

Audited Financial Statements of

# **School District No. 60 (Peace River North)**

June 30, 2018

# School District No. 60 (Peace River North)

June 30, 2018

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# School District No. 60 (Peace River North)

## MANAGEMENT REPORT

Version: 8425-7679-5696

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

The accompanying financial statements of School District No. 60 (Peace River North) 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.



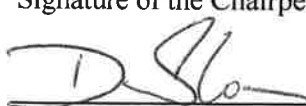
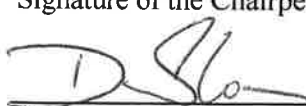
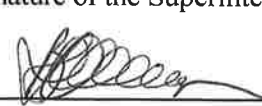
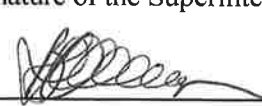
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 60 (Peace River North) 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. 60 (Peace River North)

	
Signature of the Chairperson of the Board of Education	Oct 01, 2018. Date Signed
	
Signature of the Superintendent	9/28/18 Date Signed
	
Signature of the Secretary Treasurer	Oct 1 / 18 Date Signed



KPMG LLP  
#102 9705 100 Avenue  
Fort St. John BC V1J 1Y2  
Canada  
Telephone (250) 787-1989  
Fax (250) 563-5693

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education of School District No. 60 (Peace River North) and  
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 60 (Peace River North) 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. 60 (Peace River North) 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

September 24, 2018

Fort St. John, Canada

# School District No. 60 (Peace River North)


Statement of Financial Position

As at June 30, 2018

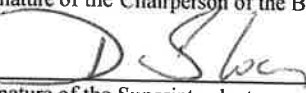
Statement

	2018 Actual \$	2017 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents		
Accounts Receivable	16,238,593	16,781,673
Due from Province - Ministry of Education		
Other (Note 3)	1,401,904	
Inventories for Resale	1,906,122	1,502,178
<b>Total Financial Assets</b>	<b>517,793</b>	<b>1,400,576</b>
	<b>20,064,412</b>	<b>19,684,427</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	7,669,249	5,712,992
Unearned Revenue (Note 5)	131,095	229,431
Deferred Revenue (Note 6)	2,726,443	2,571,846
Deferred Capital Revenue (Note 7)	77,974,070	63,654,959
Employee Future Benefits (Note 8)	397,701	364,765
<b>Total Liabilities</b>	<b>88,898,558</b>	<b>72,533,993</b>
<b>Net Financial Assets (Debt)</b>	<b>(68,834,146)</b>	<b>(52,849,566)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets	99,811,611	82,060,474
Prepaid Expenses	220,508	172,074
<b>Total Non-Financial Assets</b>	<b>100,032,119</b>	<b>82,232,548</b>
<b>Accumulated Surplus (Deficit)</b>	<b>31,197,973</b>	<b>29,382,982</b>

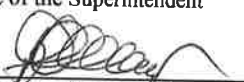
Approved by the Board

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

Oct. 01, 2018  
\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Signature of the Superintendent

9/28/18  
\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Signature of the Secretary Treasurer

10/01/18  
\_\_\_\_\_  
Date Signed

# School District No. 60 (Peace River North)

## Statement of Operations

Year Ended June 30, 2018

Statement

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	69,053,614	<b>68,055,155</b>	63,299,356
Other	116,431	<b>239,539</b>	151,510
Federal Grants	177,794	<b>200,326</b>	174,731
Tuition	769,000	<b>849,643</b>	690,203
Other Revenue	2,157,500	<b>3,067,192</b>	2,212,397
Rentals and Leases	7,700	<b>5,054</b>	6,349
Investment Income	100,000	<b>260,518</b>	158,880
Amortization of Deferred Capital Revenue	2,398,584	<b>2,379,506</b>	2,380,065
<b>Total Revenue</b>	<b>74,780,623</b>	<b>75,056,933</b>	<b>69,073,491</b>
<b>Expenses</b>			
Instruction	60,446,138	<b>57,457,097</b>	53,143,405
District Administration	2,079,778	<b>2,100,030</b>	1,964,581
Operations and Maintenance	9,679,115	<b>9,798,309</b>	9,318,210
Transportation and Housing	3,885,246	<b>3,886,506</b>	3,899,010
<b>Total Expense</b>	<b>76,090,277</b>	<b>73,241,942</b>	<b>68,325,206</b>
<b>Surplus (Deficit) for the year</b>	<b>(1,309,654)</b>	<b>1,814,991</b>	<b>748,285</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>29,382,982</b>	<b>28,634,697</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>31,197,973</b>	<b>29,382,982</b>

# School District No. 60 (Peace River North)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

Statemen

	2018 Budget \$	2018 Actual \$	2017 Actual \$
<b>Surplus (Deficit) for the year</b>	<u>(1,309,654)</u>	<u>1,814,991</u>	<u>748,285</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(20,350,462)	(21,098,845)	(14,517,846)
Amortization of Tangible Capital Assets	3,313,343	3,347,708	3,243,992
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(17,037,119)</u>	<u>(17,751,137)</u>	<u>(11,273,854)</u>
Acquisition of Prepaid Expenses		(220,508)	(172,074)
Use of Prepaid Expenses		172,074	144,036
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(48,434)</u>	<u>(28,038)</u>
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(18,346,773)</u>	<u>(15,984,580)</u>	<u>(10,553,607)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>(15,984,580)</u>	<u>(10,553,607)</u>
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(52,849,566)</u>	<u>(42,295,959)</u>
<b>Net Financial Assets (Debt), end of year</b>		<u>(68,834,146)</u>	<u>(52,849,566)</u>

