

Audited Financial Statements of

School District No. 51 (Boundary)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 51 (Boundary)

June 30, 2021

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School District No. 51 (Boundary)

MANAGEMENT REPORT

Version: 6790-6044-4062

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 51 (Boundary) 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. 51 (Boundary) (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, Grant Thornton 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. 51 (Boundary) 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. 51 (Boundary)



September 21, 2021

Signature of the Chairperson of the Board of Education

Date Signed



September 21, 2021

Signature of the Superintendent

Date Signed



September 21, 2021

Signature of the Secretary Treasurer

Date Signed

Independent Auditor's Report

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To the Board of Education of
School District No. 51 (Boundary) and the Ministry of Education

Opinion

We have audited the financial statements of School District No. 51 (Boundary) ("the District"), which comprise the statement of financial position as at June 30, 2021, and the statements of operations, change in net financial assets (debt) and cash flow for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of School District No. 51 (Boundary) as at and for the year ended June 30, 2021, are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia ("Section 23.1").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

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

Other Matter – Supplemental information

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

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation of these financial statements in accordance with Section 23.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kelowna, Canada
September 21, 2021

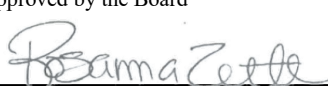
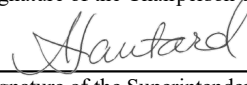
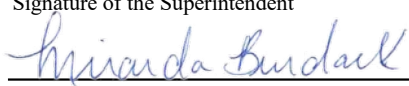
Grant Thornton LLP
Chartered Professional Accountants

School District No. 51 (Boundary)

Statement 1

Statement of Financial Position

As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	5,452,616	3,910,865
Accounts Receivable		
Due from Province - Ministry of Education	482,072	588,459
Other (Note 4)	164,322	219,707
Portfolio Investments	-	9,240
Total Financial Assets	6,099,010	4,728,271
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	2,284,837	1,655,699
Deferred Revenue (Note 6)	352,482	327,669
Deferred Capital Revenue (Note 7)	17,215,636	16,482,338
Employee Future Benefits (Note 8)	461,561	430,019
Capital Lease Obligations (Note 9)	110,570	142,833
Total Liabilities	20,425,086	19,038,558
Net Debt	(14,326,076)	(14,310,287)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	24,392,536	23,699,012
Prepaid Expenses	150,353	4,459
Total Non-Financial Assets	24,542,889	23,703,471
Accumulated Surplus (Deficit)	10,216,813	9,393,184
Contractual Obligations (Note 14)		
Contingent Liabilities (Note 16)		
Approved by the Board		
	September 21, 2021	
Signature of the Chairperson of the Board of Education	Date Signed	
	September 21, 2021	
Signature of the Superintendent	Date Signed	
	September 21, 2021	
Signature of the Secretary Treasurer	Date Signed	

School District No. 51 (Boundary)

Statement 2

Statement of Operations
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	19,761,416	20,447,930	18,989,122
Other	76,258	136,166	152,544
Tuition	13,483		8,100
Other Revenue	361,000	278,911	378,928
Rentals and Leases	50,638	62,773	63,163
Investment Income	44,180	67,932	75,215
Gain (Loss) on Disposal of Tangible Capital Assets			70,000
Amortization of Deferred Capital Revenue	875,872	902,417	833,639
Total Revenue	21,182,847	21,896,129	20,570,711
Expenses (Note 17)			
Instruction	15,119,491	15,206,638	14,937,913
District Administration	925,124	1,019,152	921,746
Operations and Maintenance	4,008,606	3,867,064	3,788,256
Transportation and Housing	943,325	978,909	907,174
Debt Services	737	737	902
Total Expense	20,997,283	21,072,500	20,555,991
Surplus (Deficit) for the year	185,564	823,629	14,720
Accumulated Surplus (Deficit) from Operations, beginning of year		9,393,184	9,378,464
Accumulated Surplus (Deficit) from Operations, end of year		10,216,813	9,393,184

