

Audited Financial Statements of

School District No. 5 (Southeast Kootenay)

June 30, 2018

School District No. 5 (Southeast Kootenay)

June 30, 2018

Table of Contents

Management Report	1
Independent Auditors' Report	2
Statement of Financial Position - Statement 1	3
Statement of Operations - Statement 2	4
Statement of Changes in Net Financial Assets (Debt) - Statement 4	5
Statement of Cash Flows - Statement 5	6
Notes to the Financial Statements	
Auditors' Comments on Supplementary Financial Information	7
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	8
Schedule of Operating Operations - Schedule 2 (Unaudited)	9
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	10
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	11
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	12
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	14
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	15
Schedule of Capital Operations - Schedule 4 (Unaudited)	17
Schedule 4A - Tangible Capital Assets (Unaudited)	18
Schedule 4C - Deferred Capital Revenue (Unaudited)	19
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	20



Tel: 250-426-4285
Fax: 250-426-8886
Toll-Free: 800-993-3313
www.bdo.ca

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, 2018 and the statements of operations, changes in net debt and cash flows for the years ended June 30, 2018, 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, 2018 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.

Chartered Professional Accountants

Cranbrook, BC
September 17, 2018

School District No. 5 (Southeast Kootenay)

MANAGEMENT REPORT

Version: 5683-4937-2955

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 17 / 2018
Date Signed


Signature of the Superintendent Sept 18 / 18
Date Signed


Signature of the Secretary Treasurer Sept 18 / 18
Date Signed


School District No. 5 (Southeast Kootenay)

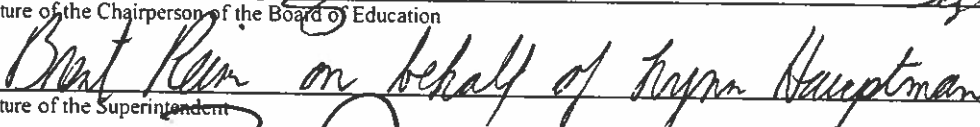
Statement of Financial Position

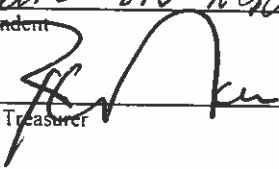
As at June 30, 2018

	2018 Actual \$	2017 Actual \$
Financial Assets		
Cash and Cash Equivalents	12,905,955	12,574,246
Accounts Receivable		
Due from LEA/Direct Funding	138,721	138,898
Other (Note 3)	248,759	246,937
Total Financial Assets	<u>13,293,435</u>	<u>12,960,081</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,571,830	4,485,892
Unearned Revenue (Note 5)		14,400
Deferred Revenue (Note 6)	2,405,348	2,516,175
Deferred Capital Revenue (Note 7)	59,301,728	59,984,465
Employee Future Benefits (Note 8)	328,505	330,600
Total Liabilities	<u>66,607,411</u>	<u>67,331,532</u>
Net Financial Assets (Debt)	<u>(53,313,976)</u>	<u>(54,371,451)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 9)	73,363,190	73,963,014
Prepaid Expenses	436,549	309,466
Total Non-Financial Assets	<u>73,799,739</u>	<u>74,272,480</u>
Accumulated Surplus (Deficit)	<u>20,485,763</u>	<u>19,901,029</u>

Approved by the Board


 Signature of the Chairperson of the Board of Education Sept 17 / 2018
Date Signed


