

Audited Financial Statements of

School District No. 28 (Quesnel)

June 30, 2019

School District No. 28 (Quesnel)

MANAGEMENT REPORT

Version: 5931-5185-3203

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 28 (Quesnel) 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.

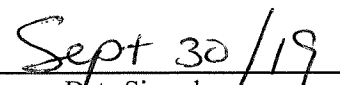
The Board of Education of School District No. 28 (Quesnel) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements 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. 28 (Quesnel) 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.

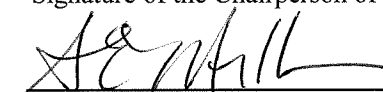
On behalf of School District No. 28 (Quesnel)



Signature of the Chairperson of the Board of Education



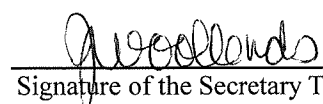
Date Signed



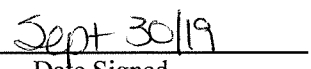
Signature of the Superintendent



Date Signed



Signature of the Secretary Treasurer



Date Signed

School District No. 28 (Quesnel)

June 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Education of the School District No. 28 (Quesnel)
To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 28 (Quesnel) (the Entity), which comprise:

- the statement of financial position as at June 30, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2 to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



Other Information

Management is responsible for the other information. Other information comprises:

- Unaudited Schedules 1-4 attached to the audited financial statements

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and 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.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada
September 18, 2019


School District No. 28 (Quesnel)

Statement of Financial Position
As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	6,439,421	6,509,851
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	284,330	150,599
Other (Note 3)	116,437	182,544
Total Financial Assets	6,840,188	6,842,994
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	863,751	935,325
Deferred Revenue (Note 6)	623,008	623,757
Deferred Capital Revenue (Note 7)	22,506,730	20,380,872
Employee Future Benefits (Note 8)	954,631	957,023
Other Liabilities (Note 5)	2,919,892	1,798,630
Total Liabilities	27,868,012	24,695,607
Net Financial Assets (Debt)	(21,027,824)	(17,852,613)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	28,826,575	26,412,561
Restricted Assets (Endowments) (Note 11)	72,000	72,000
Prepaid Expenses	168,665	156,486
Total Non-Financial Assets	29,067,240	26,641,047
Accumulated Surplus (Deficit)	8,039,416	8,788,434

Unrecognized Assets (Note 14)
Contractual Obligations (Note 15 and 18)
Contingent Liabilities (Note 16)

Approved by the Board



Signature of the Chairperson of the Board of Education

Sept 30/19

Date Signed



Signature of the Superintendent

Sept 30/19

Date Signed



Signature of the Secretary Treasurer

Sept 30/19

Date Signed

School District No. 28 (Quesnel)

Statement 2

Statement of Operations
Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	37,225,214	37,267,450	36,721,072
Other		13,891	61,255
Tuition			7,500
Other Revenue	752,000	853,232	1,064,878
Rentals and Leases	175,364	153,309	206,891
Investment Income	75,000	105,341	76,875
Gain (Loss) on Disposal of Tangible Capital Assets			4,376
Amortization of Deferred Capital Revenue	1,069,249	1,077,249	975,842
Total Revenue	39,296,827	39,470,472	39,118,689
Expenses (Note 19)			
Instruction	31,101,717	30,924,418	30,303,878
District Administration	1,657,956	1,685,136	1,519,875
Operations and Maintenance	5,190,516	5,048,913	4,724,437
Transportation and Housing	2,314,750	2,233,900	2,190,350
Write-off/down of Buildings and Sites		327,123	
Total Expense	40,264,939	40,219,490	38,738,540
Surplus (Deficit) for the year	(968,112)	(749,018)	380,149
Accumulated Surplus (Deficit) from Operations, beginning of year		8,788,434	8,408,285
Accumulated Surplus (Deficit) from Operations, end of year		8,039,416	8,788,434

School District No. 28 (Quesnel)
Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
Surplus (Deficit) for the year	(968,112)	(749,018)	380,149
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,078,288)	(4,102,256)	(3,865,904)
Amortization of Tangible Capital Assets	1,361,120	1,361,119	1,264,150
Net carrying value of Tangible Capital Assets disposed of			124
Write-down carrying value of Tangible Capital Assets (Note 9)		327,123	
Total Effect of change in Tangible Capital Assets	(2,717,168)	(2,414,014)	(2,601,630)
Use of Prepaid Expenses		(12,179)	(3,660)
Total Effect of change in Other Non-Financial Assets	-	(12,179)	(3,660)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(3,685,280)	(3,175,211)	(2,225,141)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(3,175,211)	(2,225,141)
Net Financial Assets (Debt), beginning of year		(17,852,613)	(15,627,472)
Net Financial Assets (Debt), end of year		(21,027,824)	(17,852,613)

