

Audited Financial Statements of

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

June 30, 2018



# School District No. 58 (Nicola-Similkameen)

June 30, 2018

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# School District No. 58 (Nicola-Similkameen)

## MANAGEMENT REPORT

Version: 2624-1878-8896

### 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.

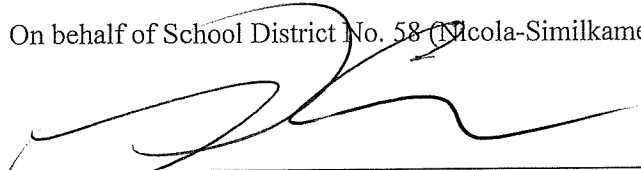
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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.

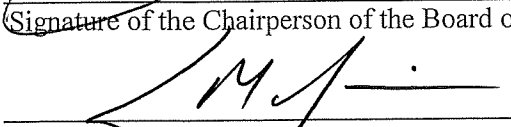
The Board of Education of School District No. 58 (Nicola-Similkameen) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly 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

September 19, 2018  
Date Signed

  
Signature of the Superintendent

September 19, 2018  
Date Signed

  
Signature of the Secretary Treasurer

September 19, 2018  
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  
Fax 604-869-2381

## 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, 2018**, 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, 2018**, 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 19, 2018

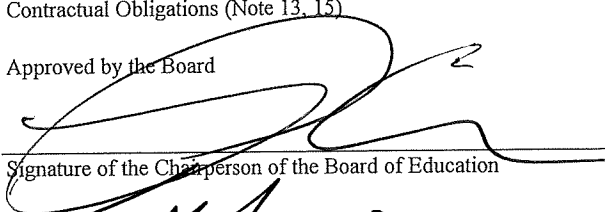
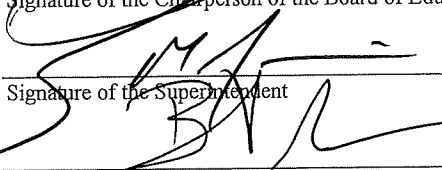
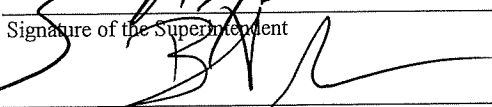
Hope, BC, Canada



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

## Statement of Financial Position

As at June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	10,501,220	10,096,223
Accounts Receivable		
Due from Province - Ministry of Education	-	27,837
Due from LEA/Direct Funding	1,769,938	862,939
Other (Note 3)	238,143	402,891
Portfolio Investments (Note 4)	-	2,080,942
<b>Total Financial Assets</b>	<u>12,509,301</u>	<u>13,470,832</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	1,655,013	2,290,244
Deferred Revenue (Note 6)	942,997	899,219
Deferred Capital Revenue (Note 7)	21,498,916	20,296,264
Employee Future Benefits (Note 8)	1,319,561	1,278,817
<b>Total Liabilities</b>	<u>25,416,487</u>	<u>24,764,544</u>
<b>Net Financial Assets (Debt)</b>	<u>(12,907,186)</u>	<u>(11,293,712)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	31,067,951	29,583,588
Prepaid Expenses (Note 2i)	6,688	27,837
<b>Total Non-Financial Assets</b>	<u>31,074,639</u>	<u>29,611,425</u>
<b>Accumulated Surplus (Deficit)</b>	<u>18,167,453</u>	<u>18,317,713</u>
Contractual Obligations (Note 13, 15)		
Approved by the Board		
Signature of the Chairperson of the Board of Education		September 19, 2018 Date Signed
Signature of the Superintendent		September 19, 2018 Date Signed
Signature of the Secretary Treasurer		September 19, 2018 Date Signed



