

Audited Financial Statements of

School District No. 28 (Quesnel)

June 30, 2018

School District No. 28 (Quesnel)

June 30, 2018

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School District No. 28 (Quesnel)

MANAGEMENT REPORT

Version: 2937-2192-9209

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.


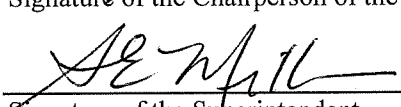
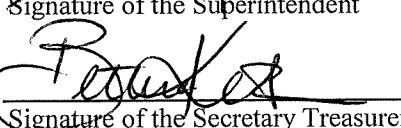
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

	<i>Sept. 28/18</i>
Signature of the Chairperson of the Board of Education	Date Signed
	<i>27/09/18</i>
Signature of the Superintendent	Date Signed
	<i>September 27, 2018</i>
Signature of the Secretary Treasurer	Date Signed



KPMG LLP
177 Victoria Street, Suite 400 Prince
George BC V2L 5R8 Canada
Telephone (250) 563-7151
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of School District No. 28 (Quesnel) which comprise the statement of financial position as at June 30, 2018, the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

Opinion

In our opinion, the financial statements of School District No. 28 (Quesnel) as at and for the year ended June 30, 2018 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

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

KPMG LLP

Chartered Professional Accountants

September 19, 2018

Quesnel, Canada

School District No. 28 (Quesnel)

Statement 1

Statement of Financial Position

As at June 30, 2018

	2018 Actual \$	2017 Actual \$
Financial Assets		
Cash and Cash Equivalents	6,509,851	5,835,160
Accounts Receivable		
Due from Province - Ministry of Education	150,599	227,496
Due from Province - Other	-	58
Other (Note 3)	182,544	89,288
Total Financial Assets	6,842,994	6,152,002
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	935,325	638,242
Unearned Revenue	-	110
Deferred Revenue (Note 5)	623,757	724,289
Deferred Capital Revenue (Note 6)	20,380,872	17,825,702
Employee Future Benefits (Note 7)	957,023	934,680
Other Liabilities (Note 8)	1,798,630	1,656,451
Total Liabilities	24,695,607	21,779,474
Net Financial Assets (Debt)	(17,852,613)	(15,627,472)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	26,412,561	23,810,931
Restricted Assets (Endowments) (Note 12)	72,000	72,000
Prepaid Expenses	156,486	152,826
Total Non-Financial Assets	26,641,047	24,035,757
Accumulated Surplus (Deficit)	8,788,434	8,408,285

Unrecognized Assets (Note 15)

Contractual Obligations (Note 16 and 19)

Approved by the Board

Signature of the Chairperson of the Board of Education

Sept. 28/18

Date Signed

Signature of the Superintendent

27/09/18

Date Signed

Signature of the Secretary Treasurer

September 27, 2018

Date Signed

School District No. 28 (Quesnel)

Statement 2

Statement of Operations
Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	37,024,968	36,721,072	36,567,994
Other		61,255	30,615
Tuition		7,500	80,033
Other Revenue	730,000	1,064,878	1,070,164
Rentals and Leases	155,364	206,891	176,712
Investment Income	50,000	76,875	49,970
Gain (Loss) on Disposal of Tangible Capital Assets		4,376	61,923
Amortization of Deferred Capital Revenue	958,834	975,842	953,547
Total Revenue	38,919,166	39,118,689	38,990,958
Expenses (Note 20)			
Instruction	30,528,989	30,303,878	29,833,041
District Administration	1,508,944	1,519,875	1,470,318
Operations and Maintenance	5,135,749	4,724,437	5,085,007
Transportation and Housing	2,047,800	2,190,350	2,014,436
Total Expense	39,221,482	38,738,540	38,402,802
Surplus (Deficit) for the year	(302,316)	380,149	588,156
Accumulated Surplus (Deficit) from Operations, beginning of year		8,408,285	7,820,129
Accumulated Surplus (Deficit) from Operations, end of year		8,788,434	8,408,285

