

Audited Financial Statements of

School District No. 51 (Boundary)

June 30, 2019

School District No. 51 (Boundary)

June 30, 2019

Table of Contents

Management Report	1
Independent Auditors' Report	2-3
Statement of Financial Position - Statement 1	4
Statement of Operations - Statement 2	5
Statement of Changes in Net Financial Assets (Debt) - Statement 4	6
Statement of Cash Flows - Statement 5	7
Notes to the Financial Statements	8-26
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	27
Schedule of Operating Operations - Schedule 2 (Unaudited)	28
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	29
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	30
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	31
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	33
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	34
Schedule of Capital Operations - Schedule 4 (Unaudited)	36
Schedule 4A - Tangible Capital Assets (Unaudited)	37
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	38
Schedule 4C - Deferred Capital Revenue (Unaudited)	39
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	40

School District No. 51 (Boundary)

MANAGEMENT REPORT

Version: 3543-2797-9815

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 51 (Boundary) 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.

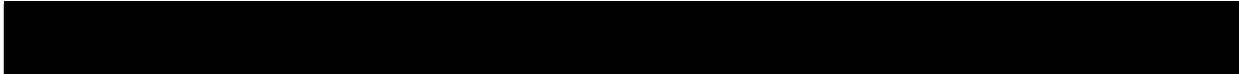
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 51 (Boundary) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 51 (Boundary) 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.

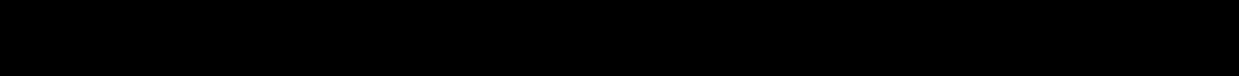
On behalf of School District No. 51 (Boundary)


Signature of the Chairperson of the Board of Education

Date Signed


Signature of the Superintendent

Date Signed


Signature of the Secretary Treasurer

Date Signed

Independent auditor's report

To the Board of Education of
School District No. 51 (Boundary) and the Ministry of Education

Grant Thornton LLP
200-1633 Ellis Street
Kelowna, BC
V1Y 2A8
T +1 250 712 6800
F +1 250 712 6850

Opinion

We have audited the financial statements of School District No. 51 (Boundary), ("the District"), which comprise the statement of financial position as at June 30, 2019, and the statement of operations, statement of changes in net financial assets (debt), and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of School District No. 51 (Boundary) as at June 30, 2019 and for the year then ended, are prepared in all material respects in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia ("Section 23.1").

Basis for Opinion

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

Emphasis of Matter

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

Other Matters

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 23.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

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

Kelowna, Canada
September 17, 2019

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font. Below the script, the text "Chartered Professional Accountants" is written in a clean, sans-serif font.

Chartered Professional Accountants

School District No. 51 (Boundary)

Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	3,589,109	3,725,632
Accounts Receivable		
Due from Province - Ministry of Education	245,835	97,886
Due from Province - Other		8,828
Other (Note 4)	106,086	189,648
Total Financial Assets	<u>3,941,030</u>	<u>4,021,994</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	1,225,983	1,253,881
Unearned Revenue (Note 6)		2,430
Deferred Revenue (Note 7)	328,647	397,740
Deferred Capital Revenue (Note 8)	13,826,910	13,274,643
Employee Future Benefits (Note 9)	416,462	420,641
Capital Lease Obligations (Note 10)	174,931	206,864
Total Liabilities	<u>15,972,933</u>	<u>15,556,199</u>
Net Financial Assets (Debt)	<u>(12,031,903)</u>	<u>(11,534,205)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	21,410,367	21,056,507
Total Non-Financial Assets	<u>21,410,367</u>	<u>21,056,507</u>
Accumulated Surplus (Deficit)	<u>9,378,464</u>	<u>9,522,302</u>

Contingent Liabilities (Note 16)

Approved by the Board

[Redacted Signature]

Signature of the Chairperson of the Board of Education Date Signed

[Redacted Signature]

Signature of the Superintendent Date Signed

[Redacted Signature]

Signature of the Secretary Treasurer Date Signed

School District No. 51 (Boundary)

