

Audited Financial Statements of

**School District No. 28 (Quesnel)**

And Independent Auditors' Report thereon

June 30, 2020

# School District No. 28 (Quesnel)

June 30, 2020

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# School District No. 28 (Quesnel)

## MANAGEMENT REPORT

Version: 4686-3940-1958

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.


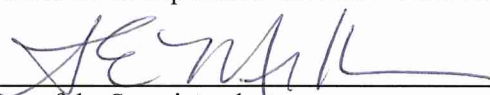
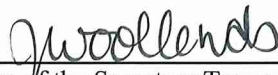
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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	<i>Sept 25/20</i> _____ Date Signed
 _____ Signature of the Superintendent	<i>Sept 25/20</i> _____ Date Signed
 _____ Signature of the Secretary Treasurer	<i>Sept 25/20</i> _____ Date Signed



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Canada  
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Fax (250) 563-5693

## 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, 2020
- 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 16, 2020

# School District No. 28 (Quesnel)

Statement 1


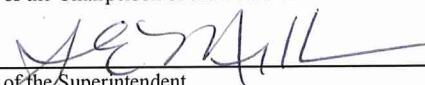
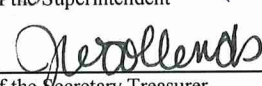
## Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual (Recast)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	6,411,879	6,439,421
Accounts Receivable		
Due from Province - Ministry of Education	7,000	284,330
Other (Note 3)	118,841	116,437
<b>Total Financial Assets</b>	<u>6,537,720</u>	<u>6,840,188</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	318,761	863,751
Deferred Revenue (Note 5)	769,485	623,008
Deferred Capital Revenue (Note 6)	26,616,046	22,306,114
Employee Future Benefits (Note 7)	915,780	954,631
Other Liabilities (Note 8)	2,626,803	2,919,892
<b>Total Liabilities</b>	<u>31,246,875</u>	<u>27,667,396</u>
<b>Net Debt</b>	<u>(24,709,155)</u>	<u>(20,827,208)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	33,237,619	28,953,082
Restricted Assets (Endowments) (Note 11)	122,000	72,000
Prepaid Expenses	210,008	168,665
<b>Total Non-Financial Assets</b>	<u>33,569,627</u>	<u>29,193,747</u>
<b>Accumulated Surplus (Deficit)</b>	<u>8,860,472</u>	<u>8,366,539</u>

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

Approved by the Board

 _____ Signature of the Chairperson of the Board of Education	Sept 25/20 _____ Date Signed
 _____ Signature of the Superintendent	Sept 25/20 _____ Date Signed
 _____ Signature of the Secretary Treasurer	Sept 25/20 _____ Date Signed

**School District No. 28 (Quesnel)**

Statement of Operations  
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	37,986,571	38,391,854	37,267,450
Other		6,731	13,891
Other Revenue	938,677	921,347	853,232
Rentals and Leases	145,000	130,964	153,309
Investment Income	75,000	92,277	105,341
Amortization of Deferred Capital Revenue	1,150,242	1,239,447	1,077,249
<b>Total Revenue</b>	<u>40,295,490</u>	<u>40,782,620</u>	<u>39,470,472</u>
<b>Expenses</b>			
Instruction	31,687,900	31,378,708	30,924,418
District Administration	1,770,393	1,772,572	1,685,136
Operations and Maintenance	5,160,638	5,080,616	5,048,913
Transportation and Housing	2,364,357	2,106,791	2,233,900
<b>Total Expense</b>	<u>40,983,288</u>	<u>40,338,687</u>	<u>39,892,367</u>
<b>Surplus (Deficit) for the year, before endowment contributions</b>	<u>(687,798)</u>	<u>443,933</u>	<u>(421,895)</u>
<b>Endowment Contributions</b>		50,000	
<b>Surplus (Deficit) for the year</b>	<u>(687,798)</u>	<u>493,933</u>	<u>(421,895)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		8,366,539	8,788,434
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>8,860,472</u>	<u>8,366,539</u>



**School District No. 28 (Quesnel)**

Statement 4

## Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(687,798)</u>	<u>493,933</u>	<u>(421,895)</u>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(2,935,696)	(5,735,531)	(4,228,763)
Amortization of Tangible Capital Assets	1,450,994	1,450,994	1,361,119
Write-down carrying value of Tangible Capital Assets			327,123
<b>Total Effect of change in Tangible Capital Assets</b>	<u>(1,484,702)</u>	<u>(4,284,537)</u>	<u>(2,540,521)</u>
Use of Prepaid Expenses		(41,343)	(12,179)
Endowment Contributions		(50,000)	
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(91,343)</u>	<u>(12,179)</u>
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(2,172,500)</u>	<u>(3,881,947)</u>	<u>(2,974,595)</u>
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<u>(3,881,947)</u>	<u>(2,974,595)</u>
<b>Net Debt, beginning of year</b>		<u>(20,827,208)</u>	<u>(17,852,613)</u>
<b>Net Debt, end of year</b>		<u>(24,709,155)</u>	<u>(20,827,208)</u>