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

Statement of Operations  
Year Ended June 30, 2018

	2018 Budget (Note 14, Unaudited)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education (Note 2k & 18)	25,131,621	24,845,713	23,548,097
Other	27,000	167,494	27,000
Tuition			5,282
Other Revenue	3,476,354	4,021,534	3,808,262
Rentals and Leases	90,000	114,725	54,670
Investment Income	130,000	179,689	140,478
Amortization of Deferred Capital Revenue (Note 2e)	832,804	832,804	801,477
<b>Total Revenue</b>	<b>29,687,779</b>	<b>30,161,959</b>	<b>28,385,266</b>
<b>Expenses (Note 21 &amp; 16)</b>			
Instruction	23,309,680	22,840,998	21,963,165
District Administration	1,161,592	1,127,420	1,048,809
Operations and Maintenance	5,142,497	5,472,861	5,138,018
Transportation and Housing	877,683	870,940	803,043
<b>Total Expense</b>	<b>30,491,452</b>	<b>30,312,219</b>	<b>28,953,035</b>
<b>Surplus (Deficit) for the year</b>	<b>(803,673)</b>	<b>(150,260)</b>	<b>(567,769)</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>18,317,713</b>	<b>18,885,482</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>18,167,453</b>	<b>18,317,713</b>



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

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

Year Ended June 30, 2018

	2018 Budget (Note 14, Unaudited)	2018 Actual	2017 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(803,673)	(150,260)	(567,769)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 9)	(3,296,784)	(2,888,598)	(2,542,700)
Amortization of Tangible Capital Assets (Note 9)	1,404,235	1,404,235	1,332,387
Total Effect of change in Tangible Capital Assets	(1,892,549)	(1,484,363)	(1,210,313)
Acquisition of Prepaid Expenses		(6,688)	(2,343)
Use of Prepaid Expenses		27,837	
Total Effect of change in Other Non-Financial Assets	-	21,149	(2,343)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(2,696,222)	(1,613,474)	(1,780,425)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(1,613,474)	(1,780,425)
Net Financial Assets (Debt), beginning of year		(11,293,712)	(9,513,287)
Net Financial Assets (Debt), end of year		(12,907,186)	(11,293,712)



# School District No. 58 (Nicola-Similkameen)

Statement 5

## Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(150,260)	(567,769)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(714,414)	176,091
Prepaid Expenses	21,149	(2,343)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(635,231)	195,555
Deferred Revenue	43,778	35,765
Employee Future Benefits	40,744	117,106
Amortization of Tangible Capital Assets	1,404,235	1,332,387
Amortization of Deferred Capital Revenue	(832,804)	(801,477)
<b>Total Operating Transactions</b>	<b>(822,803)</b>	<b>485,315</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(2,868,797)	(2,212,447)
Tangible Capital Assets -WIP Purchased	(19,801)	(330,253)
<b>Total Capital Transactions</b>	<b>(2,888,598)</b>	<b>(2,542,700)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	2,035,456	1,805,711
<b>Total Financing Transactions</b>	<b>2,035,456</b>	<b>1,805,711</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	2,080,942	(42,717)
<b>Total Investing Transactions</b>	<b>2,080,942</b>	<b>(42,717)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>404,997</b>	<b>(294,391)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>10,096,223</b>	<b>10,390,614</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>10,501,220</b>	<b>10,096,223</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	10,501,220	10,096,223
	<b>10,501,220</b>	<b>10,096,223</b>



**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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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* (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(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, 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  
Year-ended June 30, 2018 – increase in annual surplus by \$1,202,652  
June 30, 2018 – increase in accumulated surplus and decrease in deferred contributions by \$21,498,916

**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, 2018**

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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 had investments in Guaranteed Investment Certificates that matured during the year (Note 4).

**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. 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, 2018**

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

The most recent actuarial valuation of the obligation was performed at March 31, 2016 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, 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.

**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, 2018**

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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 licenses 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 – Internally Restricted Surplus – Operating Fund).

**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 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, 2018**

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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

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.

**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, 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.

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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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, 2018**

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2018	2017
Due from Federal Government	\$ 77,073	\$ 98,340
Other	161,070	304,551
	<u>\$238,143</u>	<u>\$402,891</u>

	2018	2017
Due from Local Education Agreement (LEA)	<u>\$1,769,938</u>	<u>\$862,939</u>

**NOTE 4      PORTFOLIO INVESTMENTS**

	2018	2017
Guaranteed Investment Certificates (all matured in year)	<u>\$ -</u>	<u>\$2,080,942</u>

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

	2018	2017
Trade payables	\$ 87,214	\$ 188,622
Salaries and benefits payable	1,309,302	1,839,093
Accrued vacation pay	246,097	250,929
Other	12,400	11,600
	<u>\$1,655,013</u>	<u>\$2,290,244</u>

**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 (unaudited).

	2018	2017
Balance, beginning of year	\$ 899,219	\$ 863,454
Contributions received during the year	4,427,157	2,245,078
Revenue recognized from deferred contributions	(4,383,379)	(2,209,313)
	<u>\$ 942,997</u>	<u>\$ 899,219</u>

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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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 (unaudited).