Statement of Operations
Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	17,384,757	18,046,496	17,717,547
Other	51,905	176,117	117,546
Tuition	12,150	9,717	30,300
Other Revenue	231,050	463,754	428,484
Rentals and Leases	59,233	75,955	67,420
Investment Income	50,000	82,620	71,353
Gain (Loss) on Disposal of Tangible Capital Assets			25,896
Amortization of Deferred Capital Revenue	771,383	794,462	783,568
Total Revenue	18,560,478	19,649,121	19,242,114
Expenses			
Instruction	13,785,069	14,208,137	14,179,184
District Administration	943,015	992,989	900,210
Operations and Maintenance	3,914,743	3,674,630	3,653,277
Transportation and Housing	690,772	916,136	893,438
Debt Services	1,067	1,067	1,231
Total Expense	19,334,666	19,792,959	19,627,340
Surplus (Deficit) for the year	(774,188)	(143,838)	(385,226)
Accumulated Surplus (Deficit) from Operations, beginning of year		9,522,302	9,907,528
Accumulated Surplus (Deficit) from Operations, end of year		9,378,464	9,522,302

School District No. 51 (Boundary)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(774,188)</u>	<u>(143,838)</u>	<u>(385,226)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(272,000)	(1,685,880)	(1,574,239)
Amortization of Tangible Capital Assets	1,327,504	1,332,020	1,277,608
Total Effect of change in Tangible Capital Assets	<u>1,055,504</u>	<u>(353,860)</u>	<u>(296,631)</u>
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>-</u>	<u>-</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>281,316</u>	<u>(497,698)</u>	<u>(681,857)</u>
Net Remeasurement Gains (Losses)		<u>(497,698)</u>	<u>(681,857)</u>
(Increase) Decrease in Net Financial Assets (Debt)		<u>(497,698)</u>	<u>(681,857)</u>
Net Financial Assets (Debt), beginning of year		<u>(11,534,205)</u>	<u>(10,852,348)</u>
Net Financial Assets (Debt), end of year		<u>(12,031,903)</u>	<u>(11,534,205)</u>

School District No. 51 (Boundary)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2019

	2019 Actual \$	2018 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	(143,838)	(385,226)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(55,559)	(135,897)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(27,898)	248,535
Unearned Revenue	(2,430)	(8,640)
Deferred Revenue	(69,093)	29,726
Employee Future Benefits	(4,179)	33,197
Loss (Gain) on Disposal of Tangible Capital Assets	-	(25,896)
Amortization of Tangible Capital Assets	1,332,020	1,277,608
Amortization of Deferred Capital Revenue	(794,462)	(783,568)
Total Operating Transactions	<u>234,561</u>	<u>249,839</u>
Capital Transactions		
Tangible Capital Assets Purchased	(1,685,880)	(1,545,291)
Tangible Capital Assets -WIP Purchased		(28,948)
District Portion of Proceeds on Disposal	-	25,896
Total Capital Transactions	<u>(1,685,880)</u>	<u>(1,548,343)</u>
Financing Transactions		
Capital Revenue Received	1,346,729	1,080,055
Capital Lease Payments	(31,933)	(31,770)
Total Financing Transactions	<u>1,314,796</u>	<u>1,048,285</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(136,523)	(250,219)
Cash and Cash Equivalents, beginning of year	<u>3,725,632</u>	<u>3,975,851</u>
Cash and Cash Equivalents, end of year	<u><u>3,589,109</u></u>	<u><u>3,725,632</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	3,479,070	3,614,375
Cash Equivalents	110,039	111,257
	<u><u>3,589,109</u></u>	<u><u>3,725,632</u></u>

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 2, 1996 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 51 (Boundary)", and operates as "School District No. 51 (Boundary)." 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. 51 (Boundary) 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(e) and 2(m).

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

As noted in Notes 2(e) and 2(m), 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:

- June 30, 2018 - increase in annual surplus by \$241,368
- June 30, 2018 - increase in accumulated surplus and decrease in deferred contributions by \$13,065,923
- June 30, 2019 – increase in annual surplus by \$625,227
- June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions by \$13,691,150

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) 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.

e) Deferred Revenue and Deferred Capital Revenue

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

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.

f) Employee Future Benefits

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

f) Employee Future Benefits (cont'd)

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

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

g) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

h) Liability for Contaminated Sites

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

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

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

i) 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.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

j) 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.

k) Prepaid Expenses

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

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 18 – Internally Restricted Surplus).

m) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

m) Revenue Recognition (cont'd)

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.

n) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes interest paid on capital lease and is included in debt services.

