

Audited Financial Statements of

School District No. 58 (Nicola-Similkameen)

June 30, 2019

School District No. 58 (Nicola-Similkameen)

June 30, 2019

Table of Contents

Management Report	1
Independent Auditors' Report	2-3
Statement of Financial Position - Statement 1	4
Statement of Operations - Statement 2	5
Statement of Changes in Net Financial Assets (Debt) - Statement 4	6
Statement of Cash Flows - Statement 5	7
Notes to the Financial Statements	8-21
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	22
Schedule of Operating Operations - Schedule 2 (Unaudited)	23
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	24
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	25
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	26
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	28
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	29
Schedule of Capital Operations - Schedule 4 (Unaudited)	31
Schedule 4A - Tangible Capital Assets (Unaudited)	32
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	33
Schedule 4C - Deferred Capital Revenue (Unaudited)	34
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	35

School District No. 58 (Nicola-Similkameen)

MANAGEMENT REPORT

Version: 7992-4856-2874

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, 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. 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.

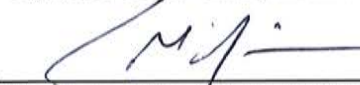
On behalf of School District No. 58 (Nicola-Similkameen)



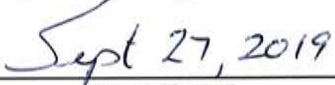
Signature of the Chairperson of the Board of Education



Date Signed



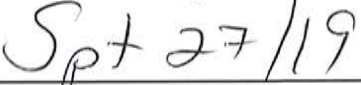
Signature of the Superintendent



Date Signed



Signature of the Secretary Treasurer



Date Signed

Independent Auditor's Report

To the Board of Education of School District No. 58 (Nicola-Similkameen)

Opinion

We have audited the financial statements of School District No. 58 (Nicola-Similkameen) (the District), which comprise the Statements of Financial Position as at June 30, 2019, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at June 30, 2019, and its financial performance and cash flows for the year then ended in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

Emphasis of Matter

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

Other Matter

The financial statements for the year ended June 30, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on September 19, 2018.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 22 through 35 of School District No. 58 (Nicola-Similkameen)'s Financial Statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
September 18, 2019

School District No. 58 (Nicola-Similkameen)

Statement 1

Statement of Financial Position

As at June 30, 2019

	2019 Actual \$	2018 Actual \$
Financial Assets		
Cash and Cash Equivalents	11,877,604	10,501,220
Accounts Receivable		
Due from LEA Funding	1,336,644	1,769,938
Other (Note 3)	339,415	238,143
Total Financial Assets	13,553,663	12,509,301
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	3,207,444	1,655,013
Deferred Revenue (Note 5)	891,505	942,997
Deferred Capital Revenue (Note 6)	23,475,242	21,498,916
Employee Future Benefits (Note 7)	1,311,495	1,319,561
Total Liabilities	28,885,686	25,416,487
Net Financial Assets (Debt)	(15,332,023)	(12,907,186)
Non-Financial Assets		
Tangible Capital Assets (Note 8)	32,837,033	31,067,951
Prepaid Expenses (Note 2h)	34,425	6,688
Total Non-Financial Assets	32,871,458	31,074,639
Accumulated Surplus (Deficit)	17,539,435	18,167,453

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 58 (Nicola-Similkameen)

Statement 2

Statement of Operations
Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	25,049,525	24,547,185	24,845,713
Other	27,000	64,900	167,494
Other Revenue	3,408,580	4,060,541	4,021,534
Rentals and Leases	106,000	113,924	114,725
Investment Income	170,000	222,646	179,689
Gain (Loss) on Disposal of Tangible Capital Assets	95,750	95,408	
Amortization of Deferred Capital Revenue	901,841	901,841	832,804
Total Revenue	<u>29,758,696</u>	<u>30,006,445</u>	<u>30,161,959</u>
Expenses			
Instruction	24,302,510	23,795,061	22,840,998
District Administration	1,237,196	1,216,760	1,127,420
Operations and Maintenance	4,748,858	4,718,466	5,472,861
Transportation and Housing	872,281	904,176	870,940
Total Expense	<u>31,160,845</u>	<u>30,634,463</u>	<u>30,312,219</u>
Surplus (Deficit) for the year	<u>(1,402,149)</u>	<u>(628,018)</u>	<u>(150,260)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		18,167,453	18,317,713
Accumulated Surplus (Deficit) from Operations, end of year		<u>17,539,435</u>	<u>18,167,453</u>