School District No. 28 (Quesnel)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(749,018)	380,149
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(67,624)	(30,746)
Prepaid Expenses	(12,179)	(3,660)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(71,574)	297,083
Unearned Revenue		(110)
Deferred Revenue	(749)	(100,532)
Employee Future Benefits	(2,393)	22,343
Other Liabilities	1,121,263	156,624
Loss (Gain) on Disposal of Tangible Capital Assets		(4,376)
Amortization of Tangible Capital Assets	1,361,119	1,264,150
Amortization of Deferred Capital Revenue	(1,077,249)	(975,842)
Write-Off/down of Buildings and Sites (Note 9)	327,123	
Total Operating Transactions	<u>828,719</u>	<u>1,005,083</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,102,256)	(3,865,904)
District Portion of Proceeds on Disposal		4,500
Total Capital Transactions	<u>(4,102,256)</u>	<u>(3,861,404)</u>
Financing Transactions		
Capital Revenue Received	3,203,107	3,531,012
Total Financing Transactions	<u>3,203,107</u>	<u>3,531,012</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(70,430)	674,691
Cash and Cash Equivalents, beginning of year	<u>6,509,851</u>	<u>5,835,160</u>
Cash and Cash Equivalents, end of year	<u>6,439,421</u>	<u>6,509,851</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	6,439,421	6,509,851
	<u>6,439,421</u>	<u>6,509,851</u>

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 AUTHORITY AND PURPOSE

The School District, 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. 28 (Quesnel)", and operates as "School District No. 28 (Quesnel)." 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. 28 (Quesnel) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(d) and 2(l).

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(g) and 2(k), 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 \$2,639,316
June 30, 2018 - increase in accumulated surplus and decrease in deferred contributions by \$20,380,972

Year-ended June 30, 2019 – increase in annual surplus by \$2,707,058
June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions by \$22,506,730

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash 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 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) Deferred Revenue and Deferred Capital Revenue

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

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.

e) 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.

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

e) Employee Future Benefits *(Continued)*

The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan. The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

f) Liability for Contaminated Sites

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

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

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

g) 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.

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

g) *Tangible Capital Assets (Continued)*

- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

h) *Capital Leases*

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

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

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

i) Prepaid Expenses

City utilities and taxes, insurance, contract services, memberships and conference/course registration 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.

j) 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 12 – Interfund Transfers and Note 20 – Internally Restricted Surplus). *Funds and reserves are disclosed on Schedules 2, 3 and 4.*

k) Revenue Recognition

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

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

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

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

k) Revenue Recognition *(Continued)*

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2(a) for the impact of this policy on these financial statements.

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

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

l) 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.
- Superintendent, Secretary-Treasurer, 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.

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

m) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

n) 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, portfolio investments, bank overdraft, accounts payable and accrued liabilities, long term debt and other liabilities.

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

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

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

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

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE

Other receivables

	2019	2018
Due from Federal Government	\$ 40,226	\$ 62,226
Due from City of Quesnel	-	50,000
Other	76,211	70,318
	\$ 116,437	\$ 182,544

Included in “Due from Province – Ministry of Education” is \$126,507 related to the amounts spent on the Quesnel Junior School Project.

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2019	2018
Trade payables	\$ 574,478	\$ 697,413
Salaries and benefits payable	289,273	237,912
	\$ 863,751	\$ 935,325

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 5 OTHER LIABILITIES

	2019	2018
Accrued Vacation Pay	\$ 571,563	\$ 587,159
Receiver General Payable	381,044	365,296
Worker's Compensation Board Payable	53,350	47,390
Teacher Summer Pay Plan Payable	875,313	789,717
Employers Health Tax	315,048	-
Employee Benefit and Programs Payable	264,104	1,668
Pension	457,964	-
Other	1,506	7,400
	<u>\$ 2,919,892</u>	<u>\$ 1,798,630</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
Deferred Revenue, beginning of year	\$ 623,757	\$ 724,289
Add: Restricted Grants		
Provincial Grants – Ministry of Education	3,784,307	3,073,003
Provincial Grant - Other	28,000	17,800
Other Grants	844,980	1,045,378
Investment Income	2,126	2,046
	<u>4,469,869</u>	<u>4,138,227</u>
Less: Allocated to Revenue	4,469,553	4,238,759
Recovered	1,065	-
Balance, end of year	<u>\$ 623,008</u>	<u>\$ 623,757</u>

SCHOOL DISTRICT No. 28 (Quesnel)
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.