# School District No. 60 (Peace River North)

Statement of Cash Flows

Year Ended June 30, 2018

Statement

	2018 Actual \$	2017 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year		
Changes in Non-Cash Working Capital	1,814,991	748,285
Decrease (Increase)		
Accounts Receivable	(1,805,848)	(1,011,378)
Inventories for Resale	882,783	(548,915)
Prepaid Expenses	(48,434)	(28,038)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,956,257	(724,777)
Unearned Revenue	(98,336)	62,629
Deferred Revenue	154,597	312,022
Employee Future Benefits	32,936	11,923
Amortization of Tangible Capital Assets	3,347,708	3,243,992
Amortization of Deferred Capital Revenue	(2,379,506)	(2,380,065)
<b>Total Operating Transactions</b>	<b>3,857,148</b>	<b>(314,322)</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(7,072,082)	(4,580,488)
Tangible Capital Assets -WIP Purchased	(14,026,763)	(9,937,358)
<b>Total Capital Transactions</b>	<b>(21,098,845)</b>	<b>(14,517,846)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	16,698,617	15,620,476
<b>Total Financing Transactions</b>	<b>16,698,617</b>	<b>15,620,476</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(543,080)</b>	<b>788,308</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>16,781,673</b>	<b>15,993,365</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>16,238,593</b>	<b>16,781,673</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	16,238,593	16,781,673
	<b>16,238,593</b>	<b>16,781,673</b>

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on April 12<sup>th</sup>, 1946 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. 60 (Peace River North)", and operates as "School District No. 60 (Peace River North)." 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. 60 (Peace River North) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

These consolidated 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), 2(g) 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), 2(g) 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, 2018 – increase in annual surplus by \$3,912,236 (2017 - \$1,220,288)  
June 30, 2018 – increase in accumulated surplus and decrease in deferred contributions by \$77,974,070 (2017 - \$63,654,959).

b) Cash and Cash Equivalents

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

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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

cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Inventories for Resale

Inventories for resale include properties and are measured at lower of cost and net realizable value. Cost includes all costs incurred to get the properties ready for sale. Net realizable value is the expected selling price in the ordinary course of business.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

f) Deferred Revenue

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

g) Deferred Capital Revenue

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2 (a) for the impact of this policy on these financial statements.

h) Employee Future Benefits

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

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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h) Employee Future Benefits (note continued)

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 (EARSLS) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

i) Liability for Contaminated Sites

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

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

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

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- 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. No amortization is recorded in the year the tangible capital asset is recorded. Estimated useful life is as follows:

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

k) Prepaid Expenses

Prepaid insurance, annual software licenses, subscriptions, membership fees and travel expenses are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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

**l) Funds and Reserves**

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 11 – Interfund Transfers and Note 16 – Accumulated Surplus).

**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 unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2(a) for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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

m) Revenue Recognition (note continued)

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.

Categories of Salaries

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

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 other liabilities.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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

o) Financial Instruments (note continued)

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

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

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

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

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 consolidated financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

q) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	June 30, 2018	June 30, 2017
Due from Federal Government	\$ 346,060	\$ 335,673
Other	1,621,912	1,215,503
Allowance for Doubtful Accounts	(61,850)	(48,998)
	<u>\$1,906,122</u>	<u>\$1,502,178</u>

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

	June 30, 2018	June 30, 2017
Trade payables	\$3,556,443	\$1,915,645
Salaries and benefits payable	3,684,360	3,356,880
Accrued vacation pay	365,946	364,427
Other	62,500	76,040
	<u>\$ 7,669,249</u>	<u>\$ 5,712,992</u>

**NOTE 5      UNEARNED REVENUE**

	June 30, 2018	June 30, 2017
Balance, beginning of year	\$ 229,431	\$ 166,802
Changes for the year:		
Increase:		
Tuition fees	131,095	229,431
Decrease:		
Tuition fees	229,431	166,802
Net changes for the year	(98,336)	62,629
Balance, end of year	<u>\$ 131,095</u>	<u>\$ 229,431</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. Detailed information about the changes in deferred revenue is below.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

**NOTE 6      DEFERRED REVENUE (Continued)**

	June 30, 2018	June 30, 2017
Balance, beginning of year	\$ 2,571,846	\$2,259,824
Add: Restricted Grants		
Provincial Grants – Ministry of Education	5,647,696	3,067,891
Provincial Grants – Other	239,539	151,510
Federal Grants	188,255	174,731
Other	2,463,573	2,079,341
Less:		
Strike Savings Recovery	-	-
	8,539,063	5,473,473
Less:		
Amount allocated to revenue	8,384,466	5,161,451
Net changes for the year	154,597	312,022
Balance, end of year	\$2,726,433	\$2,571,846

**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. Detailed information about the changes in deferred capital revenue is included below.