	2018	2017
Balance, beginning of year	\$20,296,264	\$19,292,030
Contributions received during the year	2,031,956	1,803,529
Investment income	3,500	2,182
Revenue recognized from deferred contributions	(832,804)	(801,477)
	<u>\$21,498,916</u>	<u>\$20,296,264</u>

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 8      EMPLOYEE FUTURE BENEFITS**

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

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	1,161,783	1,183,754
Service Cost	101,156	101,156
Interest Cost	33,069	30,425
Benefit Payments	-35,981	-36,654
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	-84,080	-116,898
Accrued Benefit Obligation – March 31	<u>1,175,946</u>	<u>1,161,783</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	1,175,946	1,161,783
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	-1,175,946	-1,161,783
Employer Contributions After Measurement Date	58,615	0
Benefits Expense After Measurement Date	-34,469	-33,556
Unamortized Net Actuarial (Gain) Loss	-167,761	-83,477
Accrued Benefit Asset (Liability) - June 30	<u>-1,319,561</u>	<u>-1,278,817</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	1,278,817	1,161,711
Net Expense for Fiscal Year	135,340	145,291
Employer Contributions	-94,596	-28,185
Accrued Benefit Liability (Asset) - June 30	<u>1,319,561</u>	<u>1,278,817</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	102,001	101,156
Interest Cost	33,136	31,086
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	203	13,049
Net Benefit Expense (Income)	<u>135,340</u>	<u>145,291</u>
<b>Assumptions</b>		
Discount Rate - April 1	2.75%	2.50%
Discount Rate - March 31	2.75%	2.75%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARS - March 31	9.1	9.1

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2018	Net Book Value 2017
Sites	\$ 2,723,949	\$ 2,723,949
Buildings	25,702,276	24,261,809
Buildings – work in progress	19,801	330,253
Furniture & Equipment	724,560	772,636
Vehicles	1,030,773	605,370
Computer Hardware	866,592	889,571
<b>Total</b>	<b>\$31,067,951</b>	<b>\$29,583,588</b>

**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
<b>Total</b>	<b>\$53,768,164</b>	<b>\$2,868,797</b>	<b>(\$303,630)</b>	<b>\$ 19,801</b>	<b>\$56,353,132</b>

Accumulated Amortization:	Opening Accumulated Amortization	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
<b>Total</b>	<b>\$24,184,576</b>	<b>\$1,404,235</b>	<b>(\$303,630)</b>	<b>\$25,285,181</b>

- Buildings – work in progress having a value of \$19,801 (2017: \$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, 2018**

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

**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
Total	\$51,668,116	\$2,212,447	(\$442,652)	\$ 330,253	\$53,768,164

	Opening Accumulated Amortization	Additions	Disposals	Total 2017
Accumulated Amortization:				
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
Total	\$23,294,841	\$1,332,387	(\$442,652)	\$24,184,576

**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, 2016, the Teachers' Pension Plan has about 45,000 active members and approximately 37,000 retired members. As of December 31, 2016, the Municipal Pension Plan has about 193,000 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, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis. As a result of the 2014 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased.

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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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. 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 \$2,278,626 for employer contributions to the plans for the year ended June 30, 2018 (2017: \$2,239,655)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in the fall of 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, 2018, were as follows:

- Purchase of assets from the Operating Fund for the Capital Fund in the amount of \$469,929 (2017: \$352,012)
- Purchase of assets from the Special Purpose Fund for the Capital Fund in the amount of \$234,302 (2017: \$253,457)

**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.

- Horizon North in the amount of approximately \$190,000
- Alpha Design in the amount of approximately \$400,000
- Aspen Electric Ltd. in the amount of approximately \$600,000

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**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 14, 2018.

