

Audited Financial Statements of

School District No. 5 (Southeast Kootenay)

June 30, 2016

School District No. 5 (Southeast Kootenay)

June 30, 2016

Table of Contents

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

School District No. 5 (Southeast Kootenay)

MANAGEMENT REPORT

Version: 4414-4229-2246

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 5 (Southeast Kootenay) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.


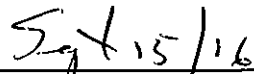
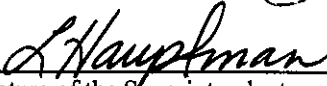
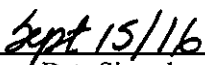

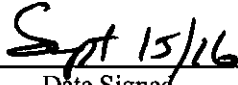
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 5 (Southeast Kootenay) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, BDO CANADA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 5 (Southeast Kootenay) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 5 (Southeast Kootenay)

 _____ Signature of the Chairperson of the Board of Education	 _____ Date Signed
 _____ Signature of the Superintendent	 _____ Date Signed
 _____ Signature of the Secretary Treasurer	 _____ Date Signed



Tel: 250 426 4285
Fax: 250 426 8886
www.bdo.ca

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

Independent Auditor's Report

To the Board of Education of School District No. 5 (Southeast Kootenay) and
the Minister of Education of the Province of British Columbia

We have audited the accompanying financial statements of the School District No. 5 (Southeast Kootenay), which comprise the statement of financial position as at June 30, 2016 and the statements of operations, changes in net debt and cash flows for the years ended June 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards modified by B.C. Regulation 198/2011 "Restricted Contributions", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the School District No. 5 (Southeast Kootenay) for the year ended June 30, 2016 are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

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

BDO Canada LLP

Chartered Professional Accountants

Cranbrook, BC
September 13, 2016

School District No. 5 (Southeast Kootenay)

Statement 1


Statement of Financial Position

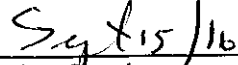
As at June 30, 2016

	2016 Actual	2015 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	9,256,334	8,712,033
Accounts Receivable		
Due from Province - Ministry of Education		729,932
Due from LEA/Direct Funding	193,769	206,622
Other (Note 3)	350,836	398,074
Total Financial Assets	9,800,939	10,046,661
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	3,909,933	3,646,454
Unearned Revenue (Note 5)	7,412	615,177
Deferred Revenue (Note 6)	1,956,599	1,816,265
Deferred Capital Revenue (Note 7)	60,144,794	59,988,507
Employee Future Benefits (Note 8)	304,022	291,601
Total Liabilities	66,322,760	66,358,004
Net Financial Assets (Debt)	(56,521,821)	(56,311,343)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	74,804,596	75,245,124
Prepaid Expenses	229,501	236,070
Total Non-Financial Assets	75,034,097	75,481,194
Accumulated Surplus (Deficit)	18,512,276	19,169,851

Contractual Obligations and Contingencies


Approved by the Board

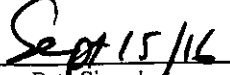

Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed

School District No. 5 (Southeast Kootenay)

Statement of Operations
Year Ended June 30, 2016

Statement 2

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	54,153,035	55,120,652	52,055,264
Other (Note)	163,885	506,666	667,723
Tuition	1,126,580	1,156,453	1,129,115
Other Revenue	2,330,488	2,512,947	2,405,109
Rentals and Leases	178,000	135,791	133,990
Investment Income	51,000	58,183	90,171
Amortization of Deferred Capital Revenue	2,581,733	2,752,526	2,581,736
Total Revenue	60,584,721	62,243,218	59,063,108
Expenses			
Instruction	47,919,138	49,673,718	46,474,615
District Administration	1,941,528	2,101,203	2,034,481
Operations and Maintenance	9,450,920	9,542,241	8,835,273
Transportation and Housing	1,684,252	1,546,391	1,657,651
Scholarships	38,000	37,240	144,531
Total Expense	61,033,838	62,900,793	59,146,551
Surplus (Deficit) for the year	(449,117)	(657,575)	(83,443)
Accumulated Surplus (Deficit) from Operations, beginning of year		19,169,851	19,253,294
Accumulated Surplus (Deficit) from Operations, end of year		18,512,276	19,169,851

