

Audited Financial Statements of

School District No. 81 (Fort Nelson)

And Independent Auditors' Report thereon

June 30, 2024

School District No. 81 (Fort Nelson)

June 30, 2024

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School District No. 81 (Fort Nelson)

MANAGEMENT REPORT

Version: 8994-8248-6266

Management's Responsibility for the Financial Statements.

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

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

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

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

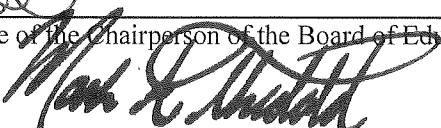
The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 81 (Fort Nelson) and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

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



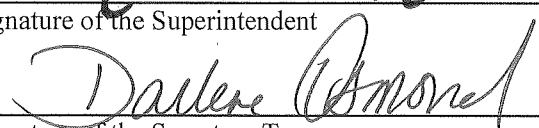
Signature of the Chairperson of the Board of Education

Sept 26, 2024
Date Signed



Signature of the Superintendent

Sept 26, 2024
Date Signed



Signature of the Secretary Treasurer

Sept 26 2024
Date Signed



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Prince George, BC V2L 5R8
Canada
Telephone (250) 563-7151
Fax (250) 563-5693

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2024 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

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

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

Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.



School District No. 81 (Fort Nelson)

Other Information

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

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

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

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

We obtained the Information included in the Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report. We have nothing to report in this regard.

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

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

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

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



School District No. 81 (Fort Nelson)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Chartered Professional Accountants

Prince George, Canada

September 26, 2024

School District No. 81 (Fort Nelson)

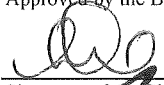
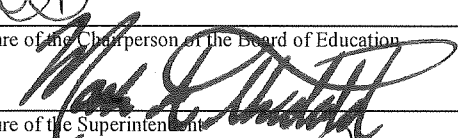
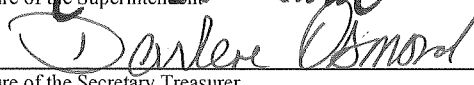
Statement 1

Statement of Financial Position

As at June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	3,401,397	2,481,881
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	484,305	7,829
Due from First Nations	152,343	
Other (Note 3)	80,110	37,304
Total Financial Assets	4,118,155	2,527,014
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	1,927,872	867,209
Unearned Revenue (Note 5)	650	650
Deferred Revenue (Note 6)	510,943	362,637
Deferred Capital Revenue (Note 7)	14,255,956	13,070,054
Employee Future Benefits (Note 8)	396,401	380,938
Asset Retirement Obligation (Note 16)	2,206,001	1,983,886
Debt (Note 9)	325,718	462,254
Total Liabilities	19,623,541	17,127,628
Net Debt	(15,505,386)	(14,600,614)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	19,398,742	18,463,662
Prepaid Expenses	24,770	43,483
Total Non-Financial Assets	19,423,512	18,507,145
Accumulated Surplus (Deficit)	3,918,126	3,906,531

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 81 (Fort Nelson)

Statement 2

Statement of Operations

Year Ended June 30, 2024

	2024 Budget \$	2024 Actual \$	2023 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	12,717,733	12,618,837	11,771,469
Other	165,324	205,933	177,003
Other Revenue	607,738	898,977	600,405
Rentals and Leases	29,000	30,510	31,484
Investment Income	102,000	132,531	91,284
Amortization of Deferred Capital Revenue	473,164	493,758	475,047
Total Revenue	<u>14,094,959</u>	<u>14,380,546</u>	<u>13,146,692</u>
Expenses			
Instruction	10,356,121	10,483,362	9,425,350
District Administration	885,460	933,368	972,530
Operations and Maintenance	2,253,790	2,396,059	2,165,437
Transportation and Housing	633,393	536,319	536,740
Debt Services	19,885	19,843	21,780
Services/Supplies	330,627		
Total Expense	<u>14,479,276</u>	<u>14,368,951</u>	<u>13,121,837</u>
Surplus (Deficit) for the year	<u>(384,317)</u>	<u>11,595</u>	<u>24,855</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		3,906,531	3,881,676
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>3,918,126</u></u>	<u><u>3,906,531</u></u>

School District No. 81 (Fort Nelson)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2024

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(384,317)</u>	<u>11,595</u>	<u>24,855</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,048,972)	(2,021,504)	(1,034,603)
Amortization of Tangible Capital Assets	857,740	1,086,424	866,447
Total Effect of change in Tangible Capital Assets	<u>(191,232)</u>	<u>(935,080)</u>	<u>(168,156)</u>
Acquisition of Prepaid Expenses		(24,770)	(43,483)
Use of Prepaid Expenses		43,483	360
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>18,713</u>	<u>(43,123)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(575,549)</u>	<u>(904,772)</u>	<u>(186,424)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(904,772)</u>	<u>(186,424)</u>
Net Debt, beginning of year		<u>(14,600,614)</u>	<u>(14,414,190)</u>
Net Debt, end of year		<u><u>(15,505,386)</u></u>	<u><u>(14,600,614)</u></u>

School District No. 81 (Fort Nelson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	11,595	24,855
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(671,626)	30,453
Prepaid Expenses	18,352	(43,123)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,061,025	(233,789)
Deferred Revenue	148,306	49,787
Employee Future Benefits	15,463	(5,284)
Asset Retirement Obligations	222,115	
Amortization of Tangible Capital Assets	1,086,424	866,447
Amortization of Deferred Capital Revenue	(493,758)	(475,047)
By-law spent on loan payments	(104,688)	(103,864)
Total Operating Transactions	1,293,208	110,435
Capital Transactions		
Tangible Capital Assets Purchased	(1,142,938)	(1,034,603)
Tangible Capital Assets -WIP Purchased	(656,451)	
Tangible Capital Assets - Asset Retirement Obligation Remeasurement	(222,115)	
Total Capital Transactions	(2,021,504)	(1,034,603)
Financing Transactions		
Loan Proceeds	89,419	
Loan Payments	(225,955)	(227,372)
Capital Revenue Received	1,784,348	1,080,627
Total Financing Transactions	1,647,812	853,255
Net Increase (Decrease) in Cash and Cash Equivalents	919,516	(70,913)
Cash and Cash Equivalents, beginning of year	2,481,881	2,552,794
Cash and Cash Equivalents, end of year	3,401,397	2,481,881
Cash and Cash Equivalents, end of year, is made up of:		
Cash	3,401,397	2,481,881
	3,401,397	2,481,881

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 1955, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 81 (Fort Nelson)", and operates as "School District No. 81 (Fort Nelson)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 81 (Fort Nelson) 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 government transfers as set out in Notes 2(e) and 2(m).

