

Audited Financial Statements of

School District No. 81 (Fort Nelson)

June 30, 2019

School District No. 81 (Fort Nelson)

June 30, 2019

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School District No. 81 (Fort Nelson)

MANAGEMENT REPORT

Version: 1641-9895-7913

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.

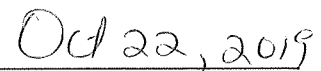
The Board of Education of School District No. 81 (Fort Nelson) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements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



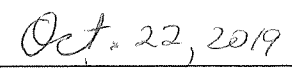
Signature of the Chairperson of the Board of Education



Date Signed



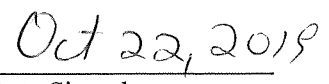
Signature of the Superintendent



Date Signed



Signature of the Secretary Treasurer



Date Signed

School District No. 81 (Fort Nelson)
5104 Airport Dr
Fort Nelson, BC V0C 1R0

KPMG LLP
Chartered Professional Accountants
400 – 177 Victoria Street
Prince George, BC V2L 5R8
Canada

September 24, 2019

Dear Sirs/Mesdames:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of School District No. 81 ("the District"), which comprise the statement of financial position as at June 30, 2019, the statements of operations, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. These financial statements were prepared in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency Accountability Act supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

GENERAL:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated Jul 3, 2017, for:
 - a) The preparation and fair presentation of the financial statements and believe that these financial statements have been prepared in accordance with the relevant financial reporting framework
 - b) Determining that the basis of accounting is an acceptable basis for the preparation of the financial information in the circumstances
 - c) providing you with all relevant information, such as all financial records and related data and complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of the board and committees of the board that may affect the financial statements, and access to such relevant information
 - d) Such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
 - e) Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

- 3) We have disclosed to you:
- a) The results of our assessment of the risks that the financial statements may be materially misstated as a result of fraud
 - b) All information in relation to fraud or suspected fraud that we are aware of and that affects the Entity and involves: management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements
 - c) All information in relation to allegations of fraud, or suspected fraud, affecting the Districts financial statements, communicated by employees, former employees, regulators, or others
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements

COMMITMENTS & CONTINGENCIES:

- 4) There are no:
- a) other liabilities that are required to be recognized and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with the relevant financial reporting framework, including liabilities or contingent liabilities arising from illegal acts or possible illegal acts, or possible violations of human rights legislation.
 - b) other environmental matters that may have an impact on the financial statements.

SUBSEQUENT EVENTS:

- 5) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

RELATED PARTIES:

- 6) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

EMPLOYEE FUTURE BENEFITS:

- 7) The employee future benefits costs and obligations have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- 8) All arrangements (contractual or otherwise) by which programs have been established to provide employee benefits have been disclosed to you and included in the determination of employee future benefits costs and obligations.
- 9) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.

ENVIRONMENTAL MATTERS:

- 10) The District has appropriately recognized, measured and disclosed liabilities for contaminated sites in the financial statements.

ESTIMATES:

- 11) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

- 12) We confirm that the District is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the District will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

MISSTATEMENTS:

- 13) The effects of uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.

OTHER:

- 14) The amounts reported as differences between accounting for Non-Provincial restricted contributions in accordance with the Restricted Contributions Regulation as compared to Public Sector Accounting Standards for the purposes of reporting to the Office of the Auditor General are complete and accurate.

FINANCIAL STATEMENT APPROVAL:

- 15) We confirm that the Board of Education has approved the June 30, 2019 audited financial statements.

Yours very truly,

School District No. 81 (Fort Nelson)



Margaret-Anne Hall, Secretary Treasurer


School District No. 81 (For Nelson)