**School District No. 28 (Quesnel)**

Statement of Cash Flows  
Year Ended June 30, 2020

	2020 Actual	2019 Actual (Recast)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	493,933	(421,895)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	274,925	(67,624)
Prepaid Expenses	(41,343)	(12,179)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(544,990)	(71,574)
Deferred Revenue	146,477	(749)
Employee Future Benefits	(38,850)	(2,393)
Other Liabilities	(293,089)	1,121,263
Amortization of Tangible Capital Assets	1,450,994	1,361,119
Amortization of Deferred Capital Revenue	(1,239,447)	(1,077,249)
Endowment Funds Received	(50,000)	
<b>Total Operating Transactions</b>	<u>158,610</u>	<u>828,719</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(2,945,745)	(4,102,256)
Tangible Capital Assets -WIP Purchased	(2,789,786)	
<b>Total Capital Transactions</b>	<u>(5,735,531)</u>	<u>(4,102,256)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	5,549,379	3,203,107
<b>Total Financing Transactions</b>	<u>5,549,379</u>	<u>3,203,107</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(27,542)	(70,430)
<b>Cash and Cash Equivalents, beginning of year</b>	<u>6,439,421</u>	<u>6,509,851</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>6,411,879</u>	<u>6,439,421</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash Equivalents	<u>6,411,879</u>	<u>6,439,421</u>
	<u>6,411,879</u>	<u>6,439,421</u>

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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**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.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

**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(d) and 2(l), 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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

a) Basis of Accounting (cont'd)

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

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

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.

Year-ended June 30, 2020 – increase in annual surplus by \$4,117,906

June 30, 2020 – increase in accumulated surplus and decrease in deferred contributions by \$26,616,046.

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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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. 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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

f) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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.

g) 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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

h) 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. Estimated useful life is as follows:

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

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

i) 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.

j) Prepaid Expenses

City utilities and taxes, insurance, contract services, memberships and conference/course registration are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) 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).

l) 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.



**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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.

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.

m) 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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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.

n) 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.

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

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 and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

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

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

p) Measurement Uncertainty

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

q) Future Changes in Accounting Policies

***PS 3280 Asset Retirement Obligations*** issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2021. A liability will be recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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.

A modified retroactive application has been recommended by Government pending approval in the Fall of 2020. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

**PS 3400 Revenue** issued November 2018 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2020	2019
Due from Federal Government	\$ 83,100	\$ 40,226
Other	35,741	76,211
	\$ 118,841	\$ 116,437

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

	2020	2019
Trade payables	\$ 287,478	\$ 574,478
Salaries and benefits payable	31,283	289,273
	\$ 318,761	\$ 863,751

**NOTE 5      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.

	2020	2019
Deferred Revenue, beginning of year	\$ 623,008	\$ 623,757
Add: Restricted Grants		
Provincial Grants – Ministry of Education	3,812,365	3,594,763
Provincial Grants – Other	9,600	28,000
Other Grants	929,940	844,980
Investment Income	3,561	2,126
	\$ 4,755,466	\$ 4,469,869
Less: Allocated to Revenue	4,600,653	4,469,553
Recovered	8,336	1,065
	\$ 4,608,989	\$ 4,470,618
Balance, end of year	\$ 769,485	\$ 623,008

**NOTE 6      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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**NOTE 6 DEFERRED CAPITAL REVENUE (Continued)**

	2020	2019 (Recast)
Deferred Capital Revenue, beginning of year	\$ 22,245,468	\$ 19,739,026
MOE Restricted Capital Revenue, beginning of year	60,646	641,846
	\$ 22,306,114	\$ 20,380,872
Increase:		
Transferred from Deferred Revenue – Capital Additions	\$ 5,557,969	\$ 3,583,691
Investment Income	36	2,020
Total Increase of Deferred Capital Revenue	\$ 5,558,005	\$ 3,585,711
Decrease:		
Unspent Capital Revenue	\$ 8,626	\$ 282,367
Transferred from Shareable Deferred Revenue	-	300,853
Amortization of Deferred Capital Revenue	1,239,447	1,077,249
Total Decrease of Deferred Capital Revenue	1,248,073	1,660,469
Deferred Capital Revenue	\$ 26,616,046	\$ 22,306,114

**NOTE 7 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.

	2020	2019
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 1,047,874	\$ 937,934
Service Cost	67,425	64,595
Interest Cost	26,251	26,214
Benefit Payments	(151,430)	(82,306)
Actuarial (Gain) Loss	37,866	101,434
Accrued Benefit Obligation – March 31	\$ 1,027,986	\$ 1,047,871

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**NOTE 7 EMPLOYEE FUTURE BENEFITS (Continued)**

