

Audited Financial Statements of

**School District No. 58 (Nicola-Similkameen)**

June 30, 2017

# School District No. 58 (Nicola-Similkameen)

June 30, 2017

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# School District No. 58 (Nicola-Similkameen)

## MANAGEMENT REPORT

Version: 1791-1045-8063

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 58 (Nicola-Similkameen) 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.


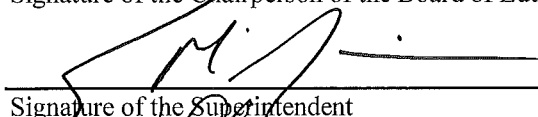
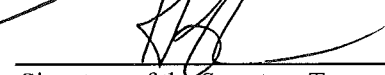
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 58 (Nicola-Similkameen) (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, McConnell, Voelkl, 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. 58 (Nicola-Similkameen) 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. 58 (Nicola-Similkameen)

 _____ Signature of the Chairperson of the Board of Education	SEPT 13/17 _____ Date Signed
 _____ Signature of the Superintendent	SEPT 13/17 _____ Date Signed
 _____ Signature of the Secretary Treasurer	SEPT 13/17 _____ Date Signed



F.W. Voelkl, CPA, CA  
 C.M. Kelley, CPA, CA (incorporated professional)



P.O. Box 819  
 228 Wallace St.  
 Hope, B.C. V0X 1L0

Office 604-869-5634  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 58 (Nicola-Similkameen), and  
 To the Minister of Education, Province of British Columbia:

We have audited the accompanying financial statements of **SCHOOL DISTRICT NO. 58 (NICOLA-SIMILKAMEEN)**, which comprise the statement of financial position as at **JUNE 30, 2017**, the statement of operations, changes in net financial assets (debt), cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

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

### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 whether these 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 our 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, we consider internal control relevant to the entity's preparation 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 overall 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. 58 (NICOLA-SIMILKAMEEN)** as at and for the year ended **JUNE 30, 2017**, are prepared, in all material respects, in accordance with the accounting requirements of 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 and the significant differences between such basis of accounting and Canadian public sector accounting standards.

*McConnell, Voelkl*

CHARTERED PROFESSIONAL ACCOUNTANTS

September 13, 2017

Hope, BC, Canada

# School District No. 58 (Nicola-Similkameen)

Statement 1

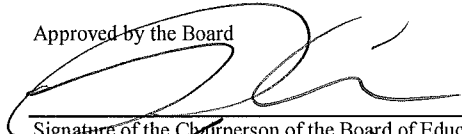
## Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	10,096,223	10,390,614
Accounts Receivable		
Due from Province - Ministry of Education	27,837	28,524
Due from LEA/Direct Funding (Note 3)	862,939	1,153,515
Other (Note 3)	402,891	287,719
Portfolio Investments (Note 4)	2,080,942	2,038,225
<b>Total Financial Assets</b>	<u>13,470,832</u>	<u>13,898,597</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	2,290,244	2,094,689
Deferred Revenue (Note 6)	899,219	863,454
Deferred Capital Revenue (Note 7)	20,296,264	19,292,030
Employee Future Benefits (Note 8)	1,278,817	1,161,711
<b>Total Liabilities</b>	<u>24,764,544</u>	<u>23,411,884</u>
<b>Net Financial Assets (Debt)</b>	<u>(11,293,712)</u>	<u>(9,513,287)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	29,583,588	28,373,275
Prepaid Expenses	27,837	25,494
<b>Total Non-Financial Assets</b>	<u>29,611,425</u>	<u>28,398,769</u>
<b>Accumulated Surplus (Deficit)</b>	<u>18,317,713</u>	<u>18,885,482</u>

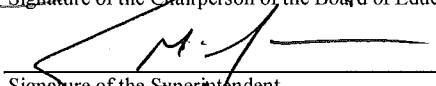
Contractual Obligations and Contingencies (Note 13)

Approved by the Board

  
Signature of the Chairperson of the Board of Education

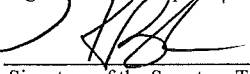
SEPT 13/17

Date Signed

  
Signature of the Superintendent

SEPT 13/17

Date Signed

  
Signature of the Secretary Treasurer

SEPT 13/17

Date Signed

# School District No. 58 (Nicola-Similkameen)

Statement of Operations  
Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education (Note 2k & 18)	23,453,789	<b>23,548,097</b>	24,392,959
Other	23,000	<b>27,000</b>	30,878
Tuition		<b>5,282</b>	27,718
Other Revenue	3,222,419	<b>3,808,262</b>	3,572,782
Rentals and Leases	65,000	<b>54,670</b>	78,925
Investment Income	95,000	<b>140,478</b>	139,973
Amortization of Deferred Capital Revenue (Note 2e)	801,477	<b>801,477</b>	794,246
<b>Total Revenue</b>	<u>27,660,685</u>	<u><b>28,385,266</b></u>	<u>29,037,481</u>
<b>Expenses (Note 2l &amp; 16)</b>			
Instruction	22,561,516	<b>21,963,165</b>	22,558,023
District Administration	1,101,714	<b>1,048,809</b>	1,064,871
Operations and Maintenance	4,928,832	<b>5,138,018</b>	4,618,488
Transportation and Housing	847,343	<b>803,043</b>	946,209
<b>Total Expense</b>	<u>29,439,405</u>	<u><b>28,953,035</b></u>	<u>29,187,591</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,778,720)</u>	<u><b>(567,769)</b></u>	<u>(150,110)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>18,885,482</b>	19,035,592
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>18,317,713</b></u></u>	<u>18,885,482</u>