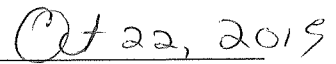
Statement of Financial Position


As at June 30, 2019

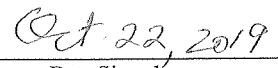
	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	2,008,473	1,796,604
Accounts Receivable		
Due from Province - Ministry of Education	4,833	44,599
Due from LEA Funding	177,653	
Other (Note 3)	38,170	289,919
Total Financial Assets	<u>2,229,129</u>	<u>2,131,122</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	1,205,326	1,013,058
Unearned Revenue (Note 5)	2,845	4,011
Deferred Revenue (Note 6)	146,166	198,711
Deferred Capital Revenue (Note 7)	9,018,247	8,800,011
Employee Future Benefits (Note 8)	335,557	332,011
Debt (Note 9)	1,141,312	1,366,482
Total Liabilities	<u>11,849,453</u>	<u>11,714,284</u>
Net Financial Assets (Debt)	<u>(9,620,324)</u>	<u>(9,583,162)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 10)	15,243,122	15,194,454
Prepaid Expenses	5,014	5,190
Supplies Inventory	-	
Total Non-Financial Assets	<u>15,248,136</u>	<u>15,199,644</u>
Accumulated Surplus (Deficit)	<u>5,627,812</u>	<u>5,616,482</u>


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 2

Statement of Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	10,185,135	10,239,691	9,993,435
Other	181,043	212,300	200,060
Other Revenue	716,606	785,100	921,977
Rentals and Leases	40,007	33,805	15,628
Investment Income	21,000	28,329	34,234
Amortization of Deferred Capital Revenue	317,752	354,795	322,712
Total Revenue	<u>11,461,543</u>	<u>11,654,020</u>	<u>11,488,046</u>
Expenses			
Instruction	8,387,685	8,029,058	8,317,827
District Administration	894,499	909,119	831,258
Operations and Maintenance	2,010,447	2,265,505	2,126,796
Transportation and Housing	414,810	408,103	444,732
Debt Services	31,945	30,905	34,791
Total Expense	<u>11,739,386</u>	<u>11,642,690</u>	<u>11,755,404</u>
Surplus (Deficit) for the year	<u>(277,843)</u>	<u>11,330</u>	<u>(267,358)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		5,616,482	5,883,840
Accumulated Surplus (Deficit) from Operations, end of year		<u>5,627,812</u>	<u>5,616,482</u>

School District No. 81 (Fort Nelson)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(277,843)</u>	<u>11,330</u>	<u>(267,358)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(723,871)	(753,875)	(1,469,305)
Amortization of Tangible Capital Assets	705,208	705,208	673,019
Total Effect of change in Tangible Capital Assets	<u>(18,663)</u>	<u>(48,667)</u>	<u>(796,286)</u>
Acquisition of Prepaid Expenses		(5,015)	(5,190)
Use of Prepaid Expenses		5,190	18,371
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>175</u>	<u>13,181</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(296,506)</u>	<u>(37,162)</u>	<u>(1,050,463)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(37,162)</u>	<u>(1,050,463)</u>
Net Financial Assets (Debt), beginning of year		<u>(9,583,162)</u>	<u>(8,532,699)</u>
Net Financial Assets (Debt), end of year		<u><u>(9,620,324)</u></u>	<u><u>(9,583,162)</u></u>

School District No. 81 (Forest Nelson)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual \$	2018 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	11,330	(267,358)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	113,872	(114,459)
Prepaid Expenses	175	13,181
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	192,258	36,528
Unearned Revenue	(1,166)	(28,429)
Deferred Revenue	(52,545)	(88,238)
Employee Future Benefits	3,546	24,523
Amortization of Tangible Capital Assets	705,208	673,019
Amortization of Deferred Capital Revenue	(354,795)	(322,712)
bylaw spent on lease payments	(99,764)	(73,285)
Total Operating Transactions	518,119	(147,230)
Capital Transactions		
Tangible Capital Assets Purchased	(646,985)	(1,270,481)
Purchased from prior loan proceeds	(106,890)	(198,824)
Total Capital Transactions	(753,875)	(1,469,305)
Financing Transactions		
Loan Proceeds		178,601
Loan Payments	(225,170)	(193,883)
Capital Revenue Received	672,795	986,909
Total Financing Transactions	447,625	971,627
Net Increase (Decrease) in Cash and Cash Equivalents	211,869	(644,908)
Cash and Cash Equivalents, beginning of year	1,796,604	2,441,512
Cash and Cash Equivalents, end of year	2,008,473	1,796,604
Cash and Cash Equivalents, end of year, is made up of:		
Cash	2,008,473	1,796,604
	2,008,473	1,796,604