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

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

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

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

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

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

a) Basis of Accounting *(Continued)*

Year-ended June 30, 2024 - increase in annual surplus by \$523,338

June 30, 2024 - increase in accumulated surplus and decrease in deferred contributions by \$14,249,843

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Unearned Revenue

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

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (m).

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

f) Employee Future Benefits

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

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

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

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

g) Asset Retirement Obligations

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

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

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are begin amortized on the same basis as the related tangible capital asset (see note 2 i). Assumptions used in the calculations are reviewed annually.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

h) Liability for Contaminated Sites

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

- An environmental standard exists.
- Contamination exceeds the environmental standard.
- The district is directly responsible or accepts responsibility.
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance, and monitoring that are an integral part of the remediation strategy for a contaminated site.

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

i) Tangible Capital Assets *(Continued)*

- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

j) Capital Leases

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

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

k) Prepaid Expenses

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

l) Funds and Reserves

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

m) Revenue Recognition

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

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

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

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2(a) for the impact of this policy on these financial statements.

Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied (by providing the promised goods or services to a payor).

Revenue from transactions with no performance obligations is recognized when the district:

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

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

n) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

o) Financial Instruments

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

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

o) Financial Instruments *(continued)*

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

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

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

p) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2024	2023
Due from Federal Government	\$ 47,212	\$ 14,329
Other	32,898	22,975
	<u>\$ 80,110</u>	<u>\$ 37,304</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables	\$ 1,156,860	\$ 322,909
Salaries and benefits payable	462,150	294,003
Accrued vacation pay	308,862	250,297
	<u>\$ 1,927,872</u>	<u>\$ 867,209</u>

NOTE 5 UNEARNED REVENUE

	2024	2023
Balance, beginning of year	\$ 650	\$ 650
Changes for the year:		
Increase:		
Rental/Lease of facilities	650	650
	<u>1,300</u>	<u>1,300</u>
Decrease:		
Rental/Lease of facilities	(650)	(650)
Net changes for the year	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 650</u>	<u>\$ 650</u>

NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	2024	2023
Balance, beginning of year	\$ 362,637	\$ 312,850
Increase:		
Provincial Grants-Ministry of Education	2,313,062	1,753,454
Provincial Grants – Other	75,106	-
Other	211,525	103,234
Investment Income	-	6,295
	<u>2,962,330</u>	<u>2,175,833</u>
Decrease:		
Allocated to Revenue	(2,451,387)	(1,813,196)
Recovered	-	-
Balance, end of year	<u>\$ 510,943</u>	<u>\$ 362,637</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 7 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	2024	2023
Deferred capital revenue, beginning of year	\$ 13,070,054	\$ 12,568,338
Increases:		
Capital Additions	1,017,096	976,763
Transfer from deferred revenue – work in progress	656,451	-
	14,743,601	13,545,101
Decreases:		
Amortization	(493,758)	(475,047)
Deferred capital revenue, end of year	\$14,249,843	\$ 13,070,054
Unspent deferred capital revenue, beginning of year	\$ -	\$ -
Increases:		
Provincial Grants – Ministry of Education	1,784,348	1,080,627
Provincial Grants – Other	-	
Decreases:		
Transfer to deferred capital revenue subject to amortization	(1,017,096)	(976,763)
Transfer to deferred capital revenue – work in progress	(656,451)	-
AFG bylaw loan payment	(104,688)	(103,864)
Unspent deferred capital revenue, end of the year	6,113	-
Total deferred capital revenue balance, end of year	\$14,255,956	\$ 13,070,054

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	2024	2023
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$307,704	\$ 305,453
Service Cost	33,027	33,212
Interest Cost	13,053	10,347
Benefit Payments	(11,849)	(28,858)
Actuarial (Gain) Loss	(21,498)	(12,450)
Accrued Benefit Obligation – March 31	<u>\$ 320,437</u>	<u>\$ 307,704</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$320,437	\$307,704
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(320,437)	(307,704)
Employer contributions after measurement dates	17,552	9,435
Benefits Expense After Measurement Date	(11,688)	(11,520)
Unamortized Net Actuarial (Gain) Loss	(81,828)	(71,149)
Accrued Benefit Asset (Liability) – June 30	<u>\$(396,401)</u>	<u>\$ (380,938)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$380,938	\$386,222
Net expense for Fiscal Year	35,429	33,008
Employer Contributions	(19,966)	(38,292)
Accrued Benefit Liability – June 30	<u>\$396,401</u>	<u>\$380,938</u>

Components of Net Benefit Expense		
Service Cost	\$32,948	\$33,166
Interest Cost	13,300	11,023
Amortization of Net Actuarial (Gain)/Loss	(10,819)	(11,181)
Net Benefit Expense (Income)	<u>\$35,429</u>	<u>\$33,008</u>

Assumptions

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	9.9	9.9

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 DEBT

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

	2024	2023
Demand Loan #0006-2 of \$467,893, refinanced on May 24, 2022, borrowed on August 1, 2022 from the Municipal Finance Authority of BC for a term of 35 months bearing interest as at June 30, 2024 of 5.36%, repayable in blended monthly principal and interest payments of \$13,651, due June 30, 2025. Principal and interest paid up to date are \$270,305 and \$30,016 respectively.	\$ 197,588	\$ 346,084
Demand Loan #0009-0 of \$130,215, approved on June 4, 2021, borrowed on July 30, 2021, from the Municipal Finance Authority of B.C. for a term of 3 years, demand loan was repaid in the year. Principal and interest paid up to date are \$130,215 and \$5,181 respectively.	-	48,444
Demand Loan #0010-0 of \$96,552, approved on May 4, 2022, borrowed on May 30, 2022, from the Municipal Finance Authority of B.C. for a term of 3 years, bearing interest as at June 30, 2024 of 5.36%, repayable in blended monthly principal and interest payments of \$2,667, due June 30, 2025. Principal and interest paid up to date are \$57,842 and \$6,192 respectively.	38,711	67,726
Demand Loan #0011-0 of \$89,419, approved on June 13, 2024, borrowed on June 26, 2024, from the Municipal Finance Authority of B.C. for a term of 3 years, bearing interest as at June 30, 2024 of 5.36%, repayable in blended monthly principal and interest payments of \$2,699, due June 30, 2027. Principal and interest paid up to date are nil.	89,419	-
	<u>\$ 325,718</u>	<u>462,254</u>

