

Audited Financial Statements of

# **School District No. 78 (Fraser-Cascade)**

June 30, 2017

# School District No. 78 (Fraser-Cascade)

June 30, 2017

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# School District No. 78 (Fraser-Cascade)

## MANAGEMENT REPORT

Version: 9430-8684-6702

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

The accompanying financial statements of School District No. 78 (Fraser-Cascade) 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. 78 (Fraser-Cascade) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, McConnell Voelkl, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 78 (Fraser-Cascade) 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. 78 (Fraser-Cascade)

Original signed by Board Chair	Sept. 12, 2017
Signature of the Chairperson of the Board of Education	Date Signed
Original signed by Superintendent	Sept. 12, 2017
Signature of the Superintendent	Date Signed
Original signed by Secretary Treasurer	Sept. 12, 2017
Signature of the Secretary Treasurer	Date Signed



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



**CPA** CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

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

Office 604-869-5634  
Fax 604-869-2381

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 78 (Fraser Cascade), and  
To the Minister of Education, Province of British Columbia:

We have audited the accompanying financial statements of **SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**, which comprise the statement of financial position as at **JUNE 30, 2017**, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility:

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion:

In our opinion, the financial statements of the **SCHOOL DISTRICT NO. 78 (FRASER CASCADE)** as at and for the year ended **JUNE 30, 2017**, are prepared, in all material respects, in accordance with the financial reporting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### Emphasis of Matter:

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

*McConnell, Voelkl*

CHARTERED PROFESSIONAL ACCOUNTANTS

September 13, 2017

Hope, BC, Canada

**School District No. 78 (Fraser-Cascade)**

Statement 1

## Statement of Financial Position

As at June 30, 2017

	2017 Actual \$	2016 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 2b)	9,671,962	8,396,089
Accounts Receivable		
Due from LEA/Direct Funding	901,656	1,031,715
Other (Note 3)	171,449	119,826
Portfolio Investments (Note 4)	513,272	1,563,988
<b>Total Financial Assets</b>	<b>11,258,339</b>	<b>11,111,618</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	258,107	450,358
Unearned Revenue (Note 6)	38,753	31,511
Deferred Revenue (Note 7)	659,119	643,076
Deferred Capital Revenue (Note 8)	19,626,323	18,903,018
Employee Future Benefits (Note 9)	1,306,296	1,230,013
Other Liabilities (Note 5)	858,225	808,697
<b>Total Liabilities</b>	<b>22,746,823</b>	<b>22,066,673</b>
<b>Net Financial Assets (Debt)</b>	<b>(11,488,484)</b>	<b>(10,955,055)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	26,100,129	25,349,461
Prepaid Expenses (Note 21)	46,180	2,946
<b>Total Non-Financial Assets</b>	<b>26,146,309</b>	<b>25,352,407</b>
<b>Accumulated Surplus (Deficit) (Note 19)</b>	<b>14,657,825</b>	<b>14,397,352</b>
Contractual Obligations and Contingencies (Note 14,16)		
Approved by the Board		
Original signed by Board Chair	Sept. 12, 2017	
Signature of the Chairperson of the Board of Education	Date Signed	
Original signed by Superintendent	Sept. 12, 2017	
Signature of the Superintendent	Date Signed	
Original signed by Secretary Treasurer	Sept. 12, 2017	
Signature of the Secretary Treasurer	Date Signed	

**School District No. 78 (Fraser-Cascade)**

## Statement of Operations

Year Ended June 30, 2017

Statement 2

	2017 Budget \$	2017 Actual \$	2016 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education (Note 2n)	18,186,164	18,334,023	16,696,651
Tuition	24,000	38,500	88,687
Other Revenue	2,876,301	3,274,736	3,935,689
Rentals and Leases	50,000	59,340	61,500
Investment Income	150,000	134,079	174,239
Amortization of Deferred Capital Revenue (Note 2f)	802,092	802,092	725,669
<b>Total Revenue</b>	<u>22,088,557</u>	<u>22,642,770</u>	<u>21,682,435</u>
<b>Expenses (Note 2o)</b>			
Instruction	18,125,970	16,951,977	16,442,063
District Administration	1,079,535	1,011,032	943,966
Operations and Maintenance	3,713,707	3,608,432	3,413,245
Transportation and Housing	972,545	810,856	807,539
<b>Total Expense</b>	<u>23,891,757</u>	<u>22,382,297</u>	<u>21,606,813</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,803,200)</u>	<u>260,473</u>	<u>75,622</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		14,397,352	14,321,730
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>14,657,825</u>	<u>14,397,352</u>