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019

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 (EARSL) 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, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- 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, 2019

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, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Revenue Recognition (continued)

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, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Financial Instruments (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

	2019	2018
Due from Federal Government	\$ 9,417	\$ 10,093
Other	\$ 28,753	\$279,826
	<u>\$38,170</u>	<u>\$289,919</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade payables	\$ 235,052	\$ 83,890
Source deductions payable	\$ 121,790	144,883
Salaries and benefits payable	\$ 690,639	632,985
Accrued vacation pay	\$ 157,845	151,300
	<u>\$1,205,326</u>	<u>\$1,013,058</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 5 UNEARNED REVENUE

	2019	2018
Balance, beginning of year	\$ 4,011	\$ 32,440
Changes for the year:		
Increase:		
Rental/Lease of facilities	11,550	30,864
Grants	25,000	5,000
	<u>\$ 40,561</u>	<u>\$ 68,304</u>
Decrease:		
Rental/Lease of facilities	(4,011)	(32,440)
Fund Expenses	(33,705)	(31,853)
	<u>(37,716)</u>	<u>(64,293)</u>
Net changes for the year	(37,716)	(64,293)
Balance, end of year	<u>\$ 2,845</u>	<u>\$ 4,011</u>

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.

	2019	2018
Balance, beginning of year	\$ 198,711	\$ 286,949
Changes for the year:		
Increase:		
Provincial Grants-Ministry of Education	1,268,248	1,159,763
Provincial Grants – Other	70,913	68,110
Other	181,858	174,686
Investment Income	1,700	1,450
	<u>1,522,719</u>	<u>1,404,009</u>
Decrease:		
Allocated to Revenue	(1,558,850)	(1,492,247)
Net changes for the year	<u>(36,131)</u>	<u>(88,238)</u>
Recovered (CEF-Overhead Adj)	(16,414)	
Balance, end of year	<u>\$ 146,166</u>	<u>\$ 198,711</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

	2019	2018
Balance, beginning of year	\$ 8,795,237	\$ 7,937,054
Increases:		
Capital Additions	563,772	1,180,895
Decreases:		
Amortization	(354,795)	(322,712)
Net changes for the year	208,977	858,183
Balance, end of year	<u>\$ 9,004,214</u>	<u>\$ 8,795,237</u>

Unspent deferred capital revenue

Balance, beginning of year	4,774	272,045
Increases:		
Provincial Grants – Ministry of Education	661,995	946,318
Provincial Grants – Other	10,800	40,591
Decreases:		
Transfer to deferred capital revenue subject to Amortization	(663,536)	(1,254,180)
Net Change for the Year	9,259	(267,271)
Balance, end of the year	14,033	4,774
Total deferred capital revenue balance, end of year	<u><u>\$9,018,247</u></u>	<u><u>8,800,011</u></u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

	2019	2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$255,803	\$242,791
Service Cost	31,785	30,754
Interest Cost	7,426	7,176
Benefit Payments	(19,004)	(6,705)
Increase (Decrease) in obligation due to Plan Amendment		
Actuarial (Gain) Loss	23,360	(18,213)
Accrued Benefit Obligation – March 31	<u>\$ 299,370</u>	<u>\$ 255,803</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 299,370	\$ 255,803
Market Value of Plan Assets – March 31		
Funded Status – Surplus (Deficit)	(299,370)	(255,803)
Employer Contributions After Measurement Date	8,734	
Benefits Expense After Measurement Date	(10,701)	(9,803)
Unamortized Net Actuarial (Gain) Loss	(34,220)	(66,406)
Accrued Benefit Asset (Liability) – June 30	<u>\$(335,557)</u>	<u>\$(332,011)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 332,011	\$ 307,488
Net expense for Fiscal Year	31,284	31,228
Employer Contributions	(27,738)	(6,705)
Accrued Benefit Liability – June 30	<u>\$ 335,557</u>	<u>\$ 332,011</u>
Components of Net Benefit Expense		
Service Cost	\$ 32,616	\$ 31,012
Interest Cost	7,484	7,239
Immediate Recognition of Plan Amendment		
Amortization of Net Actuarial (Gain)/Loss	(8,825)	(7,022)
Net Benefit Expense (Income)	<u>\$ 31,284</u>	<u>\$ 31,228</u>