School District No. 58 (Nicola-Similkameen)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
Surplus (Deficit) for the year	(1,402,149)	(628,018)	(150,260)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,615,395)	(3,285,467)	(2,888,598)
Amortization of Tangible Capital Assets	1,515,885	1,515,885	1,404,235
Net carrying value of Tangible Capital Assets disposed of		500	
Total Effect of change in Tangible Capital Assets	(1,099,510)	(1,769,082)	(1,484,363)
Acquisition of Prepaid Expenses		(34,425)	(6,688)
Use of Prepaid Expenses		6,688	27,837
Total Effect of change in Other Non-Financial Assets	-	(27,737)	21,149
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(2,501,659)</u>	<u>(2,424,837)</u>	<u>(1,613,474)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(2,424,837)	(1,613,474)
Net Financial Assets (Debt), beginning of year		(12,907,186)	(11,293,712)
Net Financial Assets (Debt), end of year		<u>(15,332,023)</u>	<u>(12,907,186)</u>

School District No. 58 (Nicola-Similkameen)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2019

	2019 Actual \$	2018 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	(628,018)	(150,260)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	332,022	(714,414)
Prepaid Expenses	(27,737)	21,149
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,552,431	(635,231)
Deferred Revenue	(51,492)	43,778
Employee Future Benefits	(8,066)	40,744
Loss (Gain) on Disposal of Tangible Capital Assets	(383,130)	
Amortization of Tangible Capital Assets	1,515,885	1,404,235
Amortization of Deferred Capital Revenue	(901,841)	(832,804)
Total Operating Transactions	1,400,054	(822,803)
Capital Transactions		
Tangible Capital Assets Purchased	(3,285,467)	(2,868,797)
Tangible Capital Assets -WIP Purchased		(19,801)
District Portion of Proceeds on Disposal	383,630	
Total Capital Transactions	(2,901,837)	(2,888,598)
Financing Transactions		
Capital Revenue Received	2,878,167	2,035,456
Total Financing Transactions	2,878,167	2,035,456
Investing Transactions		
Investments in Portfolio Investments		2,080,942
Total Investing Transactions	-	2,080,942
Net Increase (Decrease) in Cash and Cash Equivalents	1,376,384	404,997
Cash and Cash Equivalents, beginning of year	10,501,220	10,096,223
Cash and Cash Equivalents, end of year	11,877,604	10,501,220
Cash and Cash Equivalents, end of year, is made up of:		
Cash	11,877,604	10,501,220
	11,877,604	10,501,220

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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* (The Act). 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(j).

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(d) and 2(j), 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, 2018

- increase in annual surplus by \$1,202,652
- increase in accumulated surplus and decrease in deferred contributions by \$21,498,916

Year ended June 30, 2019

- increase in annual surplus by \$1,976,326
- increase in accumulated surplus and decrease in deferred contributions by \$23,475,242

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit with the Bank of Montreal, 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 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 (j).

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. See note 2 (a) for the impact of this policy on these financial statements.

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 of active employees covered under the plan.

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

The most recent actuarial valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, an actuarial 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.

f) 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.

g) 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, 2019

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

h) Prepaid Expenses

Prepaid expense consists of software licenses and professional learning.

i) 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 10 – Interfund Transfers and Note 16 – Internally Restricted Surplus – Operating Fund).

j) 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 accrued 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, 2019

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

See note 2(a) for a description of the impact of accounting for deferred capital contributions has on these financial statements.

Any other 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.

k) Expenditures

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

Categories of Salaries

- Principals, Vice-Principals, 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 allocated 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.