	2019	2018
Deferred Capital Revenue, beginning of year	\$ 19,739,026	\$ 17,099,710
MOE Restricted Capital, beginning of year	641,846	725,992
Total Deferred Capital Revenue, beginning of year	\$ 20,380,872	\$ 17,825,702
 Increase:		
Transferred from Deferred Revenue – Capital Additions	\$ 3,483,454	\$ 3,615,158
Sale of Site	-	13,500
Investment Income	2,020	3,387
Total Increase of Deferred Capital Revenue	\$ 3,786,327	\$ 3,632,045
 Decrease:		
Unspent Capital Revenue	\$ 282,367	\$ 101,033
Transferred from Shareable Deferred Revenue	300,853	-
Amortization of Deferred Capital Revenue	1,077,249	975,842
Total Decrease of Deferred Capital Revenue	1,660,469	1,076,875
Deferred Capital Revenue, end of year	\$ 22,506,730	\$ 20,380,872

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	2019	2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 937,934	\$ 945,614
Service Cost	64,595	61,887
Interest Cost	26,214	26,372
Benefit Payments	(82,306)	(127,791)
Actuarial (Gain) Loss	101,434	31,852
Accrued Benefit Obligation – March 31	\$ 1,047,871	\$ 937,934
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 1,047,871	\$ 937,934
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(1,047,871)	(937,934)
Employer Contributions After Measurement Date	28,314	8,832
Benefits Expense After Measurement Date	(23,420)	(22,702)
Unamortized Net Actuarial (Gain) Loss	88,346	(5,219)
Accrued Benefit Asset (Liability) - June 30	\$ (954,631)	\$ (957,023)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	\$ 957,023	\$ 934,680
Net Expense for Fiscal Year	99,396	93,226
Employer Contributions	(101,788)	(70,883)
Accrued Benefit Liability (Asset) - June 30	\$ 954,631	\$ 957,023
Components of Net Benefit Expense		
Service Cost	\$ 65,303	\$ 62,564
Interest Cost	26,224	26,332
Amortization of Net Actuarial (Gain)/Loss	7,869	4,330
Net Benefit Expense (Income)	\$ 99,396	\$ 93,226
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
EARSL - March 31	8.9	9.0

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2019	Net Book Value 2018
Sites	\$ 2,842,620	\$ 2,842,620
Buildings	23,029,547	21,370,615
Furniture & Equipment	834,604	811,287
Vehicles	1,887,793	1,360,525
Computer Software	205,765	27,514
Computer Hardware	26,246	-
Total	\$ 28,826,575	\$ 26,412,561

June 30, 2019

	Opening Cost	Additions	Disposals	Total 2019
Sites	\$ 2,842,620	\$ -	\$ -	\$ 2,842,620
Buildings	53,728,385	2,948,883	370,802	56,306,465
Furniture & Equipment	1,432,118	166,529	241,053	1,357,594
Vehicles	2,495,770	776,845	740,940	2,531,675
Computer Software	27,514	183,754	-	211,268
Computer Hardware	-	26,246	-	26,246
Total	\$ 60,526,406	\$ 4,102,257	\$ 1,352,795	\$ 63,275,868

	Opening Accumulated Amortization	Additions	Disposals	Total 2019
Buildings	\$ 32,357,769	\$ 962,828	\$ 43,679	\$ 33,276,918
Furniture & Equipment	620,831	143,212	241,053	522,990
Vehicles	1,135,245	249,577	740,940	643,882
Computer Software	-	5,503	-	5,503
Total	\$ 34,113,845	\$ 1,361,120	\$ 1,025,672	\$ 34,449,293

During the year, the District wrote off assets related to Quesnel Junior School at 585 Callanan Street in the amount of \$327,123. The students of Quesnel Junior School were relocated during the year to an alternate site leaving the previous site unused. While the option selected by the Ministry of Education for the long-term solution was not communicated until subsequent to year end, the option Containing the renovation of Quesnel Junior School at Callanan Street would have entailed such extensive renovations to the building that there was no deemed value of previous additions.

