

Audited Financial Statements of

School District No. 8 (Kootenay Lake)

June 30, 2017

School District No. 8 (Kootenay Lake)

June 30, 2017

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	8-25
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1	26
Schedule of Operating Operations - Schedule 2	27
Schedule 2A - Schedule of Operating Revenue by Source	28
Schedule 2B - Schedule of Operating Expense by Object	29
Schedule 2C - Operating Expense by Function, Program and Object	30
Schedule of Special Purpose Operations - Schedule 3	32
Schedule 3A - Changes in Special Purpose Funds and Expense by Object	33
Schedule of Capital Operations - Schedule 4	35
Schedule 4A - Tangible Capital Assets	36
Schedule 4C - Deferred Capital Revenue	37
Schedule 4D - Changes in Unspent Deferred Capital Revenue	38

School District No. 8 (Kootenay Lake)

MANAGEMENT REPORT

Version: 6540-5795-3812

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 8 (Kootenay Lake) 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. 8 (Kootenay Lake) (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, Grant Thornton 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. 8 (Kootenay Lake) 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. 8 (Kootenay Lake)

Signature of the Chairperson of the Board of Education	Date Signed
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Signature of the Superintendent	Date Signed
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Signature of the Secretary Treasurer	Date Signed
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Independent auditors' report

Grant Thornton LLP
200 - 1633 Ellis Street
Kelowna, BC
V1Y 2A8

T (250) 712-6800
(800) 661-4244 (Toll Free)
F (250) 712-6850
www.GrantThornton.ca

To the Board of Education of
School District No. 8 (Kootenay Lake) and the Ministry of Education:

We have audited the accompanying financial statements of School District No. 8 (Kootenay Lake), which comprise the statement of financial position as at June 30, 2017 and the statement of operations, statement of changes in net financial assets (debt) and statement of cash flows for the year then ended, and 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 accounting requirements 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.

Auditors' 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 about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements of School District No. 8 (Kootenay Lake) for the year ended June 30, 2017 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 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 matters

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subject to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Kelowna, Canada
September 12, 2017



Chartered Professional Accountants

School District No. 8 (Kootenay Lake)

Statement 1

Statement of Financial Position

As at June 30, 2017

	2017 Actual \$	2016 Actual \$
Financial Assets		
Cash and Cash Equivalents (Note 3)	11,663,177	9,200,061
Accounts Receivable		
Due from Province - Ministry of Education	80,855	26,863
Other (Note 4)	255,368	535,854
Portfolio Investments	91,092	91,707
Total Financial Assets	12,090,492	9,854,485
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	4,015,073	3,618,983
Unearned Revenue (Note 6)	829,772	616,754
Deferred Revenue (Note 7)	2,608,427	2,343,374
Deferred Capital Revenue (Note 8)	49,869,595	49,735,231
Employee Future Benefits (Note 9)	886,820	879,515
Total Liabilities	58,209,687	57,193,857
Net Financial Assets (Debt)	(46,119,195)	(47,339,372)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	70,549,552	71,755,177
Prepaid Expenses	59,501	34,928
Total Non-Financial Assets	70,609,053	71,790,105
Accumulated Surplus (Deficit)	24,489,858	24,450,733

Contractual Obligations and Contingencies (Note 14)

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. 8 (Kootenay Lake)

Statement of Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	51,441,238	53,368,185	50,472,057
Other	125,830	123,113	124,326
Tuition	1,498,500	1,549,895	1,426,345
Other Revenue	2,780,652	3,054,344	3,268,770
Rentals and Leases	117,742	126,519	127,818
Investment Income	76,758	70,762	72,407
Gain (Loss) on Disposal of Tangible Capital Assets			3,750
Amortization of Deferred Capital Revenue	2,562,188	2,471,062	2,618,604
Total Revenue	<u>58,602,908</u>	<u>60,763,880</u>	<u>58,114,077</u>
Expenses			
Instruction	44,077,476	45,289,752	43,659,479
District Administration	2,182,813	2,342,180	2,337,447
Operations and Maintenance	10,408,934	10,724,250	10,379,507
Transportation and Housing	2,268,339	2,368,573	2,252,475
Total Expense	<u>58,937,562</u>	<u>60,724,755</u>	<u>58,628,908</u>
Surplus (Deficit) for the year	<u>(334,654)</u>	<u>39,125</u>	<u>(514,831)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		24,450,733	24,965,564
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>24,489,858</u></u>	<u>24,450,733</u>