	June 30, 2018	June 30, 2017
Deferred Capital Revenue		
Deferred Capital Revenue, beginning of year	\$46,929,382	\$45,709,094
Changes for the Year:		
Increase:		
Transferred from Deferred Revenue – Capital Additions	6,291,742	3,600,353
Transferred from Work in Progress	-	-
	6,291,742	3,600,353
Decrease:		
Amortization of Deferred Capital Contributions	2,379,506	2,380,065
Net changes for the year	3,912,236	1,220,288
Deferred Capital Revenue, end of year	\$50,841,618	\$46,929,382
Work in Progress, Beginning of Year	\$10,386,398	\$ 649,040

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

**NOTE 7      DEFERRED CAPITAL REVENUE**  
**(Continued)**

Changes for the Year:

Increase:

Transferred from Deferred Revenue – Work in Progress	13,677,571	9,737,358
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Decrease:

Transferred to Deferred Capital Revenue	-	-
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Net changes for the year	13,677,571	9,737,358
Work in Progress, end of year	\$24,063,969	\$10,386,398
Total Deferred Capital Revenue before Unspent Deferred Capital Revenue (FS Schedule 4C)	\$74,905,587	\$57,315,780

Changes in Unspent Deferred Capital Revenue	June 30, 2018	June 30, 2017
Balance, beginning of year	\$ 6,339,179	\$ 4,056,414

Changes for the Year:

Increase:

Provincial Grants – Ministry of Education	16,138,289	14,592,859
Provincial Grants – Other	473,282	68,980
Investment Income	-	-
Other	87,046	958,637
	16,698,617	15,620,476

Decrease:

Transferred to DCR – Capital Additions	6,291,742	3,600,353
Transferred to DCR – Work in Progress		9,737,358
	13,677,571	

Transferred to Revenue – Site Purchases

Net changes for the year	(3,270,696)	2,282,765
Balance, end of year	\$ 3,068,483	\$ 6,339,179
Total Deferred Capital Revenue, end of year	\$77,974,070	\$63,654,959

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

**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.

	June 30, 2018	June 30, 2017
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	490,647	509,230
Service Cost	38,238	38,808
Interest Cost	14,035	12,979
Benefit Payments	(37,021)	(57,722)
Actuarial (Gain) Loss	2,452	(12,648)
Accrued Benefit Obligation – March 31	<u>508,351</u>	<u>490,647</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	508,351	490,647
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(508,351)	(490,647)
Employer Contributions After Measurement Date	0	0
Benefits Expense After Measurement Date	(14,096)	(13,068)
Unamortized Net Actuarial (Gain) Loss	124,746	138,950
Accrued Benefit Asset (Liability) - June 30	<u>(397,701)</u>	<u>(364,765)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	364,765	352,842
Net Expense for Fiscal Year	69,957	69,645
Employer Contributions	(37,021)	(57,722)
Accrued Benefit Liability (Asset) - June 30	<u>397,701</u>	<u>364,765</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	39,114	38,666
Interest Cost	14,188	13,243
Amortization of Net Actuarial (Gain)/Loss	16,656	17,737
Net Benefit Expense (Income)	<u>69,957</u>	<u>69,645</u>

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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

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

	June 30, 2018	June 30, 2017
<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%	2.50%
Long Term Salary Growth - March 31	2.50%	2.50%
EARS L - March 31	11.7	11.7

**NOTE 9      TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2018	Net Book Value 2017
Sites	\$13,019,087	\$13,019,087
Buildings	56,320,386	52,179,596
Buildings – work in progress	23,993,894	10,764,816
Furniture & Equipment	1,636,011	1,429,519
Furniture & Equipment – work in progress	442,555	85,582
Vehicles	3,071,703	3,497,515
Computer Software	108,970	135,019
Computer Hardware	1,127,485	949,340
Computer Hardware – work in progress	91,520	
<b>Total</b>	<b>\$ 99,811,611</b>	<b>\$82,060,474</b>

**June 30, 2018**

Cost:	Balance at June 30, 2017	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2018
Sites	\$13,019,087	\$ -	\$ -	\$ -	\$13,019,087
Buildings	103,882,432	6,223,205	-	-	110,105,637
Buildings – work in progress	10,764,816	13,229,078	-	-	23,993,894
Furniture & Equipment	2,394,880	531,562	(363,987)	-	2,562,455
Furniture & Equip - work in progress	85,582	356,973	-	-	442,555
Vehicles	6,402,904	214,478	(1,095,376)	-	5,522,006
Computer Software	226,182	19,187	(58,907)	-	186,462
Computer Hardware	1,273,484	432,842	(56,863)	-	1,649,463
Computer Hardware – work in progress		91,520			91,520
<b>Total</b>	<b>\$138,049,367</b>	<b>\$21,098,845</b>	<b>\$(1,575,133)</b>	<b>\$ -</b>	<b>\$157,573,079</b>