 Signature of the Superintendent Sept 18 / 18
Date Signed


 Signature of the Secretary Treasurer Sept 18 / 18
Date Signed

School District No. 5 (Southeast Kootenay)Statement of Operations
Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	61,674,996	60,647,830	58,233,359
Other	251,766	109,421	99,606
Tuition	433,080	480,028	415,173
Other Revenue	3,318,156	2,979,534	3,546,491
Rentals and Leases	228,000	231,528	231,367
Investment Income	73,000	152,293	75,838
Amortization of Deferred Capital Revenue	2,757,837	2,830,062	2,757,837
Total Revenue	<u>68,736,835</u>	<u>67,430,696</u>	<u>65,359,671</u>
Expenses			
Instruction	54,821,845	53,116,591	50,636,311
District Administration	2,024,750	2,196,372	1,970,551
Operations and Maintenance	9,914,439	9,802,860	9,751,262
Transportation and Housing	1,853,522	1,696,739	1,579,474
Scholarships	45,000	33,400	33,320
Total Expense	<u>68,659,556</u>	<u>66,845,962</u>	<u>63,970,918</u>
Surplus (Deficit) for the year	<u>77,279</u>	<u>584,734</u>	<u>1,388,753</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		19,901,029	18,512,276
Accumulated Surplus (Deficit) from Operations, end of year		<u>20,485,763</u>	<u>19,901,029</u>

School District No. 5 (Southeast Kootenay)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>77,279</u>	<u>584,734</u>	<u>1,388,753</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,780,346)	(2,944,420)	(2,640,390)
Amortization of Tangible Capital Assets	3,470,055	3,544,244	3,481,972
Total Effect of change in Tangible Capital Assets	<u>689,709</u>	<u>599,824</u>	<u>841,582</u>
Acquisition of Prepaid Expenses	(229,501)	(436,549)	(309,466)
Use of Prepaid Expenses	229,501	309,466	229,501
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(127,083)</u>	<u>(79,965)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>766,988</u>	<u>1,057,475</u>	<u>2,150,370</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>1,057,475</u>	<u>2,150,370</u>
Net Financial Assets (Debt), beginning of year		<u>(54,371,451)</u>	<u>(56,521,821)</u>
Net Financial Assets (Debt), end of year		<u>(53,313,976)</u>	<u>(54,371,451)</u>

School District No. 5 (Southeast Kootenay)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	584,734	1,388,753
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,645)	158,771
Prepaid Expenses	(127,082)	(79,966)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	85,937	575,959
Unearned Revenue	(14,400)	6,988
Deferred Revenue	(110,827)	559,576
Employee Future Benefits	(2,095)	26,578
Amortization of Tangible Capital Assets	3,544,244	3,481,972
Amortization of Deferred Capital Revenue	(2,830,062)	(2,757,837)
Total Operating Transactions	1,128,804	3,360,794
Capital Transactions		
Tangible Capital Assets Purchased	(2,944,420)	(2,640,390)
Total Capital Transactions	(2,944,420)	(2,640,390)
Financing Transactions		
Capital Revenue Received	2,147,325	2,597,508
Total Financing Transactions	2,147,325	2,597,508
Net Increase (Decrease) in Cash and Cash Equivalents	331,709	3,317,912
Cash and Cash Equivalents, beginning of year	12,574,246	9,256,334
Cash and Cash Equivalents, end of year	12,905,955	12,574,246
Cash and Cash Equivalents, end of year, is made up of:		
Cash	6,297,338	5,316,187
Cash Equivalents	6,608,617	7,258,059
	12,905,955	12,574,246

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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, 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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Year-ended June 30, 2018 - overstatement of revenue and annual surplus of \$338,661

June 30, 2018 - understatement of accumulated surplus and an overstatement of deferred capital revenue by \$58,567,800

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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

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

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, 2018

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2018	June 30, 2017
Due from Federal Government	\$152,516	\$149,018
Other	96,243	97,919
	\$248,759	\$246,937

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2018	June 30, 2017
Trade payables	\$449,659	\$463,861
Salaries and benefits payable	4,122,171	4,022,031
	\$4,571,830	\$4,485,892

NOTE 5 UNEARNED REVENUE

	June 30, 2018	June 30, 2017
Balance, beginning of year	\$14,400	\$7,412
Changes for the year:		
Increase:		
Other	-	14,400
Decrease:		
Other recognized	14,400	7,412
Balance, end of year	\$0	\$14,400

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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.