**Reconciliation of Funded Status at End of Fiscal Year**

Accrued Benefit Obligation – March 31	\$ 1,027,986	\$ 1,047,871
Market Value of Plan Assets – March 31		
Funded Status – Surplus (Deficit)	(1,027,986)	(1,047,871)
Employer Contributions After Measurement Date	28,810	28,314
Benefits Expense After Measurement Date	(23,549)	(23,420)
Unamortized Net Actuarial (Gain) Loss	106,945	88,346
Accrued Benefit Asset (Liability) – June 30	<u>\$ (915,780)</u>	<u>\$ (954,631)</u>

**Reconciliation of Change in Accrued Benefit Liability**

Accrued Benefit Liability – July 1	\$ 954,631	\$ 957,023
Net expense for Fiscal Year	113,075	99,396
Employer Contributions	(151,926)	(101,788)
Accrued Benefit Liability – June 30	<u>\$ 915,780</u>	<u>\$ 954,631</u>

**Components of Net Benefit Expense**

	2020	2019
Service Cost	\$ 68,297	\$ 65,303
Interest Cost	25,512	26,224
Amortization of Net Actuarial (Gain)/Loss	19,266	7,869
Net Benefit Expense (Income)	<u>\$ 113,075</u>	<u>\$ 99,396</u>

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

Discount Rate – April 1	2.50%	2.75%
Discount Rate – March 31	2.25%	2.50%
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	8.9

**NOTE 8 OTHER LIABILITIES**

	2020	2019
Accrued Vacation Payable	\$ 624,645	\$ 571,563
Receiver General Payable	424,170	381,044
Workers Compensation Board Payable	70,559	53,350
Teacher Summer Pay Plan Payable	925,820	875,313
Employers Health Tax	323,795	315,048
Employee Benefit and Programs Payable	218,861	264,104
Pension	37,889	457,964
Other	1,064	1,506
	<u>\$ 2,626,803</u>	<u>\$ 2,919,892</u>

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2020	Net Book Value 2019 (Recast)
Sites	\$ 2,842,620	\$ 2,842,620
Buildings	24,197,265	23,029,547
Buildings – work in progress	2,916,293	126,507
Furniture & Equipment	819,674	834,604
Vehicles	2,270,656	1,887,793
Computer Software	170,114	205,765
Computer Hardware	20,997	26,246
<b>Total</b>	<b>\$ 33,237,619</b>	<b>\$ 28,953,082</b>

**June 30, 2020**

	Opening Cost	Additions	Disposals	Total 2020
Sites	\$ 2,842,620	\$	\$	\$ 2,842,620
Buildings	56,306,465	2,182,280		58,488,745
Buildings – work in progress	126,507	2,789,786		2,916,293
Furniture & Equipment	1,357,594	120,830	60,294	1,418,130
Vehicles	2,531,675	636,031	37,439	3,130,267
Computer Software	211,268	6,604		217,872
Computer Hardware	26,246			26,246
<b>Total</b>	<b>\$ 63,402,375</b>	<b>\$ 5,735,531</b>	<b>\$ 97,733</b>	<b>\$ 69,040,173</b>

	Opening Accumulated Amortization	Additions	Disposals	Total 2020
Buildings	\$ 33,276,917	\$ 1,014,564	\$	\$ 34,291,481
Furniture & Equipment	522,990	135,759	60,293	598,456
Vehicles	643,882	253,168	37,437	859,613
Computer Software	5,503	42,254		47,757
Computer Hardware	-	5,249		5,249
<b>Total</b>	<b>\$ 34,449,292</b>	<b>\$ 1,450,994</b>	<b>\$ 97,730</b>	<b>\$ 35,802,556</b>



**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

**June 30, 2019**

	Opening Cost	Additions	Disposals	Total 2019 (Recast)
Sites	\$ 2,842,620	\$ -	\$ -	\$ 2,842,620
Buildings	53,728,384	2,948,883	370,802	56,306,465
Buildings – work in progress	-	126,507	-	126,507
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
<b>Total</b>	<b>\$ 60,526,406</b>	<b>\$ 4,228,764</b>	<b>\$ 1,352,795</b>	<b>\$ 63,402,375</b>

	Opening Accumulated Amortization	Additions	Disposals	Total 2019 (Recast)
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
Computer Hardware	-	-	-	-
<b>Total</b>	<b>\$ 34,113,845</b>	<b>\$ 1,361,120</b>	<b>\$ 1,025,672</b>	<b>\$ 34,449,293</b>

- Buildings – work in progress having a value of \$2,916,293 (2019: \$126,507) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**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 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 from school districts.

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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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**NOTE 10 EMPLOYEE PENSION PLANS (Continued)**

This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$2,821,297 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$2,870,412).

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, 2021, with results available in 2022.

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	2019	Contributions	2020
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
Walsh Performing Arts Award	-	50,000	50,000
Total	\$ 72,000	\$ 50,000	\$ 122,000

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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**NOTE 12 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2020, were as follows:

- \$120,958 to Capital Fund for purchase from the Operating Fund, primarily for maintenance vehicles and equipment
- \$54,486 to Capital Fund for purchases from Local Capital \$6,604 for the School District's new ERP software and implementation. \$47,882 to meet the School Districts commitment to provide funds for the new Quesnel Junior Secondary School.

