

Audited Financial Statements of

**School District No. 81 (Fort Nelson)**

June 30, 2017

# School District No. 81 (Fort Nelson)

June 30, 2017

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# School District No. 81 (Fort Nelson)

## MANAGEMENT REPORT

Version: 6704-5958-3976

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

The accompanying financial statements of School District No. 81 (Fort Nelson) 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.

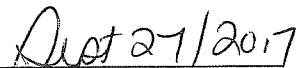
The Board of Education of School District No. 81 (Fort Nelson) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG 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. 81 (Fort Nelson) 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.

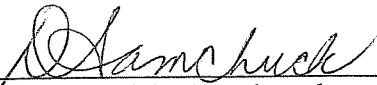
On behalf of School District No. 81 (Fort Nelson)



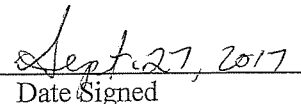
Signature of the Chairperson of the Board of Education



Date Signed



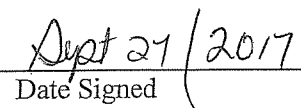
Signature of the Superintendent



Date Signed



Signature of the Secretary Treasurer



Date Signed



KPMG LLP  
177 Victoria Street, Suite  
400 Prince George BC  
V2L 5R8 Canada  
Telephone (250) 563-7151  
Fax (250) 563-5693

## INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 81 (Fort Nelson) and  
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 81 (Fort Nelson) which comprise the statement of financial position as at June 30, 2017, the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

# School District No. 81 (Fort Nelson)

## Statement of Financial Position

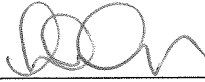
As at June 30, 2017

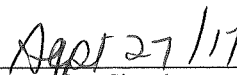
Statement 1

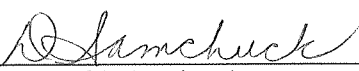
	2017 Actual \$	2016 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents	2,441,512	2,494,676
Accounts Receivable		
Due from Province - Ministry of Education	2,343	2,343
Other (Note 3)	217,716	51,543
<b>Total Financial Assets</b>	<b>2,661,571</b>	<b>2,548,562</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	976,530	1,336,363
Unearned Revenue (Note 5)	32,440	17,650
Deferred Revenue (Note 6)	286,949	196,106
Deferred Capital Revenue (Note 7)	8,209,099	8,013,163
Employee Future Benefits (Note 8)	307,488	282,006
Debt (Note 9)	270,537	55,366
Capital Lease Obligations (Note 10)	1,111,227	1,246,778
<b>Total Liabilities</b>	<b>11,194,270</b>	<b>11,147,432</b>
<b>Net Financial Assets (Debt)</b>	<b>(8,532,699)</b>	<b>(8,598,870)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	14,398,168	14,398,902
Prepaid Expenses	18,371	23,182
<b>Total Non-Financial Assets</b>	<b>14,416,539</b>	<b>14,422,084</b>
<b>Accumulated Surplus (Deficit) (Note 13)</b>	<b>5,883,840</b>	<b>5,823,214</b>

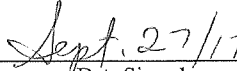
Contractual Obligations and Contingencies

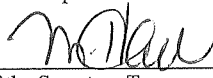
Approved by the Board

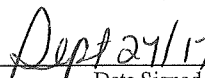
  
Signature of the Chairperson of the Board of Education

  
Date Signed

  
Signature of the Superintendent

  
Date Signed

  
Signature of the Secretary Treasurer

  
Date Signed

**School District No. 81 (Fort Nelson)**

Statement of Operations

Year Ended June 30, 2017

Statement 2

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	10,370,936	9,539,240	10,257,192
Other	118,115	203,119	225,067
Other Revenue	180,549	932,746	237,152
Rentals and Leases	85,186	24,045	38,321
Investment Income	25,348	37,296	34,225
Amortization of Deferred Capital Revenue	313,234	313,234	305,336
<b>Total Revenue</b>	<u>11,093,368</u>	<u>11,049,680</u>	<u>11,097,293</u>
<b>Expenses</b>			
Instruction	7,516,728	7,593,256	8,120,788
District Administration	876,445	904,650	869,411
Operations and Maintenance	1,922,936	1,960,990	1,958,008
Transportation and Housing	437,228	441,447	430,040
Debt Services	80,521	88,711	83,932
Supplies	207,585		
<b>Total Expense</b>	<u>11,041,443</u>	<u>10,989,054</u>	<u>11,462,179</u>
<b>Surplus (Deficit) for the year</b>	<u>51,925</u>	<u>60,626</u>	<u>(364,886)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		5,823,214	6,188,100
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>5,883,840</u>	<u>5,823,214</u>