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

**NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)**

Accumulated Amortization:	Balance at June 30, 2017	Additions	Disposals	Balance at June 30, 2018
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	51,617,254	2,167,997	-	53,785,251
Furniture & Equipment	1,050,943	239,488	(363,987)	926,444
Vehicles	2,905,389	640,290	(1,095,376)	2,450,303
Computer Software	91,163	45,236	(58,907)	77,492
Computer Hardware	324,144	254,697	(56,863)	521,978
Total	\$55,988,893	\$ 3,347,708	\$(1,575,133)	\$57,761,468

**June 30, 2017**

Cost:	Balance at June 30, 2016	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2017
Sites	\$13,019,087	\$ -	\$ -	\$ -	\$13,019,087
Buildings	100,351,059	3,531,373	-	-	103,882,432
Buildings – work in progress	913,040	9,851,776	-	-	10,764,816
Furniture & Equipment	2,267,771	256,353	(129,244)	-	2,394,880
Furniture & Equip - work in progress	-	85,582	-	-	85,582
Vehicles	6,770,128	234,964	(602,188)	-	6,402,904
Computer Software	199,598	26,584	-	-	226,182
Computer Hardware	1,033,647	531,214	(291,377)	-	1,273,484
Total	\$124,554,330	\$14,517,846	\$(1,022,809)	\$ -	\$138,049,367

Accumulated Amortization:	Balance at June 30, 2016	Additions	Disposals	Balance at June 30, 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	49,523,701	2,093,553	-	51,617,254
Furniture & Equipment	953,410	226,777	(129,244)	1,050,943
Vehicles	2,830,564	677,013	(602,188)	2,905,389
Computer Software	51,243	39,920	-	91,163
Computer Hardware	408,792	206,729	(291,377)	324,144
Total	\$53,767,710	\$ 3,243,992	\$(1,022,809)	\$55,988,893

**NOTE 10 EMPLOYEE PENSION PLANS**

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represents plan members and employers and is responsible for managing the pension plan including investing assets and administering of benefits. The pension plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2014, the Teachers' Pension Plan has about 45,000 active members, and approximately 33,000 retired members from

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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school districts. As at December 31, 2014, the Municipal Pension Plan has about 185,000 active members, of which approximately 24,000 are from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2017 with results available in 2018. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding deficit for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available in 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the Plan.

School District 60 (Peace River North) paid \$5,316,095 (2017 - \$5,033,926) for employer contributions to these plans in the year ended June 30, 2018

**NOTE 11      INTERFUND TRANSFERS**

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

- \$1,053,081 transferred from the operating fund to the capital fund for capital asset purchases.
- \$76,451 was transferred from the special purpose fund to the capital fund for capital asset purchases.

**NOTE 12      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 13      BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board through the adoption of an annual budget on June 19, 2017.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

**NOTE 14 ASSET RETIREMENT OBLIGATION**

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The liability will be recognized in the period in which a reasonable estimate of fair value can be made. As at June 30, 2018, the liability is not reasonably determinable.

**NOTE 15 EXPENSE BY OBJECT**

	2018	2017
Salaries and benefits	\$ 57,452,852	\$ 55,020,791
Services and supplies	12,441,382	10,060,423
Amortization	3,347,708	3,243,992
	<u>\$ 73,241,942</u>	<u>\$ 68,325,206</u>

**NOTE 16 ACCUMULATED SURPLUS**

Operating Fund:		
Internally Restricted (appropriated) by Board for:		
Budget reserve for carry forward to 2017/18	\$ 491,382	
Education Initiatives	1,064,000	
MMC School Construction Project	1,854,930	
New NE School Construction Project	2,300,000	
Planned Projects & Staffing Contingencies	581,636	
Subtotal Internally Restricted	<u>6,291,948</u>	
Unrestricted Operating Surplus (Deficit)		-
Total Operating Fund Surplus:		<u>\$ 6,291,948</u>
Capital Fund:		
Invested in Tangible Capital Assets	\$ 24,906,025	
Local Capital Reserve	-	
Total Capital Fund Surplus:	<u>24,906,025</u>	
Accumulated Surplus		<u>\$ 31,197,973</u>

**NOTE 17 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.

**SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018**

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**NOTE 18      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, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and are collectible. It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions.

b) Market risk :

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk.

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. 60 (Peace River North)

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
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>					
<b>Changes for the year</b>					
Surplus (Deficit) for the year	4,638,287		24,744,695	29,382,982	28,634,697
Interfund Transfers					
Tangible Capital Assets Purchased	2,706,742	76,451	(968,202)	1,814,991	748,285
<b>Net Changes for the year</b>	(1,053,081)	(76,451)	1,129,532	-	
	<u>1,653,661</u>	<u>-</u>	<u>161,330</u>	<u>1,814,991</u>	<u>748,285</u>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<u>6,291,948</u>	<u>-</u>	<u>24,906,025</u>	<u>31,197,973</u>	<u>29,382,982</u>

**School District No. 60 (Peace River North)**

## Schedule of Operating Operations

Year Ended June 30, 2018

Schedule 2 (Unaudited)