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

l) 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.

m) 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, 2019

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2019</u>	<u>2018</u>
Due from Federal Government	71,311	77,073
Other	268,104	161,070
Sub-Total Other	339,415	238,143
Due from LEA/Direct Fundings	1,336,644	1,769,938
Total	<u>1,676,059</u>	<u>2,008,081</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	<u>2019</u>	<u>2018</u>
Trades payable	842,888	87,214
Salaries and benefits payables	2,139,465	1,309,302
Accrued vacation pay	213,530	246,097
Other	11,561	12,400
Total	<u>3,207,444</u>	<u>1,655,013</u>

NOTE 5 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 (unaudited).

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	942,997	899,219
Contributions received during the year	4,418,311	4,427,157
Revenue recognized from deferred contributions	(4,469,803)	(4,383,379)
Total	<u>891,505</u>	<u>942,997</u>

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 6 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 (unaudited).

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	21,498,916	20,296,264
Contributions received during the year	2,585,582	2,031,956
Proceeds from Sale of Nicola School	287,723	
Investment Income	4,862	3,500
Revenue recognized from deferred contributions	(901,841)	(832,804)
Total	<u>23,475,242</u>	<u>21,498,916</u>

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 7 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.

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,175,946	1,161,783
Service Cost	104,537	101,156
Interest Cost	33,338	33,069
Benefit Payments	(126,817)	(35,981)
Increase (Decrease) in obligation due to Plan Amendment	5	0
Actuarial (Gain) Loss	78,221	(84,080)
Accrued Benefit Obligation – March 31	<u>1,265,230</u>	<u>1,175,946</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	1,265,230	1,175,946
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(1,265,230)	(1,175,946)
Employer Contributions After Measurement Date	58,185	58,615
Benefits Expense After Measurement Date	(34,485)	(34,469)
Unamortized Net Actuarial (Gain) Loss	(69,965)	(167,761)
Accrued Benefit Asset (Liability) - June 30	<u>(1,311,495)</u>	<u>(1,319,561)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	1,319,561	1,278,817
Net Expense for Fiscal Year	118,321	135,340
Employer Contributions	(126,387)	(94,596)
Accrued Benefit Liability (Asset) - June 30	<u>1,311,495</u>	<u>1,319,561</u>
Components of Net Benefit Expense		
Service Cost	104,900	102,001
Interest Cost	32,992	33,136
Immediate Recognition of Plan Amendment	5	0
Amortization of Net Actuarial (Gain)/Loss	(19,575)	203
Net Benefit Expense (Income)	<u>118,321</u>	<u>135,340</u>
Assumptions		
Discount Rate - April 1	2.75%	2.75%
Discount Rate - March 31	2.50%	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
EARS - March 31	9.4	9.1

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 8 TANGIBLE CAPITAL ASSETS

Net Book Value		
	2019	2018
Sites	2,723,449	2,723,949
Buildings	26,647,519	25,702,276
Buildings - work in progress	-	19,801
Furniture & Equipment	1,200,769	724,560
Vehicles	1,600,169	1,030,773
Computer Hardware	665,127	866,592
Total	32,837,033	31,067,951

June 30, 2019					
Cost	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	2,723,949		(500)		2,723,449
Buildings	49,715,486	1,914,133		19,801	51,649,420
Buildings - work in progress	19,801			(19,801)	-
Furniture & Equipment	1,092,308	585,440	(25,795)		1,651,953
Vehicles	1,423,546	711,751			2,135,297
Computer Hardware	1,378,042	74,143	(204,152)		1,248,033
Total	56,353,132	3,285,467	(230,447)	-	59,408,152

Accumulated Amortization	Opening Cost	Additions	Disposals	Total 2019
Buildings	24,013,210	988,691		25,001,901
Furniture & Equipment	367,748	109,231	(25,795)	451,184
Vehicles	392,773	142,355		535,128
Computer Hardware	511,450	275,608	(204,152)	582,906
Total	25,285,181	1,515,885	(229,947)	26,571,119