School District No. 8 (Kootenay Lake)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(334,654)	39,125	(514,831)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,382,450)	(2,083,574)	(2,275,090)
Amortization of Tangible Capital Assets	3,288,729	3,289,199	3,349,784
Net carrying value of Tangible Capital Assets disposed of	-		3,000
Total Effect of change in Tangible Capital Assets	906,279	1,205,625	1,077,694
Acquisition of Prepaid Expenses	-	(48,075)	(10,403)
Use of Prepaid Expenses	-	23,502	102,516
Acquisition of Other Assets	-		
Use of Other Assets	-		
Total Effect of change in Other Non-Financial Assets	-	(24,573)	92,113
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>571,625</u>	1,220,177	654,976
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		1,220,177	654,976
Net Financial Assets (Debt), beginning of year		(47,339,372)	(47,994,348)
Net Financial Assets (Debt), end of year		(46,119,195)	(47,339,372)

School District No. 8 (Kootenay Lake)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual \$	2016 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	39,125	(514,831)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	226,494	(46,949)
Prepaid Expenses	(24,573)	92,113
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	396,090	172,374
Unearned Revenue	213,018	251,598
Deferred Revenue	265,053	(101,939)
Employee Future Benefits	7,305	(21,347)
Loss (Gain) on Disposal of Tangible Capital Assets		(3,750)
Amortization of Tangible Capital Assets	3,289,199	3,349,784
Amortization of Deferred Capital Revenue	(2,471,062)	(2,618,604)
Total Operating Transactions	1,940,649	558,449
Capital Transactions		
Tangible Capital Assets Purchased	(2,083,574)	(2,275,090)
District Portion of Proceeds on Disposal	-	6,750
Total Capital Transactions	(2,083,574)	(2,268,340)
Financing Transactions		
Capital Revenue Received	2,605,426	2,089,201
Total Financing Transactions	2,605,426	2,089,201
Investing Transactions		
Investments in Portfolio Investments	615	3,477
Total Investing Transactions	615	3,477
Net Increase (Decrease) in Cash and Cash Equivalents	2,463,116	382,787
Cash and Cash Equivalents, beginning of year	9,200,061	8,817,274
Cash and Cash Equivalents, end of year	11,663,177	9,200,061
Cash and Cash Equivalents, end of year, is made up of:		
Cash	11,217,545	8,704,818
Cash Equivalents	445,632	495,243
	11,663,177	9,200,061
Supplementary Cash Flow Information		

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 2, 1996, operates under the authority of the School Act of British Columbia as a corporation under the name of “The Board of Education of School District No. 8 (Kootenay Lake)”, and operates as “School District No. 8 (Kootenay Lake)” (the “District”). A Board of Education (the “Board”) elected for a four-year term governs the District. The 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. 8 (Kootenay Lake) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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 District before or after this regulation was in effect.

As noted in Notes 2 (f) and 2 (m), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the 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 District is as follows:

- Year-ended June 30, 2016 – decrease in annual surplus by \$664,827
- June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$49,540,432
- Year-ended June 30, 2017 – decrease in annual surplus by \$688,850
- June 30, 2017 – increase in accumulated surplus and decrease in deferred contributions by \$48,851,582

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash balances and term deposits 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) Portfolio Investments

The District has investments in mutual funds which are quoted in an active market and are reported at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in a Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal when applicable. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in a Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

e) Unearned Revenue

Unearned revenue includes revenue for services to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the services are provided.

f) 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 (m).

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

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

g) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was performed at March 31, 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, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

h) 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.

i) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the District:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

j) 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.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

j) Tangible Capital Assets (continued)

- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- 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 District to provide services or when the value of future economic benefits associated with the tangible capital assets 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 any other intangible assets are not recorded as assets in these financial statements.
- 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

k) Prepaid Expenses

Prepaid licenses, membership, and insurance are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) 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 Note 12 – Interfund Transfers and Note 17 – Internally Restricted Surplus).

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

m) 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. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the 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
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

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

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

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

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

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

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

Allocation of Costs

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

o) 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 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 and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the District is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

o) Financial Instruments (continued)

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 a Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

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

p) 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.

NOTE 3 CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are funds in the amount of \$626,225 (2016 – \$502,978), restricted and paid out to teachers who contribute to and take part in the District's self-funded summer saving plan.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 4 ACCOUNTS RECEIVABLE – OTHER

	2017	2016
GST rebate	\$ 43,697	\$ 44,416
Invoices receivable	123,661	289,797
Other receivables	88,010	201,641
	\$ 255,368	\$ 535,854

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2017	2016
Trade payables and other	\$ 407,479	\$ 615,798
Salaries and benefits payable	2,551,883	2,065,639
Accrued vacation pay	429,486	434,568
Teacher 12 month pay accrual	626,225	502,978
	\$ 4,015,073	\$ 3,618,983

