762)	(0%)
Deferred Capital Revenue	51,156,219	50,605,861	550,358	1%
Employee Future Benefits	1,779,325	1,640,511	138,814	8%
Asset Retirement Obligation	2,240,535	2,240,535	-	0%
Total Liabilities	65,283,605	64,708,301	575,304	1%
Net Financial Assets (Debt)	(45,256,599)	(47,003,566)	1,746,967	(4%)
Non-Financial Assets				
Tangible Capital Assets	73,033,602	72,707,655	325,947	0%
Prepaid Expenses	351,858	282,533	69,325	25%
Total Non-Financial Assets	73,385,460	72,990,188	395,272	1%
Accumulated Surplus (Deficit) and Remeasurement Gains	28,128,861	25,986,622	2,142,239	8%

The financial position of the school district improved with net financial debt decreasing by \$1.7 million and non-financial assets increasing by \$0.4 million. The resulting accumulated surplus increased by \$2.1 million, allowing a continued focus on staffing resources within operating funds in the future. The district's current

ratio, which is a measure of the district's ability to pay short-term obligations or those due within one year has also improved, increasing from 2.66 as at June 30, 2023 to 2.90 as at June 30, 2024. The district holds its excess cash in the B.C. provincial government's Central Depository Program, where the funds earn a safe return.

Financial Assets

Total Financial Assets have increased by \$2.3 million compared to the prior year. Additional cash and cash equivalents of \$2.0 million account for most of the increase as well as an increase in Accounts Receivable from the Ministry of Education and Child Care. The Account Receivable from the Ministry of Education and Child Care relates to Bylaw Capital projects for building enhancements. The Other Receivables are amounts due from other school districts and third parties.

Liabilities

Total liabilities have increased by \$0.6 million compared to the prior year. Increases totalling \$1 million include Accounts Payable (\$0.3 million), Deferred Capital Revenue (\$0.6 million), and Employee Future Benefits (\$0.1 million). These increases are being offset by a reduction in Unearned Revenue (\$0.4 million). Accounts Payable balances increased due to a greater number of invoices related to the current year being paid in July 2024. Deferred Capital Revenue increased due to the provincial funding for capital projects of \$3.4 million exceeding the amortization of \$4.0 million for the 2023-2024 school year. Unearned Revenue decreased due to lower enrolments in the International Education programs.

Non-Financial Assets

Non-Financial Assets increased by \$0.3 million compared to the prior year due to additional tangible capital assets constructed or purchased of \$4.2 million including improvement to the district's facilities (\$3.4 million), vehicles (\$0.2 million), furniture and equipment (\$0.4 million) and computer hardware (\$0.2 million) offset by amortization of \$3.9 million.



Janelle Alladina, a Secwépemc (Shuswap) woman from T'exelc (Williams Lake Indian Band) [came to SD8 in April 2024](#) to share her knowledge about Indigenous Peoples in Canada and Pow Wow.



Accumulated Surplus Discussion

The changes to and balances in the accumulated surplus accounts for the year are shown in the table below:

	June 30, 2023 Balance	June 30, 2024 Balance	Change
	\$	\$	\$
Operating Fund	5,159,703	7,454,254	2,294,551
Special Purpose Funds	-	-	-
Capital Fund	20,764,811	20,582,736	(182,075)
Accumulated Surplus excluding Remeasurement Gains	25,924,514	28,036,990	2,112,476

The school district has \$28.0 million in Accumulated Surplus and Remeasurement Gains as of June 30, 2024 of which \$7.4 million is related to the Operating Fund and \$20.6 million is related to the Capital Fund.

Operating Fund Accumulated Surplus

An accumulated surplus balance in the Operating Fund indicates that a school district has net resources that can be used to provide future services or acquire assets.

The school district’s Policy 621: Accumulated Operating Surplus states that:

- The accumulated operating surplus will service as a contingency reserve for the risks associated with unexpected increases in expenses and/or decreases in revenues; one-time costs not included in the annual operating budget; and intermittent projects and initiatives.
- Achieving targeted surplus levels of 3% to 5% is important for achieving educational goals and addressing financial health, stability, and risk.
- Allocating surplus funds (i.e. internally restricting funds) supports long-term planning by mitigating changes in revenue and making provisions for unexpected events.