Assumptions

Discount Rate – April 1	2.75%	2.75%
Discount Rate – March 31	2.50%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARS L – March 31	9.8	10.1

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 DEBT

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

	2019	2018
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 2.455%, repayable in blended monthly principal and interest payments of \$1,150, due July 31, 2020. Principal and interest paid up to date are \$50,289 and \$2,668 respectively.	\$ 15,892	\$ 29,126
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 repaid this year.	\$0	\$ 6,437
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 2.455%, repayable in blended monthly principal and interest payments of \$4,257, due June 30, 2021. Principal and interest paid up to date are \$47,811 and \$3,277 respectively.	\$107,319	\$155,131
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 2.455%, repayable in blended monthly principal and interest payments of \$13,240, due July 31, 2022. Principal and interest paid up to date are \$248,079 and \$43,248 respectively.	\$934,860	\$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 2.455%, repayable in blended monthly principal and interest payments of \$2,350, due June 30, 2022. Principal and interest paid up to date is are \$23,649 and \$2,303.	\$83,241	\$106,890
	<u>\$1,141,312</u>	<u>\$1,366,482</u>

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

2020	\$ 226,439
2021	220,572
2022	180,286
2023	514,015
	<u>\$1,141,312</u>

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2019	Net Book Value 2018
Sites	\$ 1,175,101	\$1,175,101
Buildings	13,185,337	13,133,393
Buildings – work in progress		
Furniture & Equipment	499,847	521,592
Vehicles	20,658	27,118
Computer Software	7,351	7,787
Computer Hardware	354,828	328,941
Total	\$15,243,122	\$15,194,454

Cost

	Opening Cost	Additions	Disposals	Transfers (WIP)	Total 2019
Sites	\$1,175,101	\$	\$	\$	\$1,175,101
Buildings	26,180,440	552,542			26,732,982
Buildings – work in progress					
Furniture & Equipment	928,525	71,108	72,563		927,070
Vehicles	64,601				64,601
Computer Software	13,263	2,218			15,481
Computer Hardware	510,610	128,007	130,254		508,363
Total	\$28,872,540	\$753,875	\$202,817	\$	\$29,423,598

Accumulated Amortization

	Opening Accumulated Amortization	Additions	Disposals	Total 2019
Buildings	13,046,525	501,120		13,547,645
Furniture & Equipment	406,933	92,853	72,563	427,223
Vehicles	37,483	6,460		43,943
Computer Software	5,477	2,653		8,130
Computer Hardware	181,667	102,122	130,254	153,535
Total	\$13,678,085	\$705,208	\$202,817	\$14,180,476

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension Plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering of the pension plan, including investing assets and administering benefits. The plans are multi-employer defined benefits pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2018, the Teachers' Pension Plan has about 47,849 active members from school districts, and approximately 38,465 retired members and 12,491 inactive members. As at December 31, 2018 the Municipal Pension Plan has about 204,593 active members, 100,971 retired members and 43,126 inactive members.

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

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

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

School District No.81 (Fort Nelson) paid \$751,790 for employer contributions to these plans in the year ended June 30, 2019 (2018: \$837,779).

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

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

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 12 ACCUMULATED SURPLUS

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

Operating Fund:

Internally Restricted (appropriated) by Board for:	<u>2019</u>	<u>2018</u>
ASPIRE – RLA	\$5,418	\$ 8,093
Advisory Councils	6,000	6,000
RLA Imperial Oil -2010/11	400	400
CARS Grant – RLA	5,521	526
Janitor Equipment	23,891	28,440
Subtotal Internally Restricted	<u>\$41,230</u>	<u>\$43,459</u>
Unrestricted Operating Surplus (Deficit)	<u>294,895</u>	<u>239,306</u>
Total Available for Future Operations	<u>\$ 336,125</u>	<u>\$282,765</u>

Capital Fund:

Investment in Tangible Capital Assets	5,288,611	Total Capital
Local Capital Reserve	3,076	Fund Surplus

Accumulated Surplus	5,291,687
Sum of Total Available for Future Operations & Accumulated Surplus	<u>5,627,812</u>

NOTE 13 INTERFUND TRANSFERS

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

- Accumulated surplus transferred from operating fund to capital fund: \$83,213, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from special purpose fund to capital fund: \$0.00, for the acquisition of tangible capital assets.
- Accumulated surplus transferred from operating fund to capital fund: \$97,200, 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, 2019

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 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 16 BUDGET FIGURES

The budget figures data presented in these financial statements is based upon the 2019 amended annual budget adopted by the Board on February 12, 2019. The chart following reconciles the originally approved annual budget bylaw approved on June 19, 2018 to the amended annual budget bylaw reported in these financial statements.