School District No. 5 (Southeast Kootenay)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(449,117)</u>	<u>(657,575)</u>	<u>(83,443)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(3,032,689)	(5,166,297)
Amortization of Tangible Capital Assets		3,473,217	3,295,927
Total Effect of change in Tangible Capital Assets	<u>-</u>	<u>440,528</u>	<u>(1,870,370)</u>
Acquisition of Prepaid Expenses		(229,501)	(236,070)
Use of Prepaid Expenses		236,070	470,312
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>6,569</u>	<u>234,242</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(449,117)</u>	<u>(210,478)</u>	<u>(1,719,571)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(210,478)</u>	<u>(1,719,571)</u>
Net Financial Assets (Debt), beginning of year		<u>(56,311,343)</u>	<u>(54,591,772)</u>
Net Financial Assets (Debt), end of year		<u>(56,521,821)</u>	<u>(56,311,343)</u>

School District No. 5 (Southeast Kootenay)

Statement of Cash Flows
Year Ended June 30, 2016

Statement 5

	2016 Actual	2015 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(657,575)	(83,443)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	790,022	(69,082)
Prepaid Expenses	6,570	234,242
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	263,479	(1,042,413)
Unearned Revenue	(607,765)	15,567
Deferred Revenue	140,334	(54,785)
Employee Future Benefits	12,421	(21,646)
Amortization of Tangible Capital Assets	3,473,217	3,295,927
Amortization of Deferred Capital Revenue	(2,752,526)	(2,581,736)
Total Operating Transactions	<u>668,177</u>	<u>(307,369)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(3,032,689)	(5,166,297)
Total Capital Transactions	<u>(3,032,689)</u>	<u>(5,166,297)</u>
Financing Transactions		
Capital Revenue Received	2,908,813	4,596,312
Total Financing Transactions	<u>2,908,813</u>	<u>4,596,312</u>
Net Increase (Decrease) in Cash and Cash Equivalents	544,301	(877,354)
Cash and Cash Equivalents, beginning of year	8,712,033	9,589,387
Cash and Cash Equivalents, end of year	<u>9,256,334</u>	<u>8,712,033</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	6,423,000	4,458,458
Cash Equivalents	2,833,334	4,253,575
	<u>9,256,334</u>	<u>8,712,033</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 5 (Southeast Kootenay)", and operates as "School District No. 5 (Southeast Kootenay)." A board of education (Board) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

In September 2010, the Province of British Columbia Treasury Board ("Treasury Board") provided directive through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sector to adopt PSA standards of the Canadian Institute of Chartered Accountants ("CICA") without not-for-profit provisions from their first fiscal year commencing after January 1, 2012. In March 2011, PSAB released a new *Section PS 3410 "Government Transfers"*. In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Notes 2(d) and 2(i).

As noted in notes 2 (d) and 2 (i), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2015 - understatement of revenue and annual surplus of \$2,062,312

June 30, 2015 - understatement of accumulated surplus and an overstatement of deferred capital revenue by \$59,184,250

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Year-ended June 30, 2016 - overstatement of revenue and annual surplus of \$32,093

June 30, 2016 - understatement of accumulated surplus and an overstatement of deferred capital revenue by \$59,152,157

b) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Deferred Revenue and Deferred Capital Revenue

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

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was performed at March 31, 2016 and projected to June 30, 2019. The next valuation will be performed at March 31, 2017 for use at June 30, 2017. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

g) Prepaid Expenses

Prepaid membership dues, insurance, travel expenses and software licensing fees are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

h) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund within accumulated surplus when approved (see Note 15 – Internally Restricted Surplus).

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

i) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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

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

- Non-capital contributions restricted for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

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

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

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

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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

j) Expenditures

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

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

Categories of Salaries

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

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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

k) Financial Instruments

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

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

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

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

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

Financial instruments have been accounted for prospectively since June 30, 2013 in accordance with public sector accounting standards as described above.

l) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2 (a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2016	June 30, 2015
Due from Federal Government	\$165,469	\$148,932
Other	185,367	249,142
	\$350,836	\$398,074

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2016	June 30, 2015
Trade payables	\$286,401	\$325,397
Salaries and benefits payable	3,623,532	3,321,057
	\$3,909,933	\$3,646,454