**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, unless disclosed separately, 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 land which are not recorded as an asset. A reasonable estimate of the value of the use of those lands cannot be made.

**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	2021	2022	2023	2024	2025	Thereafter
Multi-Functional Devices	\$ 82,713	\$ 39,615	\$ 11,314	\$ 5,376	\$ -	\$ -
Quesnel Junior Secondary	\$ 1,390,500	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 1,473,213</u>	<u>\$ 39,615</u>	<u>\$ 11,314</u>	<u>\$ 5,376</u>	<u>\$ -</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 outcome of these actions is not determinable as at June 30, 2020, and accordingly, no provision has been made in these financial statements.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**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 13, 2020.

	2019/2020 Preliminary Budget	2019/2020 Amended Budget
Revenue		
Provincial Grants – Ministry of Education	\$ 37,334,703	\$ 37,986,571
Other Revenue	885,748	938,677
Rentals and Leases	175,364	145,000
Investment Income	75,000	75,000
Amortization of Deferred Capital Revenue	1,125,169	1,150,242
Total Revenue	\$ 39,595,984	\$ 40,295,490
Expenses		
Instruction	\$ 31,029,555	\$ 31,687,900
District Administration	1,672,023	1,770,393
Operations and Maintenance	5,302,039	5,160,638
Transportation and Housing	2,244,374	2,364,357
Total Expenses	\$ 40,247,991	\$ 40,983,288
Net Expenses	(652,007)	(687,798)
Budget Allocation of Surplus	343,765	485,534
Budget Deficit for the year	(308,242)	(202,264)

**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 potential liabilities since fair value of future removal costs cannot be reasonably estimated due to unknown timelines.

**NOTE 19 EXPENSE BY OBJECT**

	2020	2019 (recast)
Salaries and benefits	\$ 34,462,779	\$ 33,747,116
Services and supplies	4,424,914	4,784,131
Amortization	1,450,994	1,361,120
	\$ 40,338,687	\$ 39,892,367

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

Internally Restricted (appropriated) by Board for:		
School Surpluses	\$ 56,333	
District Contribution to QJS Replacement	100,000	
Subtotal Internally Restricted		156,333
 Unrestricted Operating Surplus (Deficit)		 1,908,509
Total Available for Future Operations		\$ 2,064,842

**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 PRIOR PERIOD ADJUSTMENT**

During the year, the District identified two immaterial errors on the 2018/2019 financial statements which have been adjusted in these financial statements.

- a) The disposal of assets at the old Quesnel Junior School was not recorded correctly. The District did not record the impact to deferred capital revenue when assets were written off. An adjustment was made to reduce the Deferred Capital Revenue on the Statement of Financial Position by \$327,127.
- b) The District incorrectly recorded a capital transaction in the Statement of Operations for costs pertaining to the new Quesnel Junior School. An adjustment was made to increase Deferred Capital Revenue and Tangible Capital Assets on the Statement of Financial Position by \$126,507.

The net effect of the adjustments above was an increase to opening surplus as at July 1, 2019 of \$327,123 on the Statement of Financial Operations and the Statement of Operations. The deficit for the year ending June 30, 2019 was decreased by \$327,123 and the Net Financial Debt on the Statement of Changes in Net Financial Assets (Debt) decreased by \$200,616.

**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.

**SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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**NOTE 23 RISK MANAGEMENT** *(Continued)*

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.

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. There have been no changes to risk exposure from 2019 related to credit, market or liquidity risks.

# School District No. 28 (Quesnel)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2020

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual (Recast)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	1,533,437	72,000	6,761,102	8,366,539	8,788,434
<b>Changes for the year</b>	654,481	50,000	(210,548)	493,933	(421,895)
Surplus (Deficit) for the year	(120,958)		120,958	-	
Interfund Transfers	(2,118)		2,118	-	
Tangible Capital Assets Purchased					
Tangible Capital Assets - Work in Progress					
<b>Net Changes for the year</b>	<b>531,405</b>	<b>50,000</b>	<b>(87,472)</b>	<b>493,933</b>	<b>(421,895)</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>2,064,842</b>	<b>122,000</b>	<b>6,673,630</b>	<b>8,860,472</b>	<b>8,366,539</b>

