

Audited Financial Statements of

School District No. 5 (Southeast Kootenay)

June 30, 2017

School District No. 5 (Southeast Kootenay)

June 30, 2017

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School District No. 5 (Southeast Kootenay)

MANAGEMENT REPORT

Version: 1592-9846-7864

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 5 (Southeast Kootenay) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.


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

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

The Board of Education of School District No. 5 (Southeast Kootenay) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, BDO CANADA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 5 (Southeast Kootenay) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

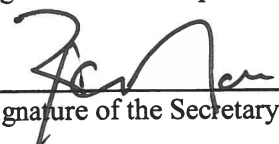
On behalf of School District No. 5 (Southeast Kootenay)



Signature of the Chairperson of the Board of Education Sept 25 / 17
Date Signed



Signature of the Superintendent Sept 20 / 17
Date Signed



Signature of the Secretary Treasurer Sept 20 / 17
Date Signed



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BDO Canada LLP
35 10th Avenue South
Cranbrook BC V1C 2M9 Canada

Independent Auditor's Report

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

We have audited the accompanying financial statements of the School District No. 5 (Southeast Kootenay), which comprise the statement of financial position as at June 30, 2017 and the statements of operations, changes in net debt and cash flows for the years ended June 30, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards modified by B.C. Regulation 198/2011 "Restricted Contributions", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the School District No. 5 (Southeast Kootenay) for the year ended June 30, 2017 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.

Emphasis of Matter

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

BDO Canada LLP

Chartered Professional Accountants

Cranbrook, BC

September 12, 2017

School District No. 5 (Southeast Kootenay)



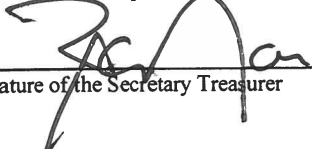
Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	12,574,246	9,256,334
Accounts Receivable		
Due from LEA/Direct Funding	138,898	193,769
Other	246,937	350,836
Total Financial Assets	12,960,081	9,800,939
Liabilities		
Accounts Payable and Accrued Liabilities		
Other	4,485,892	3,909,933
Unearned Revenue	14,400	7,412
Deferred Revenue	2,516,175	1,956,599
Deferred Capital Revenue	59,984,465	60,144,794
Employee Future Benefits	330,600	304,022
Total Liabilities	67,331,532	66,322,760
Net Financial Assets (Debt)	(54,371,451)	(56,521,821)
Non-Financial Assets		
Tangible Capital Assets	73,963,014	74,804,596
Prepaid Expenses	309,466	229,501
Total Non-Financial Assets	74,272,480	75,034,097
Accumulated Surplus (Deficit)	19,901,029	18,512,276

Contractual Obligations and Contingencies

Approved by the Board

 Signature of the Chairperson of the Board of Education	Sept 25 / 17 Date Signed
 Signature of the Superintendent	Sept 20 / 17 Date Signed
 Signature of the Secretary Treasurer	Sept 20 / 17 Date Signed

School District No. 5 (Southeast Kootenay)

Statement of Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	55,846,863	58,233,359	55,120,652
Other	119,576	99,606	506,666
Tuition	357,900	415,173	1,156,453
Other Revenue	2,319,143	3,546,491	2,512,947
Rentals and Leases	228,000	231,367	135,791
Investment Income	63,000	75,838	58,183
Amortization of Deferred Capital Revenue	2,752,526	2,757,837	2,752,526
Total Revenue	<u>61,687,008</u>	<u>65,359,671</u>	<u>62,243,218</u>
Expenses			
Instruction	48,730,373	50,636,311	49,673,718
District Administration	1,968,738	1,970,551	2,113,203
Operations and Maintenance	9,603,779	9,751,262	9,530,241
Transportation and Housing	1,652,082	1,579,474	1,546,391
Scholarships	36,300	33,320	37,240
Total Expense	<u>61,991,272</u>	<u>63,970,918</u>	<u>62,900,793</u>
Surplus (Deficit) for the year	<u>(304,264)</u>	<u>1,388,753</u>	<u>(657,575)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		18,512,276	19,169,851
Accumulated Surplus (Deficit) from Operations, end of year		<u>19,901,029</u>	<u>18,512,276</u>