# School District No. 58 (Nicola-Similkameen)

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(1,778,720)	<b>(567,769)</b>	(150,110)
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets (Note 9)	(2,473,287)	<b>(2,542,700)</b>	(2,063,180)
Amortization of Tangible Capital Assets (Note 9)	1,332,387	<b>1,332,387</b>	1,259,948
<b>Total Effect of change in Tangible Capital Assets</b>	(1,140,900)	<b>(1,210,313)</b>	(803,232)
Acquisition of Prepaid Expenses		<b>(2,343)</b>	(15,033)
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>(2,343)</b>	(15,033)
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(2,919,620)</u>	<b>(1,780,425)</b>	(968,375)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<b>(1,780,425)</b>	(968,375)
<b>Net Financial Assets (Debt), beginning of year</b>		<b>(9,513,287)</b>	(8,544,912)
<b>Net Financial Assets (Debt), end of year</b>		<b><u>(11,293,712)</u></b>	<u>(9,513,287)</u>

# School District No. 58 (Nicola-Similkameen)

Statement of Cash Flows  
Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(567,769)	(150,110)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	176,091	(674,237)
Prepaid Expenses	(2,343)	(15,033)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	195,555	(162,087)
Deferred Revenue	35,765	(1,009,462)
Employee Future Benefits	117,106	43,480
Other Liabilities	-	610,573
Amortization of Tangible Capital Assets	1,332,387	1,259,948
Amortization of Deferred Capital Revenue	(801,477)	(794,246)
<b>Total Operating Transactions</b>	<b>485,315</b>	<b>(891,174)</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(2,212,447)	(2,063,180)
Tangible Capital Assets -WIP Purchased	(330,253)	
<b>Total Capital Transactions</b>	<b>(2,542,700)</b>	<b>(2,063,180)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	1,805,711	990,590
<b>Total Financing Transactions</b>	<b>1,805,711</b>	<b>990,590</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	(42,717)	(1,035,636)
<b>Total Investing Transactions</b>	<b>(42,717)</b>	<b>(1,035,636)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(294,391)</b>	<b>(2,999,400)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>10,390,614</b>	<b>13,390,014</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>10,096,223</b>	<b>10,390,614</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	10,096,223	10,390,614
	<b>10,096,223</b>	<b>10,390,614</b>
Supplementary Cash Flow Information		



**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 1 AUTHORITY AND PURPOSE**

The School District, established on December 2, 1996 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 58 (Nicola-Similkameen)", and operates as "School District No. 58 (Nicola-Similkameen)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 58 (Nicola-Similkameen) is exempt from federal and provincial corporate income taxes.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Accounting**

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

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

As noted in notes 2(e) and 2(k), 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 - increase in annual surplus by \$194,290

June 30, 2016 - increase in accumulated surplus and decrease in deferred contributions by \$19,292,030

Year-ended June 30, 2017 – increase in annual surplus by \$1,004,234

June 30, 2017 – increase in accumulated surplus and decrease in deferred contributions by \$20,296,264

**b) Cash and Cash Equivalents**

Cash and cash equivalents include cash on deposit with the Royal Bank of Canada, and the Province of British Columbia under the Central Deposit Program that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

**c) Accounts Receivable**

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

**d) Portfolio Investments**

The School District has investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. The GIC's are not quoted in an active market and are reported at cost.

**e) Deferred Revenue and Deferred Capital Revenue**

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

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

**f) Employee Future Benefits**

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

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

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.

**g) Asset Retirement Obligations**

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

**h) 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.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

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

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

**i) Prepaid Expenses**

Prepaid expense consists of software license and professional learning.

**j) Funds and Reserves**

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 11 – Interfund Transfers and Note 17 – Accumulated Surplus).

**k) Revenue Recognition**

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

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

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

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

- 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.

**1) Expenditures**

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

Categories of Salaries

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- 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.

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

- 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.

**m) Financial Instruments**

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

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

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

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

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

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

**n) 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. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2017	2016
Due from Federal Government	\$ 98,340	\$ 69,739
Other	304,551	217,980
	\$402,891	\$287,719

	2017	2016
Due from Local Education Agreement (LEA)	\$862,939	\$1,153,515

**NOTE 4      PORTFOLIO INVESTMENTS**

	2017	2016
GIC's	\$2,080,942	\$2,038,225

One GIC of \$1,019,353 has a maturity date of November 27, 2017, pays interest annually at 1.93%. The second GIC of \$1,045,569 has a maturity date of May 22, 2018 pays interest annually at 2.25%. Accrued interest of \$16,020 has been recorded in the current year.