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

2025	\$ 213,776
2026	78,246
2027	31,376
2028	2,320
	<u>\$ 325,718</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:	2024	2023
Sites	\$1,175,101	\$1,175,101
Buildings	16,783,654	16,583,601
Buildings – work in progress	656,451	-
Furniture & Equipment	316,920	343,672
Vehicles	172,200	22,431
Computer Software	54,999	90,904
Computer Hardware	239,417	247,953
Total	\$ 19,398,742	\$ 18,463,662

Cost:	Opening Cost	Additions	Disposals	Total 2024
Sites	\$1,175,101	\$ -	\$ -	\$ 1,175,101
Buildings	34,648,177	1,077,235	-	35,725,412
Buildings – work in progress	-	656,451	-	656,451
Furniture & Equipment	699,868	43,665	35,060	708,473
Vehicles	53,974	161,976	25,786	190,164
Computer Software	182,975	520	2,218	181,277
Computer Hardware	474,141	81,657	128,007	427,791
Total	\$ 37,234,236	\$ 2,021,504	\$ 191,071	\$39,064,669

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2024
Buildings	\$18,064,576	\$ 877,182	\$ -	\$ 18,941,758
Furniture & Equipment	356,196	70,417	35,060	391,553
Vehicles	31,543	12,207	25,786	17,964
Computer Software	92,071	36,425	2,218	126,278
Computer Hardware	226,188	90,193	128,007	188,374
Total	\$ 18,770,574	\$ 1,086,424	\$ 191,071	\$ 19,665,927

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2023

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

Accumulated Amortization:

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 11 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension Plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering of the pension plan, including investing assets and administering benefits. The plans are multi-employer defined benefits pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As at December 31, 2022 the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$834,325 for employer contributions to these plans in the year ended June 30, 2024 (2023 \$770,148).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2024. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in late 2025.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 12 ACCUMULATED SURPLUS

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

Operating Fund:	2024	2023
Internally Restricted (appropriated) by Board for:		
Art Starts	\$ 6,400	\$ -
Children First	1,497	1,497
Advisory Council	6,000	6,000
Holdback Allocation	-	9,115
Aspire Grant	1,183	1,182
Janitor Equip. Rental	44,157	66,350
LEA Grant	-	5,594
EHT -Employee Housing	5,576	5,108
Pro D (District)	184,086	187,454
HLP (FNSS Cafeteria)	42,016	42,016
Anti Racism Grant	-	12,858
Equity in Action	1,526	2,920
Breakfast Club of Canada	21,750	27,572
Employer Training Initiative	44,547	27,141
Expose & Inspire	3,048	1,166
Early Career Mentorship-FNDTA	13,789	13,789
Indigenous Targeted Funds	86,262	5,899
Subtotal Internally Restricted	461,837	415,661
Unrestricted Operating Surplus	555,591	349,303
Total Operating Funds	\$ 1,017,428	\$ 764,964
Capital Fund:		
Investment in Tangible Capital Assets	\$ 2,897,615	\$ 3,138,484
Local Capital Reserve	3,083	3,083
Total Capital Fund	\$ 2,900,698	\$ 3,141,567
Accumulated surplus, end of year	\$ 3,918,126	\$ 3,906,531

NOTE 13 INTERFUND TRANSFERS

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

- Accumulated surplus transferred from operating fund to capital fund: \$125,842, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from operating fund to capital fund: \$81,986, for the capital loan payments.
- Accumulated surplus transferred from special purpose fund to capital fund: \$59,124, for the capital loan payments.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2024 amended annual budget adopted by the Board on January 31, 2024. The chart following reconciles the originally approved annual budget bylaw approved on June 6, 2023 to the amended annual budget bylaw reported in these financial statements.

	<u>Amended Budget</u>	<u>Annual Budget</u>
Revenues		
Provincial Grants		
Ministry of Education	\$ 12,717,733	\$ 12,436,318
Other	165,324	144,324
Other Revenue	607,738	523,415
Rentals and Leases	29,000	31,000
Investment Income	102,000	35,000
Amortization of Deferred Capital Revenue	473,164	452,952
Total Revenue	14,094,959	13,623,009
Expenses		
Instruction	\$ 10,356,121	\$ 10,225,867
District administration	885,460	809,515
Operations and Maintenance	2,253,790	2,313,531
Transportation and Housing	633,393	475,781
Debt Services	19,885	18,330
Services and Supplies	330,627	-
Total Expense	\$ 14,479,276	\$ 13,843,024
Net Revenue (expense)	(384,317)	(220,015)
Budgeted allocation of surplus	314,655	129,266
Budgeted surplus (deficit) for the year	\$ (69,662)	\$ (90,749)

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 16 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials such as asbestos and lead paint within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as of July 1, 2022. The obligation was measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

Asset Retirement Obligation, July 1, 2023	\$ 1,983,886
Change in estimate during the year	<u>222,115</u>
Asset Retirement Obligation, closing balance	<u>\$ 2,206,001</u>

NOTE 17 EXPENSES BY OBJECT

	<u>2024</u>	<u>2023</u>
Salaries and benefits	\$ 10,720,779	\$ 9,905,460
Services and supplies	2,541,905	2,328,150
Interest	19,843	21,780
Amortization	1,086,424	866,447
	<u>\$ 14,368,951</u>	<u>\$ 13,121,837</u>

NOTE 18 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 19 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

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

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 20 – RISK MANAGEMENT (*Continued*)

a) Credit risk: (*continued*)

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

b) Market risk:

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

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

c) Liquidity risk

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

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

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2023 related to credit, market or liquidity risks.