School District No. 5 (Southeast Kootenay)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(304,264)	1,388,753	(657,575)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,406,239)	(2,640,390)	(3,032,689)
Amortization of Tangible Capital Assets	3,473,217	3,481,972	3,473,217
Total Effect of change in Tangible Capital Assets	1,066,978	841,582	440,528
Acquisition of Prepaid Expenses	(236,070)	(309,466)	(229,501)
Use of Prepaid Expenses	236,070	229,501	236,070
Total Effect of change in Other Non-Financial Assets	-	(79,965)	6,569
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>762,714</u>	2,150,370	(210,478)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		2,150,370	(210,478)
Net Financial Assets (Debt), beginning of year		(56,521,821)	(56,311,343)
Net Financial Assets (Debt), end of year		<u>(54,371,451)</u>	<u>(56,521,821)</u>

School District No. 5 (Southeast Kootenay)

Statement of Cash Flows
Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,388,753	(657,575)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	158,771	790,022
Prepaid Expenses	(79,966)	6,570
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	575,959	263,479
Unearned Revenue	6,988	(607,765)
Deferred Revenue	559,576	140,334
Employee Future Benefits	26,578	12,421
Amortization of Tangible Capital Assets	3,481,972	3,473,217
Amortization of Deferred Capital Revenue	(2,757,837)	(2,752,526)
Total Operating Transactions	<u>3,360,794</u>	<u>668,177</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,640,390)	(3,032,689)
Total Capital Transactions	<u>(2,640,390)</u>	<u>(3,032,689)</u>
Financing Transactions		
Capital Revenue Received	2,597,508	2,908,813
Total Financing Transactions	<u>2,597,508</u>	<u>2,908,813</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,317,912	544,301
Cash and Cash Equivalents, beginning of year	<u>9,256,334</u>	<u>8,712,033</u>
Cash and Cash Equivalents, end of year	<u><u>12,574,246</u></u>	<u><u>9,256,334</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	5,316,187	6,423,000
Cash Equivalents	7,258,059	2,833,334
	<u>12,574,246</u>	<u>9,256,334</u>
Supplementary Cash Flow Information		

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 5 (Southeast Kootenay)", and operates as "School District No. 5 (Southeast Kootenay)." A board of education (Board) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

In September 2010, the Province of British Columbia Treasury Board ("Treasury Board") provided directive through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sector to adopt PSA standards of the Canadian Institute of Chartered Accountants ("CICA") without not-for-profit provisions from their first fiscal year commencing after January 1, 2012. In March 2011, PSAB released a new *Section PS 3410 "Government Transfers"*. In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Notes 2(d) and 2(i).

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

Year-ended June 30, 2016 - overstatement of revenue and annual surplus of \$32,093

June 30, 2016 - understatement of accumulated surplus and an overstatement
of deferred capital revenue by \$59,152,157

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Year-ended June 30, 2017 - overstatement of revenue and annual surplus of \$245,696

June 30, 2017 - understatement of accumulated surplus and an overstatement
of deferred capital revenue by \$58,906,461

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Deferred Revenue and Deferred Capital Revenue

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

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Employee Future Benefits

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

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

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2017 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

f) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

g) Prepaid Expenses

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

h) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund within accumulated surplus when approved (see Note 15 – Internally Restricted Surplus).

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

i) Revenue Recognition

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

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

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

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

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

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

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

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

j) Expenditures

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

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

Categories of Salaries

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

k) Financial Instruments

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

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of re measurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of re measurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

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

l) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2017	June 30, 2016
Due from Federal Government	\$149,018	\$165,469
Other	97,919	185,367
	\$246,937	\$350,836

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2017	June 30, 2016
Trade payables	\$463,861	\$286,401
Salaries and benefits payable	4,022,031	3,623,532
	\$4,485,892	\$3,909,933

NOTE 5 UNEARNED REVENUE

	June 30, 2017	June 30, 2016
Balance, beginning of year	\$7,412	\$615,177
Changes for the year:		
Increase:		
Tuition fees received		541,276
Other	14,400	7,412
Decrease:		
Other recognized	7,412	(1,156,453)
Balance, end of year	\$14,400	\$7,412

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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.