	June 30, 2018	June 30, 2017
Ministry of Education Grants	\$411,733	\$533,778
Province of BC Grants	16,064	17,821
School Generated	1,172,566	1,157,010
Scholarships	802,985	807,566
Other	2,000	-
	<u>\$2,405,348</u>	<u>\$2,516,175</u>
	June 30, 2018	June 30, 2017
Balance, beginning of year	\$2,516,175	\$1,956,599
Changes for the year:		
Increase: Grants and contributions received		
Provincial	3,864,131	2,787,451
Other	2,576,736	3,467,103
Decrease: Grants and contributions recognized		
Provincial	(3,987,933)	(2,528,986)
Other	(2,563,761)	(3,165,992)
Balance, end of year	<u>\$2,405,348</u>	<u>\$2,516,175</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.

	June 30, 2018	June 30, 2017
Balance, beginning of year	\$59,984,465	\$60,144,794
Changes for the year:		
Increase:		
Grants and contributions received	2,147,325	2,597,508
Decrease:		
Amortization of deferred capital revenue	(2,830,062)	(2,757,837)
Balance, end of year	<u>\$59,301,728</u>	<u>\$59,984,465</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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, 2018	June 30, 2017
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	509,730	525,020
Service Cost	38,832	39,014
Interest Cost	14,472	13,380
Benefit Payments	(72,710)	(66,309)
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	31,099	(1,375)
Accrued Benefit Obligation – March 31	<u>521,423</u>	<u>509,730</u>
 Reconciliation of Funded Status at End of Fiscal Year		
Funded Status - Surplus (Deficit)	(521,423)	(509,730)
Employer Contributions After Measurement Date	12,974	0
Benefit Expenses After Measurement Date	(14,451)	(13,326)
Unamortized Net Actuarial (Gain) Loss	194,395	192,456
Accrued Benefit Asset (Liability) - June 30	<u>(328,505)</u>	<u>(330,600)</u>
 Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	330,600	304,022
Net Expense for Fiscal Year	83,589	81,901
Employer Contributions	(85,684)	(55,323)
Accrued Benefit Liability (Asset) - June 30	<u>328,505</u>	<u>330,600</u>
 Components of Net Benefit Expense		
Service Cost	39,846	38,968
Interest Cost	14,583	13,653
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	29,160	29,280
Net Benefit Expense (Income)	<u>83,589</u>	<u>81,901</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

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

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Discount Rate – April 1	2.75%	2.50%
Discount Rate – March 31	2.75%	2.75%
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, 2018

Cost:	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2018</u>
Sites	\$ 5,987,977	\$	\$	\$ 5,987,977
Buildings	133,471,805	2,750,914		136,222,719
Furniture & Equipment	2,011,483	105,009	3,921	2,112,571
Vehicles	3,697,004	74,507	311,017	3,460,494
Computer Hardware	1,474,729	13,990	1,017,412	471,307
Total	\$146,642,998	\$2,944,420	\$1,332,350	\$148,255,068

Accumulated Amortization:	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2018</u>
Sites	\$	\$	\$	\$
Buildings	69,051,771	2,678,440		71,730,211
Furniture & Equipment	923,454	201,148	3,921	1,120,681
Vehicles	1,677,503	369,700	311,017	1,736,186
Computer Hardware	1,027,256	294,956	1,017,412	304,800
Total	\$72,679,984	\$3,544,244	\$1,332,350	\$74,891,878

Net Book Value	<u>Net Book Value June 30, 2017</u>	<u>Net Book Value June 30, 2018</u>
Sites	\$ 5,987,977	\$ 5,987,977
Buildings	64,420,034	64,492,508
Furniture & Equipment	1,088,029	991,890
Vehicles	2,019,501	1,724,308
Computer Hardware	447,473	166,507
Total	\$73,963,014	\$73,363,190

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2018

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, 2018

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, 2017 the Teachers' Pension Plan has about 46,000 active members from school districts, and approximately 38,000 retired members from school districts. As of December 31, 2017 the Municipal Pension Plan has about 197,000 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 \$5,108,944 (2017- \$4,797,045) for employer contributions to these plans in the year ended June 30, 2018.