School District No. 51 (Boundary)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Surplus (Deficit) for the year	185,564	823,629	14,720
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(396,000)	(2,137,550)	(3,671,598)
Amortization of Tangible Capital Assets	1,434,951	1,444,026	1,382,953
Total Effect of change in Tangible Capital Assets	1,038,951	(693,524)	(2,288,645)
Acquisition of Prepaid Expenses		(150,353)	(4,459)
Use of Prepaid Expenses		4,459	
Total Effect of change in Other Non-Financial Assets	-	(145,894)	(4,459)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	1,224,515	(15,789)	(2,278,384)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(15,789)	(2,278,384)
Net Debt, beginning of year		(14,310,287)	(12,031,903)
Net Debt, end of year		(14,326,076)	(14,310,287)

School District No. 51 (Boundary)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2021

	2021 Actual \$	2020 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	823,629	14,720
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	161,772	(456,245)
Prepaid Expenses	(145,894)	(4,459)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	629,138	429,716
Deferred Revenue	24,813	(978)
Employee Future Benefits	31,542	13,557
Loss (Gain) on Disposal of Tangible Capital Assets		(70,000)
Amortization of Tangible Capital Assets	1,444,026	1,382,953
Amortization of Deferred Capital Revenue	(902,417)	(833,639)
Total Operating Transactions	2,066,609	475,625
Capital Transactions		
Tangible Capital Assets Purchased	(1,715,610)	(3,090,691)
Tangible Capital Assets -WIP Purchased	(421,940)	(510,907)
Total Capital Transactions	(2,137,550)	(3,601,598)
Financing Transactions		
Capital Revenue Received	1,635,715	3,489,067
Capital Lease Payments	(32,263)	(32,098)
Total Financing Transactions	1,603,452	3,456,969
Investing Transactions		
Proceeds on Disposal of Portfolio Investments	9,240	
Investments in Portfolio Investments		(9,240)
Total Investing Transactions	9,240	(9,240)
Net Increase (Decrease) in Cash and Cash Equivalents	1,541,751	321,756
Cash and Cash Equivalents, beginning of year	3,910,865	3,589,109
Cash and Cash Equivalents, end of year	5,452,616	3,910,865
Cash and Cash Equivalents, end of year, is made up of:		
Cash	5,339,338	3,799,152
Cash Equivalents	113,278	111,713
	5,452,616	3,910,865

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 2, 1996 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 51 (Boundary)", and operates as "School District No. 51 (Boundary)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 51 (Boundary) is exempt from federal and provincial corporate income taxes.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (cont'd)

- 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, 2020 – increase in annual surplus by \$2,536,595

June 30, 2020 – increase in accumulated surplus and decrease in deferred contributions by \$16,227,745

Year-ended June 30, 2021 – increase in annual surplus by \$846,047

June 30, 2021 – increase in accumulated surplus and decrease in deferred contributions by \$17,073,792

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) 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 will be recognized in that future period when the courses, services, or products are provided.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Deferred Revenue and Deferred Capital Revenue

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

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, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

g) Asset Retirement Obligations

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

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

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

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 remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School 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.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

i) Tangible Capital Assets

The following criteria apply:

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

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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

Prepaid licenses for software, annual association fees and insurance 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 (see Note 12 – Interfund Transfers and Note 18 – Internally Restricted Surplus).

m) Revenue Recognition

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

Contributions received or 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,

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

m) Revenue Recognition (*cont'd*)

- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

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

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

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

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

n) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes interest paid on capital lease and is included in services.

Categories of Salaries

- Principals, Vice-Principals, and District Principals, Vice-Principals 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 aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

n) Expenditures (*cont'd*)

- 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, and accounts payable and accrued liabilities.

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 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 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.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

q) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2022. A liability will be recognized when, as at the financial reporting date:

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

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

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

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

q) Future Changes in Accounting Policies *(con't)*

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

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

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

NOTE 3 CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are funds in the amount of \$522,156 (2020 – \$434,144), 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 RECEIVABLES

	2021	2020
Other		
GST – Public Service Bodies rebate	\$ 73,436	\$ 89,423
City of Grand Forks	46,200	46,472
BCTF receivable	237	3,251
BDTA receivable	12,069	43,694
Miscellaneous receivables	18,119	29,924
School-based funds	14,261	6,943
	<u>\$ 164,322</u>	<u>\$ 219,707</u>

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2021	2020
Trade payables	\$ 1,110,732	\$ 1,016,304
Salaries and benefits payable	561,233	132,096
Accrued vacation pay	91,376	80,022
Teacher 12-month pay accrual	521,496	427,277
	<u>\$ 2,284,837</u>	<u>\$ 1,655,699</u>

Included in trade payables is \$230,722 (2020 - \$160,423) related to reserve funds for the tennis courts at GFSS and various professional development funds.