School District No. 81 (Fort Nelson)

Schedule 1 (Unaudited)

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	764,964		3,141,567	3,906,531	3,881,676
Changes for the year					
Surplus (Deficit) for the year	460,292	59,124	(507,821)	11,595	24,855
Interfund Transfers					
Tangible Capital Assets Purchased	(125,842)		125,842	-	-
Other	(81,986)	(59,124)	141,110	-	-
Net Changes for the year	252,464	-	(240,869)	11,595	24,855
Accumulated Surplus (Deficit), end of year - Statement 2	1,017,428	-	2,900,698	3,918,126	3,906,531

School District No. 81 (Fort Nelson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2024

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	10,559,610	10,353,376	10,070,850
Other	79,000	130,827	98,200
Other Revenue	531,738	684,919	464,419
Rentals and Leases	29,000	30,510	31,484
Investment Income	102,000	131,081	89,631
Total Revenue	11,301,348	11,330,713	10,754,584
Expenses			
Instruction	8,653,284	8,204,391	7,807,283
District Administration	885,460	933,368	972,530
Operations and Maintenance	1,396,050	1,304,135	1,293,490
Transportation and Housing	510,222	428,527	425,766
Total Expense	11,445,016	10,870,421	10,499,069
Operating Surplus (Deficit) for the year	(143,668)	460,292	255,515
Budgeted Appropriation (Retirement) of Surplus (Deficit)	314,655		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(89,000)	(125,842)	(57,840)
Other	(81,987)	(81,986)	(66,632)
Total Net Transfers	(170,987)	(207,828)	(124,472)
Total Operating Surplus (Deficit), for the year	-	252,464	131,043
Operating Surplus (Deficit), beginning of year		764,964	633,921
Operating Surplus (Deficit), end of year		1,017,428	764,964
Operating Surplus (Deficit), end of year			
Internally Restricted		461,837	415,661
Unrestricted		555,591	349,303
Total Operating Surplus (Deficit), end of year		1,017,428	764,964

School District No. 81 (Fort Nelson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2024

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	10,622,313	10,622,313	9,956,360
ISC/LEA Recovery	(408,625)	(580,181)	(408,625)
Other Ministry of Education and Child Care Grants			
Pay Equity	79,311	79,311	79,311
Student Transportation Fund	32,744	32,744	32,744
Support Staff Benefits Grant		9,151	9,151
FSA Scorer Grant	4,094	4,094	4,094
Early Learning Framework (ELF) Implementation			97
Labour Settlement Funding	164,373	164,373	391,289
Anti Racism			6,429
Youth Work in Trades	45,400		
FRSP Teacher Recruitment and Retention	20,000	21,571	
Total Provincial Grants - Ministry of Education and Child Care	10,559,610	10,353,376	10,070,850
Provincial Grants - Other	79,000	130,827	98,200
Other Revenues			
Funding from First Nations	408,625	580,181	408,625
Miscellaneous			
Visa Awards	4,059	4,059	3,215
Teacher pro d	6,004	6,634	5,312
Tech Revenue		7,436	18,517
Breakfast Club of Canada	23,050	23,050	22,350
Art Starts			6,400
Blue Cross	25,000		
tech vouchers	65,000	63,559	
Total Other Revenue	531,738	684,919	464,419
Rentals and Leases	29,000	30,510	31,484
Investment Income	102,000	131,081	89,631
Total Operating Revenue	11,301,348	11,330,713	10,754,584

School District No. 81 (Fort Nelson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2024

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Salaries			
Teachers	3,581,025	3,347,662	3,407,367
Principals and Vice Principals	765,761	802,648	743,995
Educational Assistants	1,360,745	1,324,980	1,124,920
Support Staff	734,061	736,460	690,507
Other Professionals	708,918	746,281	658,454
Substitutes	235,300	178,269	234,728
Total Salaries	7,385,810	7,136,300	6,859,971
Employee Benefits	1,982,505	1,931,897	1,797,634
Total Salaries and Benefits	9,368,315	9,068,197	8,657,605
Services and Supplies			
Services	823,979	720,543	703,947
Student Transportation	408,805	357,664	370,266
Professional Development and Travel	67,574	51,317	84,329
Rentals and Leases	43,256	41,432	41,782
Dues and Fees	26,654	17,888	21,733
Insurance	45,695	37,499	37,821
Supplies	272,559	274,763	287,524
Utilities	388,179	301,118	294,062
Total Services and Supplies	2,076,701	1,802,224	1,841,464
Total Operating Expense	11,445,016	10,870,421	10,499,069

School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2024

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	2,844,670	327,502	35,425	348,417		91,435	3,647,449
1.03 Career Programs	15,565	10,912					26,477
1.07 Library Services	183,062			85,155		8,218	276,435
1.08 Counselling	46,049					1,999	48,048
1.10 Special Education	243,400	44,864	1,064,058		30,423	72,697	1,455,442
1.31 Indigenous Education		31,428	225,497			3,920	260,845
1.41 School Administration	14,916	369,587					384,503
Total Function 1	3,347,662	784,293	1,324,980	433,572	30,423	178,269	6,099,199
4 District Administration							
4.11 Educational Administration				24,598	55,056		79,654
4.40 School District Governance					63,000		63,000
4.41 Business Administration		18,355		85,517	374,477		478,349
Total Function 4	-	18,355	-	110,115	492,533	-	621,003
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				9,839	180,803		190,642
5.50 Maintenance Operations				168,672			168,672
5.52 Maintenance of Grounds							-
5.56 Utilities							-
Total Function 5	-	-	-	178,511	180,803	-	359,314
7 Transportation and Housing							
7.41 Transportation and Housing Administration					42,522		42,522
7.70 Student Transportation				14,262			14,262
Total Function 7	-	-	-	14,262	42,522	-	56,784
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	3,347,662	802,648	1,324,980	736,460	746,281	178,269	7,136,300