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	61,142,191	62,279,896	60,510,703
Tuition	769,000	849,643	690,203
Other Revenue	110,000	897,850	165,840
Rentals and Leases	7,700	5,054	6,349
Investment Income	100,000	260,518	158,880
<b>Total Revenue</b>	<b>62,128,891</b>	<b>64,292,961</b>	<b>61,531,975</b>
<b>Expenses</b>			
Instruction	50,540,346	49,379,601	48,097,857
District Administration	2,079,778	2,100,030	1,964,581
Operations and Maintenance	6,647,710	6,860,372	6,639,933
Transportation and Housing	3,255,952	3,246,216	3,221,997
<b>Total Expense</b>	<b>62,523,786</b>	<b>61,586,219</b>	<b>59,924,368</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(394,895)</b>	<b>2,706,742</b>	<b>1,607,607</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>1,644,895</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(1,250,000)	(1,053,081)	(975,530)
Tangible Capital Assets - Work in Progress			(200,000)
<b>Total Net Transfers</b>	<b>(1,250,000)</b>	<b>(1,053,081)</b>	<b>(1,175,530)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>1,653,661</b>	<b>432,077</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>4,638,287</b>	<b>4,206,210</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>6,291,948</b>	<b>4,638,287</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		6,291,948	4,638,287
<b>Total Operating Surplus (Deficit), end of year</b>		<b>6,291,948</b>	<b>4,638,287</b>

**School District No. 60 (Peace River North)**

Schedule 2A (Unaudited)

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	60,018,052	<b>61,052,986</b>	59,039,684
DISC/LEA Recovery			(1,316)
Other Ministry of Education Grants			
Pay Equity	241,350	<b>241,350</b>	241,350
Funding for Graduated Adults	25,000	<b>58,879</b>	42,800
Transportation Supplement	425,785	<b>425,785</b>	425,785
Economic Stability Dividend		<b>37,304</b>	31,899
Return of Administrative Savings	307,317	<b>307,317</b>	307,317
Carbon Tax Grant	116,500	<b>121,219</b>	115,684
Student Learning Grant			299,313
FSA Funding	8,187	<b>8,187</b>	8,187
Support Staff Benefits		<b>26,869</b>	
<b>Total Provincial Grants - Ministry of Education</b>	<b>61,142,191</b>	<b>62,279,896</b>	60,510,703
<b>Tuition</b>			
International and Out of Province Students	769,000	<b>849,643</b>	690,203
<b>Total Tuition</b>	<b>769,000</b>	<b>849,643</b>	690,203
<b>Other Revenues</b>			
LEA/Direct Funding from First Nations			1,316
Miscellaneous			
Net Misc. Revenues	110,000	<b>24,438</b>	164,196
Apple Warrenty Credits		<b>280</b>	328
Sale of Residential Construction House(s)		<b>801,241</b>	
School Age Therapy		<b>71,891</b>	
<b>Total Other Revenue</b>	<b>110,000</b>	<b>897,850</b>	165,840
<b>Rentals and Leases</b>	<b>7,700</b>	<b>5,054</b>	6,349
<b>Investment Income</b>	<b>100,000</b>	<b>260,518</b>	158,880
<b>Total Operating Revenue</b>	<b>62,128,891</b>	<b>64,292,961</b>	61,531,975

**School District No. 60 (Peace River North)**Schedule of Operating Expense by Object  
Year Ended June 30, 2018

Schedule 2B (Unaudited)

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	25,895,949	24,328,947	24,862,070
Principals and Vice Principals	4,060,113	3,709,022	3,748,852
Educational Assistants	3,959,115	4,178,765	3,842,792
Support Staff	6,458,338	6,527,082	6,375,311
Other Professionals	1,659,818	1,654,152	1,650,909
Substitutes	2,007,543	1,914,276	1,901,774
<b>Total Salaries</b>	44,040,876	42,312,244	42,381,708
<b>Employee Benefits</b>	10,496,165	9,699,345	10,005,722
<b>Total Salaries and Benefits</b>	54,537,041	52,011,589	52,387,430
<b>Services and Supplies</b>			
Services	527,204	606,221	442,698
Student Transportation	254,289	267,467	267,467
Professional Development and Travel	942,063	976,015	893,071
Rentals and Leases	36,200	21,038	20,215
Dues and Fees	45,200	60,986	38,511
Insurance	239,818	236,421	235,479
Supplies	4,303,800	5,975,401	4,103,832
Utilities	1,638,171	1,431,081	1,535,665
<b>Total Services and Supplies</b>	7,986,745	9,574,630	7,536,938
<b>Total Operating Expense</b>	62,523,786	61,586,219	59,924,368