Categories of Salaries

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

n) Expenditures (cont'd)

Allocation of Costs

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

o) Financial Instruments

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

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

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

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Measurement Uncertainty

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

NOTE 3 CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are funds in the amount of \$469,897 (2018 – \$404,845), restricted and paid out to teachers who contribute to and take part in the District’s self-funded summer saving plan.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2019	2018
Other		
GST rebate	57,438	62,499
City of Grand Forks	-	100,008
BCTF receivable	3,291	3,607
BDTA receivable	26,655	-
Miscellaneous receivables	10,705	11,889
School based funds	7,997	11,645
	\$ 106,086	\$ 189,648

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2019	2018
Trade payables	\$ 541,495	\$ 644,069
Salaries and benefits payable	152,343	131,577
Accrued vacation pay	62,247	73,390
Teacher 12 month pay accrual	469,897	404,845
	\$ 1,225,983	\$ 1,253,881

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 6 UNEARNED REVENUE

	2019	2018
Balance, beginning of year	\$ 2,430	\$ 11,070
Changes for the year:	(2,430)	(8,640)
Balance, end of year	\$ -	\$ 2,430

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.

	2019	2018
Balance, beginning of year	397,740	\$ 368,014
Add: Restricted grants	1,848,233	2,055,783
Less: Allocated to revenue	(1,918,438)	(2,026,057)
Balance, end of year	\$ 327,535	\$ 397,740

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.

	2019	2018
Balance, beginning of year	\$ 13,274,643	\$ 12,978,156
Add: Contributions received in the year	1,346,729	1,080,055
Less: Amortization of deferred capital revenue	(794,462)	(783,568)
Balance, end of year	\$ 13,826,910	\$ 13,274,643

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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.

	2019	2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 424,701	\$ 453,197
Service Cost	37,516	35,725
Interest Cost	11,938	12,380
Benefit Payments	(62,191)	(33,622)
Increase (Decrease) in obligation due to Plan Amendment	31	-
Actuarial (Gain) Loss	42,297	(42,979)
Accrued Benefit Obligation – March 31	\$ 454,292	\$ 424,701
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 454,292	\$ 424,701
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(454,292)	(424,701)
Employer Contributions After Measurement Date	5,505	424
Benefits Expense After Measurement Date	(12,228)	(12,364)
Unamortized Net Actuarial (Gain) Loss	44,553	16,000
Accrued Benefit Asset (Liability) – June 30	\$ (416,462)	\$ (420,641)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 420,641	\$ 387,444
Net expense for Fiscal Year	63,093	67,243
Employer Contributions	(67,272)	(34,046)
Accrued Benefit Liability – June 30	\$ 416,462	\$ 420,641

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 9 EMPLOYEE FUTURE BENEFITS *(Continued)*

	2019	2018
Components of Net Benefit Expense		
Service Cost	\$ 37,507	\$ 36,173
Interest Cost	11,812	12,270
Immediate Recognition of Plan Amendment	31	-
Amortization of Net Actuarial Loss	13,744	18,800
Net Benefit Expense	\$ 63,094	\$ 67,243

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

Discount Rate – April 1	2.75%	2.75%
Discount Rate – March 31	2.50%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.0	8.5

NOTE 10 CAPITAL LEASE OBLIGATIONS

The School District has entered into a fifteen year capital lease for land and building in Grand Forks, BC. The lease expires on November 1, 2024, at which point the School District has an option to purchase the property for \$1.

Repayments are due as follows:

2020	\$ 33,000
2021	33,000
2022	33,000
2023	33,000
2024	45,800
Total minimum lease payments	\$ 177,800
Less amounts representing interest at 0.516%	(2,869)
Balance of the obligation	\$ 174,931

Total interest on leases for the year was \$1,067 (2019 - \$1,231).

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	2019	2018
Sites	\$ 2,059,384	\$ 2,059,384
Buildings	16,745,350	16,329,934
Buildings – work in progress	-	28,948
Furniture and Equipment	719,200	987,357
Vehicles	1,087,662	826,716
Computer Software	36,058	7,688
Computer Hardware	762,713	816,480
Total	\$ 21,410,367	\$ 21,056,507

June 30, 2019

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	\$ 2,059,384	\$ -	\$ -	\$ -	\$ 2,059,384
Buildings	38,007,944	1,173,467	-	28,948	39,210,359
Buildings – work in progress	28,948	-	-	(28,948)	-
Furniture and Equipment	1,627,029	55,187	(84,400)	-	1,597,816
Vehicles	1,611,858	261,491	(139,614)	-	1,733,735
Computer Software	38,436	36,058	(38,436)	-	36,058
Computer Hardware	1,067,223	159,677	(73,421)	-	1,153,479
Total	\$ 44,440,822	\$ 1,685,880	\$ (335,871)	\$ -	\$ 45,790,831

	Opening Accumulated Amortization	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	21,678,010	786,999	-	-	22,465,009
Furniture and Equipment	800,313	162,703	(84,400)	-	878,616
Vehicles	624,501	161,186	(139,614)	-	646,073
Computer Software	30,748	7,688	(38,436)	-	-
Computer Hardware	250,743	213,444	(73,421)	-	390,766
Total	\$ 23,384,315	\$ 1,332,020	\$ (335,871)	\$ -	\$ 24,380,464

**SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2018

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2018
Sites	\$ 2,059,384	\$ -	\$ -	\$ -	\$ 2,059,384
Buildings	37,051,402	945,840	-	10,702	38,007,944
Buildings – work in progress	10,702	28,948	-	(10,702)	28,948
Furniture and Equipment	1,798,670	165,078	(336,719)	-	1,627,029
Vehicles	1,553,855	58,003	-	-	1,611,858
Computer Software	38,436	-	-	-	38,436
Computer Hardware	841,000	376,370	(150,147)	-	1,067,223
Total	\$ 43,353,449	\$ 1,574,239	\$ (486,866)	\$ -	\$ 44,440,822

	Opening Accumulated Amortization	Additions	Disposals	Transfers (WIP)	Total 2018
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	20,911,541	766,469	-	-	21,678,010
Furniture and Equipment	957,165	179,867	(336,719)	-	800,313
Vehicles	469,115	155,386	-	-	624,501
Computer Software	23,061	7,687	-	-	30,748
Computer Hardware	232,691	168,199	(150,147)	-	250,743
Total	\$ 22,593,573	\$ 1,277,608	\$ (486,866)	\$ -	\$ 23,384,315

- Included in sites are assets held under capital lease with a cost of \$184,053 (2018 - \$184,053). Included in buildings are assets held under capital lease with a cost of \$335,939 (2018 – \$335,939) and accumulated amortization of \$83,985 (2018 - \$75,522).

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2017, the Teachers' Pension Plan has about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 24,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The School District paid \$1,287,529 (2018 - \$1,440,170) for employer contributions to the plans for the year ended June 30, 2019.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 13 INTERFUND TRANSFERS

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

- Operating funds transferred to local capital - \$158,000 (2018 - \$333,000)
- Tangible capital assets purchased from special purpose funds - \$53,276 (2018 - \$79,585)
- Tangible capital assets purchased from operating funds - \$115,400 (2018 - \$107,170)

NOTE 14 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.

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 15 BUDGET FIGURES

Budget figures included in the financial statements are the original planned budget approved by the Board through the adoption of an annual budget on June 19, 2018. While PSAS require the presentation of the originally planned budget, an amended budget based on more accurate enrollment numbers was approved by the Board and filed with the Ministry of Education on February 12, 2019. Significant changes between the original and amended budget are as follows:

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants MoE	\$ 17,384,757	\$ 17,928,791	\$ 544,034
Amortization of deferred capital revenue	771,383	771,376	(7)
Other	404,338	743,685	399,347
	<u>\$ 18,560,478</u>	<u>\$ 19,443,852</u>	<u>\$ 883,374</u>
Expenses			
Instruction	\$ 13,785,069	\$ 14,399,733	\$ 614,664
District Administration	943,015	935,036	(7,979)
Operations and Maintenance	3,914,743	3,977,377	62,634
Transportation and Housing	690,772	728,547	37,775
Debt services	1,067	1,067	-
	<u>\$ 19,334,666</u>	<u>\$ 20,041,760</u>	<u>\$ 707,094</u>

NOTE 16 CONTINGENCY

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2019, the liability is not reasonably determinable.

NOTE 17 EXPENSE BY OBJECT

	2019	2018
Salaries and benefits	\$ 15,335,504	\$ 15,188,334
Services and supplies	3,124,368	3,160,167
Interest	1,067	1,231
Amortization	1,332,020	1,277,608
	<u>\$ 19,792,959</u>	<u>\$ 19,627,340</u>

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 18 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2019	2018
Internally restricted (appropriated) by Board for:		
Schools and other programs	\$ 120,514	\$ 52,619
Aboriginal programs	-	13,635
Playground equipment	5,000	5,000
Speech services	2,359	2,359
Auditorium Trust	14,373	11,115
2018/2019 budget appropriation	-	435,000
2019/2020 budget appropriation as transfer to local capital	300,000	-
Contingency reserve	494,951	535,868
Subtotal internally restricted	937,197	1,055,596
Unrestricted operating surplus	171,907	-
Total available for future operations	\$ 1,109,104	\$ 1,055,596

NOTE 19 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 20 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

SCHOOL DISTRICT NO. 51 (BOUNDARY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 20 RISK MANAGEMENT *(Continued)*

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents 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 cash and cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in term deposits that have a maturity date of no more than 3 years.