NOTE 6 DEFERRED REVENUE

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

	2021	2020
Balance, beginning of year	\$ 327,669	\$ 328,647
Add: Restricted grants	2,313,472	1,840,996
Less: Allocated to revenue	<u>(2,288,659)</u>	<u>(1,841,974)</u>
Balance, end of year	<u>\$ 352,482</u>	<u>\$ 327,669</u>

NOTE 7 DEFERRED CAPITAL REVENUE

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

	2021	2020
Balance, beginning of year	\$ 16,482,338	\$ 13,826,910
Add: Restricted grants	1,635,715	3,489,067
Less: Allocated to revenue	<u>(902,417)</u>	<u>(833,639)</u>
Balance, end of year	<u>\$ 17,215,636</u>	<u>\$ 16,482,338</u>

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

	2021	2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 442,366	\$ 454,292
Service Cost	39,543	37,479
Interest Cost	10,369	11,433
Benefit Payments	(54,379)	(38,313)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	3,898	(22,525)
Accrued Benefit Obligation – March 31	<u>\$ 441,797</u>	<u>\$ 442,366</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 441,797	\$ 442,366
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(441,797)	(442,366)
Employer Contributions After Measurement Date	969	20,771
Benefits Expense After Measurement Date	(12,724)	(12,478)
Unamortized Net Actuarial (Gain) Loss	(8,009)	4,054
Accrued Benefit Asset (Liability) – June 30	<u>\$ (461,561)</u>	<u>\$ (430,019)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 430,019	\$ 416,462
Net expense for Fiscal Year	66,119	67,136
Employer Contributions	(34,577)	(53,579)
Accrued Benefit Liability – June 30	<u>\$ 461,561</u>	<u>\$ 430,019</u>
Components of Net Benefit Expense		
Service Cost	\$ 39,501	\$ 37,995
Interest Cost	10,656	11,167
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	15,962	17,974
Net Benefit Expense (Income)	<u>\$ 66,119</u>	<u>\$ 67,136</u>

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 8 **EMPLOYEE FUTURE BENEFITS** *(Continued)*

	2021	2020
The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:		
Discount Rate – April 1	2.25%	2.50%
Discount Rate – March 31	2.50%	2.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.0	10.0

NOTE 9 **CAPITAL LEASE OBLIGATIONS**

The School District has entered into a fifteen-year capital lease for land and building in Grand Forks, BC. The lease expires on November 1, 2024, at which point the School District has an option to purchase the property for \$1.

Repayments are due as follows:

2022	\$ 33,000
2023	33,000
2024	45,800
Total minimum lease payments	<u>\$ 111,800</u>
Less amounts representing interest at 0.516%	(1,230)
Present value of net minimum capital lease payments	<u>\$ 110,570</u>

Total interest on leases for the year was \$737 (2020: \$902).

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2021	Net Book Value 2020
Sites	\$ 2,129,384	\$ 2,129,384
Buildings	19,748,363	18,767,959
Work in progress	421,940	510,907
Furniture & Equipment	608,731	708,369
Vehicles	844,856	914,288
Computer Software	21,634	28,846
Computer Hardware	617,628	639,259
Total	\$ 24,392,536	\$ 23,699,012

June 30, 2021

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2021
Sites	\$ 2,129,384	\$ -	\$ -	\$ -	\$ 2,129,384
Buildings	42,044,858	1,347,080	-	510,907	43,902,845
Work in progress	510,907	421,940	-	(510,907)	421,940
Furniture & Equipment	1,533,545	53,716	(304,433)	-	1,282,828
Vehicles	1,733,735	103,942	-	-	1,837,677
Computer Software	36,058	-	-	-	36,058
Computer Hardware	1,162,520	210,872	(146,201)	-	1,227,191
Total	\$49,151,007	\$2,137,550	\$ (450,634)	\$ -	\$50,837,923