**School District No. 81 (Fort Nelson)**

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

Statement 4

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	51,925	60,626	(364,886)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(740,393)	(662,867)	(984,915)
Amortization of Tangible Capital Assets	663,601	663,601	666,959
Total Effect of change in Tangible Capital Assets	(76,792)	734	(317,956)
Acquisition of Prepaid Expenses		23,182	
Use of Prepaid Expenses		(18,371)	9,278
Total Effect of change in Other Non-Financial Assets	-	4,811	9,278
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(24,867)	66,171	(673,564)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		66,171	(673,564)
Net Financial Assets (Debt), beginning of year		(8,598,870)	(7,925,306)
Net Financial Assets (Debt), end of year		(8,532,699)	(8,598,870)

**School District No. 81 (Fort Nelson)**

Statement 5

Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	60,626	(364,886)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(166,173)	(11,094)
Prepaid Expenses	4,811	9,278
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(359,833)	641,364
Unearned Revenue	14,790	(6,311)
Deferred Revenue	90,843	(51,457)
Employee Future Benefits	25,482	27,284
Amortization of Tangible Capital Assets	663,601	666,959
Amortization of Deferred Capital Revenue	(313,234)	(305,336)
Bylaw spent on lease payments	(104,032)	(122,979)
Bylaw spent on non-capital items		(54,998)
<b>Total Operating Transactions</b>	<b>(83,119)</b>	<b>427,824</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(662,867)	(885,883)
Tangible Capital Assets -WIP Purchased		(32,850)
<b>Total Capital Transactions</b>	<b>(662,867)</b>	<b>(918,733)</b>
<b>Financing Transactions</b>		
Loan Proceeds	198,824	
Loan Payments	(27,631)	(10,815)
Capital Revenue Received	613,202	1,303,216
Capital Lease payments	(91,573)	(134,787)
<b>Total Financing Transactions</b>	<b>692,822</b>	<b>1,157,614</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(53,164)</b>	<b>666,705</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>2,494,676</b>	<b>1,827,971</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>2,441,512</b>	<b>2,494,676</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	2,441,512	2,494,676
	<u>2,441,512</u>	<u>2,494,676</u>
Supplementary Cash Flow Information		



**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established in 1955, 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. 81 (Fort Nelson)", and operates as "School District No. 81 (Fort Nelson)." 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. 81 (Fort Nelson) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

**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(h) and 2(r), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

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

Year-ended June 30, 2016 - increase in annual surplus by \$486,189

June 30, 2016 - increase in accumulated surplus and decrease in deferred contributions by \$7,679,449

Year-ended June 30, 2017 – increase in annual surplus by \$257,605

June 30, 2017 – increase in accumulated surplus and decrease in deferred contributions by \$7,937,054

**b) Basis of Consolidation**

SCHOOL DISTRICT NO. 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEARS END JUNE 30, 2017

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These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

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

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements. The School District does not administer any trust activities on behalf of external parties.

**c) Cash and Cash Equivalents**

Cash and cash equivalents include cash and cash equivalents that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. 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.

**d) Accounts Receivable**

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

**e) Unearned Revenue**

Unearned revenue includes tuitions 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 3 (o).

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.

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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**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 nonvested 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 the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted.

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.

**i) Liability for Contaminated Sites**

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The District is directly responsible or accepts responsibility ☐ It is expected that future economic benefits will be given up; and ☐ A reasonable estimate of the amount can be made.

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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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.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

**k) Tangible Capital Assets (continued)**

- 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

**l) 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

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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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.

**m) Prepaid Expenses**

Payments for insurance, annual software licenses, subscriptions, membership and maintenance contracts for use within the District in a future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**n) 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.

**o) Revenue Recognition**

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

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

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

- Non-capital contributions 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.

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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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.

Revenue related to fees or services received in advance of the fee being earned or the service being 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.

**p) Expenditures**

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

**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.

**q) Financial Instruments**

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

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

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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recognition and amortized using the effective interest rate method. 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 measured at fair value 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. There are no measurement gains or losses during the periods presented, therefore no statement of remeasurement gains or losses is included in these financial statements.

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.

**r) 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, estimates for contingent liabilities, 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	\$10,033	\$18,288
Other	207,683	33,255
	<u>\$217,716</u>	<u>\$51,543</u>

**NOTE 4            ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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**2017 2016**

Trade payables	\$54,380	\$297,100
Source deductions payable	136,904	143,741
Salaries and benefits payable	590,562	704,209
Accrued vacation pay Other	135,238	127,673
	59,446	63,640
	<u>\$976,530</u>	<u>\$1,336,363</u>



**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

**NOTE 5      UNEARNED REVENUE**

	2017	2016
<b>2017 2016</b>		
Balance, beginning of year	\$17,650	\$23,961
Changes for the year:		
Increase:		
Ministry of Education grants		
Rental/Lease of facilities	32,440	-
	-	1,200
Decrease:		
Rental/lease of facilities	50,090	25,161
ABED fund allocation		
Net changes for the year	(1,200)	(1,100)
<b>Balance, end of year</b>	<b>(16,450)</b>	<b>(6,411)</b>
	14,790	(6,311)
<b>NOTE 6      DEFERRED REVENUE</b>	<b>\$32,440</b>	<b>\$17,650</b>

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.