June 30, 2018					
Cost	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2018
Sites	2,723,949	-	-	-	2,723,949
Buildings	47,337,826	2,047,407	-	330,253	49,715,486
Buildings - work in progress	330,253	-	-	(310,452)	19,801
Furniture & Equipment	1,086,733	60,597	(55,022)	-	1,092,308
Vehicles	995,117	524,915	(96,486)	-	1,423,546
Computer Hardware	1,294,286	235,878	(152,122)	-	1,378,042
Total	53,768,164	2,868,797	(303,630)	19,801	56,353,132

Accumulated Amortization	Opening Cost	Additions	Disposals	Total 2018
Buildings	23,076,017	937,193	-	24,013,210
Furniture & Equipment	314,097	108,673	(55,022)	367,748
Vehicles	389,747	99,512	(96,486)	392,773
Computer Hardware	404,715	258,857	(152,122)	511,450
Total	24,184,576	1,404,235	(303,630)	25,285,181

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusted 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, 2017, the Teachers' Pension Plan has about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

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. 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 rate remained unchanged.

The school district paid \$2,125,581 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$2,321,484).

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

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2019, were as follows:

	<u>2019</u>	<u>2018</u>
Purchase of Assets from the Operating Fund for the Capital Fund	15,904	469,929
Purchase of Assets from the Special Purpose Fund for the Capital Fund	152,168	234,302
Total	<u>168,072</u>	<u>704,231</u>

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.

NOTE 12 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 13, 2019.

NOTE 13 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 14 EXPENSE BY OBJECT

	<u>2019</u>	<u>2018</u>
Salaries and Benefits	24,394,857	24,223,498
Services and Supplies	4,723,721	4,684,486
Amortization	1,515,885	1,404,235
Total	<u>30,634,463</u>	<u>30,312,219</u>

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	<u>2019</u>	<u>2018</u>
Internally Restricted (appropriated) by Board for:		
Equipment Replacement	\$ 250,000	\$ 250,000
Ground improvements	250,000	250,000
Maintenance equipment	100,000	100,000
Transportation equipment	50,000	50,000
Fine Arts equipment	300,000	300,000
Music Department	300,000	300,000
Shop classroom equipment	200,000	200,000
Targeted funding for Aboriginal Education	39,975	102,858
School budget balances	105,924	146,409
Student / Teacher laptop initiative	300,000	300,000
Distance Education School	235,016	177,111
Allocation to balance 2019-20 operating budget	588,042	950,441
Sub-Total Internally Restricted	2,718,957	3,126,819
 Unrestricted Operating Surplus	 1,579,973	 1,531,046
	<u>4,298,930</u>	<u>4,657,865</u>

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, 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.

SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

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

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. 58 (Nicola-Similkameen)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,657,865		13,509,588	18,167,453	18,317,713
Changes for the year					
Surplus (Deficit) for the year	(343,031)	152,168	(437,155)	(628,018)	(150,260)
Interfund Transfers					
Tangible Capital Assets Purchased	(15,904)	(152,168)	168,072	-	
Net Changes for the year	(358,935)	-	(269,083)	(628,018)	(150,260)
Accumulated Surplus (Deficit), end of year - Statement 2	4,298,930	-	13,240,505	17,539,435	18,167,453

School District No. 58 (Nicola-Similkameen)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	21,393,624	21,101,948	21,538,972
Other	27,000	64,900	78,950
Other Revenue	2,768,580	3,035,975	3,033,440
Rentals and Leases	106,000	113,924	114,725
Investment Income	120,000	141,165	120,986
Total Revenue	24,415,204	24,457,912	24,887,073
Expenses			
Instruction	20,133,728	19,488,137	19,674,191
District Administration	1,237,196	1,216,760	1,127,420
Operations and Maintenance	3,105,854	3,191,870	3,086,356
Transportation and Housing	872,281	904,176	870,940
Total Expense	25,349,059	24,800,943	24,758,907
Operating Surplus (Deficit) for the year	(933,855)	(343,031)	128,166
Budgeted Appropriation (Retirement) of Surplus (Deficit)	933,855		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(15,904)	(469,929)
Total Net Transfers	-	(15,904)	(469,929)
Total Operating Surplus (Deficit), for the year	-	(358,935)	(341,763)
Operating Surplus (Deficit), beginning of year		4,657,865	4,999,628
Operating Surplus (Deficit), end of year		4,298,930	4,657,865
Operating Surplus (Deficit), end of year			
Internally Restricted		2,718,957	3,126,819
Unrestricted		1,579,973	1,531,046
Total Operating Surplus (Deficit), end of year		4,298,930	4,657,865