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2017	2016
Trade payables	\$ 188,622	\$ 510,153
Accrued vacation payable	250,929	231,592
Salaries and benefits payable	1,839,093	1,156,724
Other	11,600	196,220
	\$2,290,244	\$2,094,689

**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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

	2017	2016
Balance, beginning of year	\$ 863,454	\$1,872,916
Contributions received during the year	2,245,078	2,044,962
Revenue recognized from deferred contributions	(2,209,313)	(3,054,424)
	\$ 899,219	\$ 863,454

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

	2017	2016
Balance, beginning of year	\$19,292,030	\$19,095,686
Contributions received during the year	1,803,529	988,536
Investment income	2,182	2,054
Revenue recognized from deferred contributions	(801,477)	(794,246)
	\$20,296,264	\$19,292,030

**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.



**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

	June 30, 2016		June 30, 2015	
<b>Reconciliation of Accrued Benefit Obligation</b>				
Accrued Benefit Obligation – April 1	1,183,754		1,259,543	
Service Cost	101,156		108,662	
Interest Cost	30,425		29,409	
Benefit Payments	-36,654		-106,600	
Increase (Decrease) in obligation due to Plan Amendment	0		-24,896	
Actuarial (Gain) Loss	<u>-116,898</u>		<u>-82,364</u>	
Accrued Benefit Obligation – March 31	<u>1,161,783</u>		<u>1,183,754</u>	
<b>Reconciliation of Funded Status at End of Fiscal Year</b>				
Accrued Benefit Obligation - March 31	1,161,783		1,183,754	
Market Value of Plan Assets - March 31	<u>0</u>		<u>0</u>	
Funded Status - Surplus (Deficit)	-1,161,783		-1,183,754	
Employer Contributions After Measurement Date	0		8,469	
Benefits Expense After Measurement Date	-33,556		-32,895	
Unamortized Net Actuarial (Gain) Loss	<u>-83,477</u>		<u>46,470</u>	
Accrued Benefit Asset (Liability) - June 30	<u>-1,278,817</u>		<u>-1,161,711</u>	
<b>Reconciliation of Change in Accrued Benefit Liability</b>				
Accrued Benefit Liability (Asset) - July 1	1,161,711		1,118,231	
Net Expense for Fiscal Year	145,291		158,548	
Employer Contributions	<u>-28,185</u>		<u>-115,069</u>	
Accrued Benefit Liability (Asset) - June 30	<u>1,278,817</u>		<u>1,161,711</u>	
<b>Components of Net Benefit Expense</b>				
Service Cost	101,156		106,786	
Interest Cost	31,086		29,663	
Immediate Recognition of Plan Amendment	0		-24,896	
Amortization of Net Actuarial (Gain)/Loss	<u>13,049</u>		<u>46,996</u>	
Net Benefit Expense (Income)	<u>145,291</u>		<u>158,548</u>	
<b>Assumptions</b>				
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	9.1		9.1	

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2017	Net Book Value 2016
Sites	\$ 2,723,949	\$ 2,723,949
Buildings	24,592,062	23,739,434
Furniture & Equipment	772,636	549,456
Vehicles	605,370	575,827
Computer Hardware	889,571	784,609
<b>Total</b>	<b>\$29,583,588</b>	<b>\$28,373,275</b>

**June 30, 2017**

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2017
Sites	\$ 2,723,949	\$	\$	\$	\$ 2,723,949
Buildings	45,906,107	1,431,719		330,253	47,668,079
Furniture & Equipment	852,176	308,398	(73,841)		1,086,733
Vehicles	993,526	128,896	(127,305)		995,117
Computer Hardware	1,192,358	343,434	(241,506)		1,294,286
<b>Total</b>	<b>\$51,668,116</b>	<b>\$2,212,477</b>	<b>(\$442,652)</b>	<b>\$ 330,253</b>	<b>\$53,768,164</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2017
Buildings	\$22,166,673	\$ 909,344		\$23,076,017
Furniture & Equipment	302,720	85,218	(73,841)	314,097
Vehicles	417,699	99,353	(127,305)	389,747
Computer Hardware	407,749	238,472	(241,506)	404,715
<b>Total</b>	<b>\$23,294,841</b>	<b>\$1,332,387</b>	<b>(\$442,652)</b>	<b>\$24,184,576</b>

- Buildings – work in progress having a value of \$330,253 have not been amortized. Amortization of these assets will commence when the asset is put into service.