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2018

	Opening Cost	Additions	Disposals	Total 2018
Sites	\$ 2,842,744	\$ -	\$ 124	\$ 2,842,620
Buildings	50,550,499	3,177,886	-	53,728,385
Furniture & Equipment	1,293,343	398,544	259,769	1,432,118
Vehicles	2,387,188	261,961	153,379	2,495,770
Computer Software	-	27,514	-	27,514
Total	\$ 57,073,774	\$ 3,865,904	\$ 413,272	\$ 60,526,406

June 30, 2018

	Opening Accumulated Amortization	Additions	Disposals	Total 2018
Buildings	\$ 31,461,672	\$ 896,097	\$ -	\$ 32,357,769
Furniture & Equipment	751,266	129,334	259,769	620,831
Vehicles	1,049,905	238,719	153,379	1,135,245
Total	\$ 33,262,843	\$ 1,264,150	\$ 413,148	\$ 34,113,845

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 boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2018, the Teachers' Pension Plan has about 47,849 active members and approximately 38,465 retired members. As of December 31, 2018, the Municipal Pension Plan has about 204,593 active members, 100,971 retired 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.

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 EMPLOYEE PENSION PLANS *(Continued)*

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

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

The school district paid \$2,870,412 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$3,063,033)

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

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

NOTE 11 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the school district. One restriction is that the original contribution should not be spent. Another potential restriction is that any investment income of the endowment fund that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	2018	Contributions	2019
QSS 1950-67 Reunion	\$ 25,000	\$	\$ 25,000
QSS Grad Scholarship	20,000		20,000
QSS Student Council Scholarship	12,000		12,000
Maple Drive Scholarship	15,000		15,000
Total	\$ 72,000	\$	\$ 72,000

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 12 INTERFUND TRANSFERS

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

- \$134,196 to Capital Fund for purchases from the Operating Fund, primarily for maintenance vehicles and equipment.
- \$183,754 to Capital Fund for purchases from Local Capital for the School District's new ERP software and implementation.

NOTE 13 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 are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 14 UNRECOGNIZED ASSETS

The lands located at the Quesnel Junior School site (585 Callanan Street, Quesnel) and the Helen Dixon Centre site (241 Kinchant Street, Quesnel) are on crown lands and are thus not recorded as an asset. A reasonable estimate of the value of these lands cannot be made. See Subsequent Event Note 22.

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual obligations	2020	2021	2022	2023	2024	Thereafter
Multi-Functional Devices	\$ 87,033	\$ 82,713	\$ 39,615	\$ 11,314	\$ 5,376	\$ -
	<u>\$ 87,033</u>	<u>\$ 82,713</u>	<u>\$ 39,615</u>	<u>\$ 11,314</u>	<u>\$ 5,376</u>	<u>\$ -</u>

NOTE 16 CONTINGENT LIABILITIES

The School District has been named as the defendant in a civil lawsuit, in which damages have been sought. These matters may give rise to future liabilities. The amount claimed is \$80,966. The outcome of these actions is not determinable as at June 30, 2019, and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 25, 2019. A comparison to the preliminary budget is shown below.

	2018/2019 Preliminary Budget	2018/2019 Amended Budget
Revenue		
Provincial Grants – Ministry of Education	\$ 36,294,541	\$ 37,225,214
Other Revenue	1,063,822	752,000
Rentals and Leases	155,364	175,364
Investment Income	50,029	75,000
Amortization of Deferred Capital Revenue	1,068,640	1,069,249
Total Revenue	\$ 38,632,396	\$ 39,296,827
Expense		
Instruction	\$ 30,113,335	\$ 31,101,717
District Administration	1,626,355	1,657,956
Operations and Maintenance	3,727,380	3,829,396
Transportation and Housing	2,102,451	2,314,750
Amortization of Tangible Capital Assets	1,345,025	1,361,120
Total Expense	\$ 38,914,546	\$ 40,264,939
Net Expense	\$ (282,150)	\$ (968,112)
Budget Allocation of Surplus	48,765	733,339
Budget Deficit for the year	\$ (233,385)	\$ (234,773)

NOTE 18 ASSET RETIREMENT OBLIGATION

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

NOTE 19 EXPENSE BY OBJECT

	2019	2018
Salaries and benefits	\$ 33,747,116	\$ 32,604,062
Services and supplies	4,784,131	4,870,328
Amortization	1,361,120	1,264,150
Write-off/down of Buildings and Sites	327,123	-
	\$ 40,219,490	\$ 38,738,540

