

Audited Financial Statements of

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

June 30, 2018

# School District No. 81 (Fort Nelson)

June 30, 2018

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# School District No. 81 (Fort Nelson)

## MANAGEMENT REPORT

Version: 8324-7578-5596

### 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.

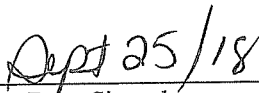
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.


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, 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)

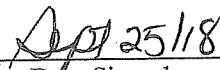
  
\_\_\_\_\_  
Signature of the Chairperson of the Board of Education

  
\_\_\_\_\_  
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, 2018, 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.



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

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

*Opinion*

In our opinion, the financial statements of School District No. 81 (Fort Nelson) as at and for the year ended June 30, 2018 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

*Emphasis of Matter*

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

*KPMG LLP*

Chartered Professional Accountants

Prince George, Canada

September 25, 2018

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

## Statement of Financial Position

As at June 30, 2018

	2018 Actual \$	2017 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents	1,796,604	2,441,512
Accounts Receivable		
Due from Province - Ministry of Education	44,599	2,343
Other (Note 3)	289,919	217,716
<b>Total Financial Assets</b>	<b>2,131,122</b>	<b>2,661,571</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	1,013,058	976,530
Unearned Revenue (Note 5)	4,011	32,440
Deferred Revenue (Note 6)	198,711	286,949
Deferred Capital Revenue (Note 7)	8,800,011	8,209,099
Employee Future Benefits (Note 8)	332,011	307,488
Debt (Note 9)	1,366,482	270,537
Capital Lease Obligations (Note 10)		1,111,227
<b>Total Liabilities</b>	<b>11,714,284</b>	<b>11,194,270</b>
<b>Net Financial Assets (Debt)</b>	<b>(9,583,162)</b>	<b>(8,532,699)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	15,194,454	14,398,168
Prepaid Expenses	5,190	18,371
<b>Total Non-Financial Assets</b>	<b>15,199,644</b>	<b>14,416,539</b>
<b>Accumulated Surplus (Deficit)</b>	<b>5,616,482</b>	<b>5,883,840</b>

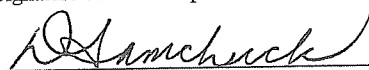
Approved by the Board



Signature of the Chairperson of the Board of Education

Sept 25/18

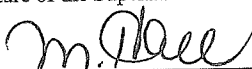
Date Signed



Signature of the Superintendent

Sept. 25/18

Date Signed



Signature of the Secretary Treasurer

Sept 25/18

Date Signed

# School District No. 81 (Fort Nelson)

Statement of Operations

Year Ended June 30, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
<b>Revenues</b>			
Provincial Grants	10,061,369	9,993,435	9,539,240
Ministry of Education	224,550	200,060	203,119
Other	919,795	921,977	932,746
Other Revenue	35,000	15,628	24,045
Rentals and Leases	21,000	34,234	37,296
Investment Income	322,712	322,712	313,234
Amortization of Deferred Capital Revenue	11,584,426	11,488,046	11,049,680
<b>Total Revenue</b>			
<b>Expenses</b>			
Instruction	8,535,160	8,317,827	7,593,256
District Administration	868,063	831,258	904,650
Operations and Maintenance	1,968,216	2,126,796	1,960,990
Transportation and Housing	438,877	444,732	441,447
Debt Services	51,997	34,791	88,711
<b>Total Expense</b>	11,862,313	11,755,404	10,989,054
<b>Surplus (Deficit) for the year</b>	(277,887)	(267,358)	60,626
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		5,883,840	5,823,214
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		5,616,482	5,883,840

# School District No. 81 (Fort Nelson)

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

Year Ended June 30, 2018

Statement 4

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(277,887)	(267,358)	60,626
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,417,801)	(1,469,305)	(662,867)
Amortization of Tangible Capital Assets	673,019	673,019	663,601
Total Effect of change in Tangible Capital Assets	(744,782)	(796,286)	734
Acquisition of Prepaid Expenses		(5,190)	23,182
Use of Prepaid Expenses		18,371	(18,371)
Total Effect of change in Other Non-Financial Assets	-	13,181	4,811
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(1,022,669)	(1,050,463)	66,171
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(1,050,463)	66,171
Net Financial Assets (Debt), beginning of year		(8,532,699)	(8,598,870)
Net Financial Assets (Debt), end of year		(9,583,162)	(8,532,699)