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Ministry of Education Grants	\$533,778	\$249,142
Province of BC Grants	17,821	17,263
School Generated	1,157,010	1,136,839
Federal French	-	26,729
Scholarships	807,566	526,626
	<u>\$2,516,175</u>	<u>\$1,956,599</u>

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Balance, beginning of year	\$1,956,599	\$1,816,265
Changes for the year:		
Increase: Grants and contributions received		
Provincial	2,787,451	1,974,662
Other	3,467,103	2,353,427
Decrease: Grants and contributions recognized		
Provincial	(2,528,986)	(1,994,419)
Other	(3,165,992)	(2,193,336)
Balance, end of year	<u>\$2,516,175</u>	<u>\$1,956,599</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.

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Balance, beginning of year	\$60,144,794	\$59,988,507
Changes for the year:		
Increase:		
Grants and contributions received	2,597,508	2,908,813
Decrease:		
Amortization of deferred capital revenue	(2,757,837)	(2,752,526)
Balance, end of year	<u>\$59,984,465</u>	<u>\$60,144,794</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

	June 30, 2017	June 30, 2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	525,020	506,654
Service Cost	39,014	32,748
Interest Cost	13,380	11,483
Benefit Payments	(66,309)	(49,923)
Increase (Decrease) in obligation due to Plan Amendment	0	(1,495)
Actuarial (Gain) Loss	(1,375)	25,553
Accrued Benefit Obligation – March 31	<u>509,730</u>	<u>525,020</u>
Reconciliation of Funded Status at End of Fiscal Year		
Funded Status - Surplus (Deficit)	(509,730)	(525,020)
Employer Contributions After Measurement Date	0	10,986
Benefit Expenses After Measurement Date	(13,326)	(13,099)
Unamortized Net Actuarial (Gain) Loss	192,456	223,111
Accrued Benefit Asset (Liability) - June 30	<u>(330,600)</u>	<u>(304,022)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	304,022	291,601
Net Expense for Fiscal Year	81,901	73,330
Employer Contributions	(55,323)	(60,909)
Accrued Benefit Liability (Asset) - June 30	<u>330,600</u>	<u>304,022</u>
Components of Net Benefit Expense		
Service Cost	38,968	34,315
Interest Cost	13,653	11,957
Immediate Recognition of Plan Amendment	0	(1,495)
Amortization of Net Actuarial (Gain)/Loss	29,280	28,552
Net Benefit Expense (Income)	<u>81,901</u>	<u>73,330</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
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	11.5	11.5

NOTE 9 TANGIBLE CAPITAL ASSETS

June 30, 2017

Cost:	Balance at June 30, 2016	Additions	Disposals	Balance at June 30, 2017
Sites	\$5,987,977	\$	\$	\$5,987,977
Buildings	131,464,039	2,007,766		133,471,805
Furniture & Equipment	1,994,474	17,009		2,011,483
Vehicles	3,474,393	563,592	340,981	3,697,004
Computer Hardware	1,465,974	52,023	43,268	1,474,729
Total	\$144,386,857	\$2,640,390	\$384,249	\$146,642,998

Accumulated Amortization:	Balance at June 30, 2016	Additions	Disposals	Balance at June 30, 2017
Sites	\$	\$	\$	\$
Buildings	66,421,797	2,629,974		69,051,771
Furniture & Equipment	724,007	199,447		923,454
Vehicles	1,671,045	347,439	340,981	1,677,503
Computer Hardware	765,412	305,112	43,268	1,027,256
Total	\$69,582,261	\$3,481,972	\$384,249	\$72,679,984

Net Book Value	Net Book Value June 30, 2016	Net Book Value June 30, 2017
Sites	\$5,987,977	\$5,987,977
Buildings	65,042,242	64,420,034
Furniture & Equipment	1,270,467	1,088,029
Vehicles	1,803,348	2,019,501
Computer Hardware	700,562	447,473
Total	\$74,804,596	\$73,963,014

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2017

Cost:	Balance at June 30, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ 5,987,977	\$		\$ 5,987,977
Buildings	128,611,838	2,852,201		131,464,039
Furniture & Equipment	2,084,034	40,934	130,494	1,994,474
Vehicles	3,898,932	77,439	501,978	3,474,393
Computer Hardware	1,463,491	62,115	59,632	1,465,974
Total	\$142,046,272	\$3,032,689	\$692,104	\$144,386,857