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, 2018

NOTE 12 CONTRACTUAL OBLIGATIONS

Lease Commitments:

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

Fiscal Year	Amount
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, 2018	June 30, 2017
Salaries and benefits	\$53,105,303	\$50,358,496
Services and supplies	10,196,415	10,130,450
Amortization	<u>3,544,244</u>	<u>3,481,972</u>
	<u>\$66,845,962</u>	<u>\$63,970,918</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Appropriations Summary	June 2018	June 2017
<u>Special Education</u>		
- District Summary	378,759	384,101
- Itinerant Summary 707	13,718	140,782
- Feb Recalc grant	47,675	47,275
	440,152	572,158
<u>Schools</u>		
- Operating	108,725	117,789
- Learning Resources	84,129	130,442
- Growth Plans	63,633	62,168
- School Based Special Ed	52,278	38,751
	308,765	349,150
<u>Other appropriations</u>		
Contractual Pro-D	99,607	87,131
Aboriginal Education 131	128,835	193,693
Technology Program 701	337,807	125,979
Student Learning 702	(11,352)	183,143
Education Accounts 703	80,503	46,278
Resource Center 704	10,708	4,826
Education Plan 708	(1,473)	294
Capital support fund - Major Projects	500,000	300,000
Capital support fund - Kootenay Learning Campus	1,500,000	
Operating - Enrolment loss		80,000
Operating Projects	160,374	223,905
Transportation Fund	376,199	273,437
PSEC Compensation Plan		150,000
Performance review requirement		110,400
Capital Planning Initiatives - Consultants		47,000
5 year Technology Plan		500,000
Classroom Enhancement Fund - Reserve		309,000
Communications VOIP- Local Capital		80,000
	3,181,208	2,718,086
Appropriations - Restricted	3,930,125	3,639,394
<u>Surplus Summary June 2018</u>		
Surplus Beginning of year	4,091,602	2,241,410
Surplus/Deficit for year	940,030	2,082,192
Transfer to Local Capital	(577,500)	(232,000)
Accumulated Surplus/(Deficit)	4,454,132	4,091,602
Appropriations - Restricted	3,930,125	3,636,394
Appropriations - Unrestricted	524,007	455,208
Accumulated Surplus/(Deficit)	4,454,132	4,091,602

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 18 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for lease. The following table summarizes the contractual rights of the School District for future revenue.

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Lease Agreement – Teck Coal Limited	<u>\$200,725</u>	<u>\$200,725</u>	<u>\$167,271</u>



Tel: 250-426-4285
Fax: 250-426-8886
Toll-Free: 800-993-3313
www.bdo.ca

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

Notice to Reader

Management has compiled the supplementary schedules of School District No. 5 Southeast Kootenay for the year ended June 30, 2018 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 17, 2018
Cranbrook, BC

School District No. 5 (Southeast Kootenay)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2018

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,091,602		15,809,427	19,901,029	18,512,276
Changes for the year					
Surplus (Deficit) for the year	940,030	343,391	(698,687)	584,734	1,388,753
Interfund Transfers					
Tangible Capital Assets Purchased	(577,500)	(343,391)	343,391	-	-
Local Capital	362,530	-	577,500	584,734	1,388,753
Net Changes for the year	362,530	-	222,204	584,734	1,388,753
Accumulated Surplus (Deficit), end of year - Statement 2	4,454,132	-	16,031,631	20,485,763	19,901,029

School District No. 5 (Southeast Kootenay)

Schedule of Operating Operations
Year Ended June 30, 2018

Schedule 2 (Unaudited)