	Opening Accumulated Amortization	Additions	Disposals	Total 2021
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	23,276,899	877,583	-	24,154,482
Furniture & Equipment	825,176	153,354	(304,433)	674,097
Vehicles	819,447	173,374	-	992,821
Computer Software	7,212	7,212	-	14,424
Computer Hardware	523,261	232,503	(146,201)	609,563
Total	\$ 25,451,995	\$ 1,444,026	\$ (450,634)	\$ 26,445,387

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2020

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2020
Sites	\$2,059,384	\$ 70,000	\$ -	\$ -	\$2,129,384
Buildings	39,210,359	2,834,499	-	-	42,044,858
Work in progress	-	510,907	-	-	510,907
Furniture & Equipment	1,597,816	148,951	(213,222)	-	1,533,545
Vehicles	1,733,735	-	-	-	1,733,735
Computer Software	36,058	-	-	-	36,058
Computer Hardware	1,153,479	107,241	(98,200)	-	1,162,520
Total	\$45,790,831	\$ 3,671,598	\$ (311,422)	\$ -	\$49,151,007

	Opening Accumulated Amortization	Additions	Disposals	Total 2020
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	22,465,009	811,890	-	23,276,899
Furniture & Equipment	878,616	159,782	(213,222)	825,176
Vehicles	646,073	173,374	-	819,447
Computer Software	-	7,212	-	7,212
Computer Hardware	390,766	230,695	(98,200)	523,261
Total	\$ 24,380,464	\$ 1,382,953	\$ (311,422)	\$ 25,451,995

Included in sites are assets held under capital lease with a cost of \$184,053 (2020 - \$184,053).

Included in buildings are assets held under capital lease with a cost of \$335,939 (2020 - \$335,939) and accumulated amortization of \$100,782 (2020 - \$92,383).

Work in progress having a value of \$421,940 (2020 - \$510,907) have not been amortized. Amortization of these assets will commence when the asset is put into service.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering 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, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$1,332,193 for employer contributions to the plans for the year ended June 30, 2021 (2020: \$1,313,799).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in the last quarter of 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 12 INTERFUND TRANSFERS

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

- Operating funds transferred to local capital - \$158,000 (2020 - \$458,000)
- Tangible capital assets purchased from special purpose funds - \$84,441 (2020 - \$80,172)
- Tangible capital assets purchased from operating funds - \$43,365 (2020 - \$99,216)

NOTE 13 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 14 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of 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.

Contractual obligations	2022	2023	2024	2025	2026	Thereafter
Construction contract	\$ 572,312	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 15 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an annual budget on June 22, 2020. While PSAS requires the presentation of the originally planned budget, an amended budget based on more accurate enrollment numbers was approved by the Board and filed with the Ministry of Education on February 9, 2021. Significant changes between the original and amended budget are as follows:

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants MoE	\$ 19,837,674	\$ 20,491,113	\$ 653,439
Amortization of deferred capital revenue	875,872	875,872	-
Other	469,301	477,315	8,014
	<u>\$ 21,182,847</u>	<u>\$ 21,844,300</u>	<u>\$ 661,453</u>
Expenses			
Instruction	\$ 15,119,491	\$ 15,921,253	\$ 801,762
District Administration	925,124	1,025,186	100,062
Operations and Maintenance	4,008,606	4,094,189	85,583
Transportation and Housing	943,325	959,264	15,939
Debt services	737	737	-
	<u>\$ 20,997,283</u>	<u>\$ 22,000,629</u>	<u>\$ 1,003,346</u>

NOTE 16 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2021, the liability is not reasonably determinable.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 17 EXPENSE BY OBJECT

	2021	2020
Salaries and benefits	\$ 16,737,550	\$ 16,360,411
Services and supplies	2,890,187	2,811,725
Interest	737	902
Amortization	1,444,026	1,382,953
	<u>\$ 21,072,500</u>	<u>\$ 20,555,991</u>