	2019 amended budget	2019 annual budget
Revenues		
Provincial Grants		
Ministry of Education	\$10,185,135	\$10,117,754
Other	181,043	189,550
Other Revenue	716,606	842,284
Rentals and Leases	40,007	41,000
Investment Income	21,000	21,000
Amortization of Deferred Capital Revenue	317,752	360,570
Total Revenue	\$11,461,543	\$11,572,158
Expenses		
Instruction	\$8,387,685	\$8,228,238
District administration	894,499	901,869
Operations and Maintenance	2,010,447	2,024,651
Transportation and Housing	414,810	414,888
Debt Services	31,945	26,936
Total Expense	\$11,739,386	\$11,596,582
Net Expense	(277,843)	(24,424)
Budgeted allocation of Surplus	159,366	
Budgeted Deficit for the Year	(118,477)	(24,424)

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 17 EXPENSE BY OBJECT

	2019	2018
Salaries and benefits	\$8,803,794	\$9,097,090
Services and supplies	2,102,783	1,950,504
Interest	30,905	34,791
Amortization	705,208	673,019
Other		
	\$11,642,690	\$11,755,404

NOTE 18 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 19 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.

SCHOOL DISTRICT 81 (FORT NELSON)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 19 RISK MANAGEMENT (continued)

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, 2019

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	282,765		5,333,717	5,616,482	5,883,840
Changes for the year					
Surplus (Deficit) for the year	233,773	59,111	(281,554)	11,330	(267,358)
Interfund Transfers					
Tangible Capital Assets Purchased	(83,213)		83,213	-	-
Other	(97,200)	(59,111)	156,311	-	-
Net Changes for the year	53,360	-	(42,030)	11,330	(267,358)
Accumulated Surplus (Deficit), end of year - Statement 2	336,125	-	5,291,687	5,627,812	5,616,482

School District No. 81 (Fort Nelson)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	8,751,588	8,872,609	8,644,445
Other	181,043	148,750	131,950
Other Revenue	557,464	557,118	780,572
Rentals and Leases	40,007	33,805	15,628
Investment Income	21,000	28,329	27,207
Total Revenue	<u>9,551,102</u>	<u>9,640,611</u>	<u>9,599,802</u>
Expenses			
Instruction	6,953,871	6,831,014	7,083,171
District Administration	894,499	909,119	831,258
Operations and Maintenance	1,305,239	1,258,602	1,255,545
Transportation and Housing	414,810	408,103	444,732
Total Expense	<u>9,568,419</u>	<u>9,406,838</u>	<u>9,614,706</u>
Operating Surplus (Deficit) for the year	<u>(17,317)</u>	<u>233,773</u>	<u>(14,904)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>159,366</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(44,750)	(83,213)	(89,338)
Other	(97,299)	(97,200)	(86,080)
Total Net Transfers	<u>(142,049)</u>	<u>(180,413)</u>	<u>(175,418)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>53,360</u>	<u>(190,322)</u>
Operating Surplus (Deficit), beginning of year		282,765	473,087
Operating Surplus (Deficit), end of year		<u>336,125</u>	<u>282,765</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		41,230	43,457
Unrestricted		294,895	239,308
Total Operating Surplus (Deficit), end of year		<u>336,125</u>	<u>282,765</u>