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:

School Surpluses	\$ 29,911
Department Surplus	20,023
District Professional Development	35,000
Investment in Student Portfolio	45,000
District Contribution to QJS replacement (Note 22)	<u>150,000</u>
Subtotal Internally Restricted	<u>\$ 279,934</u>
Unrestricted Operating Surplus	1,253,503
Total Available for Future Operations	<u><u>\$ 1,533,437</u></u>

NOTE 21 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 22 SUBSEQUENT EVENT

On July 19, 2019 the Ministry of Education announced that it has committed to contributing \$52.2 million to replace Quesnel Junior School. A requirement of this commitment is the School District also provide \$150,000 towards the project, which has been internally restricted for this purpose. See Internally Restricted Surplus – Operating Fund Note 20.

NOTE 23 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 debtor. 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.

SCHOOL DISTRICT No. 28 (Quesnel)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 23 RISK MANAGEMENT *(Continued)*

b) Market risk :

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

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

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. 28 (Quesnel)

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	1,808,767	72,000	6,907,667	8,788,434	8,408,285
Changes for the year					
Surplus (Deficit) for the year	(141,134)		(607,884)	(749,018)	380,149
Interfund Transfers	(134,196)		134,196	-	
Tangible Capital Assets Purchased	(275,330)	-	(473,688)	(749,018)	380,149
Net Changes for the year	1,533,437	72,000	6,433,979	8,039,416	8,788,434
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 28 (Quesnel)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	33,459,861	33,647,022	33,525,372
Other			34,900
Tuition			7,500
Other Revenue	20,000	20,124	50,220
Rentals and Leases	175,364	153,309	206,891
Investment Income	75,000	100,106	71,856
Total Revenue	<u>33,730,225</u>	<u>33,920,561</u>	<u>33,896,739</u>
Expenses			
Instruction	26,783,460	26,633,961	26,244,215
District Administration	1,657,956	1,685,136	1,519,875
Operations and Maintenance	3,899,877	3,758,275	3,519,910
Transportation and Housing	2,065,173	1,984,323	1,951,631
Total Expense	<u>34,406,466</u>	<u>34,061,695</u>	<u>33,235,631</u>
Operating Surplus (Deficit) for the year	<u>(676,241)</u>	<u>(141,134)</u>	661,108
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>733,339</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(57,098)	(134,196)	(223,232)
Total Net Transfers	<u>(57,098)</u>	<u>(134,196)</u>	<u>(223,232)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(275,330)</u>	437,876
Operating Surplus (Deficit), beginning of year		1,808,767	1,370,891
Operating Surplus (Deficit), end of year		<u>1,533,437</u>	<u>1,808,767</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		279,934	353,352
Unrestricted		1,253,503	1,455,415
Total Operating Surplus (Deficit), end of year		<u>1,533,437</u>	<u>1,808,767</u>

School District No. 28 (Quesnel)

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	32,739,678	32,716,272	32,605,485
Other Ministry of Education Grants			
Pay Equity	379,632	379,632	379,632
Funding for Graduated Adults	1,155	2,936	2,310
Transportation Supplement	274,209	274,209	274,209
Economic Stability Dividend		34,110	18,082
Return of Administrative Savings			168,780
Carbon Tax Grant	57,000	53,657	44,986
Employer Health Tax Grant		86,139	-
Strategic Priorities - Mental Health Grant		35,000	-
Support Staff Benefits Grant		24,480	23,701
BCTEA - LEA Capacity Building Grant		27,400	-
Skills Assess Training Grant		5,000	-
FSA Scorer Grant	8,187	8,187	8,187
Total Provincial Grants - Ministry of Education	<u>33,459,861</u>	<u>33,647,022</u>	<u>33,525,372</u>
Provincial Grants - Other			<u>34,900</u>
Tuition			
International and Out of Province Students			7,500
Total Tuition	<u>-</u>	<u>-</u>	<u>7,500</u>
Other Revenues			
Miscellaneous			
Other	5,000	1,722	41,774
Sale of Assets	15,000	18,402	8,446
Total Other Revenue	<u>20,000</u>	<u>20,124</u>	<u>50,220</u>
Rentals and Leases	<u>175,364</u>	<u>153,309</u>	<u>206,891</u>
Investment Income	<u>75,000</u>	<u>100,106</u>	<u>71,856</u>
Total Operating Revenue	<u>33,730,225</u>	<u>33,920,561</u>	<u>33,896,739</u>