NOTE 5 UNEARNED REVENUE

	June 30, 2016	June 30, 2015
Balance, beginning of year	\$615,177	\$599,610
Changes for the year:		
Increase:		
Tuition fees received	541,276	1,144,682
Other	7,412	
Decrease:		
Tuition fees recognized	(1,156,453)	(1,129,115)
Balance, end of year	\$7,412	\$615,177

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

NOTE 6 DEFERRED REVENUE

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

	June 30, 2016	June 30, 2015
Ministry of Education Grants	\$249,142	\$130,865
Province of BC Grants	17,263	78,674
School Generated	1,136,839	1,052,364
Federal French	26,729	82,452
Scholarships	526,626	471,910
	<u>\$1,956,599</u>	<u>\$1,816,265</u>

	June 30, 2016	June 30, 2015
Balance, beginning of year	\$1,816,265	\$1,871,050
Changes for the year:		
Increase: Grants and contributions received		
Provincial	1,974,662	1,998,259
Other	2,353,427	2,138,370
Decrease: Grants and contributions recognized		
Provincial	(1,994,419)	(2,148,098)
Other	(2,193,336)	(2,043,316)
Balance, end of year	<u>\$1,956,599</u>	<u>\$1,816,265</u>

NOTE 7 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	June 30, 2016	June 30, 2015
Balance, beginning of year	\$59,988,507	\$57,973,931
Changes for the year:		
Increase:		
Grants and contributions received	2,908,813	4,596,312
Decrease:		
Amortization of deferred capital revenue	(2,752,526)	(2,581,736)
Balance, end of year	<u>\$60,144,794</u>	<u>\$59,988,507</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2016****NOTE 8 EMPLOYEE FUTURE BENEFITS**

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

	June 30, 2016	June 30, 2015
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	506,654	501,140
Service Cost	32,748	28,797
Interest Cost	11,483	16,048
Benefit Payments	(49,923)	(97,520)
Increase (Decrease) in obligation due to Plan Amendment	(1,495)	0
Actuarial (Gain) Loss	25,553	58,189
Accrued Benefit Obligation – March 31	<u>525,020</u>	<u>506,654</u>
Reconciliation of Funded Status at End of Fiscal Year		
Funded Status - Surplus (Deficit)	(525,020)	(506,654)
Employer Contributions After Measurement Date	10,986	0
Benefit Expenses After Measurement Date	(13,099)	(11,057)
Unamortized Net Actuarial (Gain) Loss	223,111	226,110
Accrued Benefit Asset (Liability) - June 30	<u>(304,022)</u>	<u>(291,601)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	291,601	313,247
Net Expense for Fiscal Year	73,330	66,286
Employer Contributions	(60,909)	(87,932)
Accrued Benefit Liability (Asset) - June 30	<u>304,022</u>	<u>291,601</u>
Components of Net Benefit Expense		
Adjusted expense April to June 2014		
Service Cost	34,315	29,785
Interest Cost	11,957	14,906
Immediate Recognition of Plan Amendment	(1,495)	0
Amortization of Net Actuarial (Gain)/Loss	28,552	21,595
Net Benefit Expense (Income)	<u>73,330</u>	<u>66,286</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Discount Rate – April 1	2.25%	3.25%
Discount Rate – March 31	2.50%	2.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.5	10.1

NOTE 9 TANGIBLE CAPITAL ASSETS

June 30, 2016

Cost:	Balance at June 30, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$5,987,977	\$	\$	\$5,987,977
Buildings	128,611,838	2,852,201		131,464,039
Furniture & Equipment	2,084,034	40,934	130,494	1,994,474
Vehicles	3,898,932	77,439	501,978	3,474,393
Computer Hardware	1,463,491	62,115	59,632	1,465,974
Total	\$142,046,272	\$3,032,689	\$692,104	\$144,386,857

Accumulated Amortization:	Balance at June 30, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$	\$	\$	\$
Buildings	63,839,575	2,582,222		66,421,797
Furniture & Equipment	646,097	208,404	130,494	724,007
Vehicles	1,783,130	389,893	501,978	1,671,045
Computer Hardware	532,346	292,698	59,632	765,412
Total	\$66,801,148	\$3,473,217	\$692,104	\$69,582,261

Net Book Value	Net Book Value June 30, 2015	Net Book Value June 30, 2016
Sites	\$5,987,977	\$5,987,977
Buildings	64,772,263	65,042,242
Furniture & Equipment	1,437,937	1,270,467
Vehicles	2,115,802	1,803,348
Computer Hardware	931,145	700,562
Total	\$75,245,124	\$74,804,596