<b>2017 2016</b>		
Balance, beginning of year	\$196,106	\$247,563
Changes for the year:		
Increase:		
Provincial grants – Ministry of Education		
Provincial grants – Other	599,366	479,447
Other	62,964	62,355
Investment income	179,404	185,244
	21,000	5,951
Decrease:		
Allocated to revenue	862,734	732,997
Net changes for the year		
<b>Balance, end of year</b>	<b>(771,891)</b>	<b>(784,454)</b>
	90,843	(51,457)
<b>NOTE 7      DEFERRED CAPITAL REVENUE</b>	<b>\$286,949</b>	<b>\$196,106</b>

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.

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

2017 2016

**Deferred capital revenue subject to amortization**

Balance, beginning of year/Increases:	\$7,679,449	\$7,193,260
Capital additions/Decreases:		
Amortization	570,839	791,525
Net change for the year	(313,234)	(305,336)
Balance, end of year	257,605	486,189

**Unspent deferred capital revenue**

Balance, beginning of year/Increases:	7,937,054	7,679,449
Provincial Grants – Ministry of Education		
Provincial Grants – Other	333,714	-
Decreases:		
Transfer to deferred capital revenue subject to amortization	579,079	1,303,216
Transfer for purchase of non-capital assets	34,123	-
Net change for the year	613,202	1,303,216
Balance, end of year	(674,871)	(914,504)
<b>Total deferred capital revenue balance, end of year</b>	-	(54,998)
	(61,669)	(969,502)
	272,045	333,714
	<b>\$8,209,099</b>	<b>\$ 8,013,163</b>

**NOTE 8 EMPLOYEE FUTURE BENEFITS**

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

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

	2017	2016
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$237,010	\$224,681
Service Cost/Interest Cost	30,714	26,960
Benefit Payments	6,357	5,440
Actuarial (Gain) Loss	(7,170)	(3,309)
<b>Accrued Benefit Obligation – March 31</b>	<b>(24,120)</b>	<b>(16,762)</b>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>	<b>\$242,791</b>	<b>\$237,010</b>
Accrued Benefit Obligation - March 31		
Market Value of Plan Assets - March 31		
Funded Status - Deficit		
Employer Contributions After Measurement Date	\$242,791	\$237,010
Benefits Expense After Measurement Date	-	-
Unamortized Net Actuarial (Gain) Loss	(242,791)	(237,010)
<b>Accrued Benefit Liability - June 30</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of Change in Accrued Benefit Liability</b>	<b>(9,483)</b>	<b>(9,267)</b>
Accrued Benefit Liability - July 1		
Net Expense for Fiscal Year	(55,214)	(35,729)
Employer Contributions	(307,488)	(282,006)
<b>Accrued Benefit Liability - June 30</b>	<b>\$282,006</b>	<b>\$254,722</b>
	32,652	30,593
<b>NOTE 8 EMPLOYEE FUTURE BENEFITS (continued)</b>	<b>(7,170)</b>	<b>(3,309)</b>
	<b>\$307,488</b>	<b>\$282,006</b>
	<b>2017</b>	<b>2016</b>
<b>Components of Net Benefit Expense</b>		
Service Cost	\$30,724	\$27,898
Interest Cost	6,562	5,669
Amortization of Net Actuarial (Gain) Loss	(4,634)	(2,974)
<b>Net Benefit Expense</b>	<b>\$32,652</b>	<b>\$30,593</b>
<b>Assumptions</b>		
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

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

Long Term Salary Growth - March 31	2.50%+seniority	2.50%+seniority
EARS - March 31	10.1	10.1

**NOTE 9 DEBT**

The following loans approved under Section 144 of the *School Act* are outstanding:

2017 2016

Demand loan #0001-0 of \$66,181, approved on July 3, 2015, borrowed on July 8, 2015 from the Municipal Finance Authority of BC for a term of 5 years, bearing interest at 1.65%, repayable in blended monthly principal and interest payments of \$1,150, due July 31, 2020. Principal and interest paid up to date are \$23,926 and \$1,662 respectively.	\$ 42,255	\$ 55,366
	29,458	
Demand loan #0002-0 of \$43,977, approved on November 14, 2016, borrowed on November 17, 2016 from the Municipal Finance Authority of BC for a term of 21 months, bearing interest at 1.38%, repayable in blended monthly principal and interest payments of \$2,121, due August 31, 2018. Principal and interest paid up to date are \$14,541 and \$304 respectively.		-
	198,824	
Demand loan #0005-0 of \$198,824, approved on July 3, 2015, borrowed on June 30, 2017 from the Municipal Finance Authority of BC for a term of 4 years, bearing interest at 1.35%, repayable in blended monthly principal and interest payments of \$4,257, due June 30, 2021. Principal and interest paid up to date are \$nil and \$nil respectively.		
	<u>\$ 270,537</u>	<u>\$55,366</u>

Anticipated annual principal repayments over the next four years are as follows:

2018	\$ 87,104
2019	67,017
2020	63,677
2021	52,739
	<u>\$ 270,537</u>

**NOTE 10 CAPITAL LEASE OBLIGATIONS**

The District leases certain equipment through ScotiaBank with repayments due as follows:

2018	\$ 1,170,673
Total minimum lease payments	<u>\$ 1,170,673</u>
Less amounts representing interest at 6.27%	(59,446)
Present value of net minimum capital lease payments	<u>\$ 1,111,227</u>

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

Total interest on leases for the year was \$87,697 (2016: \$83,190).