**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**

	2018	2017
Salaries and benefits	\$ 24,223,498	\$ 23,211,038
Services and supplies	3,470,109	3,122,033
Amortization	1,404,235	1,332,387
Other	1,214,377	1,287,577
	<u>\$ 30,312,219</u>	<u>\$ 28,953,035</u>

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

Internally Restricted (appropriated) by Board for:		
Equipment replacement	\$ 250,000	
Grounds improvements	250,000	
Maintenance equipment	100,000	
Transportation equipment	50,000	
Fine Arts equipment	300,000	
Music Department	300,000	
Shop classroom equipment	200,000	
Targeted funding for Aboriginal Education	102,858	
School budget balances	146,409	
Student/Teacher laptop initiative	300,000	
Distance Education School	177,111	
Allocation to balance 2018-19 operating budget	<u>950,441</u>	
Subtotal Internally Restricted		3,126,819
Unrestricted Operating Surplus		<u>1,531,046</u>
Total Available for Future Operations		<u>\$ 4,657,865</u>

**SCHOOL DISTRICT No. 58 (NICOLA-SIMILKAMEEN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**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.

**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 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)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 20      FUNDS HELD IN TRUST**

	2018	2017
Trust Assets – Cash in Bank	<u>\$234,560</u>	<u>\$227,293</u>

The District is a member of the Okanagan Labour Relations Council (OLRC). As agreed with the other members of the OLRC, the District provides administrative functions for the OLRC. In order to provide these services, it holds the above funds in trust on behalf of the OLRC. As such, the above funds are not assets of the District and are not included in the financial statements of the District. The funds will be disbursed in accordance with the governing rules of the OLRC.



# School District No. 58 (Nicola-Similkameen)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2018

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,999,628		13,318,085	18,317,713	18,885,482
Changes for the year					
Surplus (Deficit) for the year	128,166	234,302	(512,728)	(150,260)	(567,769)
Interfund Transfers					
Tangible Capital Assets Purchased	(469,929)	(234,302)	704,231	-	
Net Changes for the year	(341,763)	-	191,503	(150,260)	(567,769)
Accumulated Surplus (Deficit), end of year - Statement 2	4,657,865	-	13,509,588	18,167,453	18,317,713



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

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget (Note 14, Unaudited)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	21,611,967	21,538,972	22,057,626
Other	27,000	78,950	27,000
Tuition			5,282
Other Revenue	2,846,354	3,033,440	3,089,420
Rentals and Leases	90,000	114,725	54,670
Investment Income	100,000	120,986	101,025
<b>Total Revenue</b>	<u>24,675,321</u>	<u>24,887,073</u>	<u>25,335,023</u>
<b>Expenses</b>			
Instruction	19,967,348	19,674,191	20,753,221
District Administration	1,161,592	1,127,420	1,048,809
Operations and Maintenance	3,073,630	3,086,356	3,019,079
Transportation and Housing	877,683	870,940	803,043
<b>Total Expense</b>	<u>25,080,253</u>	<u>24,758,907</u>	<u>25,624,152</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(404,932)</u>	<u>128,166</u>	<u>(289,129)</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>803,673</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(398,741)	(469,929)	(352,012)
<b>Total Net Transfers</b>	<u>(398,741)</u>	<u>(469,929)</u>	<u>(352,012)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>(341,763)</u>	<u>(641,141)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		4,999,628	5,640,769
<b>Operating Surplus (Deficit), end of year</b>		<u>4,657,865</u>	<u>4,999,628</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		3,126,819	2,964,361
Unrestricted		1,531,046	2,035,267
<b>Total Operating Surplus (Deficit), end of year</b>		<u>4,657,865</u>	<u>4,999,628</u>