b) **Liquidity risk**

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

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

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

School District No. 51 (Boundary)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,055,596		8,466,706	9,522,302	9,907,528
Changes for the year					
Surplus (Deficit) for the year	326,908	53,276	(524,022)	(143,838)	(385,226)
Interfund Transfers					
Tangible Capital Assets Purchased	(115,400)	(53,276)	168,676	-	
Local Capital	(125,000)		125,000	-	
Other	(33,000)		33,000	-	
Net Changes for the year	<u>53,508</u>	<u>-</u>	<u>(197,346)</u>	<u>(143,838)</u>	<u>(385,226)</u>
Accumulated Surplus (Deficit), end of year - Statement 2	<u><u>1,109,104</u></u>	<u><u>-</u></u>	<u><u>8,269,360</u></u>	<u><u>9,378,464</u></u>	<u><u>9,522,302</u></u>

School District No. 51 (Boundary)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	16,085,710	16,612,329	16,082,934
Other	51,905	49,258	56,831
Tuition	12,150	9,717	30,300
Other Revenue	31,050	107,736	97,755
Rentals and Leases	59,233	75,955	67,420
Investment Income	40,000	66,623	58,213
Total Revenue	<u>16,280,048</u>	<u>16,921,618</u>	<u>16,393,453</u>
Expenses			
Instruction	12,399,371	12,404,443	12,332,567
District Administration	943,015	992,989	900,210
Operations and Maintenance	2,473,890	2,417,905	2,431,200
Transportation and Housing	690,772	779,373	738,052
Total Expense	<u>16,507,048</u>	<u>16,594,710</u>	<u>16,402,029</u>
Operating Surplus (Deficit) for the year	<u>(227,000)</u>	<u>326,908</u>	<u>(8,576)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>435,000</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(50,000)	(115,400)	(107,170)
Local Capital	(125,000)	(125,000)	(300,000)
Other	(33,000)	(33,000)	(33,000)
Total Net Transfers	<u>(208,000)</u>	<u>(273,400)</u>	<u>(440,170)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>53,508</u>	<u>(448,746)</u>
Operating Surplus (Deficit), beginning of year		<u>1,055,596</u>	<u>1,504,342</u>
Operating Surplus (Deficit), end of year		<u>1,109,104</u>	<u>1,055,596</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		937,197	1,055,596
Unrestricted		171,907	-
Total Operating Surplus (Deficit), end of year		<u>1,109,104</u>	<u>1,055,596</u>

School District No. 51 (Boundary)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	15,752,973	16,175,105	15,632,387
Other Ministry of Education Grants			
Pay Equity	105,245	105,245	105,245
Transportation Supplement	153,588	153,588	153,588
Economic Stability Dividend	-	14,324	7,697
Return of Administrative Savings			77,888
Carbon Tax Grant	20,000	27,646	27,636
Employer Health Tax Grant	-	38,007	-
Strategic Priorities - Mental Health Grant	-	37,000	-
PLN Revenue	53,904	53,908	53,908
FSA	-	7,506	7,506
Shoulder Tapper	-	-	17,079
Total Provincial Grants - Ministry of Education	16,085,710	16,612,329	16,082,934
Provincial Grants - Other	51,905	49,258	56,831
Tuition			
International and Out of Province Students	12,150	9,717	30,300
Total Tuition	12,150	9,717	30,300
Other Revenues			
Miscellaneous			
ArtStart	6,050	6,000	6,050
Fortis Rebate	-	-	10,428
Miscellaneous	-	17,236	68
City of Grand Forks	25,000	80,000	75,000
BCPSEA	-	-	6,209
United Way	-	4,500	-
Total Other Revenue	31,050	107,736	97,755
Rentals and Leases	59,233	75,955	67,420
Investment Income	40,000	66,623	58,213
Total Operating Revenue	16,280,048	16,921,618	16,393,453

School District No. 51 (Boundary)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	5,898,698	5,808,068	5,740,226
Principals and Vice Principals	1,188,483	1,238,195	1,176,658
Educational Assistants	1,100,307	1,147,643	1,104,471
Support Staff	2,185,685	2,178,483	2,178,479
Other Professionals	539,795	598,495	533,529
Substitutes	490,946	583,749	586,341
Total Salaries	11,403,914	11,554,633	11,319,704
Employee Benefits	2,763,525	2,623,773	2,634,197
Total Salaries and Benefits	14,167,439	14,178,406	13,953,901
Services and Supplies			
Services	642,032	598,474	617,865
Student Transportation	135,217	126,919	144,376
Professional Development and Travel	247,923	304,243	241,496
Dues and Fees	70,665	54,192	61,988
Insurance	57,500	51,302	51,964
Supplies	707,142	847,348	873,881
Utilities	479,130	433,826	456,558
Total Services and Supplies	2,339,609	2,416,304	2,448,128
Total Operating Expense	16,507,048	16,594,710	16,402,029