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

Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual \$	2017 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(267,358)	60,626
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(114,459)	(166,173)
Prepaid Expenses	13,181	4,811
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	36,528	(359,833)
Unearned Revenue	(28,429)	14,790
Deferred Revenue	(88,238)	90,843
Employee Future Benefits	24,523	25,482
Amortization of Tangible Capital Assets	673,019	663,601
Amortization of Deferred Capital Revenue	(322,712)	(313,234)
Bylaw spent on lease payments	(73,285)	(104,032)
<b>Total Operating Transactions</b>	<u>(147,230)</u>	<u>(83,119)</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(1,270,481)	(662,867)
Purchasesd from Prior Loan Proceeds	(198,824)	
<b>Total Capital Transactions</b>	<u>(1,469,305)</u>	<u>(662,867)</u>
<b>Financing Transactions</b>		
Loan Proceeds	178,601	198,824
Loan Payments	(193,883)	(27,631)
Capital Revenue Received	986,909	613,202
Capital Lease Payments		(91,573)
<b>Total Financing Transactions</b>	<u>971,627</u>	<u>692,822</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(644,908)</b>	<b>(53,164)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>2,441,512</b>	<b>2,494,676</b>
<b>Cash and Cash Equivalents, end of year</b>	<b><u>1,796,604</u></b>	<b><u>2,441,512</u></b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>1,796,604</u>	<u>2,441,512</u>
	<u>1,796,604</u>	<u>2,441,512</u>

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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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(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(f) 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:

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.

Year-ended June 30, 2018 – increase in annual surplus by \$858,183

June 30, 2018 – increase in accumulated surplus and decrease in deferred contributions by \$8,795,237.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

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**b) Basis of Consolidation**

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.

**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 service 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 6 (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 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

**g) Employee Future Benefits**

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

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

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

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019. For 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) 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. 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 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**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.
- 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

**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.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

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

**k) 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.

**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.

**m) 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

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

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

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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 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.

**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 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 recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

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. 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.

**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, 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**

	2018	2017
Due from Federal Government	\$ 10,093	\$ 10,033
Other	279,826	\$207,683
	<u>\$289,919</u>	<u>\$217,716</u>

**NOTE 4**      **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2018	2017
Trade payables	\$ 83,890	\$ 54,380
Source deductions payable	\$ 144,883	136,904
Salaries and benefits payable	\$ 632,985	590,562
Accrued vacation pay	\$ 151,300	135,238
Other		59,446
	<u>\$1,013,058</u>	<u>\$ 976,530</u>

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 5      UNEARNED REVENUE**

	2018	2017
Balance, beginning of year	\$ 32,440	\$ 17,650
Changes for the year:		
Increase:		
Rental/Lease of facilities	30,864	32,440
Grant monies	5,000	
	<u>\$ 68,304</u>	<u>\$ 50,090</u>
Decrease:		
Tuition fees		(1,200)
Rental/Lease of facilities	(32,440)	(16,450)
EHT Repairs	(31,853)	
	<u>(64,293)</u>	<u>(17,650)</u>
Net changes for the year	<u>\$ 4,011</u>	<u>\$ 32,440</u>
Balance, end of year		

**NOTE 6      DEFERRED REVENUE**

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

	2018	2017
Balance, beginning of year	\$286,949	\$ 196,106
Changes for the year:		
Increase:		
Provincial Grants-Ministry of Education	1,159,763	599,366
Provincial Grants – Other	68,110	62,964
Other	174,686	179,404
Investment Income	1,450	21,000
	<u>1,404,009</u>	<u>862,734</u>
Decrease:		
Allocated to Revenue	(1,492,247)	(771,891)
	<u>(88,238)</u>	<u>90,843</u>
Net changes for the year	<u>\$ 198,711</u>	<u>\$ 286,949</u>
Balance, end of year		

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 7      DEFERRED CAPITAL REVENUE**

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

**Deferred capital revenue subject to amortization**

	2018	2017
Balance, beginning of year	\$ 7,937,054	\$ 7,679,449
Increases:		
Capital Additions	1,180,895	570,839
Decreases:		
Amortization	(322,712)	(313,234)
Net changes for the year	858,183	257,605
Balance, end of year	<u>\$ 8,795,237</u>	<u>\$ 7,937,054</u>

**Unspent deferred capital revenue**

Balance, beginning of year	324,987	333,714
Increases:		
Provincial Grants – Ministry of Education	946,318	579,079
Provincial Grants – Other	40,591	34,123
Decreases:		
Transfer to deferred capital revenue subject to Amortization	(1,254,180)	(674,871)
Net Change for the Year	(267,271)	(61,669)
Balance, end of the year	4,774	272,045
<b>Total deferred capital revenue balance, end of year</b>	<b>\$ 8,800,011</b>	<b>\$8,209,099</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 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 8**      **EMPLOYEE FUTURE BENEFITS (Continued)**