# School District No. 28 (Quesnel)

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	34,129,166	34,704,271	33,647,022
Other Revenue	20,000	18,569	20,124
Rentals and Leases	145,000	130,964	153,309
Investment Income	75,000	87,717	100,106
<b>Total Revenue</b>	<b>34,369,166</b>	<b>34,941,521</b>	<b>33,920,561</b>
<b>Expenses</b>			
Instruction	27,090,914	26,957,151	26,633,961
District Administration	1,770,393	1,772,572	1,685,136
Operations and Maintenance	3,783,716	3,703,694	3,758,275
Transportation and Housing	2,111,189	1,853,623	1,984,323
<b>Total Expense</b>	<b>34,756,212</b>	<b>34,287,040</b>	<b>34,061,695</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(387,046)</b>	<b>654,481</b>	<b>(141,134)</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>485,534</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(98,488)	(120,958)	(134,196)
Tangible Capital Assets - Work in Progress		(2,118)	
<b>Total Net Transfers</b>	<b>(98,488)</b>	<b>(123,076)</b>	<b>(134,196)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>531,405</b>	<b>(275,330)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>1,533,437</b>	<b>1,808,767</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>2,064,842</b>	<b>1,533,437</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		156,333	279,934
Unrestricted		1,908,509	1,253,503
<b>Total Operating Surplus (Deficit), end of year</b>		<b>2,064,842</b>	<b>1,533,437</b>



# School District No. 28 (Quesnel)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	33,089,025	<b>33,116,344</b>	32,716,272
Other Ministry of Education Grants			
Pay Equity	379,632	<b>379,632</b>	379,632
Funding for Graduated Adults	2,685	<b>4,177</b>	2,936
Transportation Supplement	274,209	<b>274,209</b>	274,209
Economic Stability Dividend			34,110
Carbon Tax Grant	57,000	<b>53,657</b>	53,657
Employer Health Tax Grant	283,463	<b>283,463</b>	86,139
Strategic Priorities - Mental Health Grant			35,000
Support Staff Benefits Grant	32,965	<b>32,966</b>	24,480
BCTEA - LEA Capacity Building Grant			27,400
Support Staff Wage Increase Funding		<b>185,019</b>	
Teachers' Labour Settlement Funding		<b>362,686</b>	
Skills Access Training Grant			5,000
FSA Scorer Grant	8,187	<b>8,187</b>	8,187
Equity Scan Implementation	2,000	<b>2,000</b>	
Early Learning Framework		<b>1,931</b>	
<b>Total Provincial Grants - Ministry of Education</b>	<b>34,129,166</b>	<b>34,704,271</b>	<b>33,647,022</b>
<b>Other Revenues</b>			
Miscellaneous			
Other	5,000	<b>11,176</b>	1,722
Sale of Assets	15,000	<b>7,393</b>	18,402
<b>Total Other Revenue</b>	<b>20,000</b>	<b>18,569</b>	<b>20,124</b>
<b>Rentals and Leases</b>	<b>145,000</b>	<b>130,964</b>	<b>153,309</b>
<b>Investment Income</b>	<b>75,000</b>	<b>87,717</b>	<b>100,106</b>
<b>Total Operating Revenue</b>	<b>34,369,166</b>	<b>34,941,521</b>	<b>33,920,561</b>

**School District No. 28 (Quesnel)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast)
	\$	\$	\$
<b>Salaries</b>			
Teachers	14,045,131	14,147,685	13,983,021
Principals and Vice Principals	2,569,965	2,570,990	2,290,666
Educational Assistants	2,661,430	2,559,303	2,493,537
Support Staff	3,926,706	3,827,231	3,888,113
Other Professionals	995,215	1,022,278	899,453
Substitutes	1,490,912	1,418,131	1,406,762
<b>Total Salaries</b>	<b>25,689,359</b>	<b>25,545,618</b>	<b>24,961,552</b>
<b>Employee Benefits</b>	<b>5,314,334</b>	<b>5,587,008</b>	<b>5,516,838</b>
<b>Total Salaries and Benefits</b>	<b>31,003,693</b>	<b>31,132,626</b>	<b>30,478,390</b>
<b>Services and Supplies</b>			
Services	464,220	331,457	416,316
Student Transportation	12,000	9,560	15,196
Professional Development and Travel	376,312	313,934	366,564
Dues and Fees	60,440	60,332	60,602
Insurance	123,673	76,506	125,257
Supplies	1,857,445	1,558,657	1,752,955
Utilities	858,429	803,968	846,415
<b>Total Services and Supplies</b>	<b>3,752,519</b>	<b>3,154,414</b>	<b>3,583,305</b>
<b>Total Operating Expense</b>	<b>34,756,212</b>	<b>34,287,040</b>	<b>34,061,695</b>