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	55,910,122	56,769,318	55,803,979
Tuition	433,080	480,028	415,173
Other Revenue	364,094	433,592	374,081
Rentals and Leases	228,000	231,528	231,367
Investment Income	50,000	118,979	51,560
Total Revenue	<u>56,985,296</u>	<u>58,033,445</u>	<u>56,876,160</u>
Expenses			
Instruction	46,465,140	46,941,688	44,974,653
District Administration	2,024,750	2,196,372	1,970,551
Operations and Maintenance	6,444,384	6,258,616	6,269,290
Transportation and Housing	1,853,522	1,696,739	1,579,474
Total Expense	<u>56,787,796</u>	<u>57,093,415</u>	<u>54,793,968</u>
Operating Surplus (Deficit) for the year	<u>197,500</u>	<u>940,030</u>	<u>2,082,192</u>
Net Transfers (to) from other funds			
Local Capital	(197,500)	(577,500)	(232,000)
Total Net Transfers	<u>(197,500)</u>	<u>(577,500)</u>	<u>(232,000)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>362,530</u>	<u>1,850,192</u>
Operating Surplus (Deficit), beginning of year		4,091,602	2,241,410
Operating Surplus (Deficit), end of year		<u>4,454,132</u>	<u>4,091,602</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		3,930,125	3,636,394
Unrestricted		524,007	455,208
Total Operating Surplus (Deficit), end of year		<u>4,454,132</u>	<u>4,091,602</u>

School District No. 5 (Southeast Kootenay)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	55,221,665	55,221,665	54,474,101
DISC/LEA Recovery	(235,612)	(245,484)	(235,612)
Other Ministry of Education Grants			
Pay Equity	457,171	457,171	457,171
Funding for Graduated Adults		5,772	
Transportation Supplement	361,459	361,459	361,459
Economic Stability Dividend		32,919	28,993
Return of Administrative Savings	277,377	277,377	277,377
Carbon Tax Grant	80,000	81,223	81,753
Student Learning Grant			273,050
FSA/Rural/Skills		33,096	8,187
Growing Innovations	60,000		60,000
Shoulder Tapper			17,500
Enrollment/Other Adjustments MOE	(311,938)	498,840	
Benefit Funding		45,280	
Total Provincial Grants - Ministry of Education	55,910,122	56,769,318	55,803,979
Tuition			
International and Out of Province Students	433,080	480,028	415,173
Total Tuition	433,080	480,028	415,173
Other Revenues			
LEA/Direct Funding from First Nations	233,165	242,726	233,166
Miscellaneous			
Miscellaneous	21,200	21,720	27,574
Industry Training Authority	68,000	73,050	54,300
Courtesy Riders		12,080	8,591
Art Starts		10,920	11,200
Health Promoting Schools	27,000	27,000	27,000
KDS Fees	14,729	15,850	12,250
BC Hydro Rebate		30,246	
Total Other Revenue	364,094	433,592	374,081
Rentals and Leases	228,000	231,528	231,367
Investment Income	50,000	118,979	51,560
Total Operating Revenue	56,985,296	58,033,445	56,876,160

School District No. 5 (Southeast Kootenay)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Salaries			
Teachers	23,475,040	23,151,220	22,400,052
Principals and Vice Principals	3,958,114	4,002,642	3,570,983
Educational Assistants	3,975,740	4,341,880	4,184,857
Support Staff	5,181,016	4,956,563	4,895,937
Other Professionals	1,697,901	1,714,014	1,597,392
Substitutes	1,739,204	2,078,759	2,118,464
Total Salaries	40,027,015	40,245,078	38,767,685
Employee Benefits	10,260,089	9,653,963	9,442,787
Total Salaries and Benefits	50,287,104	49,899,041	48,210,472
Services and Supplies			
Services	1,720,379	2,179,481	2,153,253
Student Transportation	74,070	88,374	61,847
Professional Development and Travel	590,787	608,300	644,172
Rentals and Leases	70,950	68,877	71,027
Dues and Fees	74,979	65,811	68,243
Insurance	122,900	144,346	107,269
Supplies	2,730,627	2,908,798	2,330,518
Utilities	1,116,000	1,130,387	1,147,167
Total Services and Supplies	6,500,692	7,194,374	6,583,496
Total Operating Expense	56,787,796	57,093,415	54,793,968