Accumulated Amortization:	Balance at June 30, 2015	Additions	Disposals	Balance at June 30, 2016
Sites				
Buildings	\$63,839,575	\$2,582,222		\$66,421,797
Furniture & Equipment	646,097	208,404	130,494	724,007
Vehicles	1,783,130	389,893	501,978	1,671,045
Computer Hardware	532,346	292,698	59,632	765,412
Total	\$66,801,148	\$3,473,217	\$692,104	\$69,582,261

Net Book Value	Net Book Value June 30, 2015	Net Book Value June 30, 2016
Sites	\$ 5,987,977	\$ 5,987,977
Buildings	64,772,263	65,042,242
Furniture & Equipment	1,437,937	1,270,467
Vehicles	2,115,802	1,803,348
Computer Hardware	931,145	700,562
Total	\$75,245,124	\$74,804,596

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 10 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2016 the Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 37,000 retired members from school districts. As of December 31, 2016 the Municipal Pension Plan has about 193,000 active members, of which approximately 24,000 are from school districts.

The latest actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits. As a result of the 2014 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased. The next valuation will be December 31, 2017, with results available in 2018.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged. The next valuation will be December 31, 2018, with results available in 2019.

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

School District No. 5 (Southeast Kootenay) expensed \$4,797,045 (2016 - \$5,143,694) for employer contributions to these plans in the year ended June 30, 2017.

NOTE 11 RELATED PARTY TRANSACTIONS

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 12 CONTRACTUAL OBLIGATIONS

Lease Commitments:

The School District has equipment under operating leases. Lease commitments over the next years are due as follows:

Fiscal Year	Amount
2017-18	\$ 65,954
2018-19	\$ 55,881
2019-20	\$ 55,881
2020-21	\$ 55,881

NOTE 13 CONTINGENCIES

In the ordinary course of operations, the School District has legal proceedings brought against it which remain outstanding at the year end. It is the opinion of management that final determination of these claims will not have material effect on the financial position or operations of the School District.

NOTE 14 EXPENSE BY OBJECT

	June 30, 2017	June 30, 2016
Salaries and benefits	\$50,358,496	\$49,730,049
Services and supplies	10,130,450	9,697,527
Amortization	<u>3,481,972</u>	<u>3,473,217</u>
	<u>\$63,970,918</u>	<u>\$62,900,793</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Appropriations Summary	June 2017	June 2016
Special Education		
- District Summary	384,101	276,802
- Itinerant Summary 707	140,782	168,249
- Feb Recalc grant	47,275	18,850
	<u>572,158</u>	<u>463,901</u>
Schools		
- Operating	117,789	189,127
- Learning Resources	130,442	149,707
- Growth Plans	62,168	57,869
- School Based Special Ed	38,751	38,938
	<u>349,150</u>	<u>435,641</u>
Other appropriations		
Contractual Pro-D	87,131	94,869
Aboriginal Education 131	193,693	113,098
Technology Program 701	125,979	78,200
Education Accounts 703	46,278	93,635
Resource Center 704	4,826	1,100
Education Plan 708	294	67,484
Capital Support Fund – New Schools	300,000	
Operating – Enrolment Loss	80,000	
Operating Projects	223,905	89,055
Transportation Fund	273,437	
Student Learning grant	183,143	
PSEC Compensation Plan	150,000	290,125
Performance review requirement	110,400	
Capital Planning Initiatives	50,000	
5 year Technology Plan	500,000	
Classroom Enhancement Fund - Reserve	309,000	
Communications VOIP- Fund 3	80,000	80,000
Software - Follett Lib - Fund 3		52,000
	<u>2,718,086</u>	<u>959,566</u>
Appropriations - Restricted	<u><u>3,639,394</u></u>	<u><u>1,859,108</u></u>
Surplus Summary 2017		
Surplus Beginning of year	2,241,410	2,454,595
Surplus /Deficit for year	2,082,192	16,815
Transfer to Local Capital	(232,000)	(230,000)
Accumulated Surplus/(Deficit)	<u>4,091,602</u>	<u>2,241,410</u>
Appropriations – Restricted	<u>3,639,394</u>	<u>1,859,108</u>
Appropriations – Unrestricted	<u>452,208</u>	<u>382,302</u>
Accumulated Surplus/(Deficit)	<u><u>4,091,602</u></u>	<u><u>2,241,410</u></u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 16 ECONOMIC DEPENDENCE