**NOTE 11 TANGIBLE CAPITAL ASSETS**

<b>Cost:</b>	<b>Balance at July 1, 2016</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2017</b>
Sites	\$1,175,101	\$ -	\$ -	\$1,175,101
Buildings	24,445,692	573,348	-	25,019,040
Buildings – Work in Progress	32,850	-	32,850	-
Furniture & Equipment	935,025	63,470	29,151	969,344
Vehicles	104,323		39,722	64,601
Computer Software	37,786	6,203	20,003	23,986
Computer Hardware	423,855	52,696	36,802	439,749
<b><u>Total</u></b>	<b><u>\$27,154,632</u></b>	<b><u>\$ 695,717</u></b>	<b><u>\$158,528</u></b>	<b><u>\$27,691,821</u></b>

<b><u>Accumulated Amortization:</u></b>	<b><u>Balance at July 1, 2016</u></b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b><u>Balance at June 30, 2017</u></b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	12,102,309	467,338	-	12,569,647
Furniture & Equipment	380,974	93,503	29,151	445,326
Vehicles	60,313	10,432	39,722	31,023
Computer Software	23,848	7,557	20,003	11,402
Computer Hardware	188,286	84,771	36,802	236,255
<b><u>Total</u></b>	<b><u>\$12,755,730</u></b>	<b><u>663,601</u></b>	<b><u>125,678</u></b>	<b><u>13,293,653</u></b>

**Net Book Value:**

	<b><u>2017</u></b>	<b><u>2016</u></b>
Sites	\$1,175,101	\$1,175,101
Buildings	12,449,393	12,343,383
Buildings – Work in Progress	-	32,850
Furniture & Equipment	524,018	554,051
Vehicles	33,578	44,010
Computer Software	12,584	13,938
Computer Hardware	203,494	235,569
<b><u>Total</u></b>	<b><u>\$14,398,168</u></b>	<b><u>\$14,398,902</u></b>

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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□ Assets under capital lease – building includes assets under capital lease with a net book value of \$1,721,718 (2016: \$1,778,649) and computer hardware includes assets under capital lease with a net book value of \$nil (2016: \$149,270).

**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 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 36,000 retired members from school districts. The Municipal Pension Plan has about 189,000 active members, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December

31, 2014 indicated a \$449 million surplus for basic pension benefits. The next valuation will be as at December 31, 2017 with results available later in 2018. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2.224 million funding surplus for basic pension benefits. The next valuation will be as at December 31, 2018 with results available later in 2019. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

School District No. 81 paid \$774,270 (2016: \$881,047) for employer contributions to these plans in the year ended June 30, 2017.

**NOTE 13 ACCUMULATED SURPLUS**

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

Operating Fund:

Internally Restricted (appropriated) by Board for:

ASPIRE – RLA	\$ 13,430
Trustee In-Service	6,946
Literacy	7,897
Advisory Councils	6,000
RLA Imperial Oil 2010-11	400
Student Learning Grant	36,403
CARS Grant - RLA	3,404
Janitor Equipment	14,220
Subtotal Internally Restricted	

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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	88,700	
Unrestricted Operating Surplus		<u>384,387</u>
Total Operating Fund Surplus:		<u>\$ 473,087</u>

Capital Fund:

Invested in Tangible Capital Assets	\$5,395,412	Total Capital
Local Capital Reserve	15,341	Fund Surplus:
Accumulated Surplus		
		<u>\$ 5,410,753</u>
		<u><u>\$ 5,883,840</u></u>

**NOTE 14 INTERFUND TRANSFERS**

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

- Accumulated surplus transferred from operating fund to capital fund: \$72,096, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from special purpose fund to capital fund: \$19,932, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from operating fund to capital fund: \$34,886, for the capital loan payments.
- Accumulated surplus transferred from special purpose fund to capital fund: \$53,611, for the capital lease payments.

**NOTE 15 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 16 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES**

Certain schools in the School District may contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of the future removal costs cannot be reasonably estimated due to unknown timelines.

**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

**NOTE 17 BUDGET FIGURES**

The budget figures data presented in these financial statements is based upon the 2017 amended annual budget adopted by the Board on date. The chart following reconciles the originally approved annual budget bylaw approved date to the amended annual budget bylaw reported in these financial statements.