School District No. 51 (Boundary)
 Operating Expense by Function, Program and Object
 Year Ended June 30, 2019

Schedule 2C (Unaudited)

	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	4,768,135	169,217	-	69,774	-	407,007	5,414,133
1.03 Career Programs	-	-	-	-	-	-	-
1.07 Library Services	85,074	-	-	21,941	-	3,519	110,534
1.08 Counselling	93,944	-	-	-	-	-	93,944
1.10 Special Education	684,389	161,918	1,007,614	145,426	-	75,515	2,074,862
1.31 Aboriginal Education	176,526	-	140,029	-	-	2,219	318,774
1.41 School Administration	-	866,802	-	329,493	-	41,411	1,237,706
1.64 Other	-	-	-	-	-	-	-
Total Function 1	5,808,068	1,197,937	1,147,643	566,634	-	529,671	9,249,953
4 District Administration							
4.11 Educational Administration	-	40,258	-	50,338	171,059	-	261,655
4.40 School District Governance	-	-	-	-	83,926	-	83,926
4.41 Business Administration	-	-	-	139,228	150,100	-	289,328
Total Function 4	-	40,258	-	189,566	405,085	-	634,909
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	22,406	53,666	-	76,072
5.50 Maintenance Operations	-	-	-	972,728	86,620	48,163	1,107,511
5.52 Maintenance of Grounds	-	-	-	61,354	-	-	61,354
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	1,056,488	140,286	48,163	1,244,937
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	12,753	53,124	-	65,877
7.70 Student Transportation	-	-	-	353,042	-	5,915	358,957
Total Function 7	-	-	-	365,795	53,124	5,915	424,834
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	5,808,068	1,238,195	1,147,643	2,178,483	598,495	583,749	11,554,633

School District No. 51 (Boundary)
 Operating Expense by Function, Program and Object
 Year Ended June 30, 2019

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	5,414,133	1,216,000	6,630,133	753,902	7,384,035	7,517,256	7,496,655
1.03 Career Programs	-	-	-	2,725	2,725	-	3,034
1.07 Library Services	110,534	26,409	136,943	15,712	152,655	158,910	144,220
1.08 Counselling	93,944	21,345	115,289	252	115,541	114,992	167,422
1.10 Special Education	2,074,862	510,541	2,585,403	79,970	2,665,373	2,672,307	2,571,385
1.31 Aboriginal Education	318,774	71,664	390,438	113,099	503,537	407,130	416,703
1.41 School Administration	1,237,706	274,328	1,512,034	64,293	1,576,327	1,520,376	1,525,740
1.64 Other	-	-	-	4,250	4,250	8,400	7,408
Total Function 1	9,249,953	2,120,287	11,370,240	1,034,203	12,404,443	12,399,371	12,332,567
4 District Administration							
4.11 Educational Administration	261,655	55,994	317,649	30,120	347,769	325,894	313,224
4.40 School District Governance	83,926	3,167	87,093	62,495	149,588	156,686	132,031
4.41 Business Administration	289,328	55,230	344,558	151,074	495,632	460,435	454,955
Total Function 4	634,909	114,391	749,300	243,689	992,989	943,015	900,210
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	76,072	16,429	92,501	25,422	117,923	124,446	122,096
5.50 Maintenance Operations	1,107,511	254,045	1,361,556	344,830	1,706,386	1,688,933	1,693,743
5.52 Maintenance of Grounds	61,354	12,083	73,437	30,446	103,883	111,923	108,160
5.56 Utilities	-	-	-	489,713	489,713	548,588	507,201
Total Function 5	1,244,937	282,557	1,527,494	890,411	2,417,905	2,473,890	2,431,200
7 Transportation and Housing							
7.41 Transportation and Housing Administration	65,877	14,135	80,012	528	80,540	86,888	80,837
7.70 Student Transportation	358,957	92,403	451,360	247,473	698,833	603,884	657,215
Total Function 7	424,834	106,538	531,372	248,001	779,373	690,772	738,052
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	11,554,633	2,623,773	14,178,406	2,416,304	16,594,710	16,507,048	16,402,029