**School District No. 78 (Fraser-Cascade)**

Statement 4

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

Year Ended June 30, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
<b>Surplus (Deficit) for the year</b>	<u>(1,803,200)</u>	<u>260,473</u>	<u>75,622</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets (Note 10)		(1,914,888)	(4,414,602)
Amortization of Tangible Capital Assets (Note 10)	1,021,817	1,164,220	1,021,817
<b>Total Effect of change in Tangible Capital Assets</b>	<u>1,021,817</u>	<u>(750,668)</u>	<u>(3,392,785)</u>
Use of Prepaid Expenses		(43,234)	5,080
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(43,234)</u>	<u>5,080</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(781,383)</u>	<u>(533,429)</u>	<u>(3,312,083)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>(533,429)</u>	<u>(3,312,083)</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(10,955,055)</u>	<u>(7,642,972)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u><u>(11,488,484)</u></u>	<u><u>(10,955,055)</u></u>

**School District No. 78 (Fraser-Cascade)**

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2017

	2017 Actual \$	2016 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	260,473	75,622
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	78,436	(208,493)
Prepaid Expenses	(43,234)	5,080
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(192,251)	275,286
Unearned Revenue	7,242	8,593
Deferred Revenue	16,043	52,333
Employee Future Benefits	76,283	7,620
Other Liabilities	49,528	
Amortization of Tangible Capital Assets (Note 10)	1,164,220	1,021,817
Amortization of Deferred Capital Revenue	(802,092)	(725,669)
<b>Total Operating Transactions</b>	<b>614,648</b>	<b>512,189</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased (Note 10)	(1,628,795)	(4,414,602)
Tangible Capital Assets -WIP Purchased	(286,093)	
<b>Total Capital Transactions</b>	<b>(1,914,888)</b>	<b>(4,414,602)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	1,525,397	3,798,583
<b>Total Financing Transactions</b>	<b>1,525,397</b>	<b>3,798,583</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	1,050,716	1,727,808
<b>Total Investing Transactions</b>	<b>1,050,716</b>	<b>1,727,808</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,275,873</b>	<b>1,623,978</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>8,396,089</b>	<b>6,772,111</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>9,671,962</b>	<b>8,396,089</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	9,671,962	8,396,089
	<b>9,671,962</b>	<b>8,396,089</b>
<b>Supplementary Cash Flow Information</b>		



**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on December 2, 1996, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 78 (Fraser Cascade)", and operates as "School District No. 78 (Fraser Cascade)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 78 (Fraser Cascade) 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 (n).

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

As noted in notes 2 (f) and 3(n), 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. As a result, revenue recognized in the Statement of Operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2017 - increase in annual surplus by \$639,073

June 30, 2017 - increase in accumulated surplus and decrease in deferred contributions by \$19,626,323

Year-ended June 30, 2016 – increase in annual surplus by \$3,072,914

June 30, 2016 – increase in accumulated surplus and decrease in deferred contributions by \$18,903,018

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities 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 School District has investments in term deposits that have a maturity of greater than 3 months at the time of acquisition. Term deposits are reported at cost.

Detailed information regarding portfolio investments is disclosed in Note 4.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses 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 courses, services, or products 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 (n).

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. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

g) 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 (EARS�) 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 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.

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.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

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 all the following criteria are met:

- an environmental standard exists
- contamination exceeds the environmental standard;
- the School District:
  - is directly responsible; or
  - accepts responsibility; and
- 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.
- 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 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.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

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

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

k) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

l) Prepaid Expenses

Fees for the District's fleet insurance, deposit on new phone system, budget software license and support and prepaid dues are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

m) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 20 – Internally Restricted Surplus).

n) 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.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

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

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

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

**o) 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 the District Coordinator of Student Support Services, 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.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

**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.

**p) Financial Instruments**

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdraft, accounts payable and accrued liabilities, long term debt and other liabilities.