NOTE 18 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2021	2020
Internally restricted (appropriated) by Board for:		
Schools and other programs	\$ 112,796	\$ 153,339
Playground equipment, Beaverdell Elementary	5,000	5,000
Speech Services	2,359	2,359
Auditorium Trust	16,715	16,715
Community Network	58,991	30,719
Assessment of Learning Impacts due to COVID-19	58,049	-
Early Career Mentorship program	30,000	-
Facility Upgrade	50,000	-
2021/22 Strategic Direction Initiatives	500,000	-
2021/22 Budget Appropriation	24,215	-
Contingency reserve at 3% of average operating expenditures	522,958	510,076
Subtotal internally restricted	<u>1,381,083</u>	<u>718,208</u>
Unrestricted operating surplus	<u>634,778</u>	<u>229,792</u>
Total available for future operations	<u>\$ 2,015,861</u>	<u>\$ 948,000</u>

NOTE 19 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 20 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.

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 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.

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.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 20 RISK MANAGEMENT *(Continued)*

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 2020 related to credit, market or liquidity risks.

NOTE 21 COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the current year presentation.

School District No. 51 (Boundary)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	948,000		8,445,184	9,393,184	9,378,464
Changes for the year					
Surplus (Deficit) for the year	1,269,226	84,441	(530,038)	823,629	14,720
Interfund Transfers					
Tangible Capital Assets Purchased	(43,365)	(84,441)	127,806	-	-
Local Capital	(125,000)		125,000	-	-
Other	(33,000)		33,000	-	-
Net Changes for the year	1,067,861	-	(244,232)	823,629	14,720
Accumulated Surplus (Deficit), end of year - Statement 2	2,015,861	-	8,200,952	10,216,813	9,393,184

School District No. 51 (Boundary)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	18,434,347	18,376,068	17,550,310
Other	49,258	49,258	49,258
Tuition	13,483		8,100
Other Revenue	51,000	149,022	79,756
Rentals and Leases	50,638	62,773	63,163
Investment Income	44,180	55,624	55,859
Total Revenue	<u>18,642,906</u>	<u>18,692,745</u>	<u>17,806,446</u>
Expenses			
Instruction	13,568,771	13,093,098	13,211,616
District Administration	925,124	1,019,152	921,746
Operations and Maintenance	2,634,040	2,505,734	2,543,172
Transportation and Housing	769,951	805,535	733,800
Total Expense	<u>17,897,886</u>	<u>17,423,519</u>	<u>17,410,334</u>
Operating Surplus (Deficit) for the year	<u>745,020</u>	<u>1,269,226</u>	<u>396,112</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(62,000)	(43,365)	(99,216)
Local Capital	(125,000)	(125,000)	(425,000)
Other	(33,000)	(33,000)	(33,000)
Total Net Transfers	<u>(220,000)</u>	<u>(201,365)</u>	<u>(557,216)</u>
Total Operating Surplus (Deficit), for the year	<u><u>525,020</u></u>	<u><u>1,067,861</u></u>	<u><u>(161,104)</u></u>
Operating Surplus (Deficit), beginning of year		948,000	1,109,104
Operating Surplus (Deficit), end of year		<u><u>2,015,861</u></u>	<u><u>948,000</u></u>
Operating Surplus (Deficit), end of year			
Internally Restricted		1,381,083	718,208
Unrestricted		634,778	229,792
Total Operating Surplus (Deficit), end of year		<u><u>2,015,861</u></u>	<u><u>948,000</u></u>

School District No. 51 (Boundary)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	17,748,211	17,653,862	16,860,056
Other Ministry of Education Grants			
Pay Equity	105,245	105,245	105,245
Student Transportation Fund	153,588	153,588	153,588
Carbon Tax Grant			27,646
Employer Health Tax Grant			125,073
Support Staff Benefits Grant		4,288	
Support Staff Wage Increase Funding			59,019
Teachers' Labour Settlement Funding	371,737	371,737	153,487
Early Career Mentorship Funding		30,000	
FSA Scorer Grant	7,506	7,506	7,506
PLN Revenue	48,060	48,060	53,908
Early Learning Framework Implementation		1,782	1,782
Equity Scan Implementation			3,000
Total Provincial Grants - Ministry of Education	18,434,347	18,376,068	17,550,310
Provincial Grants - Other	49,258	49,258	49,258
Tuition			
International and Out of Province Students	13,483	-	8,100
Total Tuition	13,483	-	8,100
Other Revenues			
Miscellaneous			
ArtsStarts	6,000	-	6,000
Miscellaneous	-	54,022	3,775
City of Grand Forks	45,000	45,000	60,000
BestBuy Grant			9,981
FortisBC Energy Audit Rebate		50,000	
Total Other Revenue	51,000	149,022	79,756
Rentals and Leases	50,638	62,773	63,163
Investment Income	44,180	55,624	55,859
Total Operating Revenue	18,642,906	18,692,745	17,806,446