School District No. 81 (Fort Nelson)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	9,116,470	9,143,754	9,115,183
ISC/LEA Recovery	(536,780)	(490,934)	(658,902)
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	7,840	4,321
Return of Administrative Savings			48,646
Carbon Tax Grant	14,500	18,855	13,280
Employer Health Tax Grant		20,352	
Strategic Priorities - Mental Health Grant	36,490	37,000	
Support Staff Benefits Grant	893	893	768
BCTEA - LEA Capacity Building Grant		13,700	
FSA	4,094	4,094	4,094
Access Grant		5,000	5,000
Total Provincial Grants - Ministry of Education	8,751,588	8,872,609	8,644,445
Provincial Grants - Other	181,043	148,750	131,950
Tuition			
Other Revenues			
LEA Funding from First Nations	536,780	490,934	658,902
Miscellaneous			
visa rewards/misc other	4,410	19,472	21,452
teacher prod	9,874	8,751	11,574
Nexen/BCPSEA Incentive			33,288
SSA Grant			20,000
Cosmetology Program			16,500
Arts Starts Grant	6,400	6,400	6,600
Donations/Sale of Assets/EDI/Aspire		31,561	12,256
Total Other Revenue	557,464	557,118	780,572
Rentals and Leases	40,007	33,805	15,628
Investment Income	21,000	28,329	27,207
Total Operating Revenue	9,551,102	9,640,611	9,599,802

School District No. 81 (Fort Nelson)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	2,855,301	2,879,431	3,107,651
Principals and Vice Principals	697,673	707,870	745,932
Educational Assistants	929,023	895,935	856,300
Support Staff	689,878	687,180	696,770
Other Professionals	620,623	638,999	662,406
Substitutes	179,811	207,389	209,221
Total Salaries	5,972,309	6,016,804	6,278,280
Employee Benefits	1,486,602	1,587,757	1,565,904
Total Salaries and Benefits	7,458,911	7,604,561	7,844,184
Services and Supplies			
Services	847,085	699,411	659,833
Student Transportation	352,932	339,051	375,252
Professional Development and Travel	195,648	99,587	45,228
Rentals and Leases	39,535	45,212	45,201
Dues and Fees	24,496	16,880	11,735
Insurance	53,323	36,316	25,344
Interest	2,000		
Supplies	254,071	242,891	296,528
Utilities	340,418	322,929	311,401
Total Services and Supplies	2,109,508	1,802,277	1,770,522
Total Operating Expense	9,568,419	9,406,838	9,614,706

School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object
Year Ended June 30, 2019

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	2,270,206	207,866	27,568	306,601	1,671	115,481	2,929,393
1.03 Career Programs	23,473	4,471				744	28,688
1.07 Library Services	130,867			91,146		10,050	232,063
1.08 Counselling	130,112	10,433				5,513	146,058
1.10 Special Education	308,785	67,656	697,945			65,677	1,140,063
1.31 Aboriginal Education		36,523	170,422			9,924	216,869
1.41 School Administration	15,988	336,040					352,028
Total Function 1	2,879,431	662,989	895,935	397,747	1,671	207,389	5,045,162
4 District Administration							
4.11 Educational Administration				20,972	124,070		145,042
4.40 School District Governance					52,296		52,296
4.41 Business Administration		44,881		66,217	284,099		395,197
Total Function 4	-	44,881	-	87,189	460,465	-	592,535
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				8,333	151,994		160,327
5.50 Maintenance Operations				175,907			175,907
5.52 Maintenance of Grounds							-
5.56 Utilities							-
Total Function 5	-	-	-	184,240	151,994	-	336,234
7 Transportation and Housing							
7.41 Transportation and Housing Administration					24,869		24,869
7.70 Student Transportation				18,004			18,004
Total Function 7	-	-	-	18,004	24,869	-	42,873
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	2,879,431	707,870	895,935	687,180	638,999	207,389	6,016,804

School District No. 81 (Fort Nelson)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C (Unaudited)