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

NOTE 17 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

b) Liquidity risk

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

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

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



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35 10th Avenue South
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Notice to Reader

Management has compiled the supplementary schedules of School District No. 5 Southeast Kootenay for the year ended June 30, 2017 and are for the purpose of additional analysis and are not a required part of the financial statements.

We have not performed an audit or a review engagement in respect to this financial information and, accordingly, we express no assurance thereon.

Readers are cautioned that this financial information may not be appropriate for their purposes.

BDO Canada LLP

Chartered Professional Accountants

September 12, 2017
Cranbrook, BC

School District No. 5 (Southeast Kootenay)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2017

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,241,410		16,270,866	18,512,276	19,169,851
Changes for the year					
Surplus (Deficit) for the year	2,082,192		(693,439)	1,388,753	(657,575)
Interfund Transfers	(232,000)		232,000	-	
Local Capital	1,850,192	-	(461,439)	1,388,753	(657,575)
Net Changes for the year	4,091,602	-	15,809,427	19,901,029	18,512,276
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 5 (Southeast Kootenay)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	53,687,416	55,803,979	53,632,899
Tuition	357,900	415,173	1,156,453
Other Revenue	245,612	374,081	327,774
Rentals and Leases	228,000	231,367	135,791
Investment Income	50,000	51,560	42,549
Total Revenue	54,568,928	56,876,160	55,295,466
Expenses			
Instruction	44,717,546	44,974,653	45,574,033
District Administration	1,968,738	1,970,551	2,101,203
Operations and Maintenance	6,130,562	6,269,290	6,057,024
Transportation and Housing	1,652,082	1,579,474	1,546,391
Total Expense	54,468,928	54,793,968	55,278,651
Operating Surplus (Deficit) for the year	100,000	2,082,192	16,815
Net Transfers (to) from other funds			
Local Capital	(100,000)	(232,000)	(230,000)
Total Net Transfers	(100,000)	(232,000)	(230,000)
Total Operating Surplus (Deficit), for the year	-	1,850,192	(213,185)
Operating Surplus (Deficit), beginning of year		2,241,410	2,454,595
Operating Surplus (Deficit), end of year		4,091,602	2,241,410
Operating Surplus (Deficit), end of year			
Internally Restricted		3,636,394	1,859,108
Unrestricted		455,208	382,302
Total Operating Surplus (Deficit), end of year		4,091,602	2,241,410

School District No. 5 (Southeast Kootenay)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	53,987,339	54,474,101	53,281,730
INAC/LEA Recovery	(235,612)	(235,612)	(261,218)
Other Ministry of Education Grants			
Pay Equity	457,171	457,171	457,171
Funding for Graduated Adults			7,420
Transportation Supplement		361,459	
Economic Stability Dividend		28,993	39,807
Return of Administrative Savings		277,377	
Carbon Tax Grant	85,000	81,753	79,273
Student Learning Grant		273,050	
FSA Scorer		8,187	8,696
Other Grants			20,020
Growing Innovation		60,000	
Shoulder Tapper		17,500	
Enrollment/Other Adjustments to MOE Operating Grant	(606,482)		
Total Provincial Grants - Ministry of Education	53,687,416	55,803,979	53,632,899
Tuition			
International and Out of Province Students	357,900	415,173	1,156,453
Total Tuition	357,900	415,173	1,156,453
Other Revenues			
LEA/Direct Funding from First Nations	235,612	233,166	206,480
Miscellaneous			
Miscellaneous	10,000	27,574	23,882
Industry Training Authority		54,300	78,872
Courtesy Riders		8,591	7,340
Art Starts		11,200	11,200
Health Proming Schools		27,000	
KDS Fees		12,250	
Total Other Revenue	245,612	374,081	327,774
Rentals and Leases	228,000	231,367	135,791
Investment Income	50,000	51,560	42,549
Total Operating Revenue	54,568,928	56,876,160	55,295,466