School District No. 51 (Boundary)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,299,047	1,434,167	1,634,613
Other		126,859	60,715
Other Revenue	200,000	356,018	330,729
Investment Income		1,394	
Total Revenue	<u>1,499,047</u>	<u>1,918,438</u>	<u>2,026,057</u>
Expenses			
Instruction	1,385,698	1,803,694	1,846,617
Operations and Maintenance	113,349	61,468	99,855
Total Expense	<u>1,499,047</u>	<u>1,865,162</u>	<u>1,946,472</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>53,276</u>	<u>79,585</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(53,276)	(79,585)
Total Net Transfers	<u>-</u>	<u>(53,276)</u>	<u>(79,585)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 51 (Boundary)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	1,909	-	472	276,885	982	-	2,795	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	113,350	61,054	-	-	128,000	19,600	7,060	139,123	28,155
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Other	-	-	-	387,999	-	-	-	-	-
Investment Income	1,132	-	-	-	-	-	-	-	-
	114,482	61,054	-	387,999	128,000	19,600	7,060	139,123	28,155
Less: Allocated to Revenue	114,744	61,054	-	356,018	128,982	19,600	8,711	139,123	28,155
Deferred Revenue, end of year	1,647	-	472	308,866	-	-	1,144	-	-
Revenues									
Provincial Grants - Ministry of Education	113,350	61,054	-	-	128,982	19,600	8,711	139,123	28,155
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	356,018	-	-	-	-	-
Investment Income	1,394	-	-	-	-	-	-	-	-
	114,744	61,054	-	356,018	128,982	19,600	8,711	139,123	28,155
Expenses									
Salaries									
Teachers	-	-	-	-	-	-	-	-	-
Educational Assistants	-	47,488	-	-	-	-	-	82,505	-
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	-	-	-	-	-	-	-	20,021
	-	47,488	-	-	-	-	-	82,505	20,021
Employee Benefits	-	13,566	-	-	-	-	-	19,393	3,804
Services and Supplies	61,468	-	-	356,018	128,982	19,600	8,711	37,225	4,330
	61,468	61,054	-	356,018	128,982	19,600	8,711	139,123	28,155
Net Revenue (Expense) before Interfund Transfers	53,276	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(53,276)	-	-	-	-	-	-	-	-
	(53,276)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 51 (Boundary)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2019

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Health Coordinator	DASH BC	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	18,277	96,420	397,740
Add: Restricted Grants					
Provincial Grants - Ministry of Education	908,236	26,956	-	-	1,431,534
Provincial Grants - Other	-	-	27,000	1,680	28,680
Other	-	-	-	-	387,999
Investment Income	-	-	-	-	1,132
	908,236	26,956	27,000	1,680	1,849,345
Less: Allocated to Revenue	908,236	26,956	38,239	88,620	1,918,438
Deferred Revenue, end of year	-	-	7,038	9,480	328,647
Revenues					
Provincial Grants - Ministry of Education	908,236	26,956	-	-	1,434,167
Provincial Grants - Other	-	-	38,239	88,620	126,859
Other Revenue	-	-	-	-	356,018
Investment Income	-	-	-	-	1,394
	908,236	26,956	38,239	88,620	1,918,438
Expenses					
Salaries					
Teachers	711,154	22,652	-	-	733,806
Educational Assistants	-	-	-	-	129,993
Other Professionals	-	-	32,367	-	32,367
Substitutes	-	-	-	-	20,021
	711,154	22,652	32,367	-	916,187
Employee Benefits	197,082	4,304	2,762	-	240,911
Services and Supplies	-	-	3,110	88,620	708,064
	908,236	26,956	38,239	88,620	1,865,162
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	53,276
Interfund Transfers					
Tangible Capital Assets Purchased	-	-	-	-	(53,276)
	-	-	-	-	(53,276)
Net Revenue (Expense)	-	-	-	-	-

School District No. 51 (Boundary)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	10,000		14,603	14,603	13,140
Gain (Loss) on Disposal of Tangible Capital Assets	-	-		-	25,896
Amortization of Deferred Capital Revenue	771,383	794,462		794,462	783,568
Total Revenue	781,383	794,462	14,603	809,065	822,604
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,327,504	1,195,257		1,195,257	1,122,222
Transportation and Housing	-	136,763		136,763	155,386
Debt Services					
Capital Lease Interest	1,067		1,067	1,067	1,231
Total Expense	1,328,571	1,332,020	1,067	1,333,087	1,278,839
Capital Surplus (Deficit) for the year	(547,188)	(537,558)	13,536	(524,022)	(456,235)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	50,000	168,676		168,676	186,755
Local Capital	125,000		125,000	125,000	300,000
Capital Lease Payment	33,000		33,000	33,000	33,000
Total Net Transfers	208,000	168,676	158,000	326,676	519,755
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		97,515	(97,515)	-	
Principal Payment					
Capital Lease		31,933	(31,933)	-	
Total Other Adjustments to Fund Balances		129,448	(129,448)	-	
Total Capital Surplus (Deficit) for the year	(339,188)	(239,434)	42,088	(197,346)	63,520
Capital Surplus (Deficit), beginning of year		7,809,613	657,093	8,466,706	8,403,186
Capital Surplus (Deficit), end of year		7,570,179	699,181	8,269,360	8,466,706