	2017 amended budget	2017 annual budget
Revenues	\$10,370,936	\$ 10,053,362
Provincial Grants	118,115	124,690
Ministry of Education		
Other	180,549	81,041
Other Revenue	85,186	36,715
Rentals and Leases		
Investment Income	25,348	31,000
Amortization of Deferred Capital Revenue	313,234	305,225
Total Revenue	11,093,368	10,632,033
Expenses		
Instruction	7,516,728	7,528,523
District Administration	876,445	858,029
Operations and Maintenance		
Transportation and Housing	1,922,936	1,850,654
Debt Services	437,228	424,149
Service/Supplies	80,521	80,182
Total Expense	207,585	44,269
Net Revenue (Expense)	11,041,443	10,785,806
Budgeted Allocation of Surplus		
Budgeted Surplus for the year	51,925	(153,773)
	-	-
	51,925	(153,773)

• **NOTE 18 EXPENSE BY OBJECT**

	2017	2016
Salaries and benefits	\$8,095,259	\$8,558,726
Services and supplies	2,141,483	2,152,562
Interest expense	88,711	83,932
Amortization	663,601	666,659
	<b>\$10,989,054</b>	<b>\$11,462,179</b>



**SCHOOL DISTRICT NO. 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017**

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**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      SUBSEQUENT EVENTS**

Subsequent to the year-end, the School District borrowed \$1,182,938 from the Municipal Finance Authority to purchase Tangible Capital Assets previously leased as disclosed in Note 10. Principal and Interest payments of \$13,240 are due on a monthly 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.

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, cash equivalents and amounts receivable.

The School District is exposed to credit risk in the event of non-performance by a borrower.

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.

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 equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid (e.g. term deposits) that have a maturity date of no more than 3 years. The School District is also exposed to interest rate risk on its debt, the majority of which pays interest at a variable rate.

c) Liquidity risk:

SCHOOL DISTRICT NO. 81 (FORT NELSON)  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2017

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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. 81 (Fort Nelson)**  
Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2017

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	257,940		5,565,274	5,823,214	6,188,100
Changes for the year					
Surplus (Deficit) for the year	322,129	73,543	(335,046)	60,626	(364,886)
Interfund Transfers					
Tangible Capital Assets Purchased	(72,096)	(19,932)	92,028	-	-
Other	(34,886)	(53,611)	88,497	-	-
Net Changes for the year	215,147	-	(154,521)	60,626	(364,886)
Accumulated Surplus (Deficit), end of year - Statement 2	473,087	-	5,410,753	5,883,840	5,823,214

**School District No. 81 (Fort Nelson)**

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	9,524,204	8,921,413	9,576,528
Other	118,115	140,155	137,300
Other Revenue	180,549	747,564	48,581
Rentals and Leases	85,186	24,045	38,321
Investment Income	25,348	27,346	28,797
<b>Total Revenue</b>	<u>9,933,402</u>	<u>9,860,523</u>	<u>9,829,527</u>
<b>Expenses</b>			
Instruction	7,054,062	6,904,510	7,385,756
District Administration	876,445	904,650	869,411
Operations and Maintenance	1,259,335	1,296,936	1,232,817
Transportation and Housing	437,228	432,298	421,116
<b>Total Expense</b>	<u>9,627,070</u>	<u>9,538,394</u>	<u>9,909,100</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>306,332</u>	<u>322,129</u>	<u>(79,573)</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(55,884)	(72,096)	(91,759)
Tangible Capital Assets - Work in Progress			(32,850)
Other	(37,369)	(34,886)	(75,774)
<b>Total Net Transfers</b>	<u>(93,253)</u>	<u>(106,982)</u>	<u>(200,383)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>213,079</u>	<u>215,147</u>	<u>(279,956)</u>
<b>Operating Surplus (Deficit), beginning of year</b>		257,940	537,896
<b>Operating Surplus (Deficit), end of year</b>		<u>473,087</u>	<u>257,940</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		88,700	28,113
Unrestricted		384,387	229,827
<b>Total Operating Surplus (Deficit), end of year</b>		<u>473,087</u>	<u>257,940</u>

**School District No. 81 (Fort Nelson)**

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	9,319,328	9,366,603	9,478,081
INAC/LEA Recovery		(681,900)	
Other Ministry of Education Grants			
Pay Equity	79,311	79,311	79,311
Transportation Supplement	32,744	32,744	
Economic Stability Dividend	5,300	3,866	5,688
Return of Administrative Savings	48,645	48,645	
Carbon Tax Grant	32,528	31,647	
Student Learning Grant		36,403	
FSA	4,348	4,094	4,348
Skills Training Access Support			5,000
Curriculum Imp. Support			4,100
BCGEU Increase	2,000		
<b>Total Provincial Grants - Ministry of Education</b>	<u>9,524,204</u>	<u>8,921,413</u>	<u>9,576,528</u>
<b>Provincial Grants - Other</b>	<u>118,115</u>	<u>140,155</u>	<u>137,300</u>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations		681,900	
Miscellaneous			
Visa Rewards	3,190	3,190	2,812
Nexen/Trades/PHS/deferred ab ed money	21,450	12,950	7,000
Donations/Aspire/Imperial Oil/Shell	31,690	3,390	425
Teacher ProD/Trades summer program/tch leave money	93,819	11,980	6,608
Sale of Assets/EDI/BC Tech/Misc.		14,154	31,736
SSA Grant	20,000	20,000	
Premium Holiday	10,400		
<b>Total Other Revenue</b>	<u>180,549</u>	<u>747,564</u>	<u>48,581</u>
<b>Rentals and Leases</b>	<u>85,186</u>	<u>24,045</u>	<u>38,321</u>
<b>Investment Income</b>	<u>25,348</u>	<u>27,346</u>	<u>28,797</u>
<b>Total Operating Revenue</b>	<u>9,933,402</u>	<u>9,860,523</u>	<u>9,829,527</u>