School District No. 58 (Nicola-Similkameen)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	23,589,912	23,544,931	23,605,242
ISC/LEA Recovery	(2,618,580)	(2,991,328)	(2,618,580)
Other Ministry of Education Grants			
Pay Equity	120,216	120,216	120,216
Funding for Graduated Adults	32,000	48,430	48,202
Transportation Supplement	170,292	170,292	170,292
Economic Stability Dividend	10,000	23,626	13,078
Return of Administrative Savings			122,301
Carbon Tax Grant	25,000	34,732	33,387
Employer Health Tax Grant		58,865	
Strategic Priorities - Mental Health Grant	35,000	35,000	
Support Staff Benefits Grant	17,278	17,278	14,157
BCTEA - LEA Capacity Building Grant		27,400	
FSA Scorer Grant	7,506	7,506	7,506
Access /Shoulder Tapper	5,000	5,000	6,600
Indigineous Language Grant			16,571
Total Provincial Grants - Ministry of Education	21,393,624	21,101,948	21,538,972
Provincial Grants - Other	27,000	64,900	78,950
Tuition			
Other Revenues			
LEA Funding from First Nations	2,618,580	2,980,160	2,615,391
Miscellaneous			
Miscellaneous Revenue	150,000	55,815	418,049
Total Other Revenue	2,768,580	3,035,975	3,033,440
Rentals and Leases	106,000	113,924	114,725
Investment Income	120,000	141,165	120,986
Total Operating Revenue	24,415,204	24,457,912	24,887,073

School District No. 58 (Nicola-Similkameen)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	8,674,697	8,835,716	9,102,788
Principals and Vice Principals	1,924,389	1,688,650	1,656,868
Educational Assistants	2,174,160	2,147,573	2,291,705
Support Staff	2,891,490	2,746,385	2,730,193
Other Professionals	907,136	864,820	816,381
Substitutes	913,987	1,091,791	856,088
Total Salaries	17,485,859	17,374,935	17,454,023
Employee Benefits	4,251,284	4,041,120	4,066,906
Total Salaries and Benefits	21,737,143	21,416,055	21,520,929
Services and Supplies			
Services	1,182,804	959,882	883,968
Student Transportation	192,675	218,835	143,554
Professional Development and Travel	344,490	322,156	360,202
Dues and Fees	67,254	97,627	86,701
Insurance	100,832	67,308	124,425
Supplies	1,204,361	1,203,153	1,139,633
Utilities	519,500	515,927	499,495
Total Services and Supplies	3,611,916	3,384,888	3,237,978
Total Operating Expense	25,349,059	24,800,943	24,758,907

School District No. 58 (Nicola-Similkameen)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	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	7,087,184	372,746		342,936	64,446	590,356	8,457,668
1.03 Career Programs	14,106	17,715		4,627		5,062	41,510
1.07 Library Services	254,005			15,930		12,631	282,566
1.08 Counselling	465,325			11,098		5,739	482,162
1.10 Special Education	979,010	117,368	1,676,589		10,656	232,802	3,016,425
1.30 English Language Learning							-
1.31 Aboriginal Education	29,842	138,147	455,548		18,774	19,508	661,819
1.41 School Administration	6,244	1,042,674	15,436	431,702		39,555	1,535,611
Total Function 1	8,835,716	1,688,650	2,147,573	806,293	93,876	905,653	14,477,761
4 District Administration							
4.11 Educational Administration					229,144		229,144
4.40 School District Governance					116,637		116,637
4.41 Business Administration				110,201	230,630		340,831
Total Function 4	-	-	-	110,201	576,411	-	686,612
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				22,493	145,235	6,296	174,024
5.50 Maintenance Operations				1,347,413		89,093	1,436,506
5.52 Maintenance of Grounds				80,852			80,852
5.56 Utilities							-
Total Function 5	-	-	-	1,450,758	145,235	95,389	1,691,382
7 Transportation and Housing							
7.41 Transportation and Housing Administration				14,889	49,298		64,187
7.70 Student Transportation				364,244		90,749	454,993
Total Function 7	-	-	-	379,133	49,298	90,749	519,180
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	8,835,716	1,688,650	2,147,573	2,746,385	864,820	1,091,791	17,374,935