NOTE 6 UNEARNED REVENUE

	2017	2016
Balance, beginning of year	\$ 616,754	\$ 365,156
Changes for the year:		
Increases:		
Tuition Fees	827,522	613,438
IHA Health Promoting Schools Grant	2,250	2,567
	829,772	616,005
Decreases:		
Tuition Fees	(614,187)	(364,407)
IHA Health Promoting Schools Grant	(2,567)	-
	(616,754)	(364,407)
Balance, end of year	\$ 829,772	\$ 616,754

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 7 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

	2017	2016
Balance, beginning of year	\$ 2,343,374	\$ 2,445,313
Add: Restricted grants	5,463,315	4,649,570
Less: Allocated to revenue	(5,198,262)	(4,751,509)
Balance, end of year	\$ 2,608,427	\$ 2,343,374

NOTE 8 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 Schedule 4C and 4D.

	2017	2016
Balance, beginning of year	\$ 49,735,231	\$ 50,264,634
Add: Contributions received in the year	2,605,426	2,068,951
Add: Proceeds of Disposal: Wynndel Elementary	-	20,250
Less: Amortization of deferred capital revenue	(2,471,062)	(2,618,604)
Balance, end of year	\$ 49,869,595	\$ 49,735,231

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 9 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 District has provided for the payment of these benefits.

	2017	2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,052,981	\$ 894,950
Service Cost	70,174	62,417
Interest Cost	26,300	20,555
Benefit Payments	(102,939)	(105,024)
Actuarial (Gain)/Loss	(54,606)	180,083
Accrued Benefit Obligation – March 31	\$ 991,910	\$ 1,052,981
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 991,910	\$ 1,052,981
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(991,910)	(1,052,981)
Employer Contributions After Measurement Date	14,802	8,674
Benefits Expense After Measurement Date	(24,446)	(24,118)
Unamortized Net Actuarial (Gain) Loss	114,734	188,910
Accrued Benefit Liability - June 30	\$ (886,820)	\$ (879,515)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 879,515	\$ 900,862
Net Expense for Fiscal Year	116,371	83,685
Employer Contributions	(109,066)	(105,032)
Accrued Benefit Liability - June 30	\$ 886,820	\$ 879,515

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 9 **EMPLOYEE FUTURE BENEFITS** *(Continued)*

Components of Net Benefit Expense

Service Cost	\$ 70,197	\$ 64,356
Interest Cost	26,604	21,991
Amortization of Net Actuarial (Gain) Loss	19,570	(2,662)
Net Benefit Expense	<u>\$ 116,371</u>	<u>\$ 83,685</u>

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

	2017	2016
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	8.1	8.1

NOTE 10 **TANGIBLE CAPITAL ASSETS**

	2017	2016
Net Book Value		
Sites	\$ 9,054,596	\$ 9,054,596
Buildings	58,187,781	59,340,736
Vehicles	2,709,136	2,606,461
Furniture and equipment	397,736	533,812
Computer hardware	174,807	167,813
Computer software	25,496	51,759
Total	<u>\$ 70,549,552</u>	<u>\$ 71,755,177</u>

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
Cost				
Sites	\$ 9,054,596	\$ -	\$ -	\$ 9,054,596
Buildings	125,076,263	1,445,947	-	126,522,210
Vehicles	4,695,137	572,189	(266,822)	5,000,504
Furniture and equipment	1,420,964	6,021	(233,828)	1,193,157
Computer hardware	262,121	59,417	(34,501)	287,037
Computer software	131,320	-	(48,459)	82,861
Total	\$ 140,640,401	\$ 2,083,574	\$ (583,610)	\$ 142,140,365

Accumulated Amortization	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	65,735,527	2,598,902	-	68,334,429
Vehicles	2,088,676	469,514	(266,822)	2,291,368
Furniture and equipment	887,152	142,097	(233,828)	795,421
Computer hardware	94,308	52,423	(34,501)	112,230
Computer software	79,561	26,263	(48,459)	57,365
Total	\$ 68,885,224	\$ 3,289,199	\$ (583,610)	\$ 71,590,813

Cost	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ 9,057,596	\$ -	\$ (3,000)	\$ 9,054,596
Buildings	123,316,577	1,921,510	(161,824)	125,076,263
Vehicles	5,260,420	274,276	(839,559)	4,695,137
Furniture and equipment	1,374,481	59,618	(13,135)	1,420,964
Computer hardware	443,540	19,686	(201,105)	262,121
Computer software	172,651	-	(41,331)	131,320
Total	\$ 139,625,265	\$ 2,275,090	\$ (1,259,954)	\$ 140,640,401

Accumulated Amortization	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	63,334,294	2,563,057	(161,824)	65,735,527
Vehicles	2,402,193	526,042	(839,559)	2,088,676
Furniture and equipment	762,839	137,448	(13,135)	887,152
Computer hardware	206,706	88,707	(201,105)	94,308
Computer software	86,362	34,530	(41,331)	79,561
Total	\$ 66,792,394	\$ 3,349,784	\$ (1,256,954)	\$ 68,885,224

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 11 EMPLOYEE PENSION PLANS

The District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans.