	2018	2017
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$242,791	\$237,010
Service Cost	30,754	30,714
Interest Cost	7,176	6,357
Benefit Payments	(6,705)	(7,170)
Increase (Decrease) in obligation due to Plan Amendment		
Actuarial (Gain) Loss	(18,213)	(24,120)
Accrued Benefit Obligation – March 31	<u>\$ 255,803</u>	<u>\$ 242,791</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 255,803	\$ 242,791
Market Value of Plan Assets – March 31		
Funded Status – Surplus (Deficit)	(255,803)	(242,791)
Employer Contributions After Measurement Date		
Benefits Expense After Measurement Date	(9,803)	(9,483)
Unamortized Net Actuarial (Gain) Loss	(66,406)	(55,214)
Accrued Benefit Asset (Liability) – June 30	<u>\$(332,011)</u>	<u>\$(307,488)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability – July 1	\$ 307,488	\$ 282,006
Net expense for Fiscal Year	31,228	32,652
Employer Contributions	(6,705)	(7,170)
Accrued Benefit Liability – June 30	<u>\$ 332,011</u>	<u>\$ 307,488</u>
	2018	2017
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 31,012	\$ 30,724
Interest Cost	7,239	6,562
Immediate Recognition of Plan Amendment		
Amortization of Net Actuarial (Gain)/Loss	(7,022)	(4,634)
Net Benefit Expense (Income)	<u>\$ 31,228</u>	<u>\$ 32,652</u>
<b>Assumptions</b>		
Discount Rate – April 1	2.75%	2.50%
Discount Rate – March 31	2.75%	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	10.1	10.1

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 9      DEBT**

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

	2018	2017
Demand loan #000-1 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 2.33%, repayable in blended monthly principal and interest payments of \$1150, due July 31, 2020. Principal and interest paid up to date are \$39,100 and \$2,102 respectively.	\$ 29,126	\$ 42,255
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 2.33%, repayable in blended monthly principal and interest payments of \$2,121, due August 31, 2018. Principal and interest paid up to date are \$38,174 and \$656 respectively.	\$6,437	\$29,458
Demand Loan #0005-0 of \$198,824, approved on June 22, 2017, borrowed on June 30, 2017 from the Municipal Finance Authority of BC for a term of 4 years, bearing interest at 2.33%, repayable in blended monthly principal and interest payments of \$4257, due June 30, 2021. Principal and interest paid up to date are \$46,831 and \$3,145 respectively.	\$155,130	\$198,824
Demand Loan #0006-1 of \$1,182,938, approved on June 28, 2017, borrowed on June 30, 2017 from the Municipal Finance Authority of BC for a term of 5 years, bearing interest at 2.33%, repayable in blended monthly principal and interest payments of \$13,240, due July 31, 2022. Principal and interest paid up to date are \$132,396 and \$18,412 respectively.	\$1,068,898	
Demand Loan #0007-0 of \$106,890, approved on June 6, 2018, borrowed on June 15, 2018 from the Municipal Finance Authority of B.C. for a term of 4 years, bearing interest at 2.33%, repayable in blended monthly principal and interest payments of \$2,350, due June 30, 2022. Principal and interest paid up to date is 0.	\$106,980	
	<u>\$1,366,571</u>	<u>\$ 270,537</u>

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2019	\$ 229,399
2020	227,929
2021	221,724
2022	180,054
Thereafter	507,465
	<u>\$1,366,571</u>

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 10 CAPITAL LEASE OBLIGATIONS**

The School District leases certain equipment through Scotiabank. In August of 2017 the School District purchased their lease from Scotiabank with a loan from Municipal Finance Authority.

Total lease payment	\$1,242,085.20
Less GST rebate	<u>40,219.90</u>
Total purchase cost of Scotiabank Lease	<u><b>\$1,201,865.30</b></u>
Balance Owing on Lease	<u><u><b>NIL</b></u></u>

Total interest on lease for the year was **\$12,265** (2017: \$87,697)

**NOTE 11 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2018	Net Book Value 2017
Sites	\$ 1,175,101	\$1,175,101
Buildings	13,133,915	12,449,393
Buildings – work in progress	521,592	524,018
Furniture & Equipment	27,118	33,578
Vehicles	7,787	12,584
Computer Software	328,941	203,494
Computer Hardware		
<b>Total</b>	<u><b>\$15,194,454</b></u>	<u><b>\$14,398,168</b></u>