School District No. 5 (Southeast Kootenay)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	22,599,767	22,400,052	21,801,055
Principals and Vice Principals	3,512,867	3,570,983	3,486,887
Educational Assistants	3,697,087	4,184,857	4,060,179
Support Staff	5,068,665	4,895,937	4,907,641
Other Professionals	1,615,563	1,597,392	1,755,323
Substitutes	1,656,239	2,118,464	2,182,267
Total Salaries	38,150,188	38,767,685	38,193,352
Employee Benefits	10,076,052	9,442,787	9,905,453
Total Salaries and Benefits	48,226,240	48,210,472	48,098,805
Services and Supplies			
Services	1,254,329	2,153,253	2,291,754
Student Transportation	29,500	61,847	39,667
Professional Development and Travel	539,808	644,172	597,088
Rentals and Leases	70,000	71,027	59,419
Dues and Fees	71,700	68,243	72,968
Insurance	137,319	107,269	201,546
Supplies	3,007,032	2,330,518	2,847,992
Utilities	1,133,000	1,147,167	1,069,412
Total Services and Supplies	6,242,688	6,583,496	7,179,846
Total Operating Expense	54,468,928	54,793,968	55,278,651

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	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	18,610,000	1,359,456		287,427	33,473	1,476,958	21,767,314
1.03 Career Programs	77,876					3,811	81,687
1.07 Library Services	526,441			135,690		29,173	691,304
1.08 Counselling	722,921					35,378	758,299
1.10 Special Education	2,383,338	103,637	3,686,636	19,129	402,353	337,872	6,932,965
1.30 English Language Learning	79,476					3,811	83,287
1.31 Aboriginal Education		67,195	498,221		77,675		643,091
1.41 School Administration		1,939,307		846,437			2,874,061
1.60 Summer School							-
1.62 International and Out of Province Students							-
Total Function 1	22,400,052	3,469,595	4,184,857	1,288,683	513,501	1,975,320	33,832,008
4 District Administration							
4.11 Educational Administration		101,388			201,665	25,195	328,248
4.40 School District Governance				186,030	116,001		116,001
4.41 Business Administration					618,148	3,181	807,359
Total Function 4	-	101,388	-	186,030	935,814	28,376	1,251,608
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				61,359	129,883	210	191,452
5.50 Maintenance Operations				2,411,127		78,692	2,489,819
5.52 Maintenance of Grounds				124,365		762	125,127
5.56 Utilities							-
Total Function 5	-	-	-	2,596,851	129,883	79,664	2,806,398
7 Transportation and Housing							
7.41 Transportation and Housing Administration					18,194		18,194
7.70 Student Transportation				824,373		35,104	859,477
Total Function 7	-	-	-	824,373	18,194	35,104	877,671
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	22,400,052	3,570,983	4,184,857	4,895,937	1,597,392	2,118,464	38,767,685

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,767,314	5,011,394	26,778,708	2,181,714	28,960,422	29,297,516	29,397,268
1.03 Career Programs	81,687	20,313	102,000	64,875	166,875	179,684	158,990
1.07 Library Services	691,304	178,806	870,110	85,702	955,812	899,192	965,759
1.08 Counselling	758,299	188,567	946,866	2,849	949,715	933,954	885,524
1.10 Special Education	6,932,965	1,804,165	8,737,130	429,634	9,166,764	8,550,856	8,619,265
1.30 English Language Learning	83,287	20,313	103,600	4,017	107,617	64,000	73,479
1.31 Aboriginal Education	643,091	181,868	824,959	194,156	1,019,115	1,015,750	1,007,172
1.41 School Administration	2,874,061	735,447	3,609,508	38,825	3,648,333	3,776,594	3,694,331
1.60 Summer School	-	-	-	-	-	-	25,512
1.62 International and Out of Province Students	-	-	-	-	-	-	746,733
Total Function 1	33,832,008	8,140,873	41,972,881	3,001,772	44,974,653	44,717,546	45,574,033
4 District Administration							
4.11 Educational Administration	328,248	75,086	403,334	105,113	508,447	474,646	517,701
4.40 School District Governance	116,001	1,704	117,705	91,168	208,873	222,630	251,508
4.41 Business Administration	807,359	207,732	1,015,091	238,140	1,253,231	1,271,462	1,331,994
Total Function 4	1,251,608	284,522	1,536,130	434,421	1,970,551	1,968,738	2,101,203
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	191,452	44,198	235,650	88,984	324,634	352,139	363,077
5.50 Maintenance Operations	2,489,819	680,763	3,170,582	1,174,102	4,344,684	4,315,908	4,304,670
5.52 Maintenance of Grounds	125,127	28,204	153,331	299,474	452,805	329,515	319,865
5.56 Utilities	-	-	-	1,147,167	1,147,167	1,133,000	1,069,412
Total Function 5	2,806,398	753,165	3,559,563	2,709,727	6,269,290	6,130,562	6,057,024
7 Transportation and Housing							
7.41 Transportation and Housing Administration	18,194	7,205	25,399	1,301	26,700	62,919	30,234
7.70 Student Transportation	859,477	257,022	1,116,499	436,275	1,552,774	1,589,163	1,516,157
Total Function 7	877,671	264,227	1,141,898	437,576	1,579,474	1,652,082	1,546,391
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	38,767,685	9,442,787	48,210,472	6,583,496	54,793,968	54,468,928	55,278,651