Basic pension benefits provided are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 36,000 retired members from school districts. As at December 31, 2015, the Municipal Pension Plan has about 189,000 active members, of which approximately 24,000 are from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2017 with results available in 2018.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available in 2019.

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

The District paid \$4,519,630 (2016 - \$4,836,283) for employer contributions to these plans in the year ended June 30, 2017.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 12 INTERFUND TRANSFERS

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

- Operating funds transferred to local capital - \$711,000 (2016 - \$nil)
- Tangible capital assets purchased from special purpose funds - \$197,788 (2016 - \$105,679)
- Tangible capital assets purchased from operating funds - \$103,574 (2016 - \$215,634)

NOTE 13 RELATED PARTY TRANSACTIONS

The 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 14 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The District has entered into a number of multiple-year contracts for office equipment, computer software and a vehicle. 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.

	2018	2019	2020	2021	2022
Future operating lease payments	\$ 109,788	\$ 109,788	\$ 26,505	\$13,211	\$ 6,605

The District is involved in certain legal actions. Some of these legal actions are managed and covered by the District, School’s Protection Program. The outcome of these matters cannot be determined at this time. In the event that any claims are successful, it is management’s opinion that the settlements of such claims would not have a material effect on the financial position of the District. The resulting loss on the District, if any, will be recorded in the period in which it is determinable.

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2017 the liability is not reasonably determinable.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 15 BUDGET FIGURES

Budget figures included in the financial statements are the original planned budget approved by the Board through the adoption of an annual budget on April 19, 2016. While PSAS require the presentation of the originally planned budget, an amended budget based on more accurate enrollment numbers was approved by the Board and filed with the Ministry of Education on February 21, 2017. Significant changes between the original and amended budget are as follows:

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants MOE	\$ 51,441,238	\$ 53,135,848	\$ 1,694,610
Amortization of deferred capital revenue	2,562,188	2,539,758	(22,430)
Other	4,599,482	5,235,910	636,428
	<u>\$ 58,602,908</u>	<u>\$ 60,911,516</u>	<u>\$ 2,308,608</u>
Expenses			
Instruction	\$ 44,077,476	\$ 46,507,314	\$ 2,429,838
District Administration	2,182,813	2,355,575	172,762
Operations and Maintenance	7,120,205	7,391,019	270,814
Transportation and Housing	2,268,339	2,507,185	238,846
Amortization of tangible capital assets	3,288,729	3,283,302	(5,427)
	<u>\$ 58,937,562</u>	<u>\$ 62,044,395</u>	<u>\$ 3,106,833</u>

NOTE 16 EXPENSE BY OBJECT

	2017	2016
Salaries and benefits	\$ 46,106,052	\$ 44,562,182
Services and supplies	11,329,504	10,563,557
Amortization of tangible capital assets	3,289,199	3,349,784
	<u>\$ 60,724,755</u>	<u>\$ 58,475,523</u>

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 17 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2017	2016
Internally restricted (appropriated) by Board for:		
Schools and other programs	\$ 14,562	\$ 56,822
Aboriginal Education	97,733	200,170
International program	76,000	76,000
Contractual Pro-D	66,240	93,620
Transformative Learning Environments Grants	23,966	78,000
Facilities Plan	608,657	1,189,579
Student Learning Fund Unspent	155,615	-
Technology Projects	110,000	-
Curriculum Support & Implementation	111,391	-
Operations & Grounds Equipment	185,000	-
Staffing	50,000	-
Community Grants Unspent	18,116	-
Student Assessment Resources	11,577	-
Subtotal internally restricted	1,528,857	1,694,191
District reserve	500,000	500,000
Total available for future operations	\$ 2,028,857	\$ 2,194,191

NOTE 18 ECONOMIC DEPENDENCE

The operations of the 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 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 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 and cash equivalents, accounts receivable and portfolio investments.

The District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated through application of stringent credit policies.

SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 19 RISK MANAGEMENT *(continued)*

b) Credit risk *(continued)*:

It is management's opinion that the 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 District invests solely in term deposits and mutual funds.

c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

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. The District is exposed to interest rate risk through its investments. It is management's opinion that the District is not exposed to significant interest rate risk as they invest solely in term deposits that have a maturity date of no more than 3 years, and mutual funds.

d) Liquidity risk

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

The 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 District's reputation.