**Cost**

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2018
Sites	\$1,175,101	\$	\$	\$	\$1,175,101
Buildings	25,019,040	1,161,400			26,180,440
Buildings – work in progress					928,525
Furniture & Equipment	969,344	94,508	135,327		64,601
Vehicles	64,601				13,264
Computer Software	23,986		10,722		510,608
Computer Hardware	439,749	213,397	142,538		
<b>Total</b>	<u><b>\$27,691,821</b></u>	<u><b>\$1,469,305</b></u>	<u><b>\$288,587</b></u>	<u><b>\$</b></u>	<u><b>\$28,872,539</b></u>

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 11**      **TANGIBLE CAPITAL ASSETS (Continued)**

**Accumulated Amortization**

	Opening Accumulated Amortization	Additions	Disposals	Total 2018
Sites	\$ 12,569,647	\$ 476,878	\$	\$ 13,046,525
Buildings	445,326	96,934	135,327	406,933
Furniture & Equipment	31,023	6,460		37,483
Vehicles	11,402	4,797	10,722	5,477
Computer Software	236,255	87,950	142,538	181,667
Computer Hardware				
<b>Total</b>	<b>\$13,293,653</b>	<b>\$673,019</b>	<b>\$288,587</b>	<b>\$13,678,085</b>

Assets under capital lease – building includes assets under capital lease with a net book value of **nil** (2017: \$1,721,718).

**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 investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits 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, including 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 of 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.

The School District paid \$837,779 for employer contributions to the plans for the year ended June 30, 2018 (2017: \$774,270).

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 13     ACCUMULATED SURPLUS**

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

Operating Fund:

	<u>2018</u>	<u>2017</u>
Internally Restricted (appropriated) by Board for:		
ASPIRE – RLA	\$8,093	\$13,430
Trustee Inservice		6,946
Literacy		7,897
Advisory Councils	6,000	6,000
RLA Imperial Oil -2010/11	400	400
Student Learning Grant		36,403
CARS Grant – RLA	526	3,404
Janitor Equipment	<u>28,440</u>	<u>14,220</u>
Subtotal Internally Restricted	<u>\$43,459</u>	<u>\$88,700</u>
Unrestricted Operating Surplus (Deficit)	<u>239,306</u>	<u>384,387</u>
Total Available for Future Operations	<u>\$282,765</u>	<u>\$473,087</u>

Capital Fund:

Investment in Tangible Capital Assets  
Local Capital Reserve

5,330,641 Total Capital  
3,076 Fund Surplus

Accumulated Surplus

Sum of Total Available for Future Operations & Accumulated Surplus

5,333,717  
5,616,482

**NOTE 14.     INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2018, were as follows:

- Accumulated surplus transferred from operating fund to capital fund:\$89,338, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from special purpose fund to capital fund:\$248, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from operating fund to capital fund:\$86,080, for the capital loan payments.
- Accumulated surplus transferred from special purpose fund to capital fund:\$59,111, for the capital lease payments.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**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.

**NOTE 17      BUDGET FIGURES**

The budget figures data presented in these financial statements is based upon the 2018 amended annual budget adopted by the Board on February 20, 2018. The chart following reconciles the originally approved annual budget bylaw approved on June 20, 2017 to the amended annual budget bylaw reported in these financial statements.

	2018 amended budget	2018 annual budget
Revenues		
Provincial Grants		
Ministry of Education	\$10,061,369	\$10,020,540
Other	224,550	184,449
Other Revenue	919,795	970,923
Rentals and Leases	35,000	35,000
Investment Income	21,000	21,000
Amortization of Deferred Capital Revenue	322,712	308,441
Total Revenue	\$11,584,426	\$11,540,353
Expenses		
Instruction	\$8,333,040	\$8,078,995
District administration	868,063	1,000,265
Operations and Maintenance	1,968,216	1,897,186
Transportation and Housing	438,877	438,294
Debt Services	51,997	79,993
Services/Supplies	202,120	193,945
Total Expense	\$11,862,313	\$11,688,678

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 17 - BUDGET FIGURES (continued)**

Net Revenue (Expense)	(277,887)	(148,325)
Budgeted allocation of Surplus	158,559	33,606
Budgeted Surplus for the Year	(119,328)	(114,719)

**NOTE 18 EXPENSE BY OBJECT**

	2018	2017
Salaries and benefits	\$9,097,090	\$8,095,259
Services and supplies	1,950,504	2,141,483
Interest	34,791	88,711
Amortization	673,019	663,601
Other	\$11,755,404	\$10,989,054