School District No. 28 (Quesnel)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	14,066,078	13,983,021	13,960,221
Principals and Vice Principals	2,307,637	2,290,666	2,140,911
Educational Assistants	2,498,030	2,493,537	2,355,904
Support Staff	3,919,234	3,888,113	3,730,377
Other Professionals	878,517	899,453	791,836
Substitutes	1,260,834	1,406,762	1,431,028
Total Salaries	24,930,330	24,961,552	24,410,277
Employee Benefits	5,576,780	5,516,838	5,412,902
Total Salaries and Benefits	30,507,110	30,478,390	29,823,179
Services and Supplies			
Services	448,091	416,316	367,539
Student Transportation	12,000	15,196	5,059
Professional Development and Travel	383,814	366,564	394,095
Dues and Fees	62,785	60,602	37,884
Insurance	123,491	125,257	118,070
Supplies	2,022,222	1,752,955	1,694,591
Utilities	846,953	846,415	795,214
Total Services and Supplies	3,899,356	3,583,305	3,412,452
Total Operating Expense	34,406,466	34,061,695	33,235,631

School District No. 28 (Quesnel)

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
	\$	\$	\$	\$	\$	\$	\$
I Instruction							
1.02 Regular Instruction	10,173,697	68,364		586,984		790,589	11,619,634
1.03 Career Programs	130,712			30,729		8,813	170,254
1.07 Library Services	560,106	80,534		55,720			696,360
1.08 Counselling	726,673						726,673
1.10 Special Education	2,145,537	201,422	1,992,732	94,336		260,478	4,694,505
1.30 English Language Learning	83,683						83,683
1.31 Aboriginal Education	162,613	131,088	500,805	23,899		34,223	852,628
1.41 School Administration		1,499,927		225,585			1,725,512
1.64 Other						5,276	5,276
Total Function 1	13,983,021	1,981,335	2,493,537	1,017,253	-	1,099,379	20,574,525
4 District Administration							
4.11 Educational Administration		162,413		52,461	242,963		457,837
4.40 School District Governance				90,910			90,910
4.41 Business Administration		146,918		154,631	392,087		693,636
Total Function 4	-	309,331	-	207,092	725,960	-	1,242,383
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				36,052	102,606		138,658
5.50 Maintenance Operations				1,510,884		185,696	1,696,580
5.52 Maintenance of Grounds				129,194		8,396	137,590
5.56 Utilities							-
Total Function 5	-	-	-	1,676,130	102,606	194,092	1,972,828
7 Transportation and Housing							
7.41 Transportation and Housing Administration				42,173	70,887	876	113,936
7.70 Student Transportation				945,465		112,415	1,057,880
Total Function 7	-	-	-	987,638	70,887	113,291	1,171,816
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	13,983,021	2,290,666	2,493,537	3,888,113	899,453	1,406,762	24,961,552

School District No. 28 (Quesnel)

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	11,619,634	2,544,780	14,164,414	1,074,464	15,238,878	15,319,000	15,069,318
1.03 Career Programs	170,254	37,903	208,157	10,609	218,766	222,831	226,646
1.07 Library Services	696,360	153,349	849,709	34,135	883,844	902,129	793,509
1.08 Counselling	726,673	168,501	895,174	94,885	990,059	950,542	869,868
1.10 Special Education	4,694,505	1,074,841	5,769,346	153,193	5,922,539	5,913,491	5,982,279
1.30 English Language Learning	83,683	17,775	101,458	2,666	104,124	104,812	101,508
1.31 Aboriginal Education	852,628	212,146	1,064,774	54,365	1,119,139	1,155,302	1,146,044
1.41 School Administration	1,725,512	357,992	2,083,504	52,367	2,135,871	2,195,478	2,029,069
1.64 Other	5,276	769	6,045	14,696	20,741	19,875	25,974
Total Function 1	20,574,525	4,568,056	25,142,581	1,491,380	26,633,961	26,783,460	26,244,215
4 District Administration							
4.11 Educational Administration	457,837	91,423	549,260	31,688	580,948	577,156	533,878
4.40 School District Governance	90,910	2,447	93,357	81,502	174,859	173,122	161,129
4.41 Business Administration	693,636	135,435	829,071	100,258	929,329	907,678	824,868
Total Function 4	1,242,383	229,305	1,471,688	213,448	1,685,136	1,657,956	1,519,875
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	138,658	35,514	174,172	84,325	258,497	255,681	258,135
5.50 Maintenance Operations	1,696,580	378,114	2,074,694	380,309	2,455,003	2,582,589	2,253,350
5.52 Maintenance of Grounds	137,590	41,339	178,929	19,434	198,363	214,654	213,231
5.56 Utilities	-	-	-	846,412	846,412	846,953	795,214
Total Function 5	1,972,828	454,967	2,427,795	1,330,480	3,758,275	3,899,877	3,519,910
7 Transportation and Housing							
7.41 Transportation and Housing Administration	113,936	23,390	137,326	137,326	137,326	146,067	134,681
7.70 Student Transportation	1,057,880	241,120	1,299,000	547,997	1,846,997	1,919,106	1,816,950
Total Function 7	1,171,816	264,510	1,436,326	547,997	1,984,323	2,065,173	1,951,631
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	24,961,552	5,516,838	30,478,390	3,583,305	34,061,695	34,406,466	33,235,631