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

School District No. 8 (Kootenay Lake)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,194,191		22,256,542	24,450,733	24,965,564
Changes for the year					
Surplus (Deficit) for the year	649,240	197,788	(807,903)	39,125	(514,831)
Interfund Transfers					
Tangible Capital Assets Purchased	(103,574)	(197,788)	301,362	-	
Local Capital	(711,000)		711,000	-	
Net Changes for the year	(165,334)	-	204,459	39,125	(514,831)
Accumulated Surplus (Deficit), end of year - Statement 2	2,028,857	-	22,461,001	24,489,858	24,450,733

School District No. 8 (Kootenay Lake)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	49,161,639	50,879,689	48,446,671
Other	125,830	123,113	124,326
Tuition	1,498,500	1,549,895	1,426,345
Other Revenue	453,652	344,578	369,042
Rentals and Leases	117,742	126,519	127,818
Investment Income	76,258	60,528	72,407
Total Revenue	<u>51,433,621</u>	<u>53,084,322</u>	<u>50,566,609</u>
Expenses			
Instruction	39,869,264	40,453,578	39,037,958
District Administration	2,087,813	2,291,705	2,191,212
Operations and Maintenance	6,940,205	7,321,226	6,978,044
Transportation and Housing	2,268,339	2,368,573	2,252,475
Total Expense	<u>51,165,621</u>	<u>52,435,082</u>	<u>50,459,689</u>
Operating Surplus (Deficit) for the year	<u>268,000</u>	<u>649,240</u>	<u>106,920</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>32,000</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(300,000)	(103,574)	(215,634)
Local Capital	-	(711,000)	-
Total Net Transfers	<u>(300,000)</u>	<u>(814,574)</u>	<u>(215,634)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(165,334)</u>	<u>(108,714)</u>
Operating Surplus (Deficit), beginning of year		2,194,191	2,302,905
Operating Surplus (Deficit), end of year		<u>2,028,857</u>	<u>2,194,191</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		2,028,857	2,194,191
Total Operating Surplus (Deficit), end of year		<u>2,028,857</u>	<u>2,194,191</u>

School District No. 8 (Kootenay Lake)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	48,868,533	49,647,972	48,108,077
INAC/LEA Recovery	(193,769)	(138,850)	(150,557)
Other Ministry of Education Grants			
Pay Equity	300,996	300,996	300,996
Funding for Graduated Adults	76,000	3,709	11,126
Transportation Supplement	76,000	419,602	
Economic Stability Dividend	25,183	25,851	34,358
Return of Administrative Savings	-	252,383	
Carbon Tax Grant	-	78,260	123,000
Student Learning Grant	-	241,338	
FSA and Exam Marking	8,696	8,187	8,696
Shoulder Tapper Grant	-	17,500	-
NGN Self Provision Transfer Under Agreement	-	13,191	-
Skills Training Access Support	-	5,000	-
Miscellaneous	-	4,550	10,975
Total Provincial Grants - Ministry of Education	49,161,639	50,879,689	48,446,671
Provincial Grants - Other	125,830	123,113	124,326
Tuition			
International and Out of Province Students	1,468,500	1,497,404	1,364,545
Distance Learning/Correspondence Course Fees	30,000	52,491	61,800
Total Tuition	1,498,500	1,549,895	1,426,345
Other Revenues			
LEA/Direct Funding from First Nations	193,769	138,850	150,557
Miscellaneous			
Cultural Grant	3,800	10,800	11,100
Private School Bussing Fees	47,000	61,825	57,458
DASH BC After School Sports Grant	50,000	50,000	50,000
Industry Training Authority (ITA)	70,000	59,600	68,700
Columbia Basin Trust - Spawning Channel Grant	-	12,150	-
Columbia Basin Trust - Youth PowWow	-	3,500	-
Miscellaneous	89,083	7,853	31,227
Total Other Revenue	453,652	344,578	369,042
Rentals and Leases	117,742	126,519	127,818
Investment Income	76,258	60,528	72,407
Total Operating Revenue	51,433,621	53,084,322	50,566,609

School District No. 8 (Kootenay Lake)