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	18,982,185	1,377,955		287,095	43,353	1,288,794	21,979,382
1.03 Career Programs	78,900					6,928	85,828
1.07 Library Services	623,380			123,515		33,946	780,841
1.08 Counselling	793,151					39,641	832,792
1.10 Special Education	2,572,139	121,918	3,788,418	19,793	463,692	428,601	7,394,561
1.30 English Language Learning	78,900					3,928	82,828
1.31 Aboriginal Education	22,565	65,879	553,462		78,112	7,758	727,776
1.41 School Administration		2,326,575		860,523		97,729	3,284,827
Total Function 1	23,151,220	3,892,327	4,341,880	1,290,926	585,157	1,907,325	35,168,835
4 District Administration							
4.11 Educational Administration		110,315			195,964	42,784	349,063
4.40 School District Governance					129,440		129,440
4.41 Business Administration				201,005	647,226	3,919	852,150
Total Function 4	-	110,315	-	201,005	972,630	46,703	1,330,653
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				59,947	107,493	1,080	168,520
5.50 Maintenance Operations				2,444,592		85,615	2,530,207
5.52 Maintenance of Grounds				119,326		1,252	120,578
5.56 Utilities							-
Total Function 5	-	-	-	2,623,865	107,493	87,947	2,819,305
7 Transportation and Housing							
7.41 Transportation and Housing Administration					48,734		48,734
7.70 Student Transportation				840,767		36,784	877,551
Total Function 7	-	-	-	840,767	48,734	36,784	926,285
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	23,151,220	4,002,642	4,341,880	4,956,563	1,714,014	2,078,759	40,245,078

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,979,382	5,110,780	27,090,162	2,556,020	29,646,182	29,751,060	28,960,422
1.03 Career Programs	85,828	20,142	105,970	51,192	157,162	184,026	166,875
1.07 Library Services	780,841	194,321	975,162	101,870	1,077,032	1,046,880	955,812
1.08 Counselling	832,792	202,656	1,035,448	4,214	1,039,662	1,027,336	949,715
1.10 Special Education	7,394,561	1,855,890	9,250,451	334,042	9,584,493	9,100,235	9,166,764
1.30 English Language Learning	82,828	20,172	103,000	10,214	113,214	105,800	107,617
1.31 Aboriginal Education	727,776	194,698	922,474	272,524	1,194,998	1,123,300	1,019,115
1.41 School Administration	3,284,827	797,593	4,082,420	46,525	4,128,945	4,126,503	3,648,333
Total Function 1	35,168,835	8,396,252	43,565,087	3,376,601	46,941,688	46,465,140	44,974,653
4 District Administration							
4.11 Educational Administration	349,063	77,534	426,597	234,802	661,399	498,790	508,447
4.40 School District Governance	129,440	1,490	130,930	92,171	223,101	232,236	208,873
4.41 Business Administration	852,150	203,086	1,055,236	256,636	1,311,872	1,293,724	1,253,231
Total Function 4	1,330,653	282,110	1,612,763	583,609	2,196,372	2,024,750	1,970,551
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	168,520	36,834	205,354	116,846	322,200	354,409	324,634
5.50 Maintenance Operations	2,530,207	653,813	3,184,020	1,042,745	4,226,765	4,403,920	4,344,684
5.52 Maintenance of Grounds	120,578	27,061	147,639	307,853	455,492	346,093	452,805
5.56 Utilities	-	-	-	1,254,159	1,254,159	1,339,962	1,147,167
Total Function 5	2,819,305	717,708	3,537,013	2,721,603	6,258,616	6,444,384	6,269,290
7 Transportation and Housing							
7.41 Transportation and Housing Administration	48,734	9,353	58,087	156	58,243	68,243	26,700
7.70 Student Transportation	877,551	248,540	1,126,091	512,405	1,638,496	1,785,279	1,552,774
Total Function 7	926,285	257,893	1,184,178	512,561	1,696,739	1,853,522	1,579,474
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	40,245,078	9,653,963	49,899,041	7,194,374	57,093,415	56,787,796	54,793,968