**School District No. 81 (Fort Nelson)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	3,272,213	3,176,998	3,472,390
Principals and Vice Principals	675,845	703,892	651,950
Educational Assistants	745,258	727,243	806,562
Support Staff	656,589	655,040	662,791
Other Professionals	598,268	621,717	588,172
Substitutes	186,140	194,841	199,352
<b>Total Salaries</b>	<b>6,134,313</b>	<b>6,079,731</b>	<b>6,381,217</b>
<b>Employee Benefits</b>	<b>1,647,239</b>	<b>1,547,789</b>	<b>1,683,694</b>
<b>Total Salaries and Benefits</b>	<b>7,781,552</b>	<b>7,627,520</b>	<b>8,064,911</b>
<b>Services and Supplies</b>			
Services	713,569	733,908	721,309
Student Transportation	370,574	371,984	368,875
Professional Development and Travel	51,565	79,384	70,405
Rentals and Leases	39,535	45,184	38,956
Dues and Fees	24,496	20,821	23,411
Insurance	28,373	36,659	31,600
Interest	2,000		58
Supplies	289,804	286,036	285,460
Utilities	325,602	336,898	304,115
<b>Total Services and Supplies</b>	<b>1,845,518</b>	<b>1,910,874</b>	<b>1,844,189</b>
<b>Total Operating Expense</b>	<b>9,627,070</b>	<b>9,538,394</b>	<b>9,909,100</b>

# School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C (Unaudited)

	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	2,472,619	226,417	27,797	287,613	-	127,033	3,141,479
1.03 Career Programs	41,449					1,200	42,649
1.07 Library Services	72,399			88,470		4,426	165,295
1.08 Counselling	163,110	13,434				359	176,903
1.10 Special Education	403,027	75,856	541,026			50,235	1,070,144
1.31 Aboriginal Education	16,196	22,697	158,420			11,588	208,901
1.41 School Administration	8,198	311,751					319,949
<b>Total Function 1</b>	<b>3,176,998</b>	<b>650,155</b>	<b>727,243</b>	<b>376,083</b>	<b>-</b>	<b>194,841</b>	<b>5,125,320</b>
<b>4 District Administration</b>							
4.11 Educational Administration				21,266	140,829		162,095
4.40 School District Governance					51,983		51,983
4.41 Business Administration		53,737		53,749	258,607		366,093
<b>Total Function 4</b>	<b>-</b>	<b>53,737</b>	<b>-</b>	<b>75,015</b>	<b>451,419</b>	<b>-</b>	<b>580,171</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				7,878	142,207		150,085
5.50 Maintenance Operations				185,157			185,157
5.52 Maintenance of Grounds							-
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>193,035</b>	<b>142,207</b>	<b>-</b>	<b>335,242</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				10,907	28,091		38,998
7.70 Student Transportation							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,907</b>	<b>28,091</b>	<b>-</b>	<b>38,998</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>3,176,998</b>	<b>703,892</b>	<b>727,243</b>	<b>655,040</b>	<b>621,717</b>	<b>194,841</b>	<b>6,079,731</b>

# School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C (Unaudited)

	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	3,141,479	883,234	4,024,713	343,635	4,368,348	4,409,768	4,489,732
1.03 Career Programs	42,649	12,917	55,566		55,566	65,219	130,150
1.07 Library Services	165,295	39,590	204,885	6,486	211,371	226,171	280,988
1.08 Counselling	176,903	29,596	206,499		206,499	225,527	242,962
1.10 Special Education	1,070,144	266,818	1,336,962	62,441	1,399,403	1,437,176	1,526,458
1.31 Aboriginal Education	208,901	58,291	267,192	8,608	275,800	298,729	305,572
1.41 School Administration	319,949	55,018	374,967	12,556	387,523	391,472	409,894
<b>Total Function 1</b>	<b>5,125,320</b>	<b>1,345,464</b>	<b>6,470,784</b>	<b>433,726</b>	<b>6,904,510</b>	<b>7,054,062</b>	<b>7,385,756</b>
<b>4 District Administration</b>							
4.11 Educational Administration	162,095	35,586	197,681	28,072	225,753	197,180	235,601
4.40 School District Governance	51,983	1,064	53,047	43,338	96,385	80,722	85,483
4.41 Business Administration	366,093	82,724	448,817	133,695	582,512	598,543	548,327
<b>Total Function 4</b>	<b>580,171</b>	<b>119,374</b>	<b>699,545</b>	<b>205,105</b>	<b>904,650</b>	<b>876,445</b>	<b>869,411</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	150,085	28,621	178,706	34,658	213,364	203,340	198,175
5.50 Maintenance Operations	185,157	45,110	230,267	509,219	739,486	722,843	726,171
5.52 Maintenance of Grounds	-	-	-	7,187	7,187	7,550	4,356
5.56 Utilities	-	-	-	336,899	336,899	325,602	304,115
<b>Total Function 5</b>	<b>335,242</b>	<b>73,731</b>	<b>408,973</b>	<b>887,963</b>	<b>1,296,936</b>	<b>1,259,335</b>	<b>1,232,817</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	38,998	4,754	43,752		43,752	30,153	28,170
7.70 Student Transportation	-	4,466	4,466	384,080	388,546	407,075	392,946
<b>Total Function 7</b>	<b>38,998</b>	<b>9,220</b>	<b>48,218</b>	<b>384,080</b>	<b>432,298</b>	<b>437,228</b>	<b>421,116</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>6,079,731</b>	<b>1,547,789</b>	<b>7,627,520</b>	<b>1,910,874</b>	<b>9,538,394</b>	<b>9,627,070</b>	<b>9,909,100</b>