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2016**

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2016
Sites	\$ 2,723,949	\$	\$	\$	\$ 2,723,949
Buildings	44,291,670	1,614,437			45,906,107
Furniture & Equipment	887,821	29,082	(64,727)		852,176
Vehicles	1,100,950	33,145	(140,569)		993,526
Computer Hardware	920,725	386,516	(114,883)		1,192,358
<b>Total</b>	<b>\$49,925,115</b>	<b>\$2,063,180</b>	<b>(\$320,179)</b>	<b>\$</b>	<b>\$51,668,116</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2016
Buildings	\$21,289,747	\$ 876,926		\$22,166,673
Furniture & Equipment	278,665	88,782	(64,727)	302,720
Vehicles	448,173	110,095	(140,569)	417,699
Computer Hardware	338,487	184,145	(114,883)	407,749
<b>Total</b>	<b>\$22,355,072</b>	<b>\$1,259,948</b>	<b>(\$320,179)</b>	<b>\$23,294,841</b>

**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 boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 45,000 active members and approximately 36,000 retired members. As of December 31, 2015, the Municipal Pension Plan has about 189,000 active members, including approximately 24,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis.

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 10 EMPLOYEE PENSION PLANS** *(Continued)*

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 on a going concern basis.

The school district paid \$2,239,655 for employer contributions to the plans for the year ended June 30, 2017 (2016: \$2,377,277).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at 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 each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

**NOTE 11 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2017, were as follows:

- Purchase of assets from the Operating Fund for the Capital Fund in the amount of \$352,012

**NOTE 12 RELATED PARTY TRANSACTIONS**

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

**NOTE 13 CONTRACTUAL OBLIGATIONS**

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

- Chapman Mechanical in the amount of \$991,161
- Thompson Valley Roofing in the amount of \$288,015
- Freeport Industries in the amount of \$78,000

**NOTE 14 BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 8, 2017.

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 15 ASSET RETIREMENT OBLIGATION**

The School District undertook an asbestos assessment during the 2007/2008 school year and the result was that there would not be an impact on any of the School District's proposed projects as a result of asbestos that may be present in the schools. The value of the potential liability for asbestos or disposal will be recognized in the period when the fair market value can be reasonably determined.

**NOTE 16 EXPENSE BY OBJECT**

	2017	2016
Salaries and benefits	\$ 23,211,038	\$ 22,645,720
Services and supplies	3,122,033	3,892,694
Amortization	1,332,387	1,259,948
Other	1,287,577	1,389,229
	\$ 28,953,035	\$ 29,187,591

**NOTE 17 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

Internally Restricted (appropriated) by Board for:	
<i>Equipment replacement</i>	\$ 250,000
<i>Grounds improvements</i>	250,000
<i>Maintenance equipment</i>	100,000
<i>Transportation equipment</i>	50,000
<i>Fine Arts equipment</i>	300,000
<i>Music Department</i>	300,000
<i>Shop classroom equipment</i>	200,000
<i>Targeted funding for Aboriginal Education</i>	138,989
<i>School budget balances</i>	162,240
<i>Student/Teacher laptop initiative</i>	300,000
<i>Use of contingency reserve to fund 17-18 budget</i>	913,132
Subtotal Internally Restricted	2,964,361
Unrestricted Operating Surplus (Deficit)	2,035,267
Total Available for Future Operations	\$ 4,999,628

**NOTE 18 ECONOMIC DEPENDENCE**

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

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 19     RISK MANAGEMENT**

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

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

**a) Credit risk:**

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

**b) Interest Rate risk:**

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

**c) Liquidity risk:**

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

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

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



F.W. Voelkl, CPA, CA  
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## INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Board of Education of School District No. 58 (Nicola-Similkameen), and  
To the Minister of Education, Province of British Columbia:

We have audited the financial statements of **SCHOOL DISTRICT NO. 58 (NICOLA-SIMILKAMEEN)**, which comprise the statement of financial position as at **JUNE 30, 2017**, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated September 13, 2017 which contained an unmodified opinion on the financial statements as a whole. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such financial information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

*McConnell, Voelkl*

CHARTERED PROFESSIONAL ACCOUNTANTS

September 13, 2017

Hope, BC, Canada

# School District No. 58 (Nicola-Similkameen)

Schedule 1 (Unaudited)

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
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	5,640,769		13,244,713	<b>18,885,482</b>	19,035,592
<b>Changes for the year</b>					
Surplus (Deficit) for the year	(289,129)	253,457	(532,097)	<b>(567,769)</b>	(150,110)
Interfund Transfers					
Tangible Capital Assets Purchased	(352,012)	(253,457)	605,469	-	
<b>Net Changes for the year</b>	<b>(641,141)</b>	-	<b>73,372</b>	<b>(567,769)</b>	<b>(150,110)</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>4,999,628</b>	-	<b>13,318,085</b>	<b>18,317,713</b>	18,885,482