The Ministry of Education and Child Care also has policy related to operating surplus. It implemented the K-12 Public Education Accumulated Operating Policy on July 2021 to ensure consistency, transparency, and accountability for the use of educational operating funding that is not used in the year in which it was provided.

The Policy establishes three categories of Internally Restricted Operating Surplus:

1. Restricted Due to the Nature of Constraints on the Funds – includes categories such as contractual obligations; funding required to meet the education spending targets; and school generated funds (not externally restricted).
2. Restricted for Anticipated Unusual Expenses Identified by the Board – includes short-term, variable needs; new initiatives; emerging events; and self-insurance on assets.
3. Restricted for Operations Spanning Multiple School Years – future years’ operations/budget; school and department surplus/carry-forwards; operating projects in progress; technology, utilities, equipment and capital projects; purchase order commitments; and educational pilots spanning multiple years.

The following table provides the details on the portion of the district’s Accumulated Operating Surplus that is internally restricted and unrestricted (subject to a motion being passed by the Board to appropriate additional amounts). The information is also contained in Note 19 of the financial statements.



	June 30, 2024 Balances	June 30, 2023 Balances	Change
	\$	\$	\$
Due to Nature of Constraints on Funds	110,769	149,173	(38,404)
For Unanticipated Unusual Expenses	350,000	100,000	250,000
For Operations Spanning Multiple School Years	3,661,635	2,434,633	1,227,002
Total Internally Restricted Operating Surplus	4,122,404	2,683,806	1,438,598
Unrestricted Operating Surplus	3,331,850	2,475,897	855,953
Total Operating Accumulated Surplus	7,454,254	5,159,703	2,294,551

The total internally restricted operating surplus is \$4.1 million (subject to a motion being passed by the Board to appropriate an additional \$1.4 million). Most of the internally restricted balance is restricted for Operations Spanning Multiple School Years and will be used for classroom furniture and equipment, vehicle, technology upgrade, school surplus carryforwards, and operating projects in progress, allowing a continued focus on staffing resources within operating funds in the future.

The unrestricted surplus at \$3.3 million is 5% of the budgeted 2024-2025 operating expenses which is within the 3% to 5% range outlined in Policy 621: Accumulated Operating Surplus. This level of unrestricted operating surplus provides the district with financial stability over the long term.

Capital Fund Accumulated Surplus

There are two categories of accumulated surplus in the Capital Fund – Invested in Tangible Capital Assets and Local Capital, totalling \$20,582,736. The accumulated surplus for Invested in Tangible Capital Assets is \$20,435,068 and the accumulated surplus for Local Capital is \$147,668. Only the portion pertaining to the Local Capital is available for internally restricting by the Board. The remainder of the accumulated surplus relating to Invested in Tangible Capital Assets must be left unrestricted.

The entire amount of the Local Capital accumulated surplus balance of \$147,668 is appropriated for the purchase of facilities and equipment (subject to a motion being passed by the Board to appropriate an additional \$7,729). This information is also contained in Note 19 of the financial statements.



Members of the 2023-2024 L.V. Rogers Secondary School Green Team



POLICY 770: Student Transportation

~~The Board of Education of School District No. 8 (Kootenay Lake) will establish and maintain a system of pupil transportation, as required, that will qualify for the funding provided by the Ministry of Education.~~

~~The Board expects the system to be efficiently scheduled and functioning with clean, safe vehicles operated by approved drivers.~~

The Board of Education will provide access to student transportation to and from a student's catchment school on a district-operated system optimized for safety, cost-efficiency, and environmentally conscious ~~ness-district-operated transportation system in clean and safe buses.~~

Procedures:

1. The district transportation system may be used for student transportation to and from school sponsored curricular and co-curricular activities within or outside the boundaries of the School District.
2. For the purposes of this policy, walk limits are 2.5 km for primary students and 3.0 km for intermediate and secondary students. These distances are measured by the nearest passable road, which is defined as a street, road, highway, lane or walkway, that has been established as a pedestrian or vehicular route by the Municipality or the Province of British Columbia.
3. The Board of Education of School District No. 8 (Kootenay Lake) may provide transportation assistance to parents or guardians who transport students where no District transportation is available. To qualify for transportation assistance a student must: live within the boundaries of the School District; live beyond the walk limits from the nearest School District No. 8 school in their attendance area; have no District student transportation services provided; live beyond 2.5 kilometers from the nearest bus stop; and be normally in full time attendance at a School District No. 8 school.