School District No. 51 (Boundary)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Salaries			
Teachers	6,171,339	6,201,924	6,257,566
Principals and Vice Principals	1,298,126	1,232,237	1,232,557
Educational Assistants	1,649,447	1,155,350	1,341,374
Support Staff	2,063,484	2,618,520	2,280,117
Other Professionals	633,550	717,797	718,131
Substitutes	640,965	450,429	538,754
Total Salaries	12,456,911	12,376,257	12,368,499
Employee Benefits	2,846,585	2,853,824	2,897,038
Total Salaries and Benefits	15,303,496	15,230,081	15,265,537
Services and Supplies			
Services	580,072	578,538	544,353
Student Transportation	134,559	42,589	99,844
Professional Development and Travel	285,630	149,175	224,193
Rentals and Leases	33,528		
Dues and Fees	73,804	76,919	72,138
Insurance	53,400	45,970	52,603
Supplies	961,897	837,586	736,555
Utilities	471,500	462,661	415,111
Total Services and Supplies	2,594,390	2,193,438	2,144,797
Total Operating Expense	17,897,886	17,423,519	17,410,334

School District No. 51 (Boundary)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	5,094,059	230,373		72,607		329,239	5,726,278
1.03 Career Programs						6,573	6,573
1.07 Library Services	95,494			18,342		2,147	115,983
1.08 Counselling	128,358						128,358
1.10 Special Education	747,616	139,827	1,155,350	194,905	51,510	59,173	2,348,381
1.31 Indigenous Education	136,397			207,881		506	344,784
1.41 School Administration		810,434		372,071		30,671	1,213,176
1.64 Other							-
Total Function 1	6,201,924	1,180,634	1,155,350	865,806	51,510	428,309	9,883,533
4 District Administration							
4.11 Educational Administration		51,603		55,160	205,861		312,624
4.40 School District Governance					91,408		91,408
4.41 Business Administration				156,115	121,441		277,556
Total Function 4	-	51,603	-	211,275	418,710	-	681,588
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				19,004	78,030		97,034
5.50 Maintenance Operations				1,034,961	92,075	14,449	1,141,485
5.52 Maintenance of Grounds				89,153			89,153
5.56 Utilities							-
Total Function 5	-	-	-	1,143,118	170,105	14,449	1,327,672
7 Transportation and Housing							
7.41 Transportation and Housing Administration				13,690	77,472		91,162
7.70 Student Transportation				384,631		7,671	392,302
Total Function 7	-	-	-	398,321	77,472	7,671	483,464
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	6,201,924	1,232,237	1,155,350	2,618,520	717,797	450,429	12,376,257