# School District No. 58 (Nicola-Similkameen)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget (Note 14) \$	2017 Actual \$	2016 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	22,028,115	<b>22,057,626</b>	22,271,058
Other	23,000	<b>27,000</b>	30,878
Tuition		<b>5,282</b>	27,718
Other Revenue	2,592,419	<b>3,089,420</b>	2,640,259
Rentals and Leases	65,000	<b>54,670</b>	78,925
Investment Income	95,000	<b>101,025</b>	102,845
<b>Total Revenue</b>	<u>24,803,534</u>	<u><b>25,335,023</b></u>	<u>25,151,683</u>
<b>Expenses</b>			
Instruction	21,454,108	<b>20,753,221</b>	20,414,670
District Administration	1,101,714	<b>1,048,809</b>	1,064,871
Operations and Maintenance	2,929,089	<b>3,019,079</b>	2,971,382
Transportation and Housing	847,343	<b>803,043</b>	946,209
<b>Total Expense</b>	<u>26,332,254</u>	<u><b>25,624,152</b></u>	<u>25,397,132</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(1,528,720)</u>	<u><b>(289,129)</b></u>	<u>(245,449)</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>1,778,720</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(250,000)	<b>(352,012)</b>	(550,731)
<b>Total Net Transfers</b>	<u>(250,000)</u>	<u><b>(352,012)</b></u>	<u>(550,731)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u><b>(641,141)</b></u>	<u>(796,180)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>5,640,769</b>	6,436,949
<b>Operating Surplus (Deficit), end of year</b>		<u><b>4,999,628</b></u>	<u>5,640,769</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>2,964,361</b>	2,580,019
Unrestricted		<b>2,035,267</b>	3,060,750
<b>Total Operating Surplus (Deficit), end of year</b>		<u><b>4,999,628</b></u>	<u>5,640,769</u>

# School District No. 58 (Nicola-Similkameen)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget (Note 14) \$	2017 Actual \$	2016 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	23,773,229	<b>23,847,287</b>	24,261,269
INAC/LEA Recovery	(2,195,419)	<b>(2,396,354)</b>	(2,195,419)
Other Ministry of Education Grants			
Pay Equity	120,216	<b>120,216</b>	120,216
Funding for Graduated Adults	20,000	<b>17,406</b>	25,394
Transportation Supplement	170,292	<b>170,292</b>	
Economic Stability Dividend	9,990	<b>11,878</b>	15,852
Return of Administrative Savings	122,301	<b>122,301</b>	
Carbon Tax Grant		<b>29,088</b>	28,524
Student Learning Grant		<b>112,106</b>	
FSA Scorer Grant	7,506	<b>7,506</b>	7,972
Curriculum Implementation			7,250
Shoulder tapper/Skills training		<b>10,900</b>	
Skills Training		<b>5,000</b>	
<b>Total Provincial Grants - Ministry of Education</b>	<b>22,028,115</b>	<b>22,057,626</b>	22,271,058
<b>Provincial Grants - Other</b>	<b>23,000</b>	<b>27,000</b>	30,878
<b>Tuition</b>			
Offshore Tuition Fees		<b>5,282</b>	27,718
<b>Total Tuition</b>	<b>-</b>	<b>5,282</b>	27,718
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	2,195,419	<b>2,375,960</b>	2,176,456
Miscellaneous			
Miscellaneous Revenue	397,000	<b>713,460</b>	463,803
<b>Total Other Revenue</b>	<b>2,592,419</b>	<b>3,089,420</b>	2,640,259
<b>Rentals and Leases</b>	<b>65,000</b>	<b>54,670</b>	78,925
<b>Investment Income</b>	<b>95,000</b>	<b>101,025</b>	102,845
<b>Total Operating Revenue</b>	<b>24,803,534</b>	<b>25,335,023</b>	25,151,683

# School District No. 58 (Nicola-Similkameen)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	10,047,021	<b>9,969,290</b>	9,855,022
Principals and Vice Principals	1,647,054	<b>1,653,367</b>	1,526,474
Educational Assistants	2,106,354	<b>2,154,684</b>	2,026,582
Support Staff	2,783,180	<b>2,624,799</b>	2,511,361
Other Professionals	786,082	<b>805,414</b>	778,710
Substitutes	786,914	<b>852,023</b>	723,499
<b>Total Salaries</b>	<b>18,156,605</b>	<b>18,059,577</b>	17,421,648
<b>Employee Benefits</b>	4,504,091	<b>4,164,401</b>	4,309,908
<b>Total Salaries and Benefits</b>	<b>22,660,696</b>	<b>22,223,978</b>	21,731,556
<b>Services and Supplies</b>			
Services	1,039,389	<b>959,779</b>	931,439
Student Transportation	269,960	<b>157,334</b>	353,812
Professional Development and Travel	468,196	<b>430,411</b>	419,293
Dues and Fees	60,219	<b>84,463</b>	83,403
Insurance	82,832	<b>64,441</b>	71,486
Supplies	1,184,962	<b>1,193,458</b>	1,344,908
Utilities	566,000	<b>510,288</b>	461,235
<b>Total Services and Supplies</b>	<b>3,671,558</b>	<b>3,400,174</b>	3,665,576
<b>Total Operating Expense</b>	<b>26,332,254</b>	<b>25,624,152</b>	25,397,132

# School District No. 58 (Nicola-Similkameen)

Schedule 2C (Unaudited)