School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2024

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	3,647,449	1,018,319	4,665,768	318,759	4,984,527	5,445,893	4,661,642
1.03 Career Programs	26,477	8,139	34,616		34,616	45,000	36,559
1.07 Library Services	276,435	65,104	341,539	4,591	346,130	275,315	319,318
1.08 Counselling	48,048	14,791	62,839		62,839	110,908	201,407
1.10 Special Education	1,455,442	429,853	1,885,295	64,996	1,950,291	1,883,220	1,750,552
1.31 Indigenous Education	260,845	78,312	339,157	3,371	342,528	434,921	380,813
1.41 School Administration	384,503	84,077	468,580	14,880	483,460	458,027	456,992
Total Function 1	6,099,199	1,698,595	7,797,794	406,597	8,204,391	8,653,284	7,807,283
4 District Administration							
4.11 Educational Administration	79,654	33,554	113,208	34,417	147,625	124,215	177,056
4.40 School District Governance	63,000	3,016	66,016	29,681	95,697	118,224	118,367
4.41 Business Administration	478,349	103,616	581,965	108,081	690,046	643,021	677,107
Total Function 4	621,003	140,186	761,189	172,179	933,368	885,460	972,530
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	190,642	38,616	229,258	41,137	270,395	264,357	177,061
5.50 Maintenance Operations	168,672	44,179	212,851	515,254	728,105	735,964	809,857
5.52 Maintenance of Grounds	-	-	-	4,518	4,518	7,550	12,511
5.56 Utilities	-	-	-	301,117	301,117	388,179	294,061
Total Function 5	359,314	82,795	442,109	862,026	1,304,135	1,396,050	1,293,490
7 Transportation and Housing							
7.41 Transportation and Housing Administration	42,522	6,949	49,471		49,471	60,349	34,093
7.70 Student Transportation	14,262	3,372	17,634	361,422	379,056	449,873	391,673
Total Function 7	56,784	10,321	67,105	361,422	428,527	510,222	425,766
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	7,136,300	1,931,897	9,068,197	1,802,224	10,870,421	11,445,016	10,499,069

School District No. 81 (Fort Nelson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2024

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	2,053,435	2,160,773	1,596,754
Other	86,324	75,106	78,803
Other Revenue	76,000	214,058	135,986
Investment Income		1,450	1,653
Total Revenue	<u>2,215,759</u>	<u>2,451,387</u>	<u>1,813,196</u>
Expenses			
Instruction	1,702,837	2,278,971	1,618,067
Operations and Maintenance		5,500	5,500
Transportation and Housing	123,171	107,792	110,974
Services/Supplies	330,627		
Total Expense	<u>2,156,635</u>	<u>2,392,263</u>	<u>1,734,541</u>
Special Purpose Surplus (Deficit) for the year	<u>59,124</u>	<u>59,124</u>	<u>78,655</u>
Net Transfers (to) from other funds			
Other	(59,124)	(59,124)	(78,655)
Total Net Transfers	<u>(59,124)</u>	<u>(59,124)</u>	<u>(78,655)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 81 (Fort Nelson)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community	LINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year										
Add: Restricted Grants										
Provincial Grants - Ministry of Education and Child Care	64,624	39,738		9,342	101,634		7,350	7,623	6,098	151,276
Provincial Grants - Other										
Other					211,525					
	64,624	39,738	-	-	211,525		7,350	7,623		151,276
	64,624	39,738	-	1,450	214,058		7,350	13,721		151,276
Less: Allocated to Revenue										
Deferred Revenue, end of year	-	-	1,837	7,892	99,101	-	-	-	-	-
Revenues										
Provincial Grants - Ministry of Education and Child Care	64,624	39,738					7,350	13,721		151,276
Provincial Grants - Other										
Other Revenue					214,058					
Investment Income										
	64,624	39,738	-	1,450	214,058		7,350	13,721		151,276
Expenses										
Salaries										
Teachers										
Principals and Vice Principals								2,027		
Educational Assistants										
Support Staff		29,277								103,612
Other Professionals										
Substitutes							2,876			12,000
Employee Benefits	-	29,277	-	-	-		2,876	2,027		115,612
Services and Supplies	5,500	10,461					1,297	636		35,664
	5,500	39,738	-	1,450	214,058		3,177	11,058		151,276
	59,124	-	-	-	-	-	-	-	-	-
Net Revenue (Expense) before Interfund Transfers										
Interfund Transfers										
Other	(59,124)									
	(59,124)	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)										

School District No. 81 (Fort Nelson)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education and Child Care
Provincial Grants - Other
Other

Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education and Child Care
Provincial Grants - Other
Other Revenue
Investment Income

Expenses

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

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Other

Net Revenue (Expense)

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Student & Family Affordability	ECL (Early Care & Learning)	Feeding Futures Fund	Health Career Grants
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	193,180	910,154	29,158	108,959	57,000	100,000	175,000	350,000	55,000
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	193,180	910,154	29,158	108,959	57,000	100,000	175,000	350,000	55,000
Provincial Grants - Other									
Other									
Less: Allocated to Revenue									
Deferred Revenue, end of year	-	-	19,868	35,979	93,064	84,710	-	113,492	55,000
Revenues	193,180	910,154	9,290	107,792	91,700	96,440	175,000	236,508	-
Provincial Grants - Ministry of Education and Child Care	193,180	910,154	9,290	107,792	91,700	96,440	175,000	236,508	-
Provincial Grants - Other									
Other Revenue									
Investment Income									
Expenses									
Salaries									
Teachers									
Principals and Vice Principals	82,454	733,597			29,783		41,060	6,906	
Educational Assistants									
Support Staff	53,167						107,127		
Other Professionals									
Substitutes	3,545	3,299							
	139,166	736,896	-	-	29,783	-	148,187	6,906	-
Employee Benefits	45,839	173,258			6,893		26,813	2,060	
Services and Supplies	8,175		9,290	107,792	55,024	96,440		227,542	
	193,180	910,154	9,290	107,792	91,700	96,440	175,000	236,508	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Other	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 81 (Fort Nelson)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	Speech Path	TOTAL
	\$	\$
Deferred Revenue, beginning of year		362,637
Add: Restricted Grants		
Provincial Grants - Ministry of Education and Child Care		2,313,062
Provincial Grants - Other	75,106	75,106
Other		211,525
	75,106	2,599,693
Less: Allocated to Revenue	75,106	2,451,387
Deferred Revenue, end of year	-	510,943
Revenues		
Provincial Grants - Ministry of Education and Child Care		2,160,773
Provincial Grants - Other	75,106	75,106
Other Revenue		214,058
Investment Income		1,450
	75,106	2,451,387
Expenses		
Salaries		
Teachers		765,407
Principals and Vice Principals		123,514
Educational Assistants		139,795
Support Staff		53,167
Other Professionals	59,822	229,285
Substitutes		6,844
	59,822	1,318,012
Employee Benefits	15,109	334,570
Services and Supplies	175	739,681
	75,106	2,392,263
Net Revenue (Expense) before Interfund Transfers	-	59,124
Interfund Transfers		
Other		(59,124)
	-	(59,124)
Net Revenue (Expense)	-	-

School District No. 81 (Fort Nelson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2024