School District No. 5 (Southeast Kootenay)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	5,764,874	3,878,512	2,429,380
Other	251,766	109,421	99,606
Other Revenue	2,954,062	2,545,942	3,151,932
Investment Income	18,000	17,819	14,060
Total Revenue	<u>8,988,702</u>	<u>6,551,694</u>	<u>5,694,978</u>
Expenses			
Instruction	8,356,705	6,174,903	5,661,658
Scholarships	45,000	33,400	33,320
Total Expense	<u>8,401,705</u>	<u>6,208,303</u>	<u>5,694,978</u>
Special Purpose Surplus (Deficit) for the year	<u>586,997</u>	<u>343,391</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(586,997)	(343,391)	-
Total Net Transfers	<u>(586,997)</u>	<u>(343,391)</u>	<u>-</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. 5 (Southeast Kootenay)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2018

	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	MCF Programs	Attendance Support	Clear Sky Summit	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	18,366	20,092	-	-	17,821	33,332	-	2,516,175
Add: Restricted Grants								
Provincial Grants - Ministry of Education	-	-	275,000	2,322,062	-	-	-	3,756,467
Provincial Grants - Other	18,366	20,092	252,389	2,322,062	109,421	-	2,000	107,664
Other	-	-	-	-	-	-	-	2,558,917
Investment Income	-	-	22,611	-	16,064	33,332	2,000	17,819
Less: Allocated to Revenue								
Deferred Revenue, end of year	18,366	20,092	252,389	2,322,062	109,421	-	-	6,440,867
Revenues								
Provincial Grants - Ministry of Education	18,366	20,092	252,389	2,322,062	109,421	-	-	3,878,512
Provincial Grants - Other	-	-	-	-	-	-	-	109,421
Other Revenue	-	-	-	-	-	-	-	2,545,942
Investment Income	-	-	22,611	-	16,064	33,332	2,000	17,819
Expenses								
Salaries	18,366	20,092	252,389	2,322,062	109,421	-	-	6,551,694
Teachers	-	-	-	-	-	-	-	-
Educational Assistants	-	-	-	-	-	-	-	-
Support Staff	2,000	17,150	67,269	1,702,717	78,919	-	-	1,734,277
Other Professionals	-	-	67,269	-	-	-	-	481,647
Substitutes	-	-	-	-	-	-	-	67,269
Employee Benefits	2,000	17,150	67,269	1,48,271	78,919	-	-	78,919
Services and Supplies	16,366	2,942	17,303	471,074	19,177	-	-	174,670
Interfund Transfers	18,366	20,092	167,817	11,325	109,421	-	-	2,536,782
Net Revenue (Expense) before Interfund Transfers	-	-	252,389	2,322,062	109,421	-	-	6,208,303
Interfund Transfers								
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	343,391
Net Revenue (Expense)	-	-	-	-	-	-	-	(343,391)

School District No. 5 (Southeast Kootenay)

Schedule 4 (Unaudited)