**School District No. 81 (Fort Nelson)**

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	742,700	513,795	502,688
Other		62,964	87,767
Other Revenue		185,182	188,571
Investment Income		9,950	5,428
<b>Total Revenue</b>	<u>742,700</u>	<u>771,891</u>	<u>784,454</u>
<b>Expenses</b>			
Instruction	462,666	688,746	735,032
Operations and Maintenance		453	3,235
Transportation and Housing		9,149	8,924
Services/Supplies	207,585		
<b>Total Expense</b>	<u>670,251</u>	<u>698,348</u>	<u>747,191</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>72,449</u>	<u>73,543</u>	<u>37,263</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(18,838)	(19,932)	(2,599)
Other	(53,611)	(53,611)	(34,664)
<b>Total Net Transfers</b>	<u>(72,449)</u>	<u>(73,543)</u>	<u>(37,263)</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. 81 (Fort Nelson)**  
Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2017

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	70,111	194,404	2,610	3,554	8,377	16,037	136,230		13,578
Add: Restricted Grants									
Provincial Grants - Ministry of Education								64,491	7,350
Provincial Grants - Other									
Other									
Investment Income					21,000		179,404		
Less: Allocated to Revenue	70,111	194,404	-	-	21,000	-	179,404	64,491	7,350
Deferred Revenue, end of year	-	-	2,610	1,202	9,950	4,752	185,182	64,491	20,928
	-	-	-	2,352	19,427	11,285	130,452	-	-
Revenues	70,111	194,404	-	1,202	-	4,752	-	64,491	20,928
Provincial Grants - Ministry of Education									
Provincial Grants - Other									
Other Revenue									
Investment Income					9,950		185,182		
Expenses	70,111	194,404	-	1,202	9,950	4,752	185,182	64,491	20,928
Salaries									
Teachers		129,700							
Educational Assistants		19,870							
Support Staff		3,235						12,600	14,917
Other Professionals								33,048	453
Substitutes		6,367							
Employee Benefits	-	159,172	-	-	-	-	-	45,648	15,370
Services and Supplies	16,500	35,232						14,201	3,100
	16,500	194,404	-	212	9,950	4,752	185,182	4,642	2,458
				212	9,950	4,752	185,182	64,491	20,928
Net Revenue (Expense) before Interfund Transfers	53,611	-	-	990	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(53,611)			(990)					
Other	(53,611)	-	-	(990)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

**School District No. 81 (Fort Nelson)**  
Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2017

	OLEP	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Speech Path. Program	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	15,720					196,106
Add: Restricted Grants						
Provincial Grants - Ministry of Education	7,809	129,047	31,361	94,793		599,366
Provincial Grants - Other					62,964	62,964
Other						179,404
Investment Income						21,000
	7,809	129,047	31,361	94,793	62,964	862,734
Less: Allocated to Revenue	22,024	129,047	6,836	-	62,964	771,891
Deferred Revenue, end of year	1,505	-	24,525	94,793	-	286,949
<b>Revenues</b>						
Provincial Grants - Ministry of Education	22,024	129,047	6,836			513,795
Provincial Grants - Other					62,964	62,964
Other Revenue						185,182
Investment Income						9,950
	22,024	129,047	6,836	-	62,964	771,891
<b>Expenses</b>						
Salaries						
Teachers	1,562					131,262
Educational Assistants						34,787
Support Staff		101,261			48,094	165,643
Other Professionals						33,048
Substitutes			1,120			7,487
	1,562	101,261	1,120	-	48,094	372,227
Employee Benefits		26,982	2,091		13,906	95,512
Services and Supplies	4,968	804	177		964	230,609
	6,530	129,047	3,388	-	62,964	698,348
<b>Net Revenue (Expense) before Interfund Transfers</b>	15,494	-	3,448	-	-	73,543
<b>Interfund Transfers</b>						
Tangible Capital Assets Purchased	(15,494)		(3,448)			(19,932)
Other	(15,494)	-	(3,448)	-	-	(53,611)
	-	-	-	-	-	(73,543)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-