**School District No. 28 (Quesnel)**  
 Operating Expense by Function, Program and Object  
 Year Ended June 30, 2020

	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	10,211,351	156,843		515,586		842,843	11,726,623
1.03 Career Programs	138,928			35,694		1,977	176,599
1.07 Library Services	534,786	50,857		59,632			645,275
1.08 Counselling	784,797						784,797
1.10 Special Education	2,177,631	204,572	2,031,374	82,084		238,871	4,734,532
1.30 English Language Learning	85,014			24,787		354	85,368
1.31 Indigenous Education	215,178	133,933	527,929	256,962		29,249	931,076
1.41 School Administration		1,674,817					1,931,779
1.64 Other						5,288	5,288
<b>Total Function 1</b>	<b>14,147,685</b>	<b>2,221,022</b>	<b>2,559,303</b>	<b>974,745</b>	<b>-</b>	<b>1,118,582</b>	<b>21,021,337</b>
<b>4 District Administration</b>							
4.11 Educational Administration		182,126		58,468	274,984		515,578
4.40 School District Governance					91,307		91,307
4.41 Business Administration		167,842		105,376	454,615		727,833
<b>Total Function 4</b>	<b>-</b>	<b>349,968</b>	<b>-</b>	<b>163,844</b>	<b>820,906</b>	<b>-</b>	<b>1,334,718</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				36,772	116,686		153,458
5.50 Maintenance Operations				1,579,562		172,440	1,752,002
5.52 Maintenance of Grounds				128,632			128,632
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,744,966</b>	<b>116,686</b>	<b>172,440</b>	<b>2,034,092</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				36,971	84,686	2,890	124,547
7.70 Student Transportation				906,705		124,219	1,030,924
7.73 Housing							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>943,676</b>	<b>84,686</b>	<b>127,109</b>	<b>1,155,471</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>14,147,685</b>	<b>2,570,990</b>	<b>2,559,303</b>	<b>3,827,231</b>	<b>1,022,278</b>	<b>1,418,131</b>	<b>25,545,618</b>

**School District No. 28 (Quesnel)**  
 Operating Expense by Function, Program and Object  
 Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual (Recast)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	11,726,623	2,660,408	14,387,031	942,747	15,329,778	15,153,082	15,238,878
1.03 Career Programs	176,599	38,570	215,169	7,382	222,551	227,608	218,766
1.07 Library Services	645,275	141,675	786,950	32,298	819,248	867,121	883,844
1.08 Counselling	784,797	172,053	956,850	32,887	989,737	1,050,104	990,059
1.10 Special Education	4,734,532	1,041,880	5,776,412	138,932	5,915,344	5,977,860	5,922,539
1.30 English Language Learning	85,368	18,720	104,088	3,249	107,337	103,378	104,124
1.31 Indigenous Education	931,076	213,174	1,144,250	43,045	1,187,295	1,305,000	1,119,139
1.41 School Administration	1,931,779	386,285	2,318,064	46,947	2,365,011	2,385,335	2,135,871
1.64 Other	5,288	588	5,876	14,974	20,850	21,426	20,741
<b>Total Function 1</b>	<b>21,021,337</b>	<b>4,673,353</b>	<b>25,694,690</b>	<b>1,262,461</b>	<b>26,957,151</b>	<b>27,090,914</b>	<b>26,633,961</b>
<b>4 District Administration</b>							
4.11 Educational Administration	515,578	82,934	598,512	34,191	632,703	621,029	580,948
4.40 School District Governance	91,307	3,304	94,611	56,817	151,428	169,332	174,859
4.41 Business Administration	727,833	139,676	867,509	120,932	988,441	980,032	929,329
<b>Total Function 4</b>	<b>1,334,718</b>	<b>225,914</b>	<b>1,560,632</b>	<b>211,940</b>	<b>1,772,572</b>	<b>1,770,393</b>	<b>1,685,136</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	153,458	30,619	184,077	42,824	226,901	250,047	258,497
5.50 Maintenance Operations	1,752,002	386,280	2,138,282	357,707	2,495,989	2,477,333	2,455,003
5.52 Maintenance of Grounds	128,632	30,561	159,193	17,645	176,838	197,907	198,363
5.56 Utilities	-	-	-	803,966	803,966	858,429	846,412
<b>Total Function 5</b>	<b>2,034,092</b>	<b>447,460</b>	<b>2,481,552</b>	<b>1,222,142</b>	<b>3,703,694</b>	<b>3,783,716</b>	<b>3,758,275</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	124,547	28,874	153,421	-	153,421	174,710	137,326
7.70 Student Transportation	1,030,924	211,407	1,242,331	454,679	1,697,010	1,931,729	1,846,997
7.73 Housing	-	-	-	3,192	3,192	4,750	-
<b>Total Function 7</b>	<b>1,155,471</b>	<b>240,281</b>	<b>1,395,752</b>	<b>457,871</b>	<b>1,853,623</b>	<b>2,111,189</b>	<b>1,984,323</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>Total Functions 1 - 9</b>	<b>25,545,618</b>	<b>5,587,008</b>	<b>31,132,626</b>	<b>3,154,414</b>	<b>34,287,040</b>	<b>34,756,212</b>	<b>34,061,695</b>