# School District No. 58 (Nicola-Similkameen)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget (Note 14, Unaudited)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	23,522,849	23,605,242	23,847,287
DISC/LEA Recovery	(2,396,354)	(2,618,580)	(2,396,354)
Other Ministry of Education Grants			
Pay Equity	120,216	120,216	120,216
Funding for Graduated Adults	16,000	48,202	17,406
Transportation Supplement	170,292	170,292	170,292
Economic Stability Dividend	10,000	13,078	11,878
Return of Administrative Savings	122,301	122,301	122,301
Carbon Tax Grant	25,000	33,387	29,088
Student Learning Grant			112,106
FSA Scorer Grant	7,506	7,506	7,506
Support Staff Benefit Funding	14,157	14,157	-
Shoulder Tapper/Skills Training		6,600	10,900
Skills Training		-	5,000
Indigenous Language Grants		16,571	-
<b>Total Provincial Grants - Ministry of Education</b>	<b>21,611,967</b>	<b>21,538,972</b>	<b>22,057,626</b>
<b>Provincial Grants - Other</b>	<b>27,000</b>	<b>78,950</b>	<b>27,000</b>
<b>Tuition</b>			
Offshore Tuition Fees			5,282
<b>Total Tuition</b>	<b>-</b>	<b>-</b>	<b>5,282</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	2,396,354	2,615,391	2,375,960
Miscellaneous			
Miscellaneous Revenue	450,000	418,049	713,460
<b>Total Other Revenue</b>	<b>2,846,354</b>	<b>3,033,440</b>	<b>3,089,420</b>
<b>Rentals and Leases</b>	<b>90,000</b>	<b>114,725</b>	<b>54,670</b>
<b>Investment Income</b>	<b>100,000</b>	<b>120,986</b>	<b>101,025</b>
<b>Total Operating Revenue</b>	<b>24,675,321</b>	<b>24,887,073</b>	<b>25,335,023</b>



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

Schedule 2B (Unaudited)

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

	2018 Budget (Note 14, Unaudited)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	9,007,026	9,102,788	9,969,290
Principals and Vice Principals	1,681,030	1,656,868	1,653,367
Educational Assistants	2,186,688	2,291,705	2,154,684
Support Staff	2,846,284	2,730,193	2,624,799
Other Professionals	784,337	816,381	805,414
Substitutes	753,502	856,088	852,023
<b>Total Salaries</b>	<b>17,258,867</b>	<b>17,454,023</b>	<b>18,059,577</b>
<b>Employee Benefits</b>	<b>4,235,360</b>	<b>4,066,906</b>	<b>4,164,401</b>
<b>Total Salaries and Benefits</b>	<b>21,494,227</b>	<b>21,520,929</b>	<b>22,223,978</b>
<b>Services and Supplies</b>			
Services	1,057,935	883,968	959,779
Student Transportation	226,175	143,554	157,334
Professional Development and Travel	353,490	360,202	430,411
Dues and Fees	61,239	86,701	84,463
Insurance	100,832	124,425	64,441
Supplies	1,226,855	1,139,633	1,193,458
Utilities	559,500	499,495	510,288
<b>Total Services and Supplies</b>	<b>3,586,026</b>	<b>3,237,978</b>	<b>3,400,174</b>
<b>Total Operating Expense</b>	<b>25,080,253</b>	<b>24,758,907</b>	<b>25,624,152</b>



# School District No. 58 (Nicola-Similkameen)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	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	7,279,824	321,059		351,450	75,070	520,077	8,547,480
1.03 Career Programs	7,767	1,655		5,558		5,380	20,360
1.07 Library Services	190,435			35,227		8,302	233,964
1.08 Counselling	486,160	54,871		11,259		5,308	557,598
1.10 Special Education	1,023,287	126,110	1,820,630		13,032	114,995	3,098,054
1.30 English Language Learning	15,869	778				43	16,690
1.31 Aboriginal Education	92,479	124,498	463,136		18,140	18,573	716,826
1.41 School Administration	6,967	1,027,897	7,939	431,786		21,665	1,496,254
<b>Total Function 1</b>	<b>9,102,788</b>	<b>1,656,868</b>	<b>2,291,705</b>	<b>835,280</b>	<b>106,242</b>	<b>694,343</b>	<b>14,687,226</b>
<b>4 District Administration</b>							
4.11 Educational Administration					224,492		224,492
4.40 School District Governance					105,131		105,131
4.41 Business Administration				90,079	221,000		311,079
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,079</b>	<b>550,623</b>	<b>-</b>	<b>640,702</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				28,917	117,443	820	147,180
5.50 Maintenance Operations				1,356,075		86,398	1,442,473
5.52 Maintenance of Grounds				57,216			57,216
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,442,208</b>	<b>117,443</b>	<b>87,218</b>	<b>1,646,869</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				5,833	42,073		47,906
7.70 Student Transportation				356,793		74,527	431,320
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>362,626</b>	<b>42,073</b>	<b>74,527</b>	<b>479,226</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>9,102,788</b>	<b>1,656,868</b>	<b>2,291,705</b>	<b>2,730,193</b>	<b>816,381</b>	<b>856,088</b>	<b>17,454,023</b>