	2024	2024 Actual			2023
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	104,688	104,688		104,688	103,865
Amortization of Deferred Capital Revenue	473,164	493,758		493,758	475,047
Total Revenue	<u>577,852</u>	<u>598,446</u>	<u>-</u>	<u>598,446</u>	<u>578,912</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	857,740	1,086,424		1,086,424	866,447
Debt Services					
Capital Loan Interest	19,885		19,843	19,843	21,780
Total Expense	<u>877,625</u>	<u>1,086,424</u>	<u>19,843</u>	<u>1,106,267</u>	<u>888,227</u>
Capital Surplus (Deficit) for the year	<u>(299,773)</u>	<u>(487,978)</u>	<u>(19,843)</u>	<u>(507,821)</u>	<u>(309,315)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	89,000	125,842		125,842	57,840
Capital Loan Payment	141,111		141,110	141,110	145,287
Total Net Transfers	<u>230,111</u>	<u>125,842</u>	<u>141,110</u>	<u>266,952</u>	<u>203,127</u>
Other Adjustments to Fund Balances					
Principal Payment					
Capital Loan		225,955	(225,955)	-	
AFG Bylaw paid to loan		(104,688)	104,688	-	
Total Other Adjustments to Fund Balances		<u>121,267</u>	<u>(121,267)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(69,662)</u>	<u>(240,869)</u>	<u>-</u>	<u>(240,869)</u>	<u>(106,188)</u>
Capital Surplus (Deficit), beginning of year		3,138,484	3,083	3,141,567	3,247,755
Capital Surplus (Deficit), end of year		<u>2,897,615</u>	<u>3,083</u>	<u>2,900,698</u>	<u>3,141,567</u>

School District No. 81 (Fort Nelson)

Tangible Capital Assets
Year Ended June 30, 2024

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	1,175,101	34,648,177	699,868	53,974	182,975	474,141	37,234,236
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		855,120		161,976			1,017,096
Operating Fund			43,665		520	81,657	125,842
ARO change in estimate		222,115					222,115
Decrease:							
Deemed Disposals	-	1,077,235	43,665	161,976	520	81,657	1,365,053
Cost, end of year			35,060	25,786	2,218	128,007	191,071
Work in Progress, end of year	-	-	35,060	25,786	2,218	128,007	191,071
Cost and Work in Progress, end of year	1,175,101	35,725,412	708,473	190,164	181,277	427,791	38,408,218
		656,451					656,451
	1,175,101	36,381,863	708,473	190,164	181,277	427,791	39,064,669
Accumulated Amortization, beginning of year		18,064,576	356,196	31,543	92,071	226,188	18,770,574
Changes for the Year							
Increase: Amortization for the Year		877,182	70,417	12,207	36,425	90,193	1,086,424
Decrease:							
Deemed Disposals			35,060	25,786	2,218	128,007	191,071
		-	35,060	25,786	2,218	128,007	191,071
Accumulated Amortization, end of year		18,941,758	391,553	17,964	126,278	188,374	19,665,927
Tangible Capital Assets - Net	1,175,101	17,440,105	316,920	172,200	54,999	239,417	19,398,742

School District No. 81 (Fort Nelson)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2024

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year					-
Changes for the Year					
Increase:					
Deferred Capital Revenue - Other	656,451				656,451
	656,451	-	-	-	656,451
Net Changes for the Year	656,451	-	-	-	656,451
Work in Progress, end of year	656,451	-	-	-	656,451

School District No. 81 (Fort Nelson)

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	12,482,987	587,067		13,070,054
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,017,096			1,017,096
	1,017,096	-	-	1,017,096
Decrease:				
Amortization of Deferred Capital Revenue	462,400	31,358		493,758
	462,400	31,358	-	493,758
Net Changes for the Year	554,696	(31,358)	-	523,338
Deferred Capital Revenue, end of year	13,037,683	555,709	-	13,593,392
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress		656,451		656,451
	-	656,451	-	656,451
Net Changes for the Year	-	656,451	-	656,451
Work in Progress, end of year	-	656,451	-	656,451
Total Deferred Capital Revenue, end of year	13,037,683	1,212,160	-	14,249,843

School District No. 81 (Fort Nelson)

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						-
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	1,127,897	-	656,451	-	-	1,784,348
	1,127,897	-	656,451	-	-	1,784,348
Decrease:						
Transferred to DCR - Capital Additions	1,017,096					1,017,096
Transferred to DCR - Work in Progress	104,688		656,451			656,451
AFG bylaw loan payment	1,121,784	-	656,451	-	-	104,688
						1,778,235
	6,113	-	-	-	-	6,113
Net Changes for the Year						
	6,113	-	-	-	-	6,113
Balance, end of year						
	6,113	-	-	-	-	6,113

School District #81 (Fort Nelson)

Financial Statement Discussion and Analysis
For the Year Ended June 30, 2024



AS A BOARD OF EDUCATION

OUR PURPOSE

IS TO HELP OUR STUDENTS LEARN

WE VALUE

RESPECT, INTEGRITY, INNOVATION, AND BUILDING SELF-WORTH

OUR MISSION

IS TO PREPARE AND INSPIRE OUR STUDENTS

OUR VISION

IS TO BUILD SUCCESSFUL FUTURES

Pursuant to Section 157 of the B.C. School Act, “the board must cause to be prepared each fiscal year by the secretary-treasurer or other person authorized by it, financial statements of the school district respecting the preceding fiscal year”.

This discussion and analysis document is intended to provide a more comprehensive understanding of the School District’s financial activities and financial health and should be read in conjunction with the School District’s financial statements published on the school district website.

School District 81 is located in the northeast corner of British Columbia, on the traditional territory of Fort Nelson First Nation. The District is governed by a Board of Education comprised of five elected trustees. The District operates four schools in the municipality of Fort Nelson – two primary K-4, one Grades 5-7, and one Grades 8-12 - and one rural K-12 in Toad River. The student population in the school year 2023/24 was 667 students, approximately 37 more students than 2022/23.