School District No. 28 (Quesnel)

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	3,765,353	3,620,428	3,195,700
Other		13,891	26,355
Other Revenue	732,000	833,108	1,014,658
Investment Income		2,126	2,046
Total Revenue	<u>4,497,353</u>	<u>4,469,553</u>	<u>4,238,759</u>
Expenses			
Instruction	4,318,257	4,290,457	4,059,663
Operations and Maintenance	179,096	179,096	179,096
Total Expense	<u>4,497,353</u>	<u>4,469,553</u>	<u>4,238,759</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		72,000	72,000
Special Purpose Surplus (Deficit), end of year		<u>72,000</u>	<u>72,000</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		72,000	72,000
Total Special Purpose Surplus (Deficit), end of year		<u>72,000</u>	<u>72,000</u>

School District No. 28 (Quesnel)

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

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	9,679	1,437	92,789	25,000	332,227	53	72,536	-
Add:									
Restricted Grants									
Provincial Grants - Ministry of Education	179,096	126,881	-	33,946	-	687,955	128,000	29,400	83,239
Provincial Grants - Other				2,126					
Investment Income				36,072		687,955	128,000	29,400	83,239
Less: Allocated to Revenue Recovered	179,096	130,088	-	25,650	25,000	684,980	128,053	42,886	75,494
Deferred Revenue, end of year	-	6,472	1,437	103,211	-	335,202	-	59,050	7,745
Revenues									
Provincial Grants - Ministry of Education	179,096	130,088	-	25,000	25,000	684,980	128,053	42,886	75,494
Provincial Grants - Other				23,524		684,980			
Other Revenue				2,126					
Investment Income	179,096	130,088	-	25,650	25,000	684,980	128,053	42,886	75,494
Expenses									
Salaries									
Teachers									43,552
Principals and Vice Principals									
Educational Assistants		101,145					97,906	10,404	
Support Staff	80,271							4,333	
Substitutes									
Employee Benefits	80,271	101,145	-	-	-	-	97,906	14,737	43,552
Services and Supplies	16,054	28,943					22,828	1,506	6,530
	82,771			25,650	25,000	684,980	7,319	26,643	25,412
	179,096	130,088	-	25,650	25,000	684,980	128,053	42,886	75,494
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund	-	-	-	-	-	-	-	-	-

School District No. 28 (Quesnel)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2019

	CommunityLINK	Rural Education Enhancement Fund	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	BC Skills for Jobs	Other Partnerships	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year								
Add: Restricted Grants								
Provincial Grants - Ministry of Education	464,869	683,758	241,773	1,657,747		14,182	74,789	3,594,763
Provincial Grants - Other							28,000	28,000
Other							123,079	844,980
Investment Income					1,065			2,126
Less: Allocated to Revenue Recovered	464,869	683,758	241,773	1,657,747			151,079	4,469,869
	464,869	683,758	241,773	1,649,411			138,495	4,469,553
				8,336	1,065	14,182	87,373	1,065
Deferred Revenue, end of year								623,008
Revenues								
Provincial Grants - Ministry of Education	464,869	683,758	241,773	1,649,411			13,891	3,620,428
Provincial Grants - Other							124,604	833,108
Other Revenue								2,126
Investment Income	464,869	683,758	241,773	1,649,411			138,495	4,469,553
Expenses								
Salaries								
Teachers	277,444	139,178		1,335,857			37,225	1,833,256
Principals and Vice Principals		233,758						233,758
Educational Assistants		63,674						164,819
Support Staff		86,283	44,340				677	319,881
Substitutes	2,330		86,500				2,959	96,122
Employee Benefits	279,774	522,893	130,840	1,335,857			40,861	2,647,836
Services and Supplies	70,164	119,666	32,715	313,554			8,929	620,889
	114,931	41,199	78,218				88,705	1,200,828
	464,869	683,758	241,773	1,649,411			138,495	4,469,553
Net Revenue (Expense) before Interfund Transfers								
Interfund Transfers								
Net Revenue (Expense)								
Additional Expenses funded by, and reported in, the Operating Fund	27,672		2,358					30,030