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2019 Actual \$	2019 Budget \$	2018 Actual \$
1 Instruction							
1.02 Regular Instruction	2,929,393	836,172	3,765,565	336,529	4,102,094	4,228,685	4,323,630
1.03 Career Programs	28,688	6,208	34,896		34,896	41,701	153,961
1.07 Library Services	232,063	48,230	280,293	3,227	283,520	257,276	241,424
1.08 Counselling	146,058	27,782	173,840	110	173,950	167,756	213,698
1.10 Special Education	1,140,063	326,418	1,466,481	49,691	1,516,172	1,552,967	1,444,876
1.31 Aboriginal Education	216,869	58,091	274,960	4,919	279,879	265,883	278,535
1.41 School Administration	352,028	72,301	424,329	16,174	440,503	439,603	427,047
Total Function 1	5,045,162	1,375,202	6,420,364	410,650	6,831,014	6,953,871	7,083,171
4 District Administration							
4.11 Educational Administration	145,042	36,413	181,455	29,635	211,090	209,341	187,214
4.40 School District Governance	52,296	1,800	54,096	57,207	111,303	99,391	63,927
4.41 Business Administration	395,197	85,689	480,886	105,840	586,726	585,767	580,117
Total Function 4	592,535	123,902	716,437	192,682	909,119	894,499	831,258
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	160,327	30,660	190,987	30,169	221,156	231,971	201,853
5.50 Maintenance Operations	175,907	42,453	218,360	484,286	702,646	725,300	732,649
5.52 Maintenance of Grounds	-	-	-	11,871	11,871	7,550	9,642
5.56 Utilities	-	-	-	322,929	322,929	340,418	311,401
Total Function 5	336,234	73,113	409,347	849,255	1,258,602	1,305,239	1,255,545
7 Transportation and Housing							
7.41 Transportation and Housing Administration	24,869	8,841	33,710		33,710	28,099	31,138
7.70 Student Transportation	18,004	6,699	24,703	349,690	374,393	386,711	413,594
Total Function 7	42,873	15,540	58,413	349,690	408,103	414,810	444,732
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	6,016,804	1,587,757	7,604,561	1,802,277	9,406,838	9,568,419	9,614,706

School District No. 81 (Fort Nelson)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,333,783	1,267,318	1,275,705
Other		63,550	68,110
Other Revenue	159,142	227,982	141,405
Investment Income			7,027
Total Revenue	<u>1,492,925</u>	<u>1,558,850</u>	<u>1,492,247</u>
Expenses			
Instruction	1,433,814	1,198,044	1,234,656
Operations and Maintenance		301,695	198,232
Total Expense	<u>1,433,814</u>	<u>1,499,739</u>	<u>1,432,888</u>
Special Purpose Surplus (Deficit) for the year	<u>59,111</u>	<u>59,111</u>	<u>59,359</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(248)
Other	(59,111)	(59,111)	(59,111)
Total Net Transfers	<u>(59,111)</u>	<u>(59,111)</u>	<u>(59,359)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 81 (Fort Nelson)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

Schedule 3A (Unaudited)

	Annual Facility Grant \$	Learning Improvement Fund \$	Aboriginal Education Technology \$	Special Education Equipment \$	Scholarships and Bursaries \$	School Generated Funds \$	Strong Start \$	Ready, Set, Learn \$	OLEP \$
Deferred Revenue, beginning of year									
Add: Restricted Grants									
Provincial Grants - Ministry of Education	64,611	35,952	2,610	2,104	13,850	163,733	64,000	7,350	7,809
Provincial Grants - Other									
Other									
Investment Income									
					1,700	181,858			
Less: Allocated to Revenue	64,611	35,952	-	-	1,700	181,858	64,000	7,350	7,809
Deferred Revenue, end of year	-	-	2,610	2,006	10,650	223,082	64,000	7,350	6,781
						122,509	-	-	1,028
Revenues									
Provincial Grants - Ministry of Education	64,611	35,952		98			64,000	7,350	6,781
Provincial Grants - Other									
Other Revenue									
					4,900	223,082	64,000	7,350	6,781
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		31,044							1,562
Support Staff									
Other Professionals							46,919	1,189	
Substitutes									
Employee Benefits	-	31,044	-	-	-	-	46,919	1,189	1,562
Services and Supplies	5,500	4,908					15,445	574	
	5,500	35,952	-	98	4,900	223,082	1,636	5,587	5,219
				98	4,900	223,082	64,000	7,350	6,781
Net Revenue (Expense) before Interfund Transfers	59,111	-	-	-	-	-	-	-	-
Interfund Transfers									
Other	(59,111)								
	(59,111)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 81 (Fort Nelson)

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

Schedule 3A (Unaudited)