# School District No. 28 (Quesnel)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Recast)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	3,857,405	3,687,583	3,620,428
Other		6,731	13,891
Other Revenue	918,677	902,778	833,108
Investment Income		3,561	2,126
<b>Total Revenue</b>	<u>4,776,082</u>	<u>4,600,653</u>	<u>4,469,553</u>
<b>Expenses</b>			
Instruction	4,596,986	4,421,557	4,290,457
Operations and Maintenance	179,096	179,096	179,096
<b>Total Expense</b>	<u>4,776,082</u>	<u>4,600,653</u>	<u>4,469,553</u>
<b>Special Purpose Surplus (Deficit) for the year, before endowment contributions</b>	-	-	-
<b>Endowment Contributions</b>		50,000	
<b>Special Purpose Surplus (Deficit) for the year</b>	-	<u>50,000</u>	-
<b>Total Special Purpose Surplus (Deficit) for the year</b>	-	<u>50,000</u>	-
<b>Special Purpose Surplus (Deficit), beginning of year</b>		72,000	72,000
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>122,000</u>	<u>72,000</u>
<b>Special Purpose Surplus (Deficit), end of year</b>		122,000	72,000
Endowment Contributions		<u>122,000</u>	<u>72,000</u>
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u>122,000</u>	<u>72,000</u>

**School District No. 28 (Quesnel)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2020

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>									
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	179,096	124,065	1,437	103,211	335,202	128,632	29,789	83,239	470,185
Provincial Grants - Other				27,062	677,469				
Investment Income				3,561					
<b>Less:</b> Allocated to Revenue Recovered	179,096	124,065	-	30,623	677,469	128,632	29,789	83,239	470,185
	179,096	130,537	1,437	28,200	708,016	110,999	72,970	78,203	470,185
<b>Deferred Revenue, end of year</b>	-	-	-	<b>105,634</b>	<b>304,655</b>	<b>17,633</b>	<b>15,869</b>	<b>12,781</b>	-
<b>Revenues</b>	179,096	130,537	1,437			110,999	72,970	78,203	470,185
Provincial Grants - Ministry of Education									
Provincial Grants - Other				24,639	708,016				
Other Revenue				3,561					
Investment Income				28,200					
<b>Expenses</b>	60,174	104,586				77,123	10,675	37,150	293,956
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants									
Support Staff									
Other Professionals									
Substitutes									
Employee Benefits	60,174	104,586				6,688	3,962	37,150	293,959
Services and Supplies	15,044	25,951				83,811	48,326	8,061	66,939
	103,878		1,437	28,200	708,016	19,783	11,632	32,992	109,287
	179,096	130,537	1,437	28,200	708,016	7,405	72,970	78,203	470,185
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-
<b>Additional Expenses funded by, and reported in, the Operating Fund</b>	-	-	-	-	-	-	-	-	-

**School District No. 28 (Quesnel)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2020

	Rural Education Enhancement Fund	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	BC Skills for Jobs	Other Partnerships	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		8,336					14,182	87,373	623,008
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	683,758	240,564	1,686,704	146,344	30,500	9,489		9,600	3,812,365
Provincial Grants - Other								225,409	929,940
Other									3,561
Investment Income									
Less: Allocated to Revenue	683,758	240,564	1,686,704	146,344	30,500	9,489		235,009	4,755,466
Recovered	683,758	240,564	1,686,704	395	30,500	2,235		176,854	4,600,653
<b>Deferred Revenue, end of year</b>			8,336				14,182	145,528	769,485
<b>Revenues</b>									
Provincial Grants - Ministry of Education	683,758	240,564	1,686,704	395	30,500	2,235		6,731	3,687,583
Provincial Grants - Other								170,123	902,778
Other Revenue									3,561
Investment Income	683,758	240,564	1,686,704	395	30,500	2,235		176,854	4,600,653
<b>Expenses</b>									
Salaries									
Teachers	139,178		1,432,672					38,694	1,681,383
Principals and Vice Principals	233,758								233,758
Educational Assistants	63,674								168,260
Support Staff		44,343						998	487,269
Other Professionals	86,283								86,283
Substitutes		86,500			2,720	1,978		7,378	109,229
Employee Benefits	522,893	130,843	1,432,672		2,720	1,978		47,070	2,766,182
Services and Supplies	119,666	32,711	254,032		302	257		9,593	563,971
	41,199	77,010		395	27,478			120,191	1,270,500
	683,758	240,564	1,686,704	395	30,500	2,235		176,854	4,600,653
<b>Net Revenue (Expense) before Interfund Transfers</b>									
<b>Interfund Transfers</b>									
<b>Net Revenue (Expense)</b>									
<b>Additional Expenses funded by, and reported in, the Operating Fund</b>			110,648						110,648

# School District No. 28 (Quesnel)

Schedule 4 (Unaudited)