School District No. 51 (Boundary)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
1 Instruction							
1.02 Regular Instruction	5,726,278	1,381,309	7,107,587	559,085	7,666,672	8,067,637	7,872,161
1.03 Career Programs	6,573	933	7,506	1,850	9,356		17,291
1.07 Library Services	115,983	26,907	142,890	13,935	156,825	175,118	160,163
1.08 Counselling	128,358	29,492	157,850		157,850	122,622	119,354
1.10 Special Education	2,348,381	574,866	2,923,247	104,547	3,027,794	3,101,789	3,029,609
1.31 Indigenous Education	344,784	75,788	420,572	92,428	513,000	492,204	481,746
1.41 School Administration	1,213,176	251,242	1,464,418	83,191	1,547,609	1,601,001	1,522,181
1.64 Other	-	-	-	13,992	13,992	8,400	9,111
Total Function 1	9,883,533	2,340,537	12,224,070	869,028	13,093,098	13,568,771	13,211,616
4 District Administration							
4.11 Educational Administration	312,624	60,830	373,454	12,232	385,686	313,216	335,343
4.40 School District Governance	91,408	5,362	96,770	40,068	136,838	148,489	130,008
4.41 Business Administration	277,556	56,279	333,835	162,793	496,628	463,419	456,395
Total Function 4	681,588	122,471	804,059	215,093	1,019,152	925,124	921,746
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	97,034	18,475	115,509	28,371	143,880	142,246	150,654
5.50 Maintenance Operations	1,141,485	249,297	1,390,782	351,112	1,741,894	1,801,331	1,784,459
5.52 Maintenance of Grounds	89,153	20,786	109,939	47,361	157,300	149,505	147,729
5.56 Utilities	-	-	-	462,660	462,660	540,958	460,330
Total Function 5	1,327,672	288,558	1,616,230	889,504	2,505,734	2,634,040	2,543,172
7 Transportation and Housing							
7.41 Transportation and Housing Administration	91,162	17,281	108,443	137	108,580	111,302	103,093
7.70 Student Transportation	392,302	84,977	477,279	219,676	696,955	658,649	630,707
Total Function 7	483,464	102,258	585,722	219,813	805,535	769,951	733,800
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	12,376,257	2,853,824	15,230,081	2,193,438	17,423,519	17,897,886	17,410,334

School District No. 51 (Boundary)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,327,069	2,071,862	1,438,812
Other	27,000	86,908	103,286
Other Revenue	310,000	129,889	299,172
Investment Income			704
Total Revenue	<u>1,664,069</u>	<u>2,288,659</u>	<u>1,841,974</u>
Expenses			
Instruction	1,550,720	2,113,540	1,726,297
Operations and Maintenance	113,349	90,678	35,505
Total Expense	<u>1,664,069</u>	<u>2,204,218</u>	<u>1,761,802</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>84,441</u>	<u>80,172</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(84,441)	(80,172)
Total Net Transfers	<u>-</u>	<u>(84,441)</u>	<u>(80,172)</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. 51 (Boundary)

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

Deferred Revenue, beginning of year

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

Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Provincial Grants - Other
Other Revenue

Expenses

Salaries
Teachers
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
\$	\$	\$	\$	\$	\$	\$	\$	\$
24		318,335	632	389	7,222	-	-	-
113,349	64,238		128,000	19,600	9,269	146,982	25,098	875,377
395		145,278						
113,744	64,238	145,278	128,000	19,600	9,269	146,982	25,098	875,377
111,234	64,238	129,889	128,632	19,989	3,977	146,982	25,098	875,377
2,534	-	333,724	-	-	12,514	-	-	-
111,234	64,238		128,632	19,989	3,977	146,982	25,098	875,377
111,234	64,238	129,889	128,632	19,989	3,977	146,982	25,098	875,377
-	50,631	-	-	-	461	88,383	16,241	710,335
90,678	13,607	129,889	128,632	19,989	3,516	24,798	2,208	165,042
90,678	64,238	129,889	128,632	19,989	3,977	33,801	6,649	875,377
20,556	-	-	-	-	-	146,982	25,098	-
(20,556)						-	-	-
(20,556)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Schedule 3A (Unaudited)

Year Ended June 30, 2021

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School District No. 51 (Boundary)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual			2020 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income			12,308	12,308	18,652
Gain (Loss) on Disposal of Tangible Capital Assets				-	70,000
Amortization of Deferred Capital Revenue	875,872	902,417		902,417	833,639
Total Revenue	<u>875,872</u>	<u>902,417</u>	<u>12,308</u>	<u>914,725</u>	<u>922,291</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,261,217	1,270,652		1,270,652	1,209,579
Transportation and Housing	173,374	173,374		173,374	173,374
Debt Services					
Capital Lease Interest	737		737	737	902
Total Expense	<u>1,435,328</u>	<u>1,444,026</u>	<u>737</u>	<u>1,444,763</u>	<u>1,383,855</u>
Capital Surplus (Deficit) for the year	<u>(559,456)</u>	<u>(541,609)</u>	<u>11,571</u>	<u>(530,038)</u>	<u>(461,564)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	62,000	127,806		127,806	179,388
Local Capital	125,000		125,000	125,000	425,000
Capital Lease Payment	33,000		33,000	33,000	33,000
Total Net Transfers	<u>220,000</u>	<u>127,806</u>	<u>158,000</u>	<u>285,806</u>	<u>637,388</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		261,280	(261,280)	-	
Principal Payment					
Capital Lease		32,263	(32,263)	-	
Total Other Adjustments to Fund Balances		<u>293,543</u>	<u>(293,543)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(339,456)</u>	<u>(120,260)</u>	<u>(123,972)</u>	<u>(244,232)</u>	<u>175,824</u>
Capital Surplus (Deficit), beginning of year		7,354,327	1,090,857	8,445,184	8,269,360
Capital Surplus (Deficit), end of year		<u>7,234,067</u>	<u>966,885</u>	<u>8,200,952</u>	<u>8,445,184</u>