# School District No. 58 (Nicola-Similkameen)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget (Note 14, Unaudited)	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	8,547,480	1,959,609	10,507,089	1,034,917	11,542,006	11,508,072	12,487,736
1.03 Career Programs	20,360	4,486	24,846	39,103	63,949	78,153	130,994
1.07 Library Services	233,964	58,085	292,049	51,546	343,595	353,713	417,909
1.08 Counselling	557,598	113,850	671,448	8,403	679,851	671,428	777,675
1.10 Special Education	3,098,054	808,207	3,906,261	157,987	4,064,248	4,112,343	4,032,314
1.30 English Language Learning	16,690	4,056	20,746	331	21,077	21,613	25,041
1.31 Aboriginal Education	716,826	157,167	873,993	162,808	1,036,801	1,201,063	1,004,182
1.41 School Administration	1,496,254	327,669	1,823,923	98,741	1,922,664	2,020,963	1,877,370
<b>Total Function 1</b>	<b>14,687,226</b>	<b>3,433,129</b>	<b>18,120,355</b>	<b>1,553,836</b>	<b>19,674,191</b>	<b>19,967,348</b>	<b>20,753,221</b>
<b>4 District Administration</b>							
4.11 Educational Administration	224,492	56,648	281,140	57,989	339,129	306,310	355,171
4.40 School District Governance	105,131	1,857	106,988	69,188	176,176	168,243	176,767
4.41 Business Administration	311,079	61,895	372,974	239,141	612,115	687,039	516,871
<b>Total Function 4</b>	<b>640,702</b>	<b>120,400</b>	<b>761,102</b>	<b>366,318</b>	<b>1,127,420</b>	<b>1,161,592</b>	<b>1,048,809</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	147,180	35,768	182,948	107,329	290,277	265,228	279,692
5.50 Maintenance Operations	1,442,473	346,114	1,788,587	367,886	2,156,473	2,062,479	2,054,387
5.52 Maintenance of Grounds	57,216	20,829	78,045	62,066	140,111	186,423	174,712
5.56 Utilities	-	-	-	499,495	499,495	559,500	510,288
<b>Total Function 5</b>	<b>1,646,869</b>	<b>402,711</b>	<b>2,049,580</b>	<b>1,036,776</b>	<b>3,086,356</b>	<b>3,073,630</b>	<b>3,019,079</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	47,906	10,308	58,214		58,214	50,198	49,282
7.70 Student Transportation	431,320	100,358	531,678	281,048	812,726	827,485	753,761
<b>Total Function 7</b>	<b>479,226</b>	<b>110,666</b>	<b>589,892</b>	<b>281,048</b>	<b>870,940</b>	<b>877,683</b>	<b>803,043</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>17,454,023</b>	<b>4,066,906</b>	<b>21,520,929</b>	<b>3,237,978</b>	<b>24,758,907</b>	<b>25,080,253</b>	<b>25,624,152</b>