# School District No. 60 (Peace River North)

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	19,327,619	1,062,551		1,502,820	192,964	1,325,108	23,411,062
1.03 Career Programs	280,087	132,643	25,787	39,104		20,863	498,484
1.07 Library Services	728,033	4,293		58,691			791,017
1.08 Counselling	796,079						796,079
1.10 Special Education	2,493,287	250,210	3,544,061	74,614		331,831	6,694,003
1.30 English Language Learning	462,414		116,822			5,384	584,620
1.31 Aboriginal Education	241,428	106,905	492,095	49,443		24,628	914,499
1.41 School Administration		2,152,420		430,952			2,583,372
<b>Total Function 1</b>	<b>24,328,947</b>	<b>3,709,022</b>	<b>4,178,765</b>	<b>2,155,624</b>	<b>192,964</b>	<b>1,707,814</b>	<b>36,273,136</b>
<b>4 District Administration</b>							
4.11 Educational Administration				3,486	512,402		515,888
4.40 School District Governance					94,515		94,515
4.41 Business Administration				55,496	665,791		721,287
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,982</b>	<b>1,272,708</b>	<b>-</b>	<b>1,331,690</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				38,208	108,042		146,250
5.50 Maintenance Operations				2,472,404		38,207	2,510,611
5.52 Maintenance of Grounds				383,853			383,853
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,894,465</b>	<b>108,042</b>	<b>38,207</b>	<b>3,040,714</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				3,486	80,438		83,924
7.70 Student Transportation				1,414,525		168,255	1,582,780
7.73 Housing							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,418,011</b>	<b>80,438</b>	<b>168,255</b>	<b>1,666,704</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>24,328,947</b>	<b>3,709,022</b>	<b>4,178,765</b>	<b>6,527,082</b>	<b>1,654,152</b>	<b>1,914,276</b>	<b>42,312,244</b>

# School District No. 60 (Peace River North)

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	23,411,062	5,462,739	28,873,801	4,010,004	32,883,805	33,884,447	32,023,563
1.03 Career Programs	498,484	108,139	606,623	19,067	625,690	637,455	532,785
1.07 Library Services	791,017	182,378	973,395	121,248	1,094,643	1,035,519	996,240
1.08 Counselling	796,079	176,896	972,975	8,852	981,827	1,018,468	970,991
1.10 Special Education	6,694,003	1,581,887	8,275,890	322,613	8,598,503	8,826,055	8,620,790
1.30 English Language Learning	584,620	83,788	668,408	11,146	679,554	492,885	483,268
1.31 Aboriginal Education	914,499	215,630	1,130,129	215,165	1,345,294	1,294,700	1,245,912
1.41 School Administration	2,583,372	585,191	3,168,563	1,722	3,170,285	3,350,817	3,224,308
<b>Total Function 1</b>	<b>36,273,136</b>	<b>8,396,648</b>	<b>44,669,784</b>	<b>4,709,817</b>	<b>49,379,601</b>	<b>50,540,346</b>	<b>48,097,857</b>
<b>4 District Administration</b>							
4.11 Educational Administration	515,888	111,639	627,527	110,625	738,152	655,084	630,900
4.40 School District Governance	94,515	1,948	96,463	88,557	185,020	192,953	177,331
4.41 Business Administration	721,287	138,295	859,582	317,276	1,176,858	1,231,741	1,156,350
<b>Total Function 4</b>	<b>1,331,690</b>	<b>251,882</b>	<b>1,583,572</b>	<b>516,458</b>	<b>2,100,030</b>	<b>2,079,778</b>	<b>1,964,581</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	146,250	37,582	183,832	210,689	394,521	419,463	430,162
5.50 Maintenance Operations	2,510,611	547,441	3,058,052	1,121,777	4,179,829	4,064,778	4,060,927
5.52 Maintenance of Grounds	383,853	66,861	450,714	404,227	854,941	525,298	613,179
5.56 Utilities	-	-	-	1,431,081	1,431,081	1,638,171	1,535,665
<b>Total Function 5</b>	<b>3,040,714</b>	<b>651,884</b>	<b>3,692,598</b>	<b>3,167,774</b>	<b>6,860,372</b>	<b>6,647,710</b>	<b>6,639,933</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	83,924	15,989	99,913	5,010	104,923	110,678	105,108
7.70 Student Transportation	1,582,780	382,942	1,965,722	1,175,571	3,141,293	3,141,774	3,116,889
7.73 Housing	-	-	-	-	-	3,500	-
<b>Total Function 7</b>	<b>1,666,704</b>	<b>398,931</b>	<b>2,065,635</b>	<b>1,180,581</b>	<b>3,246,216</b>	<b>3,255,952</b>	<b>3,221,997</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>42,312,244</b>	<b>9,699,345</b>	<b>52,011,589</b>	<b>9,574,630</b>	<b>61,586,219</b>	<b>62,523,786</b>	<b>59,924,368</b>

**School District No. 60 (Peace River North)**

Schedule of Special Purpose Operations

Year Ended June 30, 2018

Schedule 3 (Unaudited)