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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	7,963,448	275,437		335,222	72,624	547,559	9,194,290
1.03 Career Programs	13,830	26,137		5,497		9,354	54,818
1.07 Library Services	239,732	1,679		38,798		14,465	294,674
1.08 Counselling	540,329	80,466		10,923		397	632,115
1.10 Special Education	1,110,167	130,416	1,711,405	3,315	15,238	107,066	3,077,607
1.30 English Language Learning	10,099	10,280				58	20,437
1.31 Aboriginal Education	84,990	108,865	443,279		17,327	15,602	670,063
1.41 School Administration	6,695	1,020,087		440,453		6,716	1,473,951
<b>Total Function 1</b>	<b>9,969,290</b>	<b>1,653,367</b>	<b>2,154,684</b>	<b>834,208</b>	<b>105,189</b>	<b>701,217</b>	<b>15,417,955</b>
<b>4 District Administration</b>							
4.11 Educational Administration					240,203		240,203
4.40 School District Governance					103,333		103,333
4.41 Business Administration				81,957	204,351		286,308
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,957</b>	<b>547,887</b>	<b>-</b>	<b>629,844</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				25,139	111,150	8,187	144,476
5.50 Maintenance Operations				1,239,910		61,274	1,301,184
5.52 Maintenance of Grounds				88,557			88,557
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,353,606</b>	<b>111,150</b>	<b>69,461</b>	<b>1,534,217</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					41,188		41,188
7.70 Student Transportation				355,028		81,345	436,373
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>355,028</b>	<b>41,188</b>	<b>81,345</b>	<b>477,561</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>9,969,290</b>	<b>1,653,367</b>	<b>2,154,684</b>	<b>2,624,799</b>	<b>805,414</b>	<b>852,023</b>	<b>18,059,577</b>

# School District No. 58 (Nicola-Similkameen)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget (Note 14)	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	9,194,290	2,085,907	11,280,197	1,207,539	12,487,736	12,858,681	12,304,796
1.03 Career Programs	54,818	12,769	67,587	63,407	130,994	83,934	83,375
1.07 Library Services	294,674	68,985	363,659	54,250	417,909	431,594	362,285
1.08 Counselling	632,115	140,288	772,403	5,272	777,675	770,500	691,429
1.10 Special Education	3,077,607	771,261	3,848,868	183,446	4,032,314	4,172,590	3,942,662
1.30 English Language Learning	20,437	4,529	24,966	75	25,041	28,028	35,170
1.31 Aboriginal Education	670,063	138,376	808,439	195,743	1,004,182	1,143,170	1,097,672
1.41 School Administration	1,473,951	331,119	1,805,070	72,300	1,877,370	1,965,611	1,897,281
<b>Total Function 1</b>	<b>15,417,955</b>	<b>3,553,234</b>	<b>18,971,189</b>	<b>1,782,032</b>	<b>20,753,221</b>	<b>21,454,108</b>	<b>20,414,670</b>
<b>4 District Administration</b>							
4.11 Educational Administration	240,203	54,186	294,389	60,782	355,171	345,819	356,374
4.40 School District Governance	103,333	1,809	105,142	71,625	176,767	166,344	167,429
4.41 Business Administration	286,308	64,763	351,071	165,800	516,871	589,551	541,068
<b>Total Function 4</b>	<b>629,844</b>	<b>120,758</b>	<b>750,602</b>	<b>298,207</b>	<b>1,048,809</b>	<b>1,101,714</b>	<b>1,064,871</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	144,476	34,091	178,567	101,125	279,692	228,607	237,499
5.50 Maintenance Operations	1,301,184	327,184	1,628,368	426,019	2,054,387	1,937,826	2,115,286
5.52 Maintenance of Grounds	88,557	21,624	110,181	64,531	174,712	196,656	157,362
5.56 Utilities	-	-	-	510,288	510,288	566,000	461,235
<b>Total Function 5</b>	<b>1,534,217</b>	<b>382,899</b>	<b>1,917,116</b>	<b>1,101,963</b>	<b>3,019,079</b>	<b>2,929,089</b>	<b>2,971,382</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	41,188	8,094	49,282	-	49,282	49,896	48,617
7.70 Student Transportation	436,373	99,416	535,789	217,972	753,761	797,447	897,592
<b>Total Function 7</b>	<b>477,561</b>	<b>107,510</b>	<b>585,071</b>	<b>217,972</b>	<b>803,043</b>	<b>847,343</b>	<b>946,209</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>18,059,577</b>	<b>4,164,401</b>	<b>22,223,978</b>	<b>3,400,174</b>	<b>25,624,152</b>	<b>26,332,254</b>	<b>25,397,132</b>

# School District No. 58 (Nicola-Similkameen)

Schedule 3 (Unaudited)

## Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget (Note 14) \$	2017 Actual \$	2016 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	1,425,674	<b>1,490,471</b>	2,121,901
Other Revenue	630,000	<b>718,842</b>	932,523
<b>Total Revenue</b>	<u>2,055,674</u>	<u><b>2,209,313</b></u>	<u>3,054,424</u>
<b>Expenses</b>			
Instruction	1,107,408	<b>1,209,944</b>	2,143,353
Operations and Maintenance	667,356	<b>745,912</b>	387,158
<b>Total Expense</b>	<u>1,774,764</u>	<u><b>1,955,856</b></u>	<u>2,530,511</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>280,910</u>	<u><b>253,457</b></u>	<u>523,913</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(280,910)	<b>(253,457)</b>	(523,913)
<b>Total Net Transfers</b>	<u>(280,910)</u>	<u><b>(253,457)</b></u>	<u>(523,913)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>