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2016****NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)****June 30, 2015**

Cost:	Balance at June 30, 2014	Additions	Disposals	Balance at June 30, 2015
Sites	\$ 5,987,977			\$ 5,987,977
Buildings	124,546,183	4,065,655		128,611,838
Furniture & Equipment	1,176,968	907,066		2,084,034
Vehicles	3,783,933	168,599	53,600	3,898,932
Computer Hardware	1,478,513	24,977	39,999	1,463,491
Total	\$136,973,574	\$5,166,297	\$93,599	\$142,046,272

Accumulated Amortization:	Balance at June 30, 2014	Additions	Disposals	Balance at June 30, 2015
Sites				
Buildings	\$61,335,442	\$2,504,133		\$63,839,575
Furniture & Equipment	528,399	117,698		646,097
Vehicles	1,458,337	378,393	53,600	1,783,130
Computer Hardware	276,642	295,703	39,999	532,346
Total	\$63,598,820	\$3,295,927	\$93,599	\$66,801,148

Net Book Value	Net Book Value June 30, 2014		Net Book Value June 30, 2015
Sites	\$ 5,987,977		\$ 5,987,977
Buildings	63,210,741		64,772,263
Furniture & Equipment	648,569		1,437,937
Vehicles	2,325,596		2,115,802
Computer Hardware	1,201,871		931,145
Total	\$73,374,754		\$75,245,124

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

NOTE 10 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension Plans. The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2015 the Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 36,000 retired members from school districts. As of 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 most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits. 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, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

School District No. 5 (Southeast Kootenay) paid \$5,143,694 (2015 - \$ 4,804,535) for employer contributions to these plans in the year ended June 30, 2016.

NOTE 11 RELATED PARTY TRANSACTIONS

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

NOTE 12 CONTRACTUAL OBLIGATIONS

Lease Commitments:

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

Fiscal Year	Amount
2016-17	\$116,320
2017-18	\$ 9,693

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

NOTE 13 CONTINGENCIES

In the ordinary course of operations, the School District has legal proceedings brought against it which remain outstanding at the year end. It is the opinion of management that final determination of these claims will not have material effect on the financial position or operations of the School District.

NOTE 14 EXPENSE BY OBJECT

	June 30, 2016	June 30, 2015
Salaries and benefits	\$49,730,049	\$46,819,096
Services and supplies	9,697,527	9,031,528
Amortization	<u>3,473,217</u>	<u>3,295,927</u>
	<u>\$62,900,793</u>	<u>\$59,146,551</u>

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Appropriations June 30, 2016

Summary	<u>June 2016</u>	<u>June 2015</u>
Admin Pro-D	\$ 94,869	\$ 91,223
Aboriginal Education	113,098	118,556
<u>Special Education</u>	463,901	40,528
<u>Schools</u>		
Operating	189,127	197,871
Learning Resources	149,707	130,467
Special Education	38,938	46,595
Growth Plans	57,869	62,191
	<hr/>	<hr/>
	435,641	437,124
Communication VOIP	80,000	80,000
Technology Plan 701	78,200	475,000
Education Accounts 703	93,635	134,917
Resource Centre 704	1,100	2,457
Education Plan 708	67,484	116,160
Operating Projects	89,055	199,755
PSEC Comp Approval	290,125	171,834
Software Upgrade – Follett Lib	52,000	0
Appropriations - Restricted	<hr/>	<hr/>
	1,859,108	1,867,554
<u>Surplus Summary 2016</u>		
Surplus Beginning of year	2,454,595	2,341,663
Surplus/Deficit for year	16,815	212,932
Transfer to local Capital	(230,000)	(100,000)
Accumulated Surplus/(Deficit)	<hr/>	<hr/>
	2,241,410	2,454,595
Appropriations – Restricted	1,859,108	1,867,554
Appropriations – Unrestricted	382,302	587,041
Accumulated Surplus/(Deficit)	<hr/>	<hr/>
	2,241,410	2,454,595

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

NOTE 16 ECONOMIC DEPENDENCE

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

NOTE 17 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

b) Liquidity risk

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

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

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



Tel: 250 426 4285
Fax: 250 426 8886
www.bdo.ca

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

Notice to Reader

Management has compiled the supplementary schedules of School District No. 5 Southeast Kootenay for the year ended June 30, 2016 and are for the purpose of additional analysis and are not a required part of the financial statements.