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	7,911,423	5,775,259	2,788,653
Other	116,431	239,539	151,510
Federal Grants	177,794	200,326	174,731
Other Revenue	2,047,500	2,169,342	2,046,557
<b>Total Revenue</b>	<u>10,253,148</u>	<u>8,384,466</u>	<u>5,161,451</u>
<b>Expenses</b>			
Instruction	9,905,792	8,077,496	5,045,548
Operations and Maintenance	347,356	230,519	111,298
<b>Total Expense</b>	<u>10,253,148</u>	<u>8,308,015</u>	<u>5,156,846</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>76,451</u>	<u>4,605</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased		(76,451)	(4,605)
<b>Total Net Transfers</b>	<u>-</u>	<u>(76,451)</u>	<u>(4,605)</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. 60 (Peace River North)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	261,507		3,053		36,566	1,440,257	154,781	147	4,218
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	298,964	240,557		138,923		2,047,348			
Provincial Grants - Other				138,923		2,047,348			
Federal Grants					36,566	1,868,601	184,788	41,650	109,187
Other						1,619,004	117,993	7,883	4,218
<b>Less: Allocated to Revenue</b>									
<b>Deferred Revenue, end of year</b>	253,501		3,053	138,923		1,868,601	184,788	33,914	109,187
<b>Revenues</b>									
Provincial Grants - Ministry of Education	306,970	240,557			36,566	1,868,601	184,788	33,914	109,187
Provincial Grants - Other									
Federal Grants									
Other Revenue									
<b>Expenses</b>									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		193,776					44,506	11,858	28,758
Support Staff							86,847	278	11,507
Other Professionals	61,862				26,561		3,578	3,398	
Substitutes							2,288		15,402
Employee Benefits	61,862	193,776			26,561		137,219	15,534	55,667
Services and Supplies	15,018	46,781			5,752		30,034	2,760	7,896
	153,639				4,253	1,868,601	17,535	15,620	45,624
	230,519	240,557			36,566	1,868,601	184,788	33,914	109,187
<b>Net Revenue (Expense) before Interfund Transfers</b>	76,451								
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(76,451)								
	(76,451)								
<b>Net Revenue (Expense)</b>									

# School District No. 60 (Peace River North)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

Schedule 3A (Unaudited)

	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	SWIS	EFAP	MISC	Donations
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	54,939	21,244	82,202			73,895	34,643	304,394	100,000
Add: Restricted Grants									
Provincial Grants - Ministry of Education	548,036			347,759	3,908,543			5,000	
Provincial Grants - Other						188,255		152,736	
Federal Grants									
Other									
Less: Allocated to Revenue	548,036			347,759	3,908,543		16,996	260,306	
Deferred Revenue, end of year	498,529	21,244	82,202	347,759	3,908,543	200,326	25,014	418,042	-
	104,446	-	-	-	-	61,824	26,625	433,463	-
Revenues								288,973	100,000
Provincial Grants - Ministry of Education	498,529	21,244	82,202	347,759	3,908,543			5,000	
Provincial Grants - Other						200,326		152,736	
Federal Grants									
Other Revenue									
Expenses								275,727	-
Salaries							25,014	433,463	
Teachers									
Principals and Vice Principals			32,491		3,119,935				
Educational Assistants	3,337			103,816		35,512		10,000	
Support Staff	232,907			2,797	9,312	86,492		74,374	
Other Professionals	44,390			36,525		5,223			
Substitutes				78,774					
		5,920	30,560	2,600	52,699				
Employee Benefits	280,634	5,920	63,051	224,512	3,181,946	127,227	-	84,374	-
Services and Supplies	58,606	1,302	6,889	51,602	706,880	30,421		19,039	
	159,289	14,022	12,262	71,645	19,717	42,678	25,014	330,050	
498,529		21,244	82,202	347,759	3,908,543	200,326	25,014	433,463	-
Net Revenue (Expense) before Interfund Transfers									
Interfund Transfers									
Tangible Capital Assets Purchased									
Net Revenue (Expense)									

# School District No. 60 (Peace River North)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2018

Schedule 3A (Unaudited)

	Rural Recruitment	TOTAL
	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	2,571,846
<b>Add:</b> Restricted Grants		
Provincial Grants - Ministry of Education		5,647,696
Provincial Grants - Other	86,803	239,539
Federal Grants		188,255
Other		2,463,573
	86,803	8,539,063
	86,803	8,384,466
<b>Less: Allocated to Revenue</b>	-	<b>2,726,443</b>
<b>Deferred Revenue, end of year</b>		
<b>Revenues</b>		
Provincial Grants - Ministry of Education		5,775,259
Provincial Grants - Other	86,803	239,539
Federal Grants		200,326
Other Revenue		2,169,342
	86,803	8,384,466
<b>Expenses</b>		
Salaries		
Teachers		3,152,426
Principals and Vice Principals		237,787
Educational Assistants		698,290
Support Staff		93,114
Other Professionals		167,197
Substitutes		109,469
	-	4,458,283
Employee Benefits		982,980
Services and Supplies	86,803	2,866,752
	86,803	8,308,015
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	<b>76,451</b>
<b>Interfund Transfers</b>		
Tangible Capital Assets Purchased		(76,451)
	-	(76,451)
<b>Net Revenue (Expense)</b>	-	<b>-</b>

# School District No. 60 (Peace River North)

Schedule of Capital Operations

Year Ended June 30, 2018

Schedule 4 (Unaudited)