School District No. 28 (Quesnel)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(302,316)	380,149	588,156
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 9)	(3,744,347)	(3,865,904)	(2,766,315)
Amortization of Tangible Capital Assets (Note 9)	1,264,150	1,264,150	1,268,559
Net carrying value of Tangible Capital Assets disposed of	-	124	34,502
Total Effect of change in Tangible Capital Assets	(2,480,197)	(2,601,630)	(1,463,254)
Use of Prepaid Expenses	-	(3,660)	(1,238)
Total Effect of change in Other Non-Financial Assets	-	(3,660)	(1,238)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(2,782,513)	(2,225,141)	(876,336)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(2,225,141)	(876,336)
Net Financial Assets (Debt), beginning of year		(15,627,472)	(14,751,136)
Net Financial Assets (Debt), end of year		(17,852,613)	(15,627,472)

School District No. 28 (Quesnel)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	380,149	588,156
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(30,746)	(99,770)
Prepaid Expenses	(3,660)	(1,239)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	297,083	(36,956)
Unearned Revenue	(110)	-
Deferred Revenue	(100,532)	1,759
Employee Future Benefits	22,343	(2,544)
Other Liabilities	156,624	(599,341)
Loss (Gain) on Disposal of Tangible Capital Assets	(4,376)	(61,923)
Amortization of Tangible Capital Assets (Note 9)	1,264,150	1,268,559
Amortization of Deferred Capital Revenue (Note 6)	(975,842)	(953,547)
Total Operating Transactions	1,005,083	103,154
Capital Transactions		
Tangible Capital Assets Purchased (Note 9)	(3,865,904)	(2,766,315)
District Portion of Proceeds on Disposal	4,500	96,425
Total Capital Transactions	(3,861,404)	(2,669,890)
Financing Transactions		
Capital Revenue Received	3,531,012	3,093,465
Total Financing Transactions	3,531,012	3,093,465
Net Increase (Decrease) in Cash and Cash Equivalents	674,691	526,729
Cash and Cash Equivalents, beginning of year	5,835,160	5,308,431
Cash and Cash Equivalents, end of year	6,509,851	5,835,160
Cash and Cash Equivalents, end of year, is made up of:		
Cash	6,509,851	5,835,160
	6,509,851	5,835,160

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 1 AUTHORITY AND PURPOSE

School District No. 28 (Quesnel) 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(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. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

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

Year-ended June 30, 2017 - increase in annual surplus by \$1,796,985

June 30, 2017 - increase in accumulated surplus and decrease in deferred contributions by \$17,825,707

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 \$20,380,872

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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. 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.

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Employee Future Benefits (Continued)

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

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

f) Asset Retirement Obligations

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

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 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 No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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 No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

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 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.

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

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.

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

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Revenue Recognition (Continued)

- 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 No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Expenditures (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, accounts payable and accrued liabilities, 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.

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Financial Instruments (Continued)

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

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.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2018	2017
Due from Federal Government	\$ 62,226	\$ 39,008
Due from City of Quesnel	50,000	-
Other	70,318	50,280
	<u>\$ 182,544</u>	<u>\$ 89,288</u>

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2018	2017
Trade payables	\$ 697,413	\$ 420,193
Salaries and benefits payable	237,912	218,049
	<u>\$ 935,325</u>	<u>\$ 638,242</u>

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. Detailed information about the changes in deferred revenue is included in Schedule 3A.