**School District No. 58 (Nicola-Similkameen)**

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	211,725	7,857	28,199	24,530	229,060	99,232	68,381		6,206
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	136,541	488,968				128,982	14,700	73,338	285,787
Other					755,171				
Investment Income	2,117								
	138,658	488,968	-	-	755,171	128,982	14,700	73,338	285,787
<b>Less:</b> Allocated to Revenue	268,891	472,602	2,111	18,498	704,749	119,544	3,156	72,575	274,130
<b>Deferred Revenue, end of year</b>	<b>81,492</b>	<b>24,223</b>	<b>26,088</b>	<b>6,032</b>	<b>279,482</b>	<b>108,670</b>	<b>79,925</b>	<b>763</b>	<b>17,863</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	268,891	472,602	2,111	18,498		119,544	3,156	72,575	274,130
Other Revenue					704,749				
	268,891	472,602	2,111	18,498	704,749	119,544	3,156	72,575	274,130
<b>Expenses</b>									
Salaries									
Teachers		321,848						20,986	74,925
Educational Assistants		65,925							
Support Staff						87,289			21,349
	-	387,773	-	-	-	87,289	-	20,986	96,274
Employee Benefits		84,829				22,162		4,160	29,623
Services and Supplies	41,163		2,111	18,498	704,749	10,093	3,156	21,700	148,233
	41,163	472,602	2,111	18,498	704,749	119,544	3,156	46,846	274,130
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>227,728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,729</b>	<b>-</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(227,728)							(25,729)	
	(227,728)	-	-	-	-	-	-	(25,729)	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# School District No. 58 (Nicola-Similkameen)

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

	Coding and Curriculum Implementation	Priority Measures	AREA Multicultural Program	Charitable Society	OLRC ASWI	TOTAL
	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			27,013	161,251		863,454
<b>Add:</b> Restricted Grants						
Provincial Grants - Ministry of Education	37,252	241,814			55,000	1,462,382
Other				24,506		779,677
Investment Income				902		3,019
	<u>37,252</u>	<u>241,814</u>	<u>-</u>	<u>25,408</u>	<u>55,000</u>	<u>2,245,078</u>
<b>Less:</b> Allocated to Revenue	18,626	240,338	-	14,093	-	2,209,313
<b>Deferred Revenue, end of year</b>	<b><u>18,626</u></b>	<b><u>1,476</u></b>	<b><u>27,013</u></b>	<b><u>172,566</u></b>	<b><u>55,000</u></b>	<b><u>899,219</u></b>
<b>Revenues</b>						
Provincial Grants - Ministry of Education	18,626	240,338				1,490,471
Other Revenue				14,093		718,842
	<u>18,626</u>	<u>240,338</u>	<u>-</u>	<u>14,093</u>	<u>-</u>	<u>2,209,313</u>
<b>Expenses</b>						
Salaries						
Teachers	11,000	195,830				624,589
Educational Assistants						65,925
Support Staff						108,638
	<u>11,000</u>	<u>195,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>799,152</u>
Employee Benefits	2,626	44,508				187,908
Services and Supplies	5,000			14,093		968,796
	<u>18,626</u>	<u>240,338</u>	<u>-</u>	<u>14,093</u>	<u>-</u>	<u>1,955,856</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,457</u>
<b>Interfund Transfers</b>						
Tangible Capital Assets Purchased						(253,457)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(253,457)</u>
<b>Net Revenue (Expense)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



# School District No. 58 (Nicola-Similkameen)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2017

	2017	2017 Actual			2016
	Budget (Note 14)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income			39,453	39,453	37,128
Amortization of Deferred Capital Revenue	801,477	801,477		801,477	794,246
<b>Total Revenue</b>	<u>801,477</u>	<u>801,477</u>	<u>39,453</u>	<u>840,930</u>	<u>831,374</u>
<b>Expenses</b>					
Operations and Maintenance			40,640	40,640	
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,332,387	1,332,387		1,332,387	1,259,948
<b>Total Expense</b>	<u>1,332,387</u>	<u>1,332,387</u>	<u>40,640</u>	<u>1,373,027</u>	<u>1,259,948</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(530,910)</u>	<u>(530,910)</u>	<u>(1,187)</u>	<u>(532,097)</u>	<u>(428,574)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	530,910	605,469		605,469	1,074,644
<b>Total Net Transfers</b>	<u>530,910</u>	<u>605,469</u>	<u>-</u>	<u>605,469</u>	<u>1,074,644</u>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		232,245	(232,245)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>232,245</u>	<u>(232,245)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>-</u>	<u>306,804</u>	<u>(233,432)</u>	<u>73,372</u>	<u>646,070</u>
<b>Capital Surplus (Deficit), beginning of year</b>		<u>9,299,401</u>	<u>3,945,312</u>	<u>13,244,713</u>	<u>12,598,643</u>
<b>Capital Surplus (Deficit), end of year</b>		<u><u>9,606,205</u></u>	<u><u>3,711,880</u></u>	<u><u>13,318,085</u></u>	<u><u>13,244,713</u></u>