# School District No. 81 (Fort Nelson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual Invested in Tangible Capital Assets	Local Capital	Fund Balance	2016 Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	104,032	104,032		104,032	177,976
Amortization of Deferred Capital Revenue	313,234	313,234		313,234	305,336
<b>Total Revenue</b>	<u>417,266</u>	<u>417,266</u>	-	<u>417,266</u>	<u>483,312</u>
<b>Expenses</b>					
Operations and Maintenance				-	54,997
Amortization of Tangible Capital Assets					
Operations and Maintenance	663,601	663,601		663,601	666,959
Debt Services					
Capital Lease Interest	79,513		87,697	87,697	83,190
Capital Loan Interest	1,008		1,014	1,014	742
<b>Total Expense</b>	<u>744,122</u>	<u>663,601</u>	<u>88,711</u>	<u>752,312</u>	<u>805,888</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(326,856)</u>	<u>(246,335)</u>	<u>(88,711)</u>	<u>(335,046)</u>	<u>(322,576)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	74,722	92,028		92,028	94,358
Tangible Capital Assets - Work in Progress				-	32,850
Capital Lease Payment	62,335		59,852	59,852	98,938
Capital Loan Payment	28,645		28,645	28,645	11,500
<b>Total Net Transfers</b>	<u>165,702</u>	<u>92,028</u>	<u>88,497</u>	<u>180,525</u>	<u>237,646</u>
<b>Other Adjustments to Fund Balances</b>					
Principal Payment					
Capital Lease		91,573	(91,573)	-	
Capital Loan		27,631	(27,631)	-	
Lease Payment from Bylaw		(104,032)	104,032	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>15,172</u>	<u>(15,172)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(161,154)</u>	<u>(139,135)</u>	<u>(15,386)</u>	<u>(154,521)</u>	<u>(84,930)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		5,534,547	30,727	5,565,274	5,650,204
<b>Capital Surplus (Deficit), end of year</b>		<u>5,395,412</u>	<u>15,341</u>	<u>5,410,753</u>	<u>5,565,274</u>

# School District No. 81 (Fort Nelson)

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	1,175,101	24,445,692	935,025	104,323	37,786	423,855	27,121,782
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		334,749					334,749
Deferred Capital Revenue - Other		205,749	30,341				236,090
Operating Fund			32,139		3,115	36,842	72,096
Special Purpose Funds			990		3,088	15,854	19,932
Transferred from Work in Progress		32,850					32,850
	-	573,348	63,470	-	6,203	52,696	695,717
Decrease:							
Deemed Disposals			29,151	39,722	20,003	36,802	125,678
	-	-	29,151	39,722	20,003	36,802	125,678
Cost, end of year	1,175,101	25,019,040	969,344	64,601	23,986	439,749	27,691,821
Work in Progress, end of year	1,175,101	25,019,040	969,344	64,601	23,986	439,749	27,691,821
Cost and Work in Progress, end of year							-
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		12,102,309	380,974	60,313	23,848	188,286	12,755,730
Decrease:							
Deemed Disposals		467,338	93,503	10,432	7,557	84,771	663,601
			29,151	39,722	20,003	36,802	125,678
		-	29,151	39,722	20,003	36,802	125,678
Accumulated Amortization, end of year		12,569,647	445,326	31,023	11,402	236,255	13,293,653
Tangible Capital Assets - Net	1,175,101	12,449,393	524,018	33,578	12,584	203,494	14,398,168

**School District No. 81 (Fort Nelson)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2017

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	32,850				32,850
Changes for the Year					
Decrease:					
Transferred to Tangible Capital Assets	32,850				32,850
	32,850	-	-	-	32,850
Net Changes for the Year	(32,850)	-	-	-	(32,850)
Work in Progress, end of year	-	-	-	-	-

**School District No. 81 (Fort Nelson)**

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	7,679,449			7,679,449
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	334,749	236,090		570,839
	334,749	236,090	-	570,839
Decrease:				
Amortization of Deferred Capital Revenue	313,234			313,234
	313,234	-	-	313,234
Net Changes for the Year	21,515	236,090	-	257,605
Deferred Capital Revenue, end of year	7,700,964	236,090	-	7,937,054
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	7,700,964	236,090	-	7,937,054

# School District No. 81 (Fort Nelson)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2017

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		333,714				333,714
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	579,079		34,123			579,079
Provincial Grants - Other	579,079	-	34,123	-	-	613,202
Decrease:						
Transferred to DCR - Capital Additions	334,749	205,749	30,341			570,839
Transfer to Capital Lease	104,032					104,032
	438,781	205,749	30,341	-	-	674,871
Net Changes for the Year	140,298	(205,749)	3,782	-	-	(61,669)
Balance, end of year	140,298	127,965	3,782	-	-	272,045