School District No. 51 (Boundary)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,059,384	38,007,944	1,627,029	1,611,858	38,436	1,067,223	44,411,874
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	1,120,191	-	261,491	-	-	1,381,682
Deferred Capital Revenue - Other	-	-	38,007	-	-	-	38,007
Operating Fund	-	-	17,180	-	-	98,220	115,400
Special Purpose Funds	-	53,276	-	-	-	-	53,276
Local Capital	-	-	-	-	36,058	61,457	97,515
Transferred from Work in Progress		28,948					28,948
	-	1,202,415	55,187	261,491	36,058	159,677	1,714,828
Decrease:							
Deemed Disposals			84,400	139,614	38,436	73,421	335,871
	-	-	84,400	139,614	38,436	73,421	335,871
Cost, end of year	2,059,384	39,210,359	1,597,816	1,733,735	36,058	1,153,479	45,790,831
Work in Progress, end of year							-
Cost and Work in Progress, end of year	2,059,384	39,210,359	1,597,816	1,733,735	36,058	1,153,479	45,790,831
Accumulated Amortization, beginning of year		21,678,010	800,313	624,501	30,748	250,743	23,384,315
Changes for the Year							
Increase: Amortization for the Year		786,999	162,703	161,186	7,688	213,444	1,332,020
Decrease:							
Deemed Disposals			84,400	139,614	38,436	73,421	335,871
			-	84,400	139,614	38,436	335,871
Accumulated Amortization, end of year		22,465,009	878,616	646,073	-	390,766	24,380,464
Tangible Capital Assets - Net	2,059,384	16,745,350	719,200	1,087,662	36,058	762,713	21,410,367

School District No. 51 (Boundary)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
Work in Progress, beginning of year	\$ 28,948	\$ -	\$ -	\$ -	\$ 28,948
Changes for the Year					
Decrease:					
Transferred to Tangible Capital Assets	28,948	-	-	-	28,948
	<u>28,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,948</u>
Net Changes for the Year	<u>(28,948)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,948)</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

School District No. 51 (Boundary)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	12,874,782	82,344	79,849	13,036,975
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,381,682	38,007	-	1,419,689
Transferred from Work in Progress	28,948			28,948
	<u>1,410,630</u>	<u>38,007</u>	<u>-</u>	<u>1,448,637</u>
Decrease:				
Amortization of Deferred Capital Revenue	771,376	8,442	14,644	794,462
	<u>771,376</u>	<u>8,442</u>	<u>14,644</u>	<u>794,462</u>
Net Changes for the Year	<u>639,254</u>	<u>29,565</u>	<u>(14,644)</u>	<u>654,175</u>
Deferred Capital Revenue, end of year	<u>13,514,036</u>	<u>111,909</u>	<u>65,205</u>	<u>13,691,150</u>
Work in Progress, beginning of year	28,948	-	-	28,948
Changes for the Year				
Decrease				
Transferred to Deferred Capital Revenue	28,948	-	-	28,948
	<u>28,948</u>	<u>-</u>	<u>-</u>	<u>28,948</u>
Net Changes for the Year	<u>(28,948)</u>	<u>-</u>	<u>-</u>	<u>(28,948)</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>13,514,036</u>	<u>111,909</u>	<u>65,205</u>	<u>13,691,150</u>

School District No. 51 (Boundary)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital \$	MEd Restricted Capital \$	Other Provincial Capital \$	Land Capital \$	Other Capital \$	Total \$
Balance, beginning of year	76,786	131,934				208,720
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,304,896					1,304,896
Provincial Grants - Other			38,007			38,007
Investment Income		3,826				3,826
	<u>1,304,896</u>	<u>3,826</u>	<u>38,007</u>	<u>-</u>	<u>-</u>	<u>1,346,729</u>
Decrease:						
Transferred to DCR - Capital Additions	1,381,682		38,007			1,419,689
	<u>1,381,682</u>	<u>-</u>	<u>38,007</u>	<u>-</u>	<u>-</u>	<u>1,419,689</u>
Net Changes for the Year	<u>(76,786)</u>	<u>3,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,960)</u>
Balance, end of year	<u>-</u>	<u>135,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,760</u>