We have not performed an audit or a review engagement in respect to this financial information and, accordingly, we express no assurance thereon.

Readers are cautioned that this financial information may not be appropriate for their purposes.

BDO Canada LLP

Chartered Professional Accountants

September 13, 2016
Cranbrook, BC

School District No. 5 (Southeast Kootenay)
 Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2016

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,454,595		16,715,256	19,169,851	16,911,631
Prior Period Adjustments					2,341,663
Accumulated Surplus (Deficit), beginning of year, as restated	2,454,595	-	16,715,256	19,169,851	19,253,294
Changes for the year					
Surplus (Deficit) for the year	16,815	38,830	(713,220)	(657,575)	(83,443)
Interfund Transfers					
Tangible Capital Assets Purchased	(230,000)	(38,830)	38,830	-	-
Local Capital	(213,185)	-	(444,390)	(657,575)	(83,443)
Net Changes for the year	2,241,410	-	16,270,866	18,512,276	19,169,851

School District No. 5 (Southeast Kootenay)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	52,102,377	53,632,899	50,521,142
Tuition	1,126,580	1,156,453	1,129,115
Other Revenue	302,988	327,774	365,444
Rentals and Leases	178,000	135,791	133,990
Investment Income	40,000	42,549	75,181
Total Revenue	53,749,945	55,295,466	52,224,872
Expenses			
Instruction	43,883,571	45,574,033	42,792,462
District Administration	1,941,528	2,101,203	2,034,481
Operations and Maintenance	6,140,494	6,057,024	5,527,346
Transportation and Housing	1,684,252	1,546,391	1,657,651
Total Expense	53,649,845	55,278,651	52,011,940
Operating Surplus (Deficit) for the year	100,100	16,815	212,932
Net Transfers (to) from other funds			
Local Capital	(100,000)	(230,000)	(100,000)
Total Net Transfers	(100,000)	(230,000)	(100,000)
Total Operating Surplus (Deficit), for the year	100	(213,185)	112,932
Operating Surplus (Deficit), beginning of year		2,454,595	
Prior Period Adjustments			
District Entered			2,341,663
Operating Surplus (Deficit), beginning of year, as restated		2,454,595	2,341,663
Operating Surplus (Deficit), end of year		2,241,410	2,454,595
Operating Surplus (Deficit), end of year			
Internally Restricted		1,859,108	1,857,805
Unrestricted		382,302	596,790
Total Operating Surplus (Deficit), end of year		2,241,410	2,454,595

School District No. 5 (Southeast Kootenay)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	51,069,091	53,281,730	50,481,417
AANDC/LEA Recovery	(261,218)	(261,218)	(261,218)
Strike Savings Recovery			(1,448,167)
Other Ministry of Education Grants			
Labour Settlement Funding			994,779
Pay Equity	457,171	457,171	457,171
Funding for Graduated Adults		7,420	
Economic Stability Dividend		39,807	
Carbon Tax Rebate	85,000	79,273	95,716
FSA Scorer		8,696	8,696
Teacher Extended Health Plan			39,908
Growing Innovations			147,000
Enrollment and Other Adjustments to MOE Operating Grants	752,333		
Other Grants		20,020	5,840
Total Provincial Grants - Ministry of Education	52,102,377	53,632,899	50,521,142
Tuition			
Offshore Tuition Fees	1,126,580	1,156,453	1,129,115
Total Tuition	1,126,580	1,156,453	1,129,115
Other Revenues			
LEA/Direct Funding from First Nations	261,218	206,480	214,148
Miscellaneous			
Hockey School	22,770		24,317
Miscellaneous	19,000	23,882	35,387
Industry Training Authority		78,872	72,759
Courtesy Riders		7,340	7,633
Art Starts		11,200	11,200
Total Other Revenue	302,988	327,774	365,444
Rentals and Leases	178,000	135,791	133,990
Investment Income	40,000	42,549	75,181
Total Operating Revenue	53,749,945	55,295,466	52,224,872