# School District No. 58 (Nicola-Similkameen)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	2,723,949	45,906,107	852,176	993,526	-	1,192,358	<b>51,668,116</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,139,637		128,896			<b>1,268,533</b>
Deferred Capital Revenue - Other			106,200				<b>106,200</b>
Operating Fund		44,182	55,984			251,846	<b>352,012</b>
Special Purpose Funds		192,018	35,710			25,729	<b>253,457</b>
Local Capital		55,882	110,504			65,859	<b>232,245</b>
	-	1,431,719	308,398	128,896	-	343,434	<b>2,212,447</b>
Decrease:							
Deemed Disposals			73,841	127,305		241,506	<b>442,652</b>
	-	-	73,841	127,305	-	241,506	<b>442,652</b>
<b>Cost, end of year</b>	2,723,949	47,337,826	1,086,733	995,117	-	1,294,286	<b>53,437,911</b>
<b>Work in Progress, end of year</b>		330,253					<b>330,253</b>
<b>Cost and Work in Progress, end of year</b>	2,723,949	47,668,079	1,086,733	995,117	-	1,294,286	<b>53,768,164</b>
<b>Accumulated Amortization, beginning of year</b>		22,166,673	302,720	417,699		407,749	<b>23,294,841</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		909,344	85,218	99,353		238,472	<b>1,332,387</b>
Decrease:							
Deemed Disposals			73,841	127,305		241,506	<b>442,652</b>
		-	73,841	127,305	-	241,506	<b>442,652</b>
<b>Accumulated Amortization, end of year</b>		23,076,017	314,097	389,747	-	404,715	<b>24,184,576</b>
<b>Tangible Capital Assets - Net</b>	<b>2,723,949</b>	<b>24,592,062</b>	<b>772,636</b>	<b>605,370</b>	<b>-</b>	<b>889,571</b>	<b>29,583,588</b>

**School District No. 58 (Nicola-Similkameen)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2017

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
<b>Work in Progress, beginning of year</b>	\$	\$	\$	\$	\$
					-
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	330,253				<b>330,253</b>
	<u>330,253</u>	-	-	-	<b>330,253</b>
<b>Net Changes for the Year</b>	<u>330,253</u>	-	-	-	<b>330,253</b>
<b>Work in Progress, end of year</b>	<u><b>330,253</b></u>	-	-	-	<b>330,253</b>

# School District No. 58 (Nicola-Similkameen)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	17,677,895	1,395,979		19,073,874
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,268,533	106,200		1,374,733
	<u>1,268,533</u>	<u>106,200</u>	-	<u>1,374,733</u>
Decrease:				
Amortization of Deferred Capital Revenue	765,683	35,794		801,477
	<u>765,683</u>	<u>35,794</u>	-	<u>801,477</u>
<b>Net Changes for the Year</b>	<u>502,850</u>	<u>70,406</u>	-	<u>573,256</u>
<b>Deferred Capital Revenue, end of year</b>	<u>18,180,745</u>	<u>1,466,385</u>	-	<u>19,647,130</u>
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	330,253			330,253
	<u>330,253</u>	-	-	<u>330,253</u>
<b>Net Changes for the Year</b>	<u>330,253</u>	-	-	<u>330,253</u>
<b>Work in Progress, end of year</b>	<u>330,253</u>	-	-	<u>330,253</u>
<b>Total Deferred Capital Revenue, end of year</b>	<u>18,510,998</u>	<u>1,466,385</u>	-	<u>19,977,383</u>

# School District No. 58 (Nicola-Similkameen)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>		218,156				<b>218,156</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	1,697,329					<b>1,697,329</b>
Provincial Grants - Other			106,200			<b>106,200</b>
Investment Income		2,182				<b>2,182</b>
Transfer project surplus to MEd Restricted (from) Bylaw	(958)	958				-
	<u>1,696,371</u>	<u>3,140</u>	<u>106,200</u>	<u>-</u>	<u>-</u>	<u><b>1,805,711</b></u>
Decrease:						
Transferred to DCR - Capital Additions	1,268,533		106,200			<b>1,374,733</b>
Transferred to DCR - Work in Progress	330,253					<b>330,253</b>
	<u>1,598,786</u>	<u>-</u>	<u>106,200</u>	<u>-</u>	<u>-</u>	<u><b>1,704,986</b></u>
<b>Net Changes for the Year</b>	<u>97,585</u>	<u>3,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>100,725</b></u>
<b>Balance, end of year</b>	<u><b>97,585</b></u>	<u><b>221,296</b></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>318,881</b></u>