School District #81 (Fort Nelson)

Financial Statement Discussion and Analysis For the Year Ended June 30, 2024



Financial Highlights – Operating, Special Purpose, and Capital Funds

Statement 1 – Statement of Financial Position

	2022/23	2023/24	Variance Analysis
Cash	2,481,881	3,401,397	Increased balances in school accounts; enrolment was up; greater revenue received.
Accounts Receivable	45,133	716,758	increase in accounts receivable, MOE Capital projects funds due to SBO.
Current Liabilities	867,209	1,927,872	Accounts payable increased Capital projects completion at June 30 and Vacation liability increase.
Prepaid Expenses	43,483	24,770	Fewer prepaid expenses. Prepaids recoded & used in 2024 and new additions consist of Staples, Apply to Education & Terus Construction

Statement 2 – Statement of Operations

	2022/23	2023/24	Variance Analysis
Total Revenue	13,146,692	14,380,546	Operating Funding Increase in LEA funds allocation Previous Year 18,011 /student Current Year 19,461/student. Increase targeted Indigenous funds by \$145 per pupil. Per pupil basic allocation increased 9.38% from \$7885 to \$8625 (\$740/pupil) Other Provincial Grants – increase in funds skilled trades Special Purpose Funds In addition to Student & Affordability funds in 2023, This year the district received a school food program funds - Feeding Futures. Health Career grants were also received.

School District #81 (Fort Nelson)

Financial Statement Discussion and Analysis

For the Year Ended June 30, 2024



Total Expenses	13,121,837	14,368,951	Increase due to: - Maternity top-up - we had three teachers on maternity leave, and we had to pay a top-up for salary under updated collective agreement; this came at a cost of approximately \$70K, in addition to the cost of the teachers that filled their positions - Two LOP's (at Category 4, level 1) were replaced with certified teachers higher on the grid - We had to hire additional support staff due to registration of new students with designations Increased costs in general supplies
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Financial Highlights

Operating Fund – Schedule 2

Operating Revenue

The Ministry of Education and Child Care operating grant is the main source of operating revenue for the school district. Additional revenue is received from other Ministries to support our trades and Early Childhood Education programs and maintenance service contract with Northern Lights College. Other sources of revenue include our Local Education Agreement/Direct funding from First Nation bands; miscellaneous revenue, rentals and leases, and investment income for a total of \$11,330,713.

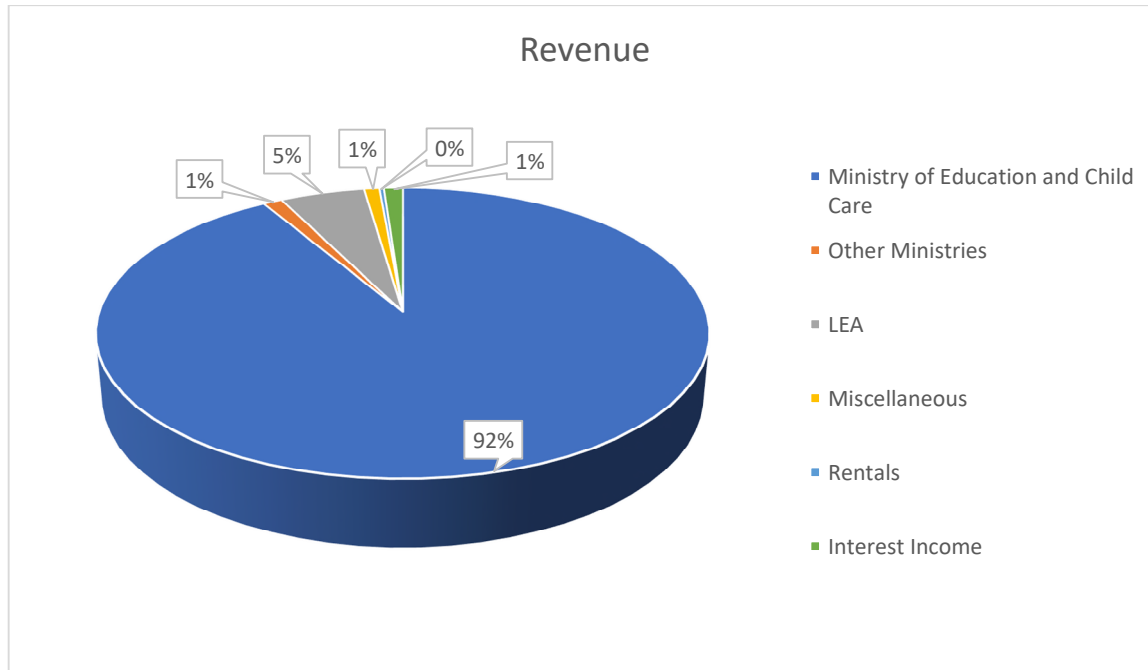
School District #81 (Fort Nelson)

Financial Statement Discussion and Analysis
For the Year Ended June 30, 2024



Operating Fund – Schedule 2

Operating Revenue *cont'd*



Revenue	2022/23	2023/24	Variance	% increase/ (decrease)
Ministry of Education And Child Care	\$10,070,850	\$10,353,376	\$282,526	2.81%
Other Ministries	\$98,200	\$130,827	\$ 32,627	33.23%
LEA	\$408,625	\$580,181	\$171,556	41.98%
Miscellaneous	\$49,394	\$ 104,738	\$55,344	112.05%
Rentals	\$ 31,484	\$ 30,510	-\$974	-3.09%
Interest Income	\$ 89,631	\$ 131,081	\$ 41,450	2.81%

School District #81 (Fort Nelson)

Financial Statement Discussion and Analysis

For the Year Ended June 30, 2024



The School District had an increase in the projected number of students from February to September. As well, there was an increase in per pupil allocations, special needs student funding and Indigenous pupil allocations. There was an increase in “other ministry” revenue due to skilled trades program for Early Childhood Education, also the district received funds (63k) from a Canadian Microsoft Class Action education settlement. There is a decrease in rental revenue due to less Community use of facilities. CDP Interest reflects Bank of Canada and closer cash management of funds allowed to maximize on gaining interest revenue by day and month.