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

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget (Note 14, Unaudited)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	3,519,654	3,306,741	1,490,471
Other		88,544	
Other Revenue	630,000	988,094	718,842
<b>Total Revenue</b>	<u>4,149,654</u>	<u>4,383,379</u>	<u>2,209,313</u>
<b>Expenses</b>			
Instruction	3,342,332	3,166,807	1,209,944
Operations and Maintenance	664,632	982,270	745,912
<b>Total Expense</b>	<u>4,006,964</u>	<u>4,149,077</u>	<u>1,955,856</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>142,690</u>	<u>234,302</u>	<u>253,457</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(142,690)	(234,302)	(253,457)
<b>Total Net Transfers</b>	<u>(142,690)</u>	<u>(234,302)</u>	<u>(253,457)</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)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	81,492	24,223	26,088	6,032	279,482	108,670	79,925	763	17,863
Add: Restricted Grants									
Provincial Grants - Ministry of Education	125,830	94,665				128,000	14,700	72,804	287,329
Provincial Grants - Other									
Other					985,740				
Investment Income	1,289								
	127,119	94,665	-	-	985,740	128,000	14,700	72,804	287,329
Less: Allocated to Revenue	207,322	19,294	530	6,032	962,511	123,482	32,946	73,567	282,921
Deferred Revenue, end of year	1,289	99,594	25,558	-	302,711	113,188	61,679	-	22,271
<b>Revenues</b>									
Provincial Grants - Ministry of Education	207,322	19,294	530	6,032		123,482	32,946	73,567	282,921
Provincial Grants - Other									
Other Revenue					962,511				
	207,322	19,294	530	6,032	962,511	123,482	32,946	73,567	282,921
<b>Expenses</b>									
Salaries									
Teachers							1,128	12,027	21,371
Principals and Vice Principals									
Educational Assistants		17,643							33,297
Support Staff						90,667			5,963
Other Professionals									
Substitutes									1,359
	-	17,643	-	-	-	90,667	1,128	12,027	61,990
Employee Benefits		1,651				21,252	83	2,903	14,901
Services and Supplies	19,759		530	6,032	962,511	11,563	31,735	40,453	206,030
	19,759	19,294	530	6,032	962,511	123,482	32,946	55,383	282,921
Net Revenue (Expense) before Interfund Transfers	187,563	-	-	-	-	-	-	18,184	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(187,563)							(18,184)	
	(187,563)	-	-	-	-	-	-	(18,184)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

# School District No. 58 (Nicola-Similkameen)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	AREA Multicultural Program	Charitable Society	OLRC ASWI	After School Sports & Arts Initiative	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	18,626	1,476			27,013	172,566	55,000		899,219
Add: Restricted Grants									
Provincial Grants - Ministry of Education			259,158	2,228,822					3,211,308
Provincial Grants - Other								196,990	196,990
Other						30,405			1,016,145
Investment Income						1,425			2,714
	-	-	259,158	2,228,822	-	31,830	-	196,990	4,427,157
Less: Allocated to Revenue	18,626	1,476	259,158	2,226,387	-	25,583	55,000	88,544	4,383,379
Deferred Revenue, end of year	-	-	-	2,435	27,013	178,813	-	108,446	942,997
Revenues									
Provincial Grants - Ministry of Education	18,626	1,476	259,158	2,226,387			55,000		3,306,741
Provincial Grants - Other								88,544	88,544
Other Revenue						25,583			988,094
	18,626	1,476	259,158	2,226,387	-	25,583	55,000	88,544	4,383,379
Expenses									
Salaries									
Teachers	8,753	1,476		1,817,800					1,862,555
Principals and Vice Principals			55,667						55,667
Educational Assistants									50,940
Support Staff			15,181						183,169
Other Professionals			20,141					71,358	20,141
Substitutes			58,711						60,070
	8,753	1,476	149,700	1,817,800	-	-	-	71,358	2,232,542
Employee Benefits	775		14,898	408,587				4,977	470,027
Services and Supplies	9,098		66,005			25,583	55,000	12,209	1,446,508
	18,626	1,476	230,603	2,226,387	-	25,583	55,000	88,544	4,149,077
Net Revenue (Expense) before Interfund Transfers	-	-	28,555	-	-	-	-	-	234,302
Interfund Transfers									
Tangible Capital Assets Purchased			(28,555)						(234,302)
	-	-	(28,555)	-	-	-	-	-	(234,302)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

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

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2018

	2018	2018 Actual			2017
	Budget (Note 14, Unaudited)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income	30,000		58,703	58,703	39,453
Amortization of Deferred Capital Revenue	832,804	832,804		832,804	801,477
<b>Total Revenue</b>	<u>862,804</u>	<u>832,804</u>	<u>58,703</u>	<u>891,507</u>	<u>840,930</u>
<b>Expenses</b>					
Operations and Maintenance				-	40,640
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,404,235	1,404,235		1,404,235	1,332,387
<b>Total Expense</b>	<u>1,404,235</u>	<u>1,404,235</u>	<u>-</u>	<u>1,404,235</u>	<u>1,373,027</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(541,431)</u>	<u>(571,431)</u>	<u>58,703</u>	<u>(512,728)</u>	<u>(532,097)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	541,431	704,231		704,231	605,469
<b>Total Net Transfers</b>	<u>541,431</u>	<u>704,231</u>	<u>-</u>	<u>704,231</u>	<u>605,469</u>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		270,456	(270,456)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>270,456</u>	<u>(270,456)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>-</u>	<u>403,256</u>	<u>(211,753)</u>	<u>191,503</u>	<u>73,372</u>
<b>Capital Surplus (Deficit), beginning of year</b>		9,606,205	3,711,880	13,318,085	13,244,713
<b>Capital Surplus (Deficit), end of year</b>		<u>10,009,461</u>	<u>3,500,127</u>	<u>13,509,588</u>	<u>13,318,085</u>