**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, 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.

**SCHOOL DISTRICT 81 (FORT NELSON)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 20**      **RISK MANAGEMENT (Continued)**

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 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 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

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, 2018

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	473,087		5,410,753	5,883,840	5,823,214
Changes for the year	(14,904)	59,359	(311,813)	(267,358)	60,626
Surplus (Deficit) for the year					
Interfund Transfers	(89,338)	(248)	89,586	-	-
Tangible Capital Assets Purchased	(86,080)	(59,111)	145,191	-	-
Other	(190,322)	-	(77,036)	(267,358)	60,626
Net Changes for the year	282,765	-	5,333,717	5,616,482	5,883,840
Accumulated Surplus (Deficit), end of year - Statement 2					

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

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	8,765,220	8,644,445	8,921,413
Other	156,525	131,950	140,155
Other Revenue	739,444	780,572	747,564
Rentals and Leases	35,000	15,628	24,045
Investment Income	21,000	27,207	27,346
<b>Total Revenue</b>	<u>9,717,189</u>	<u>9,599,802</u>	<u>9,860,523</u>
<b>Expenses</b>			
Instruction	7,123,031	7,083,171	6,904,510
District Administration	868,063	831,258	904,650
Operations and Maintenance	1,295,197	1,255,545	1,296,936
Transportation and Housing	438,877	444,732	432,298
<b>Total Expense</b>	<u>9,725,168</u>	<u>9,614,706</u>	<u>9,538,394</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(7,979)</u>	<u>(14,904)</u>	<u>322,129</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>158,559</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(64,500)	(89,338)	(72,096)
Other	(86,080)	(86,080)	(34,886)
<b>Total Net Transfers</b>	<u>(150,580)</u>	<u>(175,418)</u>	<u>(106,982)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>(190,322)</u>	<u>215,147</u>
<b>Operating Surplus (Deficit), beginning of year</b>		473,087	257,940
<b>Operating Surplus (Deficit), end of year</b>		<u>282,765</u>	<u>473,087</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		43,457	88,700
Unrestricted		239,308	384,387
<b>Total Operating Surplus (Deficit), end of year</b>		<u>282,765</u>	<u>473,087</u>

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

Schedule of Operating Revenue by Source  
 Year Ended June 30, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	9,258,192	9,115,183	9,366,603
DISC/LEA Recovery	(681,900)	(658,902)	(681,900)
Other Ministry of Education Grants			
Pay Equity	79,311	79,311	79,311
Transportation Supplement	32,744	32,744	32,744
Economic Stability Dividend	3,866	4,321	3,866
Return of Administrative Savings	48,645	48,646	48,645
Carbon Tax Grant	14,500	13,280	31,647
Student Learning Grant			36,403
FSA	4,094	4,094	4,094
Access Grant	5,000	5,000	
Support Staff Benefits	768	768	
Incentive Bonus Funding			
<b>Total Provincial Grants - Ministry of Education</b>	<u>8,765,220</u>	<u>8,644,445</u>	<u>8,921,413</u>
<b>Provincial Grants - Other</b>	<u>156,525</u>	<u>131,950</u>	<u>140,155</u>
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations	681,900	658,902	681,900
Miscellaneous			
visa rewards/misc other	3,100	21,452	3,190
Teacher pro d	6,344	11,574	11,980
Nexen/BCPSEA Incentive	5,000	33,288	12,950
SSA Grant	20,000	20,000	20,000
Cosmetology Program	16,500	16,500	
Arts Starts Grant	6,600	6,600	
Donations/Sale of Assets/EDI/Aspire		12,256	17,544
<b>Total Other Revenue</b>	<u>739,444</u>	<u>780,572</u>	<u>747,564</u>
<b>Rentals and Leases</b>	<u>35,000</u>	<u>15,628</u>	<u>24,045</u>
<b>Investment Income</b>	<u>21,000</u>	<u>27,207</u>	<u>27,346</u>
<b>Total Operating Revenue</b>	<u>9,717,189</u>	<u>9,599,802</u>	<u>9,860,523</u>