	2018	2017
Deferred Revenue, beginning of year	\$ 724,289	\$ 722,530
Add: Restricted Grants		
Provincial Grants – Ministry of Education	3,073,003	2,480,786
Provincial Grants – Other	17,800	14,600
Other Grants	1,045,378	1,045,767
Investment Income	2,046	1,539
	<u>\$ 4,138,227</u>	<u>2,542,692</u>
Less: Allocated to Revenue	4,238,759	3,540,933
Balance, end of year	<u>\$ 623,757</u>	<u>\$ 724,289</u>

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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 6 DEFERRED CAPITAL REVENUE (Continued)

	2018	2017
Deferred Capital Revenue, beginning of year	\$ 17,099,710	\$ 15,409,733
MOE Restricted Capital, beginning of year	725,992	276,051
Total Deferred Capital Revenue, beginning of year	\$ 17,825,702	\$ 15,685,784
Increase:		
Transferred from Deferred Revenue – Capital Additions	\$ 3,615,158	\$ 2,643,524
Unspent Capital Revenue	-	442,023
Sale of Site	13,500	289,276
Investment Income	3,387	3,353
Total Increase to Deferred Capital Revenue	\$ 3,632,045	\$ 3,378,176
Decrease:		
Unspent Capital Revenue	\$ 101,033	\$ -
Transferred from Shareable Deferred Revenue	-	284,714
Amortization of Deferred Capital Revenue	975,842	953,547
Total Decrease to Deferred Capital Revenue	1,076,875	1,238,261
Deferred Capital Revenue, end of year	<u>\$ 20,380,872</u>	<u>\$ 17,825,702</u>

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. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 11.

	2018	2017
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	945,614	1,002,991
Service Cost	61,887	61,903
Interest Cost	26,372	25,014
Benefit Payments	(127,791)	(46,472)
Actuarial (Gain) Loss	31,852	(97,822)
Accrued Benefit Obligation – March 31	<u>937,934</u>	<u>945,614</u>

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 7 EMPLOYEE FUTURE BENEFITS (Continued)

	2018	2017
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	937,934	945,614
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	(937,934)	(945,614)
Employer Contributions After Measurement Date	8,832	65,740
Benefits Expense After Measurement Date	(22,702)	(22,065)
Unamortized Net Actuarial (Gain) Loss	(5,219)	(32,741)
Accrued Benefit Asset (Liability) - June 30	(957,023)	(934,680)
	2018	2017
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	934,680	937,225
Net Expense for Fiscal Year	93,226	102,452
Employer Contributions	(70,883)	(104,997)
Accrued Benefit Liability (Asset) - June 30	957,023	934,680
	2018	2017
Components of Net Benefit Expense		
Service Cost	62,564	61,899
Interest Cost	26,332	25,354
Amortization of Net Actuarial (Gain)/Loss	4,330	15,199
Net Benefit Expense (Income)	93,226	102,452
Assumptions		
Discount Rate - April 1	2.75%	2.50%
Discount Rate - March 31	2.75%	2.75%
	+	
Long Term Salary Growth - April 1	2.50%	seniority 2.50%
	+	
Long Term Salary Growth - March 31	2.50%	seniority 2.50%
EARSL - March 31	9.0	9.0

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 8 OTHER LIABILITIES

	2018	2017
Accrued Vacation Pay	\$ 587,159	\$ 461,001
Receiver General Payable	365,296	360,426
Worker's Compensation Board Payable	47,390	48,953
Teacher Summer Pay Plan Payable	789,717	782,549
Employee Benefit and Programs Payable	1,668	1,869
Other	7,400	1,653
	<u>\$ 1,798,630</u>	<u>\$ 1,656,451</u>

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2018	Net Book Value 2017
Sites	\$ 2,842,620	\$ 2,842,744
Buildings	21,370,615	19,088,827
Furniture & Equipment	811,287	542,077
Vehicles	1,360,525	1,337,283
Computer Software	27,514	-
Total	<u>\$26,412,561</u>	<u>\$23,810,931</u>

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	<u>\$57,073,774</u>	<u>\$ 3,865,904</u>	<u>\$ 413,272</u>	<u>\$ 60,526,406</u>