School District No. 5 (Southeast Kootenay)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Salaries			
Teachers	21,815,184	21,801,055	20,354,513
Principals and Vice Principals	3,336,608	3,486,887	3,331,591
Educational Assistants	3,512,326	4,060,179	3,639,603
Support Staff	5,034,891	4,907,641	4,742,312
Other Professionals	1,855,543	1,755,323	1,784,491
Substitutes	1,988,083	2,182,267	2,015,215
Total Salaries	37,542,635	38,193,352	35,867,725
Employee Benefits	9,767,524	9,905,453	9,472,564
Total Salaries and Benefits	47,310,159	48,098,805	45,340,289
Services and Supplies			
Services	1,630,886	2,291,754	2,029,479
Student Transportation	29,500	39,667	58,585
Professional Development and Travel	546,740	597,088	608,323
Rentals and Leases	59,000	59,419	53,703
Dues and Fees	73,450	72,968	68,088
Insurance	209,300	201,546	176,332
Supplies	2,618,810	2,847,992	2,590,559
Utilities	1,172,000	1,069,412	1,086,582
Total Services and Supplies	6,339,686	7,179,846	6,671,651
Total Operating Expense	53,649,845	55,278,651	52,011,940

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	18,293,767	1,310,313		270,436	29,114	1,464,113	21,367,743
1.03 Career Programs	76,388					3,680	80,068
1.07 Library Services	516,153			134,588		28,661	679,402
1.08 Counselling	668,548					32,206	700,754
1.10 Special Education	2,179,074	105,290	3,556,595	18,964	360,970	329,388	6,550,281
1.30 English Language Learning	38,194					17,744	55,938
1.31 Aboriginal Education		62,827	503,584		76,453	887	643,751
1.41 School Administration		1,896,536		825,145		133,748	2,855,429
1.60 Summer School	19,765					637	20,402
1.62 Offshore Students	9,166				190,349	442	199,957
Total Function 1	21,801,055	3,374,966	4,060,179	1,249,133	656,886	2,011,506	33,153,725
4 District Administration							
4.11 Educational Administration		111,921			166,000	25,101	303,022
4.40 School District Governance					115,389		115,389
4.41 Business Administration				174,833	664,982	11,641	851,456
Total Function 4	-	111,921	-	174,833	946,371	36,742	1,269,867
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				60,051	132,658	945	193,654
5.50 Maintenance Operations				2,478,837		84,763	2,563,600
5.52 Maintenance of Grounds				119,284		995	120,279
5.56 Utilities							-
Total Function 5	-	-	-	2,658,172	132,658	86,703	2,877,533
7 Transportation and Housing							
7.41 Transportation and Housing Administration					19,408		19,408
7.70 Student Transportation				825,503		47,316	872,819
Total Function 7	-	-	-	825,503	19,408	47,316	892,227
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	21,801,055	3,486,887	4,060,179	4,907,641	1,755,323	2,182,267	38,193,352

School District No. 5 (Southeast Kootenay)

Operating Expense by Function, Program and Object
Year Ended June 30, 2016

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	21,367,743	5,307,946	26,675,689	2,721,579	29,397,268	28,327,477	27,192,285
1.03 Career Programs	80,068	20,932	101,000	57,990	158,990	177,128	162,234
1.07 Library Services	679,402	191,809	871,211	94,548	965,759	887,160	926,519
1.08 Counselling	700,754	183,198	883,952	1,572	885,524	863,419	869,184
1.10 Special Education	6,550,281	1,789,589	8,339,870	279,395	8,619,265	8,228,148	8,243,191
1.30 English Language Learning	55,938	11,936	67,874	5,605	73,479	53,300	50,289
1.31 Aboriginal Education	643,751	192,041	835,792	171,380	1,007,172	921,345	919,578
1.41 School Administration	2,855,429	806,005	3,661,434	32,897	3,694,331	3,692,414	3,634,686
1.60 Summer School	20,402	4,239	24,641	871	25,512	20,600	
1.62 Offshore Students	199,957	59,233	259,190	487,543	746,733	712,580	794,496
Total Function 1	33,153,725	8,566,928	41,720,653	3,853,380	45,574,033	43,883,571	42,792,462
4 District Administration							
4.11 Educational Administration	303,022	82,816	385,838	131,863	517,701	463,870	494,949
4.40 School District Governance	115,389	1,853	117,242	134,266	251,508	222,877	253,190
4.41 Business Administration	851,456	216,469	1,067,925	264,969	1,331,994	1,254,781	1,286,342
Total Function 4	1,269,867	301,138	1,571,005	530,198	2,101,203	1,941,528	2,034,481
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	193,654	47,605	241,259	121,818	363,077	380,199	340,844
5.50 Maintenance Operations	2,563,600	688,580	3,252,180	1,052,490	4,304,670	4,253,687	3,830,783
5.52 Maintenance of Grounds	120,279	30,210	150,489	169,376	319,865	334,608	269,137
5.56 Utilities	-	-	-	1,069,412	1,069,412	1,172,000	1,086,582
Total Function 5	2,877,533	766,395	3,643,928	2,413,096	6,057,024	6,140,494	5,527,346
7 Transportation and Housing							
7.41 Transportation and Housing Administration	19,408	8,608	28,016	2,218	30,234	127,521	165,355
7.70 Student Transportation	872,819	262,384	1,135,203	380,954	1,516,157	1,556,731	1,492,296
Total Function 7	892,227	270,992	1,163,219	383,172	1,546,391	1,684,252	1,657,651
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	38,193,352	9,905,453	48,098,805	7,179,846	55,278,651	53,649,845	52,011,940