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

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	3,089,951	3,107,651	3,176,998
Principals and Vice Principals	714,375	745,932	703,892
Educational Assistants	849,928	856,300	727,243
Support Staff	681,344	696,770	655,040
Other Professionals	644,746	662,406	621,717
Substitutes	186,140	209,221	194,841
<b>Total Salaries</b>	<b>6,166,484</b>	<b>6,278,280</b>	<b>6,079,731</b>
<b>Employee Benefits</b>	<b>1,648,711</b>	<b>1,565,904</b>	<b>1,547,789</b>
<b>Total Salaries and Benefits</b>	<b>7,815,195</b>	<b>7,844,184</b>	<b>7,627,520</b>
<b>Services and Supplies</b>			
Services	731,219	659,833	733,908
Student Transportation	373,386	375,252	371,984
Professional Development and Travel	51,661	45,228	79,384
Rentals and Leases	39,535	45,201	45,184
Dues and Fees	24,496	11,735	20,821
Insurance	58,381	25,344	36,659
Interest	2,000		
Supplies	306,373	296,528	286,036
Utilities	322,922	311,401	336,898
<b>Total Services and Supplies</b>	<b>1,909,973</b>	<b>1,770,522</b>	<b>1,910,874</b>
<b>Total Operating Expense</b>	<b>9,725,168</b>	<b>9,614,706</b>	<b>9,538,394</b>

# School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2018

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	2,393,937	249,127	26,762	301,396		124,176	3,095,398
1.03 Career Programs	112,190	3,831				10,304	126,325
1.07 Library Services	98,066			90,770		5,241	194,077
1.08 Counselling	172,853	10,124				1,713	184,690
1.10 Special Education	315,755	69,124	663,907		13,987	62,327	1,125,100
1.31 Aboriginal Education	1,235	42,590	165,631			5,460	214,916
1.41 School Administration	13,615	340,858					354,473
<b>Total Function 1</b>	<b>3,107,651</b>	<b>715,654</b>	<b>856,300</b>	<b>392,166</b>	<b>13,987</b>	<b>209,221</b>	<b>5,294,979</b>
<b>4 District Administration</b>							
4.11 Educational Administration		(4,052)		20,156	112,016		128,120
4.40 School District Governance					52,124		52,124
4.41 Business Administration		34,330		65,757	316,287		416,374
<b>Total Function 4</b>	<b>-</b>	<b>30,278</b>	<b>-</b>	<b>85,913</b>	<b>480,427</b>	<b>-</b>	<b>596,618</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				8,241	142,396		150,637
5.50 Maintenance Operations				192,590			192,590
5.52 Maintenance of Grounds							-
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,831</b>	<b>142,396</b>	<b>-</b>	<b>343,227</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration					25,596		25,596
7.70 Student Transportation				17,860			17,860
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,860</b>	<b>25,596</b>	<b>-</b>	<b>43,456</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>3,107,651</b>	<b>745,932</b>	<b>856,300</b>	<b>696,770</b>	<b>662,406</b>	<b>209,221</b>	<b>6,278,280</b>

# School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	3,095,398	859,349	3,954,747	368,883	4,323,630	4,321,960	4,368,348
1.03 Career Programs	126,325	27,636	153,961		153,961	146,301	55,566
1.07 Library Services	194,077	44,253	238,330	3,094	241,424	278,569	211,371
1.08 Counselling	184,690	28,947	213,637	61	213,698	223,660	206,499
1.10 Special Education	1,125,100	276,264	1,401,364	43,512	1,444,876	1,430,638	1,399,403
1.31 Aboriginal Education	214,916	57,599	272,515	6,020	278,535	286,490	275,800
1.41 School Administration	354,473	61,655	416,128	10,919	427,047	435,413	387,523
<b>Total Function 1</b>	<b>5,294,979</b>	<b>1,355,703</b>	<b>6,650,682</b>	<b>432,489</b>	<b>7,083,171</b>	<b>7,123,031</b>	<b>6,904,510</b>
<b>4 District Administration</b>							
4.11 Educational Administration	128,120	37,398	165,518	21,696	187,214	209,735	225,753
4.40 School District Governance	52,124	725	52,849	11,078	63,927	80,722	96,385
4.41 Business Administration	416,374	82,631	499,005	81,112	580,117	577,606	582,512
<b>Total Function 4</b>	<b>596,618</b>	<b>120,754</b>	<b>717,372</b>	<b>113,886</b>	<b>831,258</b>	<b>868,063</b>	<b>904,650</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	150,637	30,077	180,714	21,139	201,853	239,128	213,364
5.50 Maintenance Operations	192,590	46,700	239,290	493,359	732,649	725,597	739,486
5.52 Maintenance of Grounds	-	-	-	9,642	9,642	7,550	7,187
5.56 Utilities	-	-	-	311,401	311,401	322,922	336,899
<b>Total Function 5</b>	<b>343,227</b>	<b>76,777</b>	<b>420,004</b>	<b>835,541</b>	<b>1,255,545</b>	<b>1,295,197</b>	<b>1,296,936</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	25,596	5,542	31,138		31,138	31,131	43,752
7.70 Student Transportation	17,860	7,128	24,988	388,606	413,594	407,746	388,546
<b>Total Function 7</b>	<b>43,456</b>	<b>12,670</b>	<b>56,126</b>	<b>388,606</b>	<b>444,732</b>	<b>438,877</b>	<b>432,298</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>6,278,280</b>	<b>1,565,904</b>	<b>7,844,184</b>	<b>1,770,522</b>	<b>9,614,706</b>	<b>9,725,168</b>	<b>9,538,394</b>