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of 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 except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

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

q) 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 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2017	2016
Due from Federal Government	\$ 74,982	\$ 84,281
Due from Employees	17,208	11,496
Rent Receivable	21,000	10,500
FCTA Salary Recovery	52,535	0
Industry Training Authority	3,558	0
Other/ Benefit Recovery	2,166	13,549
	<u>\$171,449</u>	<u>\$119,826</u>

**NOTE 4 PORTFOLIO INVESTMENTS**

	2017	2016
Investments in the cost and amortized cost category:		
Term Deposits	<u>\$ 513,272</u>	<u>\$ 1,563,988</u>

The term deposit matures on March 19, 2018 and pays interest at an annual rate of 2.5%



**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

	<u>2017</u>	<u>2016</u>
Trade payables	<u>\$ 258,107</u>	<u>\$ 450,358</u>
Salaries and benefits payable	732,221	715,463
Accrued vacation pay	126,004	93,234
	<u>0</u>	<u>0</u>
Other Liabilities	<u>\$858,225</u>	<u>\$ 808,697</u>

**NOTE 6      UNEARNED REVENUE**

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 31,511	\$ 22,918
Changes for the year:		
Increase:		
Tuition fees	12,100	12,100
Seiyotes Conference	54,707	51,600
Health Summit	2,345	
	<u>63,700</u>	<u>63,700</u>
Decrease:		
Tuition fees	12,100	11,364
Seiyotes Conference	44,521	43,744
Net changes for the year	<u>56,621</u>	<u>55,108</u>
Balance, end of year	<u>\$ 38,753</u>	<u>\$ 31,511</u>

**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.

**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 Schedules 4C and 4D.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**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 School District has provided for the payment of these benefits.

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	1,441,445	1,290,110
Service Cost	117,609	106,440
Interest Cost	36,336	29,868
Benefit Payments	-135,754	-99,485
Increase (Decrease) in obligation due to Plan Amendment	0	0
Actuarial (Gain) Loss	-99,189	114,511
Accrued Benefit Obligation – March 31	<u>1,360,447</u>	<u>1,441,445</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	1,360,447	1,441,445
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	-1,360,447	-1,441,445
Employer Contributions After Measurement Date	11,965	46,329
Benefits Expense After Measurement Date	-38,991	-38,486
Unamortized Net Actuarial (Gain) Loss	81,177	203,589
Accrued Benefit Asset (Liability) - June 30	<u>-1,306,296</u>	<u>-1,230,013</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	1,230,013	1,222,393
Net Expense for Fiscal Year	177,672	153,434
Employer Contributions	-101,390	-145,814
Accrued Benefit Liability (Asset) - June 30	<u>1,306,296</u>	<u>1,230,013</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	117,596	109,232
Interest Cost	36,854	31,485
Immediate Recognition of Plan Amendment	0	0
Amortization of Net Actuarial (Gain)/Loss	23,223	12,717
Net Benefit Expense (Income)	<u>177,672</u>	<u>153,434</u>

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

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

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	10.9	10.9

**NOTE 10      TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2017	Net Book Value 2016
Sites	\$ 703,489	\$ 703,489
Buildings	23,685,887	23,310,340
Buildings – work in progress	286,093	0
Furniture & Equipment	491,567	329,593
Vehicles	576,689	673,903
Computer Hardware	356,404	332,136
<b>Total</b>	<b>\$26,100,129</b>	<b>\$25,349,461</b>

**June 30, 2017**

Cost:	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2016
Sites	\$ 703,489	\$	\$	\$	\$ 703,489
Buildings	42,637,625	1,284,617			43,922,242
Buildings – work in progress		286,093			
	0				286,093
Furniture & Equipment	516,664	213,640	(78,664)		651,640
Vehicles	1,097,033	12,489	(23,881)		1,085,641
Computer Hardware	468,903	118,049	(19,124)		567,828
<b>Total</b>	<b>\$45,423,714</b>	<b>\$1,914,888</b>	<b>(121,669)</b>	<b>\$0</b>	<b>\$47,216,933</b>

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)**

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2016
Sites	\$0	\$	\$	\$0
Buildings	19,327,285	909,070		20,236,355
Furniture & Equipment	187,071	51,666	(78,664)	160,073
Vehicles	423,130	109,703	(23,881)	508,952
Computer Hardware	136,767	93,781	19,124	211,424
<b>Total</b>	<b>\$20,074,253</b>	<b>\$1,164,220</b>	<b>\$121,669</b>	<b>\$21,116,804</b>

**June 30, 2016**

Cost:	Balance at July 1, 2015	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2016
Sites	\$ 703,489	\$	\$	\$	\$ 703,489
Buildings	38,512,162	4,125,463			42,637,625
Furniture & Equipment	433,889	82,775			516,664
Vehicles	1,164,536	65,497	133,000		1,097,033
Computer Hardware	347,121	140,867	19,085		468,903
<b>Total</b>	<b>\$41,161,197</b>	<b>\$4,414,602</b>	<b>\$ 152,085</b>	<b>\$0</b>	<b>\$45,423,714</b>