School District No. 5 (Southeast Kootenay)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	2,050,658	1,487,753	1,534,122
Other	163,885	506,666	613,976
Other Revenue	2,027,500	2,185,173	2,039,665
Investment Income	1,000	8,163	3,651
Total Revenue	4,243,043	4,187,755	4,191,414
Expenses			
Instruction	4,035,567	4,099,685	3,682,153
Operations and Maintenance	14,500	12,000	12,000
Scholarships	38,000	37,240	144,531
Total Expense	4,088,067	4,148,925	3,838,684
Special Purpose Surplus (Deficit) for the year	154,976	38,830	352,730
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(154,976)	(38,830)	(352,730)
Total Net Transfers	(154,976)	(38,830)	(352,730)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 5 (Southeast Kootenay)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community-LINK
Deferred Revenue, beginning of year	\$ 34,883		\$ 31,960	\$ 471,910	\$ 1,052,364		\$ 17,980	\$ 82,452	\$ 12,710
Add: Restricted Grants									
Provincial Grants - Ministry of Education	153,976	1,071,901	2,528	83,793	2,228,121	128,000	26,950	140,602	350,675
Provincial Grants - Other				8,163				20,900	
Investment Income									
Less: Allocated to Revenue	153,976	1,071,901	2,528	91,956	2,228,121	128,000	26,950	161,502	350,675
Deferred Revenue, end of year	38,830	1,071,901	13,533	37,240	2,143,646	128,000	37,430	217,225	326,059
	150,029	-	20,955	526,626	1,136,839	-	7,500	26,729	37,326
Revenues	38,830	1,071,901	13,533	29,077	2,143,646	128,000	37,430	217,225	326,059
Provincial Grants - Ministry of Education									
Provincial Grants - Other				29,077	2,143,646				
Other Revenue				8,163					
Investment Income									
Expenses	38,830	1,071,901	13,533	37,240	2,143,646	128,000	37,430	217,225	326,059
Salaries									
Teachers		648,566						30,555	
Educational Assistants		153,374						52,654	
Other Professionals									
Substitutes		36,608						4,510	962
Employee Benefits		838,548						87,719	225,834
Services and Supplies		233,353						18,943	79,866
Net Revenue (Expense) before Interfund Transfers	-	1,071,901	13,533	37,240	2,143,646	128,000	37,430	217,225	326,059
Interfund Transfers	(38,830)								
Tangible Capital Assets Purchased	(38,830)								
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 5 (Southeast Kootenay)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2016