Schedule 2B

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

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	20,074,967	20,239,764	19,390,988
Principals and Vice Principals	3,189,260	3,115,775	3,216,874
Educational Assistants	3,051,908	3,079,883	2,904,140
Support Staff	6,118,222	6,107,803	6,012,234
Other Professionals	1,251,468	1,260,406	1,157,977
Substitutes	1,512,118	1,765,453	1,701,373
Total Salaries	35,197,943	35,569,084	34,383,586
Employee Benefits	9,161,117	8,943,955	9,066,723
Total Salaries and Benefits	44,359,060	44,513,039	43,450,309
Services and Supplies			
Services	804,811	1,113,302	1,036,359
Student Transportation	30,000	26,183	28,524
Professional Development and Travel	476,511	1,175,602	912,366
Rentals and Leases	156,307	122,365	117,118
Dues and Fees	53,176	281,117	238,810
Insurance	161,350	185,290	150,674
Interest	100	1,506	2,867
Supplies	3,636,887	3,662,651	3,279,846
Utilities	1,487,419	1,354,027	1,242,816
Total Services and Supplies	6,806,561	7,922,043	7,009,380
Total Operating Expense	51,165,621	52,435,082	50,459,689

School District No. 8 (Kootenay Lake)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	16,933,766	440,150	81,296	209,593	-	1,087,070	18,751,875
1.03 Career Programs	43,513	16,426	-	-	-	3,049	62,988
1.07 Library Services	178,324	39,919	-	127,911	-	2,679	348,833
1.08 Counselling	407,407	88,476	-	-	-	-	495,883
1.10 Special Education	2,103,898	159,553	2,686,444	74,165	139,109	162,767	5,325,936
1.30 English Language Learning	32,503	830	3,891	-	-	-	37,224
1.31 Aboriginal Education	123,568	85,305	272,454	-	12,254	12,272	505,853
1.41 School Administration	-	2,186,012	-	968,014	-	48,871	3,202,897
1.62 International and Out of Province Students	270,989	97,952	35,798	53,768	-	4,737	463,244
1.64 Other	-	-	-	-	-	-	-
Total Function 1	20,093,968	3,114,623	3,079,883	1,433,451	151,363	1,321,445	29,194,733
4 District Administration							
4.11 Educational Administration	145,796	-	-	-	330,353	78	476,227
4.40 School District Governance	-	-	-	-	104,149	-	104,149
4.41 Business Administration	-	1,152	-	324,083	458,462	37,184	820,881
Total Function 4	145,796	1,152	-	324,083	892,964	37,262	1,401,257
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	73,492	201,849	2,188	277,529
5.50 Maintenance Operations	-	-	-	3,008,514	-	226,683	3,235,197
5.52 Maintenance of Grounds	-	-	-	152,737	-	2,877	155,614
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	3,234,743	201,849	231,748	3,668,340
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	23,327	14,230	-	37,557
7.70 Student Transportation	-	-	-	1,092,199	-	174,998	1,267,197
Total Function 7	-	-	-	1,115,526	14,230	174,998	1,304,754
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	20,239,764	3,115,775	3,079,883	6,107,803	1,260,406	1,765,453	35,569,084

School District No. 8 (Kootenay Lake)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	18,751,875	4,488,569	23,240,444	1,944,942	25,185,386	25,196,131	24,860,931
1.03 Career Programs	62,988	13,344	76,332	12,593	88,925	72,765	116,146
1.07 Library Services	348,833	90,087	438,920	42,435	481,355	509,220	468,387
1.08 Counselling	495,883	113,681	609,564	947	610,511	667,307	628,085
1.10 Special Education	5,325,936	1,485,256	6,811,192	301,399	7,112,591	6,729,133	6,579,087
1.30 English Language Learning	37,224	9,250	46,474	7,133	53,607	49,680	54,338
1.31 Aboriginal Education	505,853	139,405	645,258	494,091	1,139,349	957,195	929,954
1.41 School Administration	3,202,897	800,247	4,003,144	130,850	4,133,994	4,169,333	4,080,162
1.62 International and Out of Province Students	463,244	110,288	573,532	1,030,095	1,603,627	1,468,500	1,249,166
1.64 Other	-	-	-	44,233	44,233	50,000	71,702
Total Function 1	29,194,733	7,250,127	36,444,860	4,008,718	40,453,578	39,869,264	39,037,958
4 District Administration							
4.11 Educational Administration	476,227	99,196	575,423	100,280	675,703	549,344	602,683
4.40 School District Governance	104,149	1,681	105,830	102,611	208,441	205,648	217,076
4.41 Business Administration	820,881	184,218	1,005,099	402,462	1,407,561	1,332,821	1,371,453
Total Function 4	1,401,257	285,095	1,686,352	605,353	2,291,705	2,087,813	2,191,212
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	277,529	54,767	332,296	298,604	630,900	567,662	596,945
5.50 Maintenance Operations	3,235,197	877,295	4,112,492	932,480	5,044,972	4,622,565	4,890,703
5.52 Maintenance of Grounds	155,614	42,744	198,358	92,968	291,326	262,559	247,580
5.56 Utilities	-	-	-	1,354,028	1,354,028	1,487,419	1,242,816
Total Function 5	3,668,340	974,806	4,643,146	2,678,080	7,321,226	6,940,205	6,978,044
7 Transportation and Housing							
7.41 Transportation and Housing Administration	37,557	9,774	47,331	32,189	79,520	32,353	60,131
7.70 Student Transportation	1,267,197	424,153	1,691,350	597,703	2,289,053	2,235,986	2,192,344
Total Function 7	1,304,754	433,927	1,738,681	629,892	2,368,573	2,268,339	2,252,475
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	35,569,084	8,943,955	44,513,039	7,922,043	52,435,082	51,165,621	50,459,689