Accumulated Amortization:	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$0	\$	\$	\$0
Buildings	18,534,735	792,550		19,327,285
Furniture & Equipment	143,682	43,389		187,071
Vehicles	439,676	116,454	133,000	423,130
Computer Hardware	86,428	69,424	19,085	136,767
<b>Total</b>	<b>\$19,204,521</b>	<b>\$1,021,817</b>	<b>\$152,085</b>	<b>\$20,074,253</b>

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 11      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 contributory pension plans. Basic pension benefits provided are based on a formula. The Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 33,000 retired members from school districts. As at December 31, 2013 the Municipal Pension Plan has about 182,000 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 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 any 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 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.

School District No. 78 (Fraser- Cascade) paid \$1,514,401 for employer contributions to these plans in the year ended June 30, 2017 (2016:\$1,636,973).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017 with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the 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 employers participating in the plans.

**NOTE 12      INTERFUND TRANSFERS**

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

- Purchase of equipment and computers totaling \$292,561 from operating
- Purchase of vehicles totaling \$12,429 from operating
- Two classroom addition at Kent Elementary WIP totaling \$251,050
- District upgrades totaling \$433,336 from Local Capital

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 13      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 14      CONTRACTUAL OBLIGATIONS**

The School District has entered into a number of multiple-year contracts for operating leases. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the future payments on the operating leases.

Contractual obligations	2018	2019	2020	2021	Thereafter
Future operating lease payments:	\$7,780	\$4,438	\$4,439	4,439	\$4,439

**NOTE 15      BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 21, 2017.

**NOTE 16      CONTINGENCIES**

In the normal course of operations lawsuits and claims have been brought against the School District. The School District contests these lawsuits and claims. It is the opinion of management that any pending legal proceeding will not have a material effect on the financial position or operations of the School District.

**NOTE 17      ASSET RETIREMENT OBLIGATION**

The School District has undergone reviews of asbestos materials in the district and school facilities. The asbestos material found does not pose a risk to the public, however, upon upgrade or renovation of the facilities, certain asbestos abatement procedures may need to take place. Until the work is undertaken, the estimate of the cost is not able to be determined and thus as of June 30, 2017 the liability is not reasonably determinable.

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 18      EXPENSE BY OBJECT**

	2017	2016
Salaries and benefits	\$17,607,771	\$17,242,597
Services and supplies	3,610,306	3,342,399
Interest	0	0
Amortization	1,164,220	1,021,817
	<u>\$ 22,382,297</u>	<u>\$ 21,606,813</u>

**NOTE 19      INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

Internally Restricted (appropriated) by Board for:

<i>School Surpluses</i>	\$ 685,240	
<i>Aboriginal Education Council Funds</i>	450,637	
<i>Student Learning Grant</i>	69,163	
<i>Trustee Professional Development C/F</i>	30,000	
<i>Outdoor Education</i>	12,814	
<i>Trailer Purchase</i>	70,000	
<i>Agassiz Elementary Secondary Foods Room</i>	70,000	
<i>Technology Plan/Innovative Practices</i>	30,000	
<i>Modular Unit</i>	200,000	
<i>Small bus purchase</i>	130,000	
Subtotal Internally Restricted	<u></u>	<u>\$ 1,747,854</u>
Unrestricted Operating Surplus (Deficit)		<u>3,362,783</u>
Total Available for Future Operations		<u>\$5,110,637</u>
Total Capital Surplus		<u>\$9,547,188</u>
Total Accumulated Surplus		<u>\$14,657,825</u>

**NOTE 20      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 21      RISK MANAGEMENT**

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

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

**SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 21     RISK MANAGEMENT** *(Continued)*

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) 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 School 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 School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as it invests solely in term deposits that have a maturity date of no more than 3 years.

c) Liquidity Risk

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

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

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





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



**CPA**

CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

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

Office 604-869-5634  
Fax 604-869-2381

## INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Board of Education of School District No. 78 (Fraser Cascade), and  
To the Minister of Education, Province of British Columbia:

We have audited the financial statements of **SCHOOL DISTRICT NO. 78 (FRASER CASCADE)**, which comprise the statement of financial position as at **JUNE 30, 2017**, the statement of operations, statement of changes in net financial assets (debt), statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated September 13, 2017 which contained an unmodified opinion on the financial statements as a whole. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such financial information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