School District No. 58 (Nicola-Similkameen)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	8,457,668	1,899,179	10,356,847	924,843	11,281,690	11,440,615	11,542,006
1.03 Career Programs	41,510	8,273	49,783	21,795	71,578	85,603	63,949
1.07 Library Services	282,566	67,206	349,772	51,882	401,654	426,746	343,595
1.08 Counselling	482,162	102,365	584,527	10,068	594,595	590,740	679,851
1.10 Special Education	3,016,425	777,051	3,793,476	183,216	3,976,692	4,173,272	4,064,248
1.30 English Language Learning	-	-	-	-	-	1,500	21,077
1.31 Aboriginal Education	661,819	171,691	833,510	342,212	1,175,722	1,218,468	1,036,801
1.41 School Administration	1,535,611	362,722	1,898,333	87,873	1,986,206	2,196,784	1,922,664
Total Function 1	14,477,761	3,388,487	17,866,248	1,621,889	19,488,137	20,133,728	19,674,191
4 District Administration							
4.11 Educational Administration	229,144	54,792	283,936	59,924	343,860	416,432	339,129
4.40 School District Governance	116,637	4,366	121,003	97,229	218,232	197,486	176,176
4.41 Business Administration	340,831	74,598	415,429	239,239	654,668	623,278	612,115
Total Function 4	686,612	133,756	820,368	396,392	1,216,760	1,237,196	1,127,420
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	174,024	37,292	211,316	84,571	295,887	308,874	290,277
5.50 Maintenance Operations	1,436,506	346,161	1,782,667	438,891	2,221,558	2,070,836	2,156,473
5.52 Maintenance of Grounds	80,852	21,563	102,415	56,083	158,498	206,644	140,111
5.56 Utilities	-	-	-	515,927	515,927	519,500	499,495
Total Function 5	1,691,382	405,016	2,096,398	1,095,472	3,191,870	3,105,854	3,086,356
7 Transportation and Housing							
7.41 Transportation and Housing Administration	64,187	13,467	77,654	20	77,674	63,489	58,214
7.70 Student Transportation	454,993	100,394	555,387	271,115	826,502	808,792	812,726
Total Function 7	519,180	113,861	633,041	271,135	904,176	872,281	870,940
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	17,374,935	4,041,120	21,416,055	3,384,888	24,800,943	25,349,059	24,758,907