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

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	1,222,864	1,275,705	513,795
Other	68,025	68,110	62,964
Other Revenue	180,351	141,405	185,182
Investment Income		7,027	9,950
<b>Total Revenue</b>	<u>1,471,240</u>	<u>1,492,247</u>	<u>771,891</u>
<b>Expenses</b>			
Instruction	1,412,129	1,234,656	688,746
Operations and Maintenance		198,232	453
Transportation and Housing			9,149
<b>Total Expense</b>	<u>1,412,129</u>	<u>1,432,888</u>	<u>698,348</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>59,111</u>	<u>59,359</u>	<u>73,543</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(248)	(19,932)
Other	(59,111)	(59,111)	(53,611)
<b>Total Net Transfers</b>	<u>(59,111)</u>	<u>(59,359)</u>	<u>(73,543)</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**  
**School District No. 81 (Fort Nelson)**  
**Year Ended June 30, 2018**

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	64,611	37,070	2,610	2,352	19,427	11,285	130,452	64,000	7,350
<b>Id: Restricted Grants</b>									
Provincial Grants - Ministry of Education									
Provincial Grants - Other									
Other									
Investment Income					1,450		174,686		
	64,611	37,070	-	-	1,450	-	174,686	64,000	7,350
	64,611	37,070	-	248	7,027	11,285	141,405	64,000	7,350
	-	-	2,610	2,104	13,850	-	163,733	-	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education	64,611	37,070		248		11,285		64,000	7,350
Provincial Grants - Other									
Other Revenue							141,405		
Investment Income					7,027				
	64,611	37,070	-	248	7,027	11,285	141,405	64,000	7,350
<b>Expenses</b>									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		29,441						40,090	4,552
Support Staff									
Other Professionals									
	-	29,441	-	-	-	-	-	40,090	4,552
	5,500	7,629						19,449	526
Employee Benefits									
Services and Supplies	5,500	37,070	-	-	7,027	11,285	141,405	4,461	2,272
	5,500	37,070	-	-	7,027	11,285	141,405	64,000	7,350
	59,111	-	-	248	-	-	-	-	-
<b>Net Revenue (Expense) before Interfund Transfers</b>									
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased				(248)					
Other	(59,111)								
	(59,111)	-	-	(248)	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>									

**School District No. 81 (Fort Nelson)**  
Changes in Special Purpose Funds and Expense by Object  
**School District No. 81 (Fort Nelson)**  
Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2018

Schedule 3A (Unaudited)

	OLEP	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement		Speech Path	TOTAL
					Fund - Overhead	Fund - Staffing		
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	1,505		24,525	94,793				286,949
Add: Restricted Grants								
Provincial Grants - Ministry of Education	6,067	130,132			199,694	650,839	68,110	1,159,763
Provincial Grants - Other								68,110
Other								174,686
Investment Income								1,450
Less: Allocated to Revenue	6,067	130,132			199,694	650,839	68,110	1,404,009
Deferred Revenue, end of year	7,572	130,132	24,525	94,793	183,280	650,839	68,110	1,492,247
	-	-	-	-	16,414	-	-	198,711
<b>Revenues</b>								
Provincial Grants - Ministry of Education	7,572	130,132	24,525	94,793	183,280	650,839	68,110	1,275,705
Provincial Grants - Other								68,110
Other Revenue								141,405
Investment Income								7,027
	7,572	130,132	24,525	94,793	183,280	650,839	68,110	1,492,247
<b>Expenses</b>								
Salaries								
Teachers								657,356
Principals and Vice Principals	1,261		21,040	80,806	28,070	526,179		110,567
Educational Assistants					110,567			29,441
Support Staff		5,524						45,614
Other Professionals		90,437					53,929	148,918
Employee Benefits	1,261	95,961	21,040	80,806	138,637	526,179	53,929	991,896
Services and Supplies	6,311	32,478	3,485	13,987	44,643	124,660	14,153	261,010
	7,572	130,132	24,525	94,793	183,280	650,839	68,110	1,432,888
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	59,359
<b>Interfund Transfers</b>								
Tangible Capital Assets Purchased								(248)
Other								(59,111)
Net Revenue (Expense)	-	-	-	-	-	-	-	(59,359)
	-	-	-	-	-	-	-	-