	Opening Accumulated Amortization	Additions	Disposals	Total 2018
Buildings	\$ 31,461,672	\$ 896,097	\$ -	\$32,357,770
Furniture & Equipment	751,266	129,334	259,769	620,831
Vehicles	1,049,905	238,719	153,379	1,135,245
Computer Software	-	-	-	-
Total	<u>\$ 33,262,843</u>	<u>\$1,264,150</u>	<u>\$ 413,148</u>	<u>\$34,113,846</u>

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2017

	Opening Cost	Additions	Disposals	Total 2017
Sites	\$ 2,848,400	\$ -	\$ 15,656	\$ 2,842,744
Buildings	48,809,015	1,993,900	252,415	50,550,499
Furniture & Equipment	1,533,202	76,475	316,334	1,293,343
Vehicles	2,543,876	695,940	852,628	2,387,188
Total	\$55,744,492	\$ 2,766,315	\$1,437,033	\$ 57,073,774

	Opening Accumulated Amortization	Additions	Disposals	Total 2017
Buildings	\$30,834,390	\$ 860,851	\$ 233,569	\$31,461,672
Furniture & Equipment	914,280	153,320	316,334	751,266
Vehicles	1,648,145	254,388	852,628	1,049,905
Total	\$33,396,815	\$1,268,559	\$1,402,531	\$33,262,843

NOTE 10 DISPOSAL OF SITES AND BUILDINGS

On October 24, 2017 the School District subdivided and sold a portion of property to the City of Quesnel for \$18,000. The property was part of the Pinecrest Maintenance Shop located at 200 Pinecrest Road, Quesnel, BC. The total property was purchased in 1964 at a cost of \$5,650. The subdivided parcel of land was determined to be 2% of the total or \$124.

The allocation of proceeds is as follows:

Deferred Contributions – MOE Restricted Capital	\$ 13,500
Local Capital – School District #28 (Quesnel)	4,500

NOTE 11 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusted 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, 2016, the Teachers' Pension Plan has about 45,000 active members and approximately 37,000 retired members. As of December 31, 2016, the Municipal Pension Plan has about 193,000 active members, including approximately 24,000 from school districts.

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 11 EMPLOYEE PENSION PLANS (Continued)

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis. As a result of the 2014 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased.

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

School District No. 28 (Quesnel) paid \$3,063,033 for employer contributions to the plans for the year ended June 30, 2018 (2017: \$3,028,695)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. 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 12 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.

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 12 RESTRICTED ASSETS - ENDOWMENT FUNDS (Continued)

Name of Endowment	2017	Contributions	2018
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

NOTE 13 INTERFUND TRANSFERS

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

- \$223,232 to Capital Fund for purchases from the Operating Fund
- \$ 27,513 to Capital Fund for purchases from Local Capital

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 UNRECOGNIZED ASSETS

The lands located at the Quesnel Junior School site (585 Callanan 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.

NOTE 16 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	2019	2020	2021	2022	2023	Thereafter
Multi-Functional Devices	\$ 72,252	\$ 67,425	\$ 63,105	\$ 20,007	\$ -	\$ -
ERP Implementation	260,915	-	-	-	-	-
	\$ 333,167	\$ 67,425	\$ 63,105	\$ 20,007	\$ -	\$ -

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 17 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, 2018, 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.

NOTE 18 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 21, 2018.

	2017/2018 Preliminary Budget	2017/2018 Amended Budget
Revenue		
Provincial Grants – Ministry of Education	\$ 36,873,254	\$ 37,024,968
Other Revenue	941,700	730,000
Rentals and Leases	165,000	155,364
Investment Income	54,500	50,000
Amortization of Deferred Capital Revenue	986,237	958,834
Total Revenue	<u>39,020,691</u>	<u>38,919,166</u>
Expense		
Instruction	30,851,135	30,528,989
District Administration	1,685,072	1,508,944
Operations and Maintenance	3,454,059	3,871,599
Transportation and Housing	2,036,188	2,047,800
Amortization of Tangible Capital Assets	1,261,035	1,264,150
Total Expense	<u>39,287,489</u>	<u>39,221,482</u>
Net Expense	(266,798)	(302,316)
Budgeted Allocation of Surplus	-	89,936
Budgeted Deficit for the year	<u>\$ (266,798)</u>	<u>\$ (212,380)</u>

NOTE 19 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 the fair value of future removal costs cannot be reasonably estimated due to unknown timelines.