~~Transportation assistance will be paid for the entire distance from the student's residence to the nearest bus stop, if the nearest bus stop is more than 2.5 kilometers from the residence. Transportation assistance will be paid for the entire distance from the student's residence to the nearest school if the distance from the residence to the nearest school in their attendance area exceeds the walk limits and no District pupil transportation services are provided.~~

4. The Board of Education of School District No. 8 (Kootenay Lake) may provide transportation to students who attend independent schools located within the boundaries of the district provided the Board recovers all of its costs for provision of these services.

Related Legislation: Nil
Related Contract Article: Nil
Adopted: November 20, 2001
Amended: October 9, 2018; March 9, 2021; May 14, 2024



POLICY 770: Student Transportation

The Board of Education will provide access to student transportation to and from a student's catchment school on a district-operated system optimized for safety, cost-efficiency, and environmental consciousness.

Procedures:

1. The district transportation system may be used for student transportation to and from school sponsored curricular and co-curricular activities within or outside the boundaries of the School District.
2. For the purposes of this policy, walk limits are 2.5 km for primary students and 3.0 km for intermediate and secondary students. These distances are measured by the nearest passable road, which is defined as a street, road, highway, lane or walkway, that has been established as a pedestrian or vehicular route by the Municipality or the Province of British Columbia.
3. The Board of Education of School District No. 8 (Kootenay Lake) may provide transportation assistance to parents or guardians who transport students where no District transportation is available. To qualify for transportation assistance a student must: live within the boundaries of the School District; live beyond the walk limits from the nearest School District No. 8 school in their attendance area; have no District student transportation services provided; live beyond 2.5 kilometers from the nearest bus stop; and be normally in full time attendance at a School District No. 8 (Kootenay Lake) school.
4. The Board of Education of School District No. 8 (Kootenay Lake) may provide transportation to students who attend independent schools located within the boundaries of the district provided the Board recovers all of its costs for provision of these services.

Related Legislation: Nil
Related Contract Article: Nil
Adopted: November 20, 2001
Amended: October 9, 2018; March 9, 2021; May 14, 2024



POLICY 771: Transportation for Independent School Students

The Board of Education of School District No. 8 (Kootenay Lake) may provide transportation to students who attend independent schools located within the boundaries of the District provided the Board recovers all of its costs for provision of these services.

RESCIND

Related Legislation: Nil
Related Contract Article: Nil
Adopted: February 26, 2002
Amended: April 21, 2009; October 9, 2018; March 9, 2021; June 13, 2023



POLICY 780: Transportation Assistance

The Board of Education of School District No. 8 (Kootenay Lake) may provide transportation assistance to parents or guardians who transport students where no District transportation is available.

To qualify for transportation assistance a pupil must: live within the boundaries of the School District; live beyond the walk limits from the nearest School District No. 8 school in their attendance area; have no District pupil transportation services provided; live beyond 2.5 kilometers from the nearest bus stop; and, be normally in full time attendance at a School District No. 8 school.

Transportation assistance will be paid for the entire distance from the student's residence to the nearest bus stop, if the nearest bus stop is more than 2.5 kilometers from the residence. Transportation assistance will be paid for the entire distance from the student's residence to the nearest school if the distance from the residence to the nearest school in their attendance area exceeds the walk limits and no District pupil transportation services are provided.

For the purposes of this policy, walk limits are 2.5 km for primary students and 3.0 km for intermediate and secondary students. These distances are measured by the nearest passable road, which is defined as a street, road, highway, lane or walkway, that has been established as a pedestrian or vehicular route by the Municipality or the Province of British Columbia.

RESERVED

Related Legislation: Nil
Related Contract Article: Nil
Adopted: January 14, 2003
Amended: October 25, 2010
Amended: October 9, 2018
Amended: March 9, 2021