School District No. 8 (Kootenay Lake)

Schedule of Special Purpose Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,279,599	2,488,496	2,025,386
Other Revenue	2,327,000	2,709,766	2,899,728
Investment Income	-		
Total Revenue	<u>4,606,599</u>	<u>5,198,262</u>	<u>4,925,114</u>
Expenses			
Instruction	4,208,212	4,836,174	4,621,521
District Administration	95,000	50,475	146,235
Operations and Maintenance	180,000	113,825	51,679
Total Expense	<u>4,483,212</u>	<u>5,000,474</u>	<u>4,819,435</u>
Special Purpose Surplus (Deficit) for the year	<u>123,387</u>	<u>197,788</u>	<u>105,679</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(123,387)	(197,788)	(105,679)
Total Net Transfers	<u>(123,387)</u>	<u>(197,788)</u>	<u>(105,679)</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. 8 (Kootenay Lake)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Coding and Curriculum Implementation
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	592	172,482	628,789	1,313,429	19,041	46,974	14,606	126,272	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	303,387	1,009,181	-	-	161,227	51,450	89,542	586,641	60,067
Other	-	-	13,957	2,656,102	-	-	-	-	-
Investment Income	-	-	8,441	-	-	-	-	-	-
	303,387	1,009,181	22,398	2,656,102	161,227	51,450	89,542	586,641	60,067
Less: Allocated to Revenue	303,387	776,171	25,018	2,665,665	145,570	39,116	96,194	621,873	2,820
Deferred Revenue, end of year	592	405,492	626,169	1,303,866	34,698	59,308	7,954	91,040	57,247
Revenues									
Provincial Grants - Ministry of Education	303,387	776,171	-	-	145,570	39,116	96,194	621,873	2,820
Other Revenue	-	-	25,018	2,665,665	-	-	-	-	-
	303,387	776,171	25,018	2,665,665	145,570	39,116	96,194	621,873	2,820
Expenses									
Salaries									
Teachers	-	440,378	-	-	-	7,606	-	6,925	-
Principals and Vice Principals	-	-	-	-	-	-	1,275	-	-
Educational Assistants	-	166,491	-	-	-	-	18,825	168,470	-
Support Staff	-	-	-	-	6,297	622	-	13,871	-
Substitutes	-	7,967	-	-	-	-	164	22,751	-
	-	614,836	-	-	6,297	8,228	20,264	212,017	-
Employee Benefits	-	161,335	-	-	1,929	1,923	10,510	52,309	-
Services and Supplies	105,599	-	25,018	2,665,665	137,344	28,965	65,420	357,547	2,820
	105,599	776,171	25,018	2,665,665	145,570	39,116	96,194	621,873	2,820
Net Revenue (Expense) before Interfund Transfers	197,788	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(197,788)	-	-	-	-	-	-	-	-
	(197,788)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

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

	Priority Measures	Festival Nelson	Donations	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	8,336	12,853	2,343,374
Add: Restricted Grants				
Provincial Grants - Ministry of Education	503,635	-	-	2,765,130
Other	-	-	19,685	2,689,744
Investment Income	-	-	-	8,441
	503,635	-	19,685	5,463,315
Less: Allocated to Revenue	503,365	-	19,083	5,198,262
Deferred Revenue, end of year	270	8,336	13,455	2,608,427
Revenues				
Provincial Grants - Ministry of Education	503,365	-	-	2,488,496
Other Revenue	-	-	19,083	2,709,766
	503,365	-	19,083	5,198,262
Expenses				
Salaries				
Teachers	413,811	-	-	868,720
Principals and Vice Principals	-	-	-	1,275
Educational Assistants	-	-	-	353,786
Support Staff	-	-	-	20,790
Substitutes	-	-	-	30,882
	413,811	-	-	1,275,453
Employee Benefits	89,554	-	-	317,560
Services and Supplies	-	-	19,083	3,407,461
	503,365	-	19,083	5,000,474
Net Revenue (Expense) before Interfund Transfers	-	-	-	197,788
Interfund Transfers				
Tangible Capital Assets Purchased	-	-	-	(197,788)
	-	-	-	(197,788)
Net Revenue (Expense)	-	-	-	-