School District No. 5 (Southeast Kootenay)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,159,447	2,429,380	1,487,753
Other	119,576	99,606	506,666
Other Revenue	2,073,531	3,151,932	2,185,173
Investment Income	8,000	14,060	8,163
Total Revenue	4,360,554	5,694,978	4,187,755
Expenses			
Instruction	4,012,827	5,661,658	4,099,685
District Administration			12,000
Scholarships	36,300	33,320	37,240
Total Expense	4,049,127	5,694,978	4,148,925
Special Purpose Surplus (Deficit) for the year	311,427	-	38,830
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(311,427)		(38,830)
Total Net Transfers	(311,427)	-	(38,830)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 5 (Southeast Kootenay)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2017

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	150,029		20,955	526,626	1,136,839		7,500	26,729	37,326
Add: Restricted Grants									
Provincial Grants - Ministry of Education	311,427	1,109,209				128,982	26,950	142,602	352,597
Provincial Grants - Other				300,200	3,150,843				
Other				14,060					
Investment Income				314,260	3,150,843	128,982	26,950	142,602	352,597
Less: Allocated to Revenue	73,290	1,109,209	1,174	33,320	3,130,672	128,982	26,866	169,331	343,466
Deferred Revenue, end of year	388,166	-	19,781	807,566	1,157,010	-	7,584	-	46,457
Revenues	73,290	1,109,209	1,174			128,982	26,866	169,331	343,466
Provincial Grants - Ministry of Education									
Provincial Grants - Other				19,260	3,130,672				
Other Revenue				14,060					
Investment Income				33,320	3,130,672	128,982	26,866	169,331	343,466
Expenses									
Salaries									
Teachers		677,488							
Educational Assistants		160,372							
Other Professionals									
Substitutes		38,754							
Employee Benefits		876,614							
Services and Supplies		232,595							
Net Revenue (Expense) before Interfund Transfers	73,290	1,109,209	1,174	33,320	3,130,672	128,982	26,866	169,331	343,466
Interfund Transfers									
Net Revenue (Expense)									

School District No. 5 (Southeast Kootenay)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Coding and Curriculum Implementation	Priority Measures	MCF Programs	Attendance Support	Clear Sky Summit	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			17,263	33,332		1,956,599
Add: Restricted Grants						
Provincial Grants - Ministry of Education	62,630	552,890				2,687,287
Provincial Grants - Other			100,164		2,000	100,164
Other						3,453,043
Investment Income						14,060
Less: Allocated to Revenue						
Deferred Revenue, end of year	44,264	532,798	99,606		2,000	6,254,554
	18,366	20,092	17,821	33,332	-	5,694,978
						2,516,175
Revenues						
Provincial Grants - Ministry of Education	44,264	532,798				2,429,380
Provincial Grants - Other			99,606		2,000	99,606
Other Revenue						3,151,932
Investment Income						14,060
Expenses						
Salaries	44,264	532,798	99,606		2,000	5,694,978
Teachers		377,645				1,085,980
Educational Assistants						439,893
Other Professionals			74,706			74,706
Substitutes		56,676				98,810
Employee Benefits		434,321	74,706			1,699,389
Services and Supplies	44,264	98,477	16,377			448,635
	44,264	8,523			2,000	3,546,954
	44,264	532,798	99,606		2,000	5,694,978
Net Revenue (Expense) before Interfund Transfers						
Interfund Transfers						
Net Revenue (Expense)						