School District No. 58 (Nicola-Similkameen)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	3,655,901	3,445,237	3,306,741
Other			88,544
Other Revenue	640,000	1,024,566	988,094
Total Revenue	<u>4,295,901</u>	<u>4,469,803</u>	<u>4,383,379</u>
Expenses			
Instruction	4,168,782	4,306,924	3,166,807
Operations and Maintenance	127,119	10,711	982,270
Total Expense	<u>4,295,901</u>	<u>4,317,635</u>	<u>4,149,077</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>152,168</u>	<u>234,302</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(152,168)	(234,302)
Total Net Transfers	<u>-</u>	<u>(152,168)</u>	<u>(234,302)</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. 58 (Nicola-Similkameen)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	1,289	99,594	25,558	302,711	113,188	61,679		22,271	
Add: Restricted Grants									
Provincial Grants - Ministry of Education	125,830	91,252			128,000	14,700	77,577	288,969	339,380
Other				1,024,512	1,000				
Investment Income	28								
	125,858	91,252	-	1,024,512	129,000	14,700	77,577	288,969	339,380
Less: Allocated to Revenue	126,143	136,136	1,206	888,807	164,290	76,379	71,146	283,436	339,380
Recovered									
Deferred Revenue, end of year	1,004	54,710	24,352	438,416	77,898	-	6,431	27,804	-
Revenues									
Provincial Grants - Ministry of Education	126,143	136,136	1,206		164,290	76,379	71,146	283,436	339,380
Other Revenue				888,807					
	126,143	136,136	1,206	888,807	164,290	76,379	71,146	283,436	339,380
Expenses									
Salaries									
Teachers							19,741	64,706	
Principals and Vice Principals									46,722
Educational Assistants		112,440			91,151			34,305	
Support Staff								5,423	
Other Professionals									45,216
Substitutes							5,595	2,713	113,201
	-	112,440	-	-	91,151	-	25,336	107,147	205,139
Employee Benefits		23,696			24,621		5,488	23,916	34,937
Services and Supplies	10,711		1,206	888,807	48,518	76,379	40,322	152,373	62,568
	10,711	136,136	1,206	888,807	164,290	76,379	71,146	283,436	302,644
Net Revenue (Expense) before Interfund Transfers	115,432	-	-	-	-	-	-	-	36,736
Interfund Transfers									
Tangible Capital Assets Purchased	(115,432)								(36,736)
	(115,432)	-	-	-	-	-	-	-	(36,736)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 58 (Nicola-Similkameen)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	AREA Multicultural Program	Charitable Society	After School Sports & Arts Initiative	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		2,435	27,013	178,813	108,446	942,997
Add: Restricted Grants						
Provincial Grants - Ministry of Education	2,240,998	8,082				3,314,788
Other				38,253	40,250	1,104,015
Investment Income				1,915		1,943
	2,240,998	8,082	-	40,168	40,250	4,420,746
Less: Allocated to Revenue	2,240,998	6,123	-	48,354	87,405	4,469,803
Recovered		2,435				2,435
Deferred Revenue, end of year	-	1,959	27,013	170,627	61,291	891,505
Revenues						
Provincial Grants - Ministry of Education	2,240,998	6,123				3,445,237
Other Revenue				48,354	87,405	1,024,566
	2,240,998	6,123	-	48,354	87,405	4,469,803
Expenses						
Salaries						
Teachers	1,814,399					1,898,846
Principals and Vice Principals						46,722
Educational Assistants						237,896
Support Staff					71,956	77,379
Other Professionals						45,216
Substitutes		4,281				125,790
	1,814,399	4,281	-	-	71,956	2,431,849
Employee Benefits	426,599	964			6,732	546,953
Services and Supplies		878		48,354	8,717	1,338,833
	2,240,998	6,123	-	48,354	87,405	4,317,635
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	152,168
Interfund Transfers						
Tangible Capital Assets Purchased						(152,168)
	-	-	-	-	-	(152,168)
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 58 (Nicola-Similkameen)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	50,000		81,481	81,481	58,703
Gain (Loss) on Disposal of Tangible Capital Assets	95,750	95,408		95,408	
Amortization of Deferred Capital Revenue	901,841	901,841		901,841	832,804
Total Revenue	<u>1,047,591</u>	<u>997,249</u>	<u>81,481</u>	<u>1,078,730</u>	<u>891,507</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,515,885	1,515,885		1,515,885	1,404,235
Total Expense	<u>1,515,885</u>	<u>1,515,885</u>	<u>-</u>	<u>1,515,885</u>	<u>1,404,235</u>
Capital Surplus (Deficit) for the year	<u>(468,294)</u>	<u>(518,636)</u>	<u>81,481</u>	<u>(437,155)</u>	<u>(512,728)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		168,072		168,072	704,231
Total Net Transfers	<u>-</u>	<u>168,072</u>	<u>-</u>	<u>168,072</u>	<u>704,231</u>
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(95,908)	95,908	-	
Tangible Capital Assets Purchased from Local Capital		977,130	(977,130)	-	
Total Other Adjustments to Fund Balances		<u>881,222</u>	<u>(881,222)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(468,294)</u>	<u>530,658</u>	<u>(799,741)</u>	<u>(269,083)</u>	<u>191,503</u>
Capital Surplus (Deficit), beginning of year		10,009,461	3,500,127	13,509,588	13,318,085
Capital Surplus (Deficit), end of year		<u>10,540,119</u>	<u>2,700,386</u>	<u>13,240,505</u>	<u>13,509,588</u>