School District No. 51 (Boundary)

Tangible Capital Assets
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,129,384	42,044,858	1,533,545	1,733,735	36,058	1,162,520	48,640,100
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,326,524					1,326,524
Operating Fund			35,190			8,175	43,365
Special Purpose Funds		20,556	18,526			45,359	84,441
Local Capital				103,942		157,338	261,280
Transferred from Work in Progress		510,907					510,907
	-	1,857,987	53,716	103,942	-	210,872	2,226,517
Decrease:							
Deemed Disposals			304,433			146,201	450,634
	-	-	304,433	-	-	146,201	450,634
Cost, end of year	2,129,384	43,902,845	1,282,828	1,837,677	36,058	1,227,191	50,415,983
Work in Progress, end of year		385,650	36,290				421,940
Cost and Work in Progress, end of year	2,129,384	44,288,495	1,319,118	1,837,677	36,058	1,227,191	50,837,923
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		23,276,899	825,176	819,447	7,212	523,261	25,451,995
Decrease:							
Deemed Disposals			153,354	173,374	7,212	232,503	1,444,026
		877,583					
			304,433			146,201	450,634
	-	-	304,433	-	-	146,201	450,634
Accumulated Amortization, end of year	24,154,482	674,097	992,821	992,821	14,424	609,563	26,445,387
Tangible Capital Assets - Net	2,129,384	20,134,013	645,021	844,856	21,634	617,628	24,392,536

School District No. 51 (Boundary)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	510,907				510,907
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	385,650	36,290			421,940
	385,650	36,290	-	-	421,940
Decrease:					
Transferred to Tangible Capital Assets	510,907				510,907
	510,907	-	-	-	510,907
Net Changes for the Year	(125,257)	36,290	-	-	(88,967)
Work in Progress, end of year	385,650	36,290	-	-	421,940

School District No. 51 (Boundary)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	15,563,804	99,666	53,368	15,716,838
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,326,524			1,326,524
Transferred from Work in Progress	510,907			510,907
	1,837,431	-	-	1,837,431
Decrease:				
Amortization of Deferred Capital Revenue	883,748	12,243	6,426	902,417
	883,748	12,243	6,426	902,417
Net Changes for the Year	953,683	(12,243)	(6,426)	935,014
Deferred Capital Revenue, end of year	16,517,487	87,423	46,942	16,651,852
Work in Progress, beginning of year	510,907			510,907
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	421,940			421,940
	421,940	-	-	421,940
Decrease				
Transferred to Deferred Capital Revenue	510,907			510,907
	510,907	-	-	510,907
Net Changes for the Year	(88,967)	-	-	(88,967)
Work in Progress, end of year	421,940	-	-	421,940
Total Deferred Capital Revenue, end of year	16,939,427	87,423	46,942	17,073,792

School District No. 51 (Boundary)

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

	Bylaw Capital	ME'd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	115,182	139,411				254,593
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,633,282	2,433				1,633,282
Investment Income	1,633,282	2,433	-	-	-	2,433
						1,635,715
Decrease:						
Transferred to DCR - Capital Additions	1,326,524					1,326,524
Transferred to DCR - Work in Progress	421,940					421,940
	1,748,464	-	-	-	-	1,748,464
Net Changes for the Year	(115,182)	2,433	-	-	-	(112,749)
Balance, end of year	-	141,844	-	-	-	141,844