School District No. 5 (Southeast Kootenay)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Other Revenue			20,478	20,478	
Investment Income	5,000		10,218	10,218	7,471
Amortization of Deferred Capital Revenue	2,752,526	2,757,837		2,757,837	2,752,526
Total Revenue	2,757,526	2,757,837	30,696	2,788,533	2,759,997
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,473,217	3,481,972		3,481,972	3,473,217
Total Expense	3,473,217	3,481,972	-	3,481,972	3,473,217
Capital Surplus (Deficit) for the year	(715,691)	(724,135)	30,696	(693,439)	(713,220)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	311,427			-	38,830
Local Capital	100,000		232,000	232,000	230,000
Total Net Transfers	411,427	-	232,000	232,000	268,830
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		128,249	(128,249)	-	
Total Other Adjustments to Fund Balances		128,249	(128,249)	-	
Total Capital Surplus (Deficit) for the year	(304,264)	(595,886)	134,447	(461,439)	(444,390)
Capital Surplus (Deficit), beginning of year		15,652,439	618,427	16,270,866	16,715,256
Capital Surplus (Deficit), end of year		15,056,553	752,874	15,809,427	16,270,866

School District No. 5 (Southeast Kootenay)

Tangible Capital Assets
Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,987,977	131,464,039	1,994,474	3,474,393	-	1,465,974	144,386,857
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,007,766	3,070	501,305			2,509,071
Deferred Capital Revenue - Other			13,939	62,287		52,023	3,070
Local Capital		2,007,766	17,009	563,592		52,023	128,249
Decrease:							
Deemed Disposals				340,981		43,268	2,640,390
Cost, end of year	5,987,977	133,471,805	2,011,483	3,697,004	-	1,474,729	384,249
Work in Progress, end of year							384,249
Cost and Work in Progress, end of year	5,987,977	133,471,805	2,011,483	3,697,004	-	1,474,729	146,642,998
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		66,421,797	724,007	1,671,045		765,412	69,582,261
Decrease:							
Deemed Disposals		2,629,974	199,447	347,439		305,112	3,481,972
Accumulated Amortization, end of year		69,051,771	923,454	1,677,503		43,268	384,249
Tangible Capital Assets - Net	5,987,977	64,420,034	1,088,029	2,019,501	-	447,473	73,963,014

School District No. 5 (Southeast Kootenay)

Deferred Capital Revenue
Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	57,122,736	1,736,484	292,937	59,152,157
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,509,071	600	2,470	2,512,141
	<u>2,509,071</u>	<u>600</u>	<u>2,470</u>	<u>2,512,141</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,630,540	48,936	78,361	2,757,837
	<u>2,630,540</u>	<u>48,936</u>	<u>78,361</u>	<u>2,757,837</u>
Net Changes for the Year	<u>(121,469)</u>	<u>(48,336)</u>	<u>(75,891)</u>	<u>(245,696)</u>
Deferred Capital Revenue, end of year	<u>57,001,267</u>	<u>1,688,148</u>	<u>217,046</u>	<u>58,906,461</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>57,001,267</u>	<u>1,688,148</u>	<u>217,046</u>	<u>58,906,461</u>

School District No. 5 (Southeast Kootenay)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2017

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 316,006	\$ 674,161			\$ 2,470	\$ 992,637
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,516,951					2,516,951
Provincial Grants - Other		11,550	69,007			69,007
Investment Income	2,516,951	11,550	69,007	-	-	2,597,508
Decrease:						
Transferred to DCR - Capital Additions	2,509,071		600		2,470	2,512,141
	2,509,071	-	600	-	2,470	2,512,141
Net Changes for the Year	7,880	11,550	68,407	-	(2,470)	85,367
Balance, end of year	323,886	685,711	68,407	-	-	1,078,004