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

*McConnell, Voelkl*

CHARTERED PROFESSIONAL ACCOUNTANTS

September 13, 2017

Hope, BC, Canada

**School District No. 78 (Fraser-Cascade)****Schedule 1 (Unaudited)**Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2017

	<b>Operating Fund</b>	<b>Special Purpose Fund</b>	<b>Capital Fund</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Accumulated Surplus (Deficit), beginning of year</b>	5,083,264		9,314,088	14,397,352	14,321,730
<b>Changes for the year</b>					
Surplus (Deficit) for the year	622,601		(362,128)	260,473	75,622
Interfund Transfers					
Tangible Capital Assets Purchased	(344,178)		344,178	-	
Tangible Capital Assets - Work in Progress	(251,050)		251,050	-	
<b>Net Changes for the year</b>	<b>27,373</b>	<b>-</b>	<b>233,100</b>	<b>260,473</b>	<b>75,622</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>5,110,637</b>	<b>-</b>	<b>9,547,188</b>	<b>14,657,825</b>	<b>14,397,352</b>

**School District No. 78 (Fraser-Cascade)**

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	16,684,561	16,521,869	15,743,457
Tuition	24,000	38,500	88,687
Other Revenue	2,876,301	3,274,736	3,308,859
Rentals and Leases	50,000	59,340	61,500
Investment Income	150,000	134,079	174,239
<b>Total Revenue</b>	<b>19,784,862</b>	<b>20,028,524</b>	<b>19,376,742</b>
<b>Expenses</b>			
Instruction	16,740,766	15,256,222	14,978,438
District Administration	1,079,535	1,011,032	943,966
Operations and Maintenance	2,599,307	2,437,516	2,391,483
Transportation and Housing	867,091	701,153	691,085
<b>Total Expense</b>	<b>21,286,699</b>	<b>19,405,923</b>	<b>19,004,972</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(1,501,837)</b>	<b>622,601</b>	<b>371,770</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>1,501,837</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(344,178)	(274,609)
Tangible Capital Assets - Work in Progress		(251,050)	
<b>Total Net Transfers</b>	<b>-</b>	<b>(595,228)</b>	<b>(274,609)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>27,373</b>	<b>97,161</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>5,083,264</b>	<b>4,986,103</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>5,110,637</b>	<b>5,083,264</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 19)		1,747,854	1,213,484
Unrestricted		3,362,783	3,869,780
<b>Total Operating Surplus (Deficit), end of year</b>		<b>5,110,637</b>	<b>5,083,264</b>

**School District No. 78 (Fraser-Cascade)**

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	19,036,770	19,064,368	18,683,091
INAC/LEA Recovery	(2,861,301)	(3,228,816)	(3,206,922)
Other Ministry of Education Grants			
Pay Equity	229,516	229,516	229,516
Transportation Supplement	184,576	184,576	
Economic Stability Dividend		8,954	
Return of Administrative Savings	95,000	96,520	
Carbon Tax Grant		52,414	
Student Learning Grant		84,331	
FSA and Monitoring Grant		7,506	7,972
Shoulder Tappers Grant		22,500	25,000
Curriculum Implementation Grant			4,800
<b>Total Provincial Grants - Ministry of Education</b>	<b>16,684,561</b>	<b>16,521,869</b>	<b>15,743,457</b>
<b>Tuition</b>			
Continuing Education			700
International and Out of Province Students	24,000	38,500	87,987
<b>Total Tuition</b>	<b>24,000</b>	<b>38,500</b>	<b>88,687</b>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	2,861,301	3,228,816	3,301,692
Miscellaneous			
Industry Training Authority	5,000	20,501	2,000
UBC Grant	5,000	4,707	3,584
BMO Incentive	5,000	3,356	1,047
Administration fee			536
Skagit Endowment Grant		17,356	
<b>Total Other Revenue</b>	<b>2,876,301</b>	<b>3,274,736</b>	<b>3,308,859</b>
<b>Rentals and Leases</b>	<b>50,000</b>	<b>59,340</b>	<b>61,500</b>
<b>Investment Income</b>	<b>150,000</b>	<b>134,079</b>	<b>174,239</b>
<b>Total Operating Revenue</b>	<b>19,784,862</b>	<b>20,028,524</b>	<b>19,376,742</b>

**School District No. 78 (Fraser-Cascade)**Schedule of Operating Expense by Object  
Year Ended June 30, 2017

Schedule 2B (Unaudited)