	CommunityLINK Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Speech Path	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	16,414				198,711
Add: Restricted Grants					
Provincial Grants - Ministry of Education	131,286	182,588	755,748	2,490	1,251,834
Provincial Grants - Other				70,913	70,913
Other				181,858	181,858
Investment Income					1,700
Less: Allocated to Revenue	131,286	182,588	755,748	2,490	1,506,305
Deferred Revenue, end of year	131,286	199,002	755,748	2,490	1,538,850
	-	-	-	7,363	146,166
Revenues					
Provincial Grants - Ministry of Education	131,286	199,002	755,748	2,490	1,267,318
Provincial Grants - Other				63,550	63,550
Other Revenue					227,982
Expenses					
Salaries	131,286	199,002	755,748	2,490	1,558,850
Teachers					
Principals and Vice Principals			617,206		618,768
Educational Assistants		153,628			153,628
Support Staff	6,518				31,044
Other Professionals	99,109			9,500	53,437
Substitutes		198	1,562		109,798
	105,627	153,826	618,768		1,760
Employee Benefits	23,835	45,176	136,980	9,500	968,435
Services and Supplies	1,824			3,880	230,798
	131,286	199,002	755,748	50,170	300,506
			2,490	63,550	1,499,739
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	59,111
Interfund Transfers					
Other					(59,111)
Net Revenue (Expense)	-	-	-	-	(59,111)
Additional Expenses funded by, and reported in, the Operating Fund	845				845

School District No. 81 (Fort Nelson)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	99,764	99,764		99,764	73,285
Amortization of Deferred Capital Revenue	317,752	354,795		354,795	322,712
Total Revenue	<u>417,516</u>	<u>454,559</u>	<u>-</u>	<u>454,559</u>	<u>395,997</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	705,208	705,208		705,208	673,019
Debt Services					
Capital Lease Interest				-	12,265
Capital Loan Interest	31,945		30,905	30,905	22,526
Total Expense	<u>737,153</u>	<u>705,208</u>	<u>30,905</u>	<u>736,113</u>	<u>707,810</u>
Capital Surplus (Deficit) for the year	<u>(319,637)</u>	<u>(250,649)</u>	<u>(30,905)</u>	<u>(281,554)</u>	<u>(311,813)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	44,750	83,213		83,213	89,586
Capital Loan Payment	156,410		156,311	156,311	145,191
Total Net Transfers	<u>201,160</u>	<u>83,213</u>	<u>156,311</u>	<u>239,524</u>	<u>234,777</u>
Other Adjustments to Fund Balances					
Principal Payment					
Capital Loan		225,170	(225,170)	-	
AFG bylaw paid to loan		(99,764)	99,764	-	
Total Other Adjustments to Fund Balances		<u>125,406</u>	<u>(125,406)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(118,477)</u>	<u>(42,030)</u>	<u>-</u>	<u>(42,030)</u>	<u>(77,036)</u>
Capital Surplus (Deficit), beginning of year		5,330,641	3,076	5,333,717	5,410,753
Capital Surplus (Deficit), end of year		<u>5,288,611</u>	<u>3,076</u>	<u>5,291,687</u>	<u>5,333,717</u>

Schedule 4A (Unaudited)

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School District No. 81 (Fort Nelson)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	8,399,761	395,476		8,795,237
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	551,040	12,732		563,772
	551,040	12,732	-	563,772
Decrease:				
Amortization of Deferred Capital Revenue	339,458	15,337		354,795
	339,458	15,337	-	354,795
Net Changes for the Year	211,582	(2,605)	-	208,977
Deferred Capital Revenue, end of year	8,611,343	392,871	-	9,004,214
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	8,611,343	392,871	-	9,004,214

School District No. 81 (Fort Nelson)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year			4,774			4,774
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	661,995					661,995
Provincial Grants - Other	661,995	-	10,800	-	-	10,800
			10,800			672,795
Decrease:						
Transferred to DCR - Capital Additions	551,040		12,732			563,772
AFG-bylaw loan payment	99,764					99,764
	650,804	-	12,732	-	-	663,536
Net Changes for the Year	11,191	-	(1,932)	-	-	9,259
Balance, end of year	11,191	-	2,842	-	-	14,033