	2018 Budget	2018 Actual			2017 Actual
	\$	Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	\$
<b>Revenues</b>					
Amortization of Deferred Capital Revenue	2,398,584	2,379,506		2,379,506	2,380,065
<b>Total Revenue</b>	2,398,584	2,379,506	-	2,379,506	2,380,065
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,684,049	2,707,418		2,707,418	2,566,979
Transportation and Housing	629,294	640,290		640,290	677,013
<b>Total Expense</b>	3,313,343	3,347,708	-	3,347,708	3,243,992
<b>Capital Surplus (Deficit) for the year</b>	(914,759)	(968,202)	-	(968,202)	(863,927)
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	1,250,000	1,129,532		1,129,532	980,135
Tangible Capital Assets - Work in Progress				-	200,000
<b>Total Net Transfers</b>	1,250,000	1,129,532	-	1,129,532	1,180,135
<b>Total Capital Surplus (Deficit) for the year</b>	335,241	161,330	-	161,330	316,208
<b>Capital Surplus (Deficit), beginning of year</b>		24,744,695		24,744,695	24,428,487
<b>Capital Surplus (Deficit), end of year</b>		24,906,025	-	24,906,025	24,744,695

# School District No. 60 (Peace River North)

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	13,019,087	103,882,432	2,394,880	6,402,904	226,182	1,273,484	127,198,969
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		5,789,019		130,249			5,919,268
Deferred Capital Revenue - Other			23,282				23,282
Operating Fund		8,543	508,280	84,229	19,187	432,842	1,053,081
Special Purpose Funds		76,451					76,451
Transferred from Work in Progress		349,192					349,192
Decrease:							
Deemed Disposals	-	6,223,205	531,562	214,478	19,187	432,842	7,421,274
Cost, end of year							
Work in Progress, end of year	-	-	363,987	1,095,376	58,907	56,863	1,575,133
Cost and Work in Progress, end of year	13,019,087	110,105,637	2,562,455	5,522,006	186,462	1,649,463	133,045,110
	13,019,087	23,993,894	442,555			91,520	24,527,969
		134,099,531	3,005,010	5,522,006	186,462	1,740,983	157,573,079
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		51,617,254	1,050,943	2,905,389	91,163	324,144	55,988,893
Decrease:							
Deemed Disposals		2,167,997	239,488	640,290	45,236	254,697	3,347,708
Accumulated Amortization, end of year							
			363,987	1,095,376	58,907	56,863	1,575,133
	-	-	363,987	1,095,376	58,907	56,863	1,575,133
	53,785,251	926,444	2,450,303	77,492	521,978	57,761,468	
Tangible Capital Assets - Net	13,019,087	80,314,280	2,078,566	3,071,703	108,970	1,219,005	99,811,611

**School District No. 60 (Peace River North)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2018

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	10,764,816	85,582			10,850,398
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	11,844,561	354,033		91,520	12,290,114
Deferred Capital Revenue - Other	1,733,709	2,940			1,736,649
	13,578,270	356,973	-	91,520	14,026,763
Decrease:					
Transferred to Tangible Capital Assets	349,192				349,192
	349,192	-	-	-	349,192
<b>Net Changes for the Year</b>	13,229,078	356,973	-	91,520	13,677,571
<b>Work in Progress, end of year</b>	23,993,894	442,555	-	91,520	24,527,969

**School District No. 60 (Peace River North)**

Deferred Capital Revenue

Year Ended June 30, 2018

Schedule 4C (Unaudited)

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
<b>Deferred Capital Revenue, beginning of year</b>	\$ 44,295,011	\$ 414,130	\$ 2,220,241	\$ 46,929,382
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	5,919,268	23,282		5,942,550
Transferred from Work in Progress	349,192			349,192
	6,268,460	23,282	-	6,291,742
Decrease:				
Amortization of Deferred Capital Revenue	2,301,733	15,748	62,025	2,379,506
	2,301,733	15,748	62,025	2,379,506
<b>Net Changes for the Year</b>	3,966,727	7,534	(62,025)	3,912,236
<b>Deferred Capital Revenue, end of year</b>	48,261,738	421,664	2,158,216	50,841,618
<b>Work in Progress, beginning of year</b>	10,154,424		231,974	10,386,398
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	12,290,114	362,527	1,374,122	14,026,763
	12,290,114	362,527	1,374,122	14,026,763
Decrease				
Transferred to Deferred Capital Revenue	349,192			349,192
	349,192	-	-	349,192
<b>Net Changes for the Year</b>	11,940,922	362,527	1,374,122	13,677,571
<b>Work in Progress, end of year</b>	22,095,346	362,527	1,606,096	24,063,969
<b>Total Deferred Capital Revenue, end of year</b>	70,357,084	784,191	3,764,312	74,905,587

# School District No. 60 (Peace River North)

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	2,071,093	28,626		171,434	4,068,026	6,339,179
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education						16,138,289
Provincial Grants - Other			473,282			473,282
Other				87,046		87,046
Decrease:						
Transferred to DCR - Capital Additions			473,282	87,046	-	16,698,617
Transferred to DCR - Work in Progress						
	5,919,268		23,282			5,942,550
	12,290,114		362,527		1,374,122	14,026,763
	18,209,382	-	385,809	-	1,374,122	19,969,313
Net Changes for the Year	(2,071,093)	-	87,473	87,046	(1,374,122)	(3,270,696)
Balance, end of year	-	28,626	87,473	258,480	2,693,904	3,068,483