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	7,265,214	7,187,916	7,042,073
Principals and Vice Principals	1,596,000	1,400,147	1,334,017
Educational Assistants	1,787,703	1,726,910	1,503,010
Support Staff	1,844,567	2,046,160	2,214,054
Other Professionals	660,514	609,057	576,420
Substitutes	739,762	667,532	677,297
<b>Total Salaries</b>	<b>13,893,760</b>	<b>13,637,722</b>	<b>13,346,871</b>
<b>Employee Benefits</b>	<b>3,515,276</b>	<b>3,046,948</b>	<b>3,132,183</b>
<b>Total Salaries and Benefits</b>	<b>17,409,036</b>	<b>16,684,670</b>	<b>16,479,054</b>
<b>Services and Supplies</b>			
Services	441,049	315,324	299,137
Student Transportation	124,500	57,600	53,845
Professional Development and Travel	322,093	189,556	209,520
Rentals and Leases	45,500	23,008	22,875
Dues and Fees	34,700	148,662	88,771
Insurance	93,500	74,312	70,468
Supplies	2,352,221	1,441,719	1,366,983
Utilities	464,100	471,072	414,319
<b>Total Services and Supplies</b>	<b>3,877,663</b>	<b>2,721,253</b>	<b>2,525,918</b>
<b>Total Operating Expense</b>	<b>21,286,699</b>	<b>19,405,923</b>	<b>19,004,972</b>

# School District No. 78 (Fraser-Cascade)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	6,293,188	338,208		324,891		503,846	7,460,133
1.03 Career Programs	6,758	24,974		13,417	1,923		47,072
1.07 Library Services	49,715	10,823					60,538
1.08 Counselling	65,841						65,841
1.10 Special Education	542,257	220,696	1,349,796			78,769	2,191,518
1.30 English Language Learning	108,693						108,693
1.31 Aboriginal Education	33,242		377,114			2,853	413,209
1.41 School Administration		805,446		173,161		7,187	985,794
1.60 Summer School							-
1.61 Continuing Education	88,222						88,222
<b>Total Function 1</b>	<b>7,187,916</b>	<b>1,400,147</b>	<b>1,726,910</b>	<b>511,469</b>	<b>1,923</b>	<b>592,655</b>	<b>11,421,020</b>
<b>4 District Administration</b>							
4.11 Educational Administration					332,433		332,433
4.40 School District Governance					81,734		81,734
4.41 Business Administration				109,807	122,480		232,287
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109,807</b>	<b>536,647</b>	<b>-</b>	<b>646,454</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				10,228	33,127		43,355
5.50 Maintenance Operations				1,015,667		55,721	1,071,388
5.52 Maintenance of Grounds				58,442			58,442
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,084,337</b>	<b>33,127</b>	<b>55,721</b>	<b>1,173,185</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				76,953	37,360		114,313
7.70 Student Transportation				263,594		19,156	282,750
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340,547</b>	<b>37,360</b>	<b>19,156</b>	<b>397,063</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>7,187,916</b>	<b>1,400,147</b>	<b>1,726,910</b>	<b>2,046,160</b>	<b>609,057</b>	<b>667,532</b>	<b>13,637,722</b>