	Key City Theatre	MCF Programs	Attendance Support	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year		78,674	33,332	1,816,265
Add:				
Restricted Grants				
Provincial Grants - Ministry of Education		100,030		1,734,030
Provincial Grants - Other	12,000	450		240,632
Other				2,345,264
Investment Income				8,163
Less: Allocated to Revenue	12,000	100,480	-	4,328,089
Deferred Revenue, end of year	12,000	161,891	-	4,187,755
		<u>17,263</u>	<u>33,332</u>	<u>1,956,599</u>
Revenues				
Provincial Grants - Ministry of Education				1,487,753
Provincial Grants - Other	12,000	161,441		506,666
Other Revenue		450		2,185,173
Investment Income				8,163
	12,000	161,891	-	4,187,755
Expenses				
Salaries				679,121
Teachers				430,900
Educational Assistants				116,353
Other Professionals		116,353		42,080
Substitutes				1,268,454
Employee Benefits		116,353		362,790
Services and Supplies	12,000	30,628		2,517,681
	12,000	14,910		4,148,925
		161,891		
				38,830
Net Revenue (Expense) before Interfund Transfers				
Interfund Transfers				
Tangible Capital Assets Purchased				(38,830)
				(38,830)
Net Revenue (Expense)				

School District No. 5 (Southeast Kootenay)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual			2015 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Other				-	53,747
Investment Income	10,000		7,471	7,471	11,339
Amortization of Deferred Capital Revenue	2,581,733	2,752,526		2,752,526	2,581,736
Total Revenue	2,591,733	2,752,526	7,471	2,759,997	2,646,822
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,295,926	3,473,217		3,473,217	3,295,927
Total Expense	3,295,926	3,473,217	-	3,473,217	3,295,927
Capital Surplus (Deficit) for the year	(704,193)	(720,691)	7,471	(713,220)	(649,105)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	154,976	38,830		38,830	352,730
Local Capital	100,000		230,000	230,000	100,000
Total Net Transfers	254,976	38,830	230,000	268,830	452,730
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		273,426	(273,426)	-	
Total Other Adjustments to Fund Balances		273,426	(273,426)	-	
Total Capital Surplus (Deficit) for the year	(449,217)	(408,435)	(35,955)	(444,390)	(196,375)
Capital Surplus (Deficit), beginning of year		16,060,874	654,382	16,715,256	16,911,631
Capital Surplus (Deficit), end of year		15,652,439	618,427	16,270,866	16,715,256

School District No. 5 (Southeast Kootenay)

Tangible Capital Assets
Year Ended June 30, 2016

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	5,987,977	128,611,838	2,084,034	3,898,932	-	1,463,491	142,046,272
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,693,067					2,693,067
Deferred Capital Revenue - Other			27,366				27,366
Special Purpose Funds		38,830					38,830
Local Capital		120,304	13,568	77,439		62,115	273,426
Decrease:							
Deemed Disposals		2,852,201	40,934	77,439		62,115	3,032,689
Cost, end of year							
Work in Progress, end of year			130,494	501,978		59,632	692,104
Cost and Work in Progress, end of year	5,987,977	131,464,039	1,994,474	3,474,393		1,465,974	144,386,857
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		63,839,575	646,097	1,783,130		532,346	66,801,148
Decrease:							
Deemed Disposals		2,582,222	208,404	389,893		292,698	3,473,217
Accumulated Amortization, end of year							
Tangible Capital Assets - Net	5,987,977	65,042,242	1,270,467	1,803,348		700,562	74,804,596

School District No. 5 (Southeast Kootenay)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2016

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	57,057,635	1,785,420	341,195	59,184,250
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,693,067		27,366	2,720,433
	<u>2,693,067</u>	<u>-</u>	<u>27,366</u>	<u>2,720,433</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,627,966	48,936	75,624	2,752,526
	<u>2,627,966</u>	<u>48,936</u>	<u>75,624</u>	<u>2,752,526</u>
Net Changes for the Year	<u>65,101</u>	<u>(48,936)</u>	<u>(48,258)</u>	<u>(32,093)</u>
Deferred Capital Revenue, end of year	<u>57,122,736</u>	<u>1,736,484</u>	<u>292,937</u>	<u>59,152,157</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>57,122,736</u>	<u>1,736,484</u>	<u>292,937</u>	<u>59,152,157</u>

School District No. 5 (Southeast Kootenay)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2016

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	141,452	662,805				804,257
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,867,621	11,356				2,867,621
Investment Income			29,836			11,356
Playground donations - Highlands Elementary School	2,867,621	11,356	29,836	-	-	29,836
Decrease:						
Transferred to DCR - Capital Additions	2,693,067		27,366			2,720,433
	2,693,067	-	27,366	-	-	2,720,433
Net Changes for the Year	174,554	11,356	2,470	-	-	188,380
Balance, end of year	316,006	674,161	2,470	-	-	992,637