School District No. 8 (Kootenay Lake)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	500		10,234	10,234	
Gain (Loss) on Disposal of Tangible Capital Assets	-	-		-	3,750
Amortization of Deferred Capital Revenue	2,562,188	2,471,062		2,471,062	2,618,604
Total Revenue	<u>2,562,688</u>	<u>2,471,062</u>	<u>10,234</u>	<u>2,481,296</u>	<u>2,622,354</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,288,729	3,289,199		3,289,199	3,349,784
Total Expense	<u>3,288,729</u>	<u>3,289,199</u>	<u>-</u>	<u>3,289,199</u>	<u>3,349,784</u>
Capital Surplus (Deficit) for the year	<u>(726,041)</u>	<u>(818,137)</u>	<u>10,234</u>	<u>(807,903)</u>	<u>(727,430)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	423,387	301,362		301,362	321,313
Local Capital			711,000	711,000	
Total Net Transfers	<u>423,387</u>	<u>301,362</u>	<u>711,000</u>	<u>1,012,362</u>	<u>321,313</u>
Total Capital Surplus (Deficit) for the year	<u>(302,654)</u>	<u>(516,775)</u>	<u>721,234</u>	<u>204,459</u>	<u>(406,117)</u>
Capital Surplus (Deficit), beginning of year		22,214,744	41,798	22,256,542	22,662,659
Capital Surplus (Deficit), end of year		<u>21,697,969</u>	<u>763,032</u>	<u>22,461,001</u>	<u>22,256,542</u>

School District No. 8 (Kootenay Lake)

Tangible Capital Assets
Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	9,054,596	125,076,263	1,420,964	4,695,137	131,320	262,121	140,640,401
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	1,248,159	-	528,032	-	-	1,776,191
Deferred Capital Revenue - Other	-	-	6,021	-	-	-	6,021
Operating Fund	-	-	-	44,157	-	59,417	103,574
Special Purpose Funds	-	197,788	-	-	-	-	197,788
	-	1,445,947	6,021	572,189	-	59,417	2,083,574
Decrease:							
Deemed Disposals			233,828	234,792	48,459	34,501	551,580
Written-off/down During Year	-	-	-	32,030	-	-	32,030
	-	-	233,828	266,822	48,459	34,501	583,610
Cost, end of year	9,054,596	126,522,210	1,193,157	5,000,504	82,861	287,037	142,140,365
Work in Progress, end of year							-
Cost and Work in Progress, end of year	9,054,596	126,522,210	1,193,157	5,000,504	82,861	287,037	142,140,365
Accumulated Amortization, beginning of year		65,735,527	887,152	2,088,676	79,561	94,308	68,885,224
Changes for the Year							
Increase: Amortization for the Year		2,598,902	142,097	469,514	26,263	52,423	3,289,199
Decrease:							
Deemed Disposals			233,828	234,792	48,459	34,501	551,580
Written-off During Year			-	32,030	-	-	32,030
			233,828	266,822	48,459	34,501	583,610
Accumulated Amortization, end of year		68,334,429	795,421	2,291,368	57,365	112,230	71,590,813
Tangible Capital Assets - Net	9,054,596	58,187,781	397,736	2,709,136	25,496	174,807	70,549,552

School District No. 8 (Kootenay Lake)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	48,770,494	461,596	308,342	49,540,432
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,776,191	6,021	-	1,782,212
	<u>1,776,191</u>	<u>6,021</u>	<u>-</u>	<u>1,782,212</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,461,718	-	9,344	2,471,062
	<u>2,461,718</u>	<u>-</u>	<u>9,344</u>	<u>2,471,062</u>
Net Changes for the Year	<u>(685,527)</u>	<u>6,021</u>	<u>(9,344)</u>	<u>(688,850)</u>
Deferred Capital Revenue, end of year	<u>48,084,967</u>	<u>467,617</u>	<u>298,998</u>	<u>48,851,582</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>48,084,967</u>	<u>467,617</u>	<u>298,998</u>	<u>48,851,582</u>

School District No. 8 (Kootenay Lake)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 174,549	\$ 20,250	\$ -	\$ -	\$ -	\$ 194,799
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,288,483					2,288,483
Provincial Grants - Other			316,943			316,943
	2,288,483	-	316,943	-	-	2,605,426
Decrease:						
Transferred to DCR - Capital Additions	1,776,191		6,021			1,782,212
	1,776,191	-	6,021	-	-	1,782,212
Net Changes for the Year	512,292	-	310,922	-	-	823,214
Balance, end of year	686,841	20,250	310,922	-	-	1,018,013