# School District No. 78 (Fraser-Cascade)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	7,460,133	1,738,799	9,198,932	891,744	10,090,676	10,846,941	10,191,495
1.03 Career Programs	47,072	7,995	55,067	75,950	131,017	128,500	54,229
1.07 Library Services	60,538	14,668	75,206	21,874	97,080	223,901	87,775
1.08 Counselling	65,841	15,507	81,348		81,348	241,233	56,514
1.10 Special Education	2,191,518	492,410	2,683,928	58,966	2,742,894	2,661,851	2,476,791
1.30 English Language Learning	108,693	25,503	134,196	2,009	136,205	92,752	132,798
1.31 Aboriginal Education	413,209	80,659	493,868	163,716	657,584	1,122,672	751,641
1.41 School Administration	985,794	195,208	1,181,002	30,159	1,211,161	1,422,916	1,118,285
1.60 Summer School	-	-	-	-	-	-	108,910
1.61 Continuing Education	88,222	20,035	108,257		108,257		
<b>Total Function 1</b>	<b>11,421,020</b>	<b>2,590,784</b>	<b>14,011,804</b>	<b>1,244,418</b>	<b>15,256,222</b>	<b>16,740,766</b>	<b>14,978,438</b>
<b>4 District Administration</b>							
4.11 Educational Administration	332,433	68,525	400,958	39,614	440,572	418,736	365,854
4.40 School District Governance	81,734		81,734	102,927	184,661	173,775	166,308
4.41 Business Administration	232,287	60,219	292,506	93,293	385,799	487,024	411,804
<b>Total Function 4</b>	<b>646,454</b>	<b>128,744</b>	<b>775,198</b>	<b>235,834</b>	<b>1,011,032</b>	<b>1,079,535</b>	<b>943,966</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	43,355	8,977	52,332	19,891	72,223	63,251	55,985
5.50 Maintenance Operations	1,071,388	213,000	1,284,388	519,958	1,804,346	2,001,835	1,779,601
5.52 Maintenance of Grounds	58,442	13,981	72,423	17,452	89,875	70,121	141,578
5.56 Utilities	-	-	-	471,072	471,072	464,100	414,319
<b>Total Function 5</b>	<b>1,173,185</b>	<b>235,958</b>	<b>1,409,143</b>	<b>1,028,373</b>	<b>2,437,516</b>	<b>2,599,307</b>	<b>2,391,483</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	114,313	24,299	138,612	2,998	141,610	124,249	133,665
7.70 Student Transportation	282,750	67,163	349,913	209,630	559,543	742,842	557,420
<b>Total Function 7</b>	<b>397,063</b>	<b>91,462</b>	<b>488,525</b>	<b>212,628</b>	<b>701,153</b>	<b>867,091</b>	<b>691,085</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>13,637,722</b>	<b>3,046,948</b>	<b>16,684,670</b>	<b>2,721,253</b>	<b>19,405,923</b>	<b>21,286,699</b>	<b>19,004,972</b>

**School District No. 78 (Fraser-Cascade)**

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	1,501,603	1,812,154	953,194
Other Revenue			626,830
<b>Total Revenue</b>	<u>1,501,603</u>	<u>1,812,154</u>	<u>1,580,024</u>
<b>Expenses</b>			
Instruction	1,385,204	1,695,755	1,463,625
Operations and Maintenance	116,399	116,399	116,399
<b>Total Expense</b>	<u>1,501,603</u>	<u>1,812,154</u>	<u>1,580,024</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>-</u>	<u>-</u>



# School District No. 78 (Fraser-Cascade)

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

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			7,671	34,219	496,066	69,028	5,582	5,510	
Add: Restricted Grants									
Provincial Grants - Ministry of Education	116,399	385,845				96,736	12,250	9,723	343,579
Other					630,009				
Scholarship donations				4,372					
	116,399	385,845	-	4,372	630,009	96,736	12,250	9,723	343,579
Less: Allocated to Revenue	116,399	385,845	5,693	3,730	597,558	104,363	12,502	13,201	343,579
Deferred Revenue, end of year	-	-	1,978	34,861	528,517	61,401	5,330	2,032	-
Revenues									
Provincial Grants - Ministry of Education	116,399	385,845	5,693	3,730	597,558	104,363	12,502	13,201	343,579
	116,399	385,845	5,693	3,730	597,558	104,363	12,502	13,201	343,579
Expenses									
Salaries									
Teachers		242,751							17,116
Principals and Vice Principals									83,154
Educational Assistants		77,003				76,813			132,841
Substitutes							5,884		
	-	319,754	-	-	-	76,813	5,884	-	233,111
Employee Benefits						21,223			58,237
Services and Supplies	116,399	66,091	5,693		597,558		6,618	13,201	52,231
Scholarships				3,730		6,327			
	116,399	385,845	5,693	3,730	597,558	104,363	12,502	13,201	343,579
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

# School District No. 78 (Fraser-Cascade)

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

Schedule 3A (Unaudited)

	Coding and Curriculum Implementation	Priority Measures	Service Delivery Transformation	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year			25,000	643,076
Add: Restricted Grants				
Provincial Grants - Ministry of Education	35,648	193,636		1,193,816
Other				630,009
Scholarship donations				4,372
	35,648	193,636	-	1,828,197
Less: Allocated to Revenue	35,648	193,636	-	1,812,154
Deferred Revenue, end of year	-	-	25,000	659,119
Revenues				
Provincial Grants - Ministry of Education	35,648	193,636		1,812,154
	35,648	193,636	-	1,812,154
Expenses				
Salaries				
Teachers	3,004	155,104		417,975
Principals and Vice Principals	3,369			86,523
Educational Assistants				286,657
Substitutes	7,070			12,954
	13,443	155,104	-	804,109
Employee Benefits	1,000	38,532		118,992
Services and Supplies				857,791
Scholarships	21,205			31,262
	35,648	193,636	-	1,812,154
Net Revenue (Expense) before Interfund Transfers	-	-	-	-
Interfund Transfers				
	-	-	-	-
Net Revenue (Expense)	-	-	-	-