Schedule of Capital Operations
Year Ended June 30, 2018

	2018 Budget	2018 Actual			2017 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Other Revenue				-	20,478
Investment Income	5,000		15,495	15,495	10,218
Amortization of Deferred Capital Revenue	2,757,837	2,830,062		2,830,062	2,757,837
Total Revenue	2,762,837	2,830,062	15,495	2,845,557	2,788,533
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,470,055	3,544,244		3,544,244	3,481,972
Total Expense	3,470,055	3,544,244	-	3,544,244	3,481,972
Capital Surplus (Deficit) for the year	(707,218)	(714,182)	15,495	(698,687)	(693,439)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	586,997	343,391		343,391	
Local Capital	197,500		577,500	577,500	232,000
Total Net Transfers	784,497	343,391	577,500	920,891	232,000
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		109,628	(109,628)	-	
Total Other Adjustments to Fund Balances		109,628	(109,628)	-	
Total Capital Surplus (Deficit) for the year	77,279	(261,163)	483,367	222,204	(461,439)
Capital Surplus (Deficit), beginning of year		15,056,553	752,874	15,809,427	16,270,866
Prior Period Adjustments					
District Entered					-
Capital Surplus (Deficit), beginning of year, as restated		15,056,553	752,874	15,809,427	16,270,866
Capital Surplus (Deficit), end of year		14,795,390	1,236,241	16,031,631	15,809,427

School District No. 5 (Southeast Kootenay)

Tangible Capital Assets
Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
Cost, beginning of year	\$ 5,987,977	\$ 133,471,805	\$ 2,011,483	\$ 3,697,004	\$ -	\$ 1,474,729	\$ 146,642,998
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,371,748					2,371,748
Deferred Capital Revenue - Other		35,775	83,878				119,653
Special Purpose Funds		343,391					343,391
Local Capital			21,131	74,507		13,990	109,628
Total		2,750,914	105,009	74,507		13,990	2,944,420
Decrease:							
Deemed Disposals			3,921	311,017		1,017,412	1,332,350
Total			3,921	311,017		1,017,412	1,332,350
Cost, end of year	5,987,977	136,222,719	2,112,571	3,460,494		471,307	148,255,068
Work in Progress, end of year							
Cost and Work in Progress, end of year	5,987,977	136,222,719	2,112,571	3,460,494		471,307	148,255,068
Accumulated Amortization, beginning of year		69,051,771	923,454	1,677,503		1,027,256	72,679,984
Changes for the Year		2,678,440	201,148	369,700		294,956	3,544,244
Increase: Amortization for the Year			3,921	311,017		1,017,412	1,332,350
Decrease:			3,921	311,017		1,017,412	1,332,350
Deemed Disposals			1,120,681	1,736,186		304,800	74,891,878
Accumulated Amortization, end of year		71,730,211	923,454	1,986,519		1,321,818	75,661,042
Tangible Capital Assets - Net	5,987,977	64,492,508	991,890	1,724,308		166,507	73,363,190

School District No. 5 (Southeast Kootenay)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	57,001,267	1,688,148	217,046	58,906,461
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,371,748	104,571	15,082	2,491,401
	2,371,748	104,571	15,082	2,491,401
Decrease:				
Amortization of Deferred Capital Revenue	2,702,458	48,996	78,608	2,830,062
	2,702,458	48,996	78,608	2,830,062
Net Changes for the Year	(330,710)	55,575	(63,526)	(338,661)
Deferred Capital Revenue, end of year	56,670,557	1,743,723	153,520	58,567,800
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year				-
Total Deferred Capital Revenue, end of year	56,670,557	1,743,723	153,520	58,567,800

School District No. 5 (Southeast Kootenay)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2018

	Bylaw Capital	MED Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	323,886	685,711	68,407	-	-	1,078,004
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,055,239		16,491			2,055,239
Provincial Grants - Other		14,424				16,491
Investment Income					61,171	14,424
Parent donations for Playground Equipment		14,424	16,491	-	61,171	61,171
Decrease:						
Transferred to DCR - Capital Additions	2,371,748	35,775	68,796		15,082	2,491,401
	2,371,748	35,775	68,796		15,082	2,491,401
	(316,509)	(21,351)	(52,305)		46,089	(344,076)
Net Changes for the Year	7,377	664,360	16,102	-	46,089	733,928
Balance, end of year						