School District No. 58 (Nicola-Similkameen)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,723,949	49,715,486	1,092,308	1,423,546		1,378,042	56,333,331
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,394,590		711,751			2,106,341
Deferred Capital Revenue - Other			33,924				33,924
Operating Fund						15,904	15,904
Special Purpose Funds		115,432				36,736	152,168
Local Capital		404,111	551,516			21,503	977,130
Transferred from Work in Progress		19,801					19,801
	-	1,933,934	585,440	711,751	-	74,143	3,305,268
Decrease:							
Disposed of	500						500
Deemed Disposals			25,795			204,152	229,947
	500	-	25,795	-	-	204,152	230,447
Cost, end of year	2,723,449	51,649,420	1,651,953	2,135,297	-	1,248,033	59,408,152
Work in Progress, end of year							-
Cost and Work in Progress, end of year	2,723,449	51,649,420	1,651,953	2,135,297	-	1,248,033	59,408,152
Accumulated Amortization, beginning of year		24,013,210	367,748	392,773		511,450	25,285,181
Changes for the Year							
Increase: Amortization for the Year		988,691	109,231	142,355		275,608	1,515,885
Decrease:							
Deemed Disposals			25,795			204,152	229,947
		-	25,795	-	-	204,152	229,947
Accumulated Amortization, end of year		25,001,901	451,184	535,128	-	582,906	26,571,119
Tangible Capital Assets - Net	2,723,449	26,647,519	1,200,769	1,600,169	-	665,127	32,837,033

School District No. 58 (Nicola-Similkameen)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	19,801				19,801
Changes for the Year					
Decrease:					
Transferred to Tangible Capital Assets	19,801				19,801
	19,801	-	-	-	19,801
Net Changes for the Year	(19,801)	-	-	-	(19,801)
Work in Progress, end of year	-	-	-	-	-

School District No. 58 (Nicola-Similkameen)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	19,618,718	1,419,971		21,038,689
Prior Period Adjustments				
Reallocation of 2017/18 capital expenditures	(9,843)	9,843		-
Deferred Capital Revenue, beginning of year, as restated	19,608,875	1,429,814	-	21,038,689
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,106,341	33,924		2,140,265
Transferred from Work in Progress	19,801			19,801
	2,126,142	33,924	-	2,160,066
Decrease:				
Amortization of Deferred Capital Revenue	854,443	47,398		901,841
	854,443	47,398	-	901,841
Net Changes for the Year	1,271,699	(13,474)	-	1,258,225
Deferred Capital Revenue, end of year	20,880,574	1,416,340	-	22,296,914
Work in Progress, beginning of year	19,801			19,801
Changes for the Year				
Decrease				
Transferred to Deferred Capital Revenue	19,801			19,801
	19,801	-	-	19,801
Net Changes for the Year	(19,801)	-	-	(19,801)
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	20,880,574	1,416,340	-	22,296,914

School District No. 58 (Nicola-Similkameen)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	168,950	224,796	46,680			440,426
Prior Period Adjustments						
Reallocation of 2017/18 capital expenditures	9,843		(9,843)			-
Balance, beginning of year, as restated	178,793	224,796	36,837	-	-	440,426
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,564,051					2,564,051
Provincial Grants - Other			21,531			21,531
Investment Income		4,862				4,862
MEd Restricted Portion of Proceeds on Disposal		287,723				287,723
	2,564,051	292,585	21,531	-	-	2,878,167
Decrease:						
Transferred to DCR - Capital Additions	2,106,341		33,924			2,140,265
	2,106,341	-	33,924	-	-	2,140,265
Net Changes for the Year	457,710	292,585	(12,393)	-	-	737,902
Balance, end of year	636,503	517,381	24,444	-	-	1,178,328