**School District No. 78 (Fraser-Cascade)**

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Amortization of Deferred Capital Revenue	802,092	802,092		802,092	725,669
<b>Total Revenue</b>	802,092	802,092	-	802,092	725,669
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	998,001	1,054,517		1,054,517	905,363
Transportation and Housing	105,454	109,703		109,703	116,454
<b>Total Expense</b>	1,103,455	1,164,220	-	1,164,220	1,021,817
<b>Capital Surplus (Deficit) for the year</b>	(301,363)	(362,128)	-	(362,128)	(296,148)
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased		344,178		344,178	274,609
Tangible Capital Assets - Work in Progress		251,050		251,050	
<b>Total Net Transfers</b>	-	595,228	-	595,228	274,609
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		398,293	(398,293)	-	
Tangible Capital Assets WIP Purchased from Local Capital		35,043	(35,043)	-	
<b>Total Other Adjustments to Fund Balances</b>		433,336	(433,336)	-	
<b>Total Capital Surplus (Deficit) for the year</b>	(301,363)	666,436	(433,336)	233,100	(21,539)
<b>Capital Surplus (Deficit), beginning of year</b>		6,512,629	2,801,459	9,314,088	9,335,627
<b>Capital Surplus (Deficit), end of year</b>		7,179,065	2,368,123	9,547,188	9,314,088

**School District No. 78 (Fraser-Cascade)**

Tangible Capital Assets  
Year Ended June 30, 2017

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	703,489	42,637,625	516,664	1,097,033		468,903	45,423,714
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		886,324					886,324
Operating Fund			213,640	12,489		118,049	344,178
Local Capital		398,293					398,293
	-	1,284,617	213,640	12,489	-	118,049	1,628,795
Decrease:							
Deemed Disposals			78,664	23,881		19,124	121,669
	-	-	78,664	23,881	-	19,124	121,669
Cost, end of year	703,489	43,922,242	651,640	1,085,641	-	567,828	46,930,840
Work in Progress, end of year		286,093					286,093
Cost and Work in Progress, end of year	703,489	44,208,335	651,640	1,085,641	-	567,828	47,216,933
<b>Accumulated Amortization, beginning of year</b>		19,327,285	187,071	423,130		136,767	20,074,253
<b>Changes for the Year</b>							
Increase: Amortization for the Year		909,070	51,666	109,703		93,781	1,164,220
Decrease:							
Deemed Disposals			78,664	23,881		19,124	121,669
		-	78,664	23,881	-	19,124	121,669
Accumulated Amortization, end of year		20,236,355	160,073	508,952	-	211,424	21,116,804
<b>Tangible Capital Assets - Net</b>	<b>703,489</b>	<b>23,971,980</b>	<b>491,567</b>	<b>576,689</b>	<b>-</b>	<b>356,404</b>	<b>26,100,129</b>

**School District No. 78 (Fraser-Cascade)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2017

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>					-
<b>Changes for the Year</b>					
Increase:					
Operating Fund	251,050				251,050
Local Capital	35,043				35,043
	286,093	-	-	-	286,093
<b>Net Changes for the Year</b>	286,093	-	-	-	286,093
<b>Work in Progress, end of year</b>	286,093	-	-	-	286,093

**School District No. 78 (Fraser-Cascade)**

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	18,653,733	183,100		18,836,833
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	886,324			886,324
	886,324	-	-	886,324
Decrease:				
Amortization of Deferred Capital Revenue	798,494	3,598		802,092
	798,494	3,598	-	802,092
Net Changes for the Year	87,830	(3,598)	-	84,232
Deferred Capital Revenue, end of year	18,741,563	179,502	-	18,921,065
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	18,741,563	179,502	-	18,921,065

**School District No. 78 (Fraser-Cascade)**

Schedule 4D (Unaudited)

## 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				66,185		66,185
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,283,517					1,283,517
Provincial Grants - Other					241,880	241,880
	1,283,517	-	-	-	241,880	1,525,397
Decrease:						
Transferred to DCR - Capital Additions	886,324					886,324
	886,324	-	-	-	-	886,324
Net Changes for the Year	397,193	-	-	-	241,880	639,073
Balance, end of year	397,193	-	-	66,185	241,880	705,258