# School District No. 81 (Fort Nelson)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual			2017 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	73,285	73,285		73,285	104,032
Amortization of Deferred Capital Revenue	322,712	322,712		322,712	313,234
<b>Total Revenue</b>	<u>395,997</u>	<u>395,997</u>	-	<u>395,997</u>	<u>417,266</u>
<b>Expenses</b>					
Operations and Maintenance	673,019			-	
Amortization of Tangible Capital Assets					
Operations and Maintenance		673,019		673,019	663,601
Debt Services					
Capital Lease Interest	31,192		12,265	12,265	87,697
Capital Loan Interest	20,805		22,526	22,526	1,014
<b>Total Expense</b>	<u>725,016</u>	<u>673,019</u>	<u>34,791</u>	<u>707,810</u>	<u>752,312</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(329,019)</u>	<u>(277,022)</u>	<u>(34,791)</u>	<u>(311,813)</u>	<u>(335,046)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	64,500	89,586		89,586	92,028
Capital Lease Payment				-	59,852
Capital Loan Payment	145,191		145,191	145,191	28,645
<b>Total Net Transfers</b>	<u>209,691</u>	<u>89,586</u>	<u>145,191</u>	<u>234,777</u>	<u>180,525</u>
<b>Other Adjustments to Fund Balances</b>					
Principal Payment					
Capital Loan		195,950	(195,950)	-	
Loan Payment from Bylaw		(73,285)	73,285	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>122,665</u>	<u>(122,665)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(119,328)</u>	<u>(64,771)</u>	<u>(12,265)</u>	<u>(77,036)</u>	<u>(154,521)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		5,395,412	15,341	5,410,753	5,565,274
<b>Capital Surplus (Deficit), end of year</b>		<u>5,330,641</u>	<u>3,076</u>	<u>5,333,717</u>	<u>5,410,753</u>

# School District No. 81 (Fort Nelson)

Tangible Capital Assets

Year Ended June 30, 2018

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	1,175,101	25,019,040	969,344	64,601	23,986	439,749	27,691,821
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,013,331					1,013,331
Deferred Capital Revenue - Other		127,965	39,599				167,564
Operating Fund		20,104	54,661			14,573	89,338
Special Purpose Funds			248				248
Purchased from Prior Loan Proceeds						198,824	198,824
	-	1,161,400	94,508	-	-	213,397	1,469,305
Decrease:							
Deemed Disposals			135,327		10,722	142,538	288,587
	-	-	135,327	-	10,722	142,538	288,587
Cost, end of year	1,175,101	26,180,440	928,525	64,601	13,264	510,608	28,872,539
Work in Progress, end of year							-
Cost and Work in Progress, end of year	1,175,101	26,180,440	928,525	64,601	13,264	510,608	28,872,539
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		12,569,647	445,326	31,023	11,402	236,255	13,293,653
Decrease:							
Deemed Disposals		476,878	96,934	6,460	4,797	87,950	673,019
			135,327		10,722	142,538	288,587
	-	-	135,327	-	10,722	142,538	288,587
Accumulated Amortization, end of year		13,046,525	406,933	37,483	5,477	181,667	13,678,085
Tangible Capital Assets - Net	1,175,101	13,133,915	521,592	27,118	7,787	328,941	15,194,454

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

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	7,700,964	236,090		7,937,054
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,013,331	167,564		1,180,895
	1,013,331	167,564	-	1,180,895
Decrease:				
Amortization of Deferred Capital Revenue	314,534	8,178		322,712
	314,534	8,178	-	322,712
Net Changes for the Year	698,797	159,386	-	858,183
Deferred Capital Revenue, end of year	8,399,761	395,476	-	8,795,237
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	8,399,761	395,476	-	8,795,237

# School District No. 81 (Fort Nelson)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2018

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	140,298	127,965	3,782			272,045
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	946,318					946,318
Provincial Grants - Other			40,591			40,591
	946,318	-	40,591	-	-	986,909
Decrease:						
Transferred to DCR - Capital Additions	1,013,331	127,965	39,599			1,180,895
AFG-bylaw Lease Payment	73,285					73,285
	1,086,616	127,965	39,599	-	-	1,254,180
Net Changes for the Year	(140,298)	(127,965)	992	-	-	(267,271)
Balance, end of year	-	-	4,774	-	-	4,774