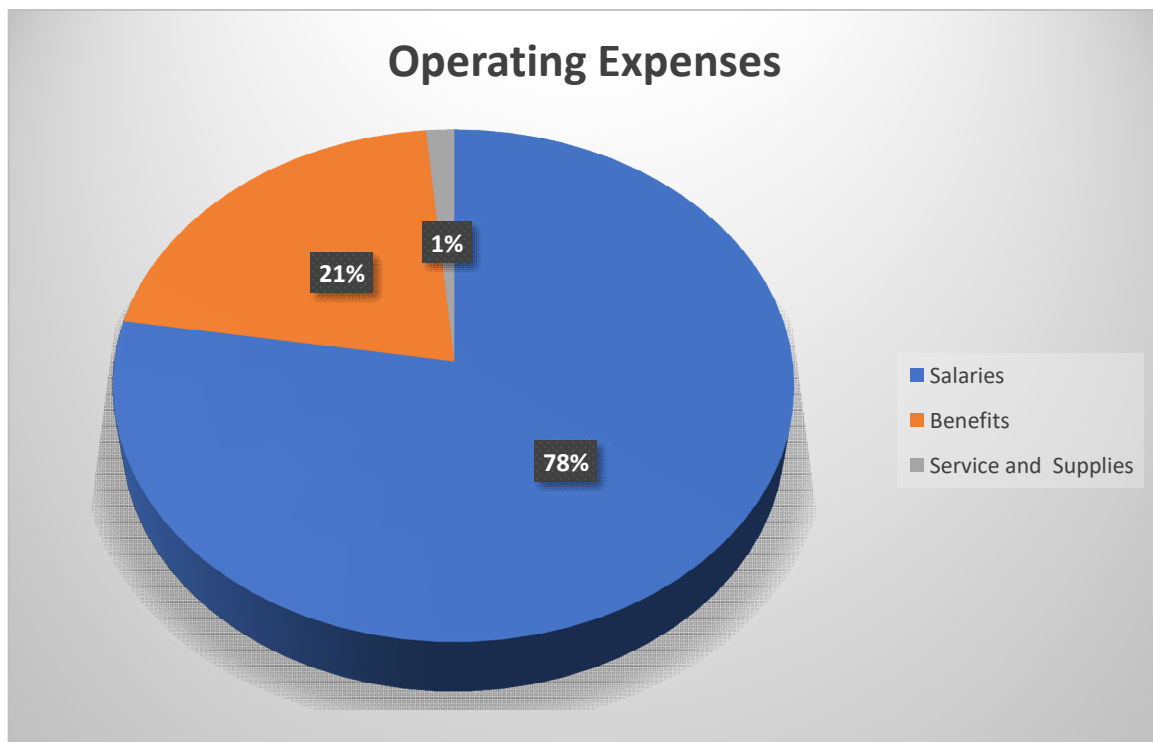
School District #81 (Fort Nelson)

Financial Statement Discussion and Analysis
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Operating Expenses

Operating Expenses include salaries, benefits, and service and supplies totaling \$10,870,618



Expenses	2022/23	2023/24	Variance	% Increase/ (Decrease)
Salaries	6,859,971	7,136,300	276,329	4.03%
Benefits	1,797,634	1,931,897	134,263	7.47%
Services and Supplies	1,841,464	1,802,421	-39,043	-2.12%

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Salary costs increased in 2023/24 due to labour settlements that provided salary increases for all employee groups. Benefits increased due to salary increase and healthcare provider restructuring the insured ie: single, couple & family. Services and supply expenses decreased with the economic downturn in our community. The school district takes a cautious 'needs' approach to spending. This year was no different resulting in savings in services and supplies.

Special Purpose Funds- Schedule 3

"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. Treasury Board Restricted Contribution Regulation 198/2011 defines a restricted contribution as *a contribution that is subject to a legislative or contractual stipulation or restriction as to its use other than a contribution or part of a contribution that is of, or for the purpose of acquiring, land.*"

The following grants meet the definition of a restricted contribution and are reported on Schedule 3A (consolidated on Schedule 3):

Annual Facility Grant	Community Links
Learning Improvement Fund	Classroom Enhancement Funds -
Special Ed Equipment Grants	Overhead, Staffing, Remedies
Scholarships and Bursaries	First Nation Transportation
School Generated Funds	Mental Health in Schools
Strong Start	Student & Family Affordability
Ready, Set Learn	Early Care & Learning
Official Languages in Education	Feeding Futures
French Programs	Health Career Grants

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Speech and Language

Any unspent funds are Deferred Revenue and are carried forward to be used for the intended purpose in future years.

Capital Fund – Schedule 4

Annual Facilities Grant

The District receives an Annual Facilities Grant, part of which is special purpose funding (\$64,624) and the balance (\$339,893) is bylaw. The grant is to support the infrastructure of our district buildings. The Ministry identifies the eligible areas where these funds are to be used.

A number of years ago the Ministry of Education and Child Care authorized the school district to proceed with a 2.5 million dollar upgrade to the ventilation system in the shop area of our high school. Payments for this upgrade are taken from the Annual Facilities Grant funding. This year \$163,812 was spent on this loan payment. The balance was spent on boiler upgrades at FNSS, chain link fencing for JS Clark School and Maintenance shop.

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Bylaw Capital Funds

In 2023/24 the School District was approved \$1,026,233 in Bylaw Capital Funds - \$220,000 for GWC/RLA washroom renos; and \$556,233 for FNSS office interior renos, \$150,000 insulate and cladding at Maintenance Shop, \$100,000 GWC electrical upgrade – interior LED lighting. There was an extension of SEP funds from 2022/2023 for the FNSS electrical upgrade in which LED lighting was installed.

The District was approved for Child care Capital Funding program of ChildCareBC New Spaces Fund in the amount of \$959,972 for renovations at JS Clark to provide Day Care space for the Northern Rockies Child Development Association. During the project it was found that more funding was required with an additional \$81,360 being approved for a total of \$1,041,332. The project is set for completion in August 2024.

One Certificate of Approval was extended to December 31, 2024, due to the supply chain demands.

Capital Purchases from Operating Funds and Special Purpose Funds

Prior to annual budget preparation in the spring, staff and parents are invited to identify capital needs in their buildings. Some minor capital items are purchased from operating funds and special purpose funds. In 2023/24 \$125,242 was spent on furniture and equipment, computer software and computer hardware.

Our ventilation systems are regulated in all of our school buildings through direct digital controls (DDC), providing maximum allowable air exchanges, depending on the outside air temperature. The system is active from 7 a.m. to 5 p.m. daily. Our classrooms in our school buildings have independent climate control, therefore, if one furnace goes out only a minimal number of classrooms are affected, not the entire building.

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Loans for Capital Items

The School District finances their capital purchases through the Municipal Finance Authority. This year we had one ventilation loan; two computer loans, one of which was paid off on May 31 2024 and we opened a new computer loan. All loans are at an interest rate of 4.96 per cent.

In 2023/24 the School District paid \$225,955 in principal payments on these loans.