School District No. 28 (Quesnel)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income			3,109	3,109	2,973
Gain (Loss) on Disposal of Tangible Capital Assets				-	4,376
Amortization of Deferred Capital Revenue	1,069,249	1,077,249		1,077,249	975,842
Total Revenue	1,069,249	1,077,249	3,109	1,080,358	983,191
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,111,543	1,111,542		1,111,542	1,025,431
Transportation and Housing	249,577	249,577		249,577	238,719
Write-off/down of Buildings and Sites		327,123		327,123	
Total Expense	1,361,120	1,688,242	-	1,688,242	1,264,150
Capital Surplus (Deficit) for the year	(291,871)	(610,993)	3,109	(607,884)	(280,959)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	57,098	134,196		134,196	223,232
Total Net Transfers	57,098	134,196	-	134,196	223,232
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		183,753	(183,753)	-	
Total Other Adjustments to Fund Balances		183,753	(183,753)	-	
Total Capital Surplus (Deficit) for the year	(234,773)	(293,044)	(180,644)	(473,688)	(57,727)
Capital Surplus (Deficit), beginning of year		6,673,536	234,131	6,907,667	6,965,394
Capital Surplus (Deficit), end of year		6,380,492	53,487	6,433,979	6,907,667

School District No. 28 (Quesnel)

Tangible Capital Assets

Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,842,620	53,728,384	1,432,118	2,495,770	27,514	-	60,526,406
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,648,030	131,043	678,135		26,246	3,483,454
Deferred Capital Revenue - Other		300,853					300,853
Operating Fund			35,486	98,710			134,196
Local Capital					183,753		183,753
	-	2,948,883	166,529	776,845	183,753	26,246	4,102,256
Decrease:							
Deemed Disposals		370,802	241,053	740,940			981,993
Written-off/down During Year							370,802
	-	370,802	241,053	740,940			1,352,795
Cost, end of year	2,842,620	56,306,465	1,357,594	2,531,675	211,267	26,246	63,275,867
Work in Progress, end of year							
Cost and Work in Progress, end of year	2,842,620	56,306,465	1,357,594	2,531,675	211,267	26,246	63,275,867
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		962,827	143,212	249,577	5,503		1,361,119
Decrease:							
Deemed Disposals		43,679	241,053	740,940			981,993
Written-off During Year		43,679	241,053	740,940			43,679
		33,276,917	522,990	643,882	5,503		1,025,672
Accumulated Amortization, end of year		23,029,548	834,604	1,887,793	205,764	26,246	28,826,575
Tangible Capital Assets - Net	2,842,620	23,029,548	834,604	1,887,793	205,764	26,246	28,826,575

School District No. 28 (Quesnel)

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	19,247,347	491,679		19,739,026
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,483,454	300,853		3,784,307
	<u>3,483,454</u>	<u>300,853</u>	-	<u>3,784,307</u>
Decrease:				
Amortization of Deferred Capital Revenue	1,056,999	20,250		1,077,249
	<u>1,056,999</u>	<u>20,250</u>	-	<u>1,077,249</u>
Net Changes for the Year	<u>2,426,455</u>	<u>280,603</u>	-	<u>2,707,058</u>
Deferred Capital Revenue, end of year	<u>21,673,802</u>	<u>772,282</u>	-	<u>22,446,084</u>
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	<u>21,673,802</u>	<u>772,282</u>	-	<u>22,446,084</u>

School District No. 28 (Quesnel)
 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	340,993	300,853				641,846
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,201,087	2,020				3,201,087
Investment Income	3,201,087	2,020				2,020
						3,203,107
Decrease:						
Transferred to DCR - Capital Additions	3,483,454	300,853				3,784,307
	3,483,454	300,853				3,784,307
Net Changes for the Year	(282,367)	(298,833)				(581,200)
Balance, end of year	58,626	2,020				60,646