Schedule of Capital Operations  
Year Ended June 30, 2020

	2020	2020 Actual			2019
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Recast)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income			999	999	3,109
Amortization of Deferred Capital Revenue	1,150,242	1,239,447		1,239,447	1,077,249
<b>Total Revenue</b>	<u>1,150,242</u>	<u>1,239,447</u>	<u>999</u>	<u>1,240,446</u>	<u>1,080,358</u>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,197,826	1,197,826		1,197,826	1,111,542
Transportation and Housing	253,168	253,168		253,168	249,577
<b>Total Expense</b>	<u>1,450,994</u>	<u>1,450,994</u>	<u>-</u>	<u>1,450,994</u>	<u>1,361,119</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(300,752)</u>	<u>(211,547)</u>	<u>999</u>	<u>(210,548)</u>	<u>(280,761)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	98,488	120,958		120,958	134,196
Tangible Capital Assets - Work in Progress		2,118		2,118	
<b>Total Net Transfers</b>	<u>98,488</u>	<u>123,076</u>	<u>-</u>	<u>123,076</u>	<u>134,196</u>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		6,604	(6,604)	-	
Tangible Capital Assets WIP Purchased from Local Capital		47,882	(47,882)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>54,486</u>	<u>(54,486)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>(202,264)</u>	<u>(33,985)</u>	<u>(53,487)</u>	<u>(87,472)</u>	<u>(146,565)</u>
<b>Capital Surplus (Deficit), beginning of year</b>		6,707,615	53,487	6,761,102	6,907,667
<b>Capital Surplus (Deficit), end of year</b>		<u>6,673,630</u>	<u>-</u>	<u>6,673,630</u>	<u>6,761,102</u>



**School District No. 28 (Quesnel)**

Tangible Capital Assets  
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,842,620	56,306,465	1,357,594	2,531,675	211,267	26,246	63,275,867
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,182,280	109,970	525,933			2,818,183
Operating Fund			10,860	110,098			120,958
Local Capital				6,604			6,604
Total		2,182,280	120,830	636,031	6,604		2,945,745
Decrease:							
Deemed Disposals			60,293	37,437			97,730
Total			60,293	37,437			97,730
Cost, end of year	2,842,620	58,488,745	1,418,131	3,130,269	217,871	26,246	66,123,882
Work in Progress, end of year		2,916,293					2,916,293
Cost and Work in Progress, end of year	2,842,620	61,405,038	1,418,131	3,130,269	217,871	26,246	69,040,175
Accumulated Amortization, beginning of year		33,276,917	522,990	643,882	5,503		34,449,292
Changes for the Year		1,014,564	135,759	253,168	42,254	5,249	1,450,994
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals			60,293	37,437			97,730
Total			60,293	37,437			97,730
Accumulated Amortization, end of year		34,291,481	598,456	859,613	47,757	5,249	35,802,556
Tangible Capital Assets - Net	2,842,620	27,113,557	819,675	2,270,656	170,114	20,997	33,237,619

**School District No. 28 (Quesnel)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>					-
Prior Period Adjustments					
Error 2018/2019	126,507				126,507
<b>Work in Progress, beginning of year, as restated</b>	<u>126,507</u>	-	-	-	<u>126,507</u>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	2,739,786				2,739,786
Operating Fund	2,118				2,118
Local Capital	47,882				47,882
	<u>2,789,786</u>	-	-	-	<u>2,789,786</u>
<b>Net Changes for the Year</b>	<u>2,789,786</u>	-	-	-	<u>2,789,786</u>
<b>Work in Progress, end of year</b>	<u><u>2,916,293</u></u>	-	-	-	<u><u>2,916,293</u></u>

# School District No. 28 (Quesnel)

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	21,673,802	772,282		22,446,084
Prior Period Adjustments				
Error in 2018/2019	(327,123)			(327,123)
<b>Deferred Capital Revenue, beginning of year, as restated</b>	21,346,679	772,282	-	22,118,961
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,818,183			2,818,183
	2,818,183	-	-	2,818,183
Decrease:				
Amortization of Deferred Capital Revenue	1,211,676	27,771		1,239,447
	1,211,676	27,771	-	1,239,447
<b>Net Changes for the Year</b>	1,606,507	(27,771)	-	1,578,736
<b>Deferred Capital Revenue, end of year</b>	22,953,186	744,511	-	23,697,697
<b>Work in Progress, beginning of year</b>				
-				
Prior Period Adjustments				
Error in 2018/2019	126,507			126,507
<b>Work in Progress, beginning of year, as restated</b>	126,507	-	-	126,507
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	2,739,786			2,739,786
	2,739,786	-	-	2,739,786
<b>Net Changes for the Year</b>	2,739,786	-	-	2,739,786
<b>Work in Progress, end of year</b>	2,866,293	-	-	2,866,293
<b>Total Deferred Capital Revenue, end of year</b>	25,819,479	744,511	-	26,563,990

**School District No. 28 (Quesnel)**

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	58,626	2,020				60,646
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	5,549,343	36				5,549,343
Investment Income	5,549,343	36				5,549,379
Decrease:						
Transferred to DCR - Capital Additions	2,818,183					2,818,183
Transferred to DCR - Work in Progress	2,739,786					2,739,786
	5,557,969					5,557,969
<b>Net Changes for the Year</b>	(8,626)	36				(8,590)
<b>Balance, end of year</b>	<b>50,000</b>	<b>2,056</b>				<b>52,056</b>