# School District No. 58 (Nicola-Similkameen)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,723,949	47,337,826	1,086,733	995,117		1,294,286	53,437,911
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,493,520	9,843	390,747			1,894,110
Operating Fund		166,173	25,225	89,393		189,138	469,929
Special Purpose Funds		178,625	8,937			46,740	234,302
Local Capital		209,089	16,592	44,775			270,456
Transferred from Work in Progress		330,253					330,253
	-	2,377,660	60,597	524,915	-	235,878	3,199,050
Decrease:							
Deemed Disposals			55,022	96,486		152,122	303,630
	-	-	55,022	96,486	-	152,122	303,630
Cost, end of year	2,723,949	49,715,486	1,092,308	1,423,546	-	1,378,042	56,333,331
Work in Progress, end of year		19,801					19,801
Cost and Work in Progress, end of year	2,723,949	49,735,287	1,092,308	1,423,546	-	1,378,042	56,353,132
Accumulated Amortization, beginning of year		23,076,017	314,097	389,747		404,715	24,184,576
Changes for the Year							
Increase: Amortization for the Year		937,193	108,673	99,512		258,857	1,404,235
Decrease:							
Deemed Disposals			55,022	96,486		152,122	303,630
		-	55,022	96,486	-	152,122	303,630
Accumulated Amortization, end of year		24,013,210	367,748	392,773	-	511,450	25,285,181
Tangible Capital Assets - Net	2,723,949	25,722,077	724,560	1,030,773	-	866,592	31,067,951



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

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2018

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	330,253				330,253
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	19,801				19,801
	19,801	-	-	-	19,801
Decrease:					
Transferred to Tangible Capital Assets	330,253				330,253
	330,253	-	-	-	330,253
Net Changes for the Year	(310,452)	-	-	-	(310,452)
Work in Progress, end of year	19,801	-	-	-	19,801



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

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	18,180,745	1,466,385		19,647,130
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,894,110			1,894,110
Transferred from Work in Progress	330,253			330,253
	2,224,363	-	-	2,224,363
Decrease:				
Amortization of Deferred Capital Revenue	786,390	46,414		832,804
	786,390	46,414	-	832,804
<b>Net Changes for the Year</b>	1,437,973	(46,414)	-	1,391,559
Deferred Capital Revenue, end of year	19,618,718	1,419,971	-	21,038,689
 Work in Progress, beginning of year	330,253			330,253
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	19,801			19,801
	19,801	-	-	19,801
Decrease				
Transferred to Deferred Capital Revenue	330,253			330,253
	330,253	-	-	330,253
<b>Net Changes for the Year</b>	(310,452)	-	-	(310,452)
Work in Progress, end of year	19,801	-	-	19,801
<b>Total Deferred Capital Revenue, end of year</b>	<b>19,638,519</b>	<b>1,419,971</b>	<b>-</b>	<b>21,058,490</b>



# School District No. 58 (Nicola-Similkameen)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	97,585	221,296				318,881
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,985,276					1,985,276
Provincial Grants - Other			46,680			46,680
Investment Income		3,500				3,500
	1,985,276	3,500	46,680	-	-	2,035,456
Decrease:						
Transferred to DCR - Capital Additions	1,894,110					1,894,110
Transferred to DCR - Work in Progress	19,801					19,801
	1,913,911	-	-	-	-	1,913,911
Net Changes for the Year	71,365	3,500	46,680	-	-	121,545
Balance, end of year	168,950	224,796	46,680	-	-	440,426