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 20 EXPENSE BY OBJECT

	2018	2017
Salaries and benefits	\$ 32,604,062	\$ 32,298,017
Services and supplies	4,870,328	4,836,136
Amortization	1,264,150	1,268,559
	<u>\$ 38,738,540</u>	<u>\$ 38,402,802</u>

NOTE 21 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by Board for:	
School surpluses	\$ 42,925
Department surplus	38,643
Programming requirements related to 2018/19	200,000
ERP system implementation	71,784
Subtotal Internally Restricted	<u>\$ 353,352</u>
Unrestricted Operating Surplus	1,455,415
Total Available for Future Operations	<u>\$ 1,808,767</u>

NOTE 22 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 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.

SCHOOL DISTRICT No. 28 (QUESNEL)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 23 RISK MANAGEMENT (Continued)

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions.

b) Market risk

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

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

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

b) 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, 2018

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,370,891	72,000	6,965,394	8,408,285	7,820,129
Changes for the year					
Surplus (Deficit) for the year	661,108		(280,959)	380,149	588,156
Interfund Transfers	(223,232)		223,232	-	
Tangible Capital Assets Purchased	437,876	-	(57,727)	380,149	588,156
Net Changes for the year	1,808,767	72,000	6,907,667	8,788,434	8,408,285
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 28 (Quesnel)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	33,580,394	33,525,372	34,007,739
Other		34,900	
Tuition		7,500	80,033
Other Revenue	20,000	50,220	14,632
Rentals and Leases	155,364	206,891	176,712
Investment Income	45,000	71,856	36,899
Total Revenue	33,800,758	33,896,739	34,316,015
Expenses			
Instruction	26,551,511	26,244,215	26,486,449
District Administration	1,508,944	1,519,875	1,470,318
Operations and Maintenance	3,931,222	3,519,910	3,769,487
Transportation and Housing	1,809,081	1,951,631	1,760,048
Total Expense	33,800,758	33,235,631	33,486,302
Operating Surplus (Deficit) for the year	-	661,108	829,713
Budgeted Appropriation (Retirement) of Surplus (Deficit)	89,936		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(89,936)	(223,232)	(122,791)
Total Net Transfers	(89,936)	(223,232)	(122,791)
Total Operating Surplus (Deficit), for the year	-	437,876	706,922
Operating Surplus (Deficit), beginning of year		1,370,891	663,969
Operating Surplus (Deficit), end of year		1,808,767	1,370,891
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 21)		353,352	211,632
Unrestricted		1,455,415	1,159,259
Total Operating Surplus (Deficit), end of year		1,808,767	1,370,891

School District No. 28 (Quesnel)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	32,667,730	32,605,485	32,932,957
Other Ministry of Education Grants			
Pay Equity	379,632	379,632	379,632
Funding for Graduated Adults	1,155	2,310	14,265
Transportation Supplement	274,209	274,209	274,209
Economic Stability Dividend		18,082	16,380
Return of Administrative Savings	168,780	168,780	168,780
Carbon Tax Grant	57,000	44,986	50,291
Student Learning Grant			154,538
FSA Scorer	8,187	8,187	8,187
Equity in Action Project			8,500
Support Staff Benefits	23,701	23,701	
Total Provincial Grants - Ministry of Education	33,580,394	33,525,372	34,007,739
Provincial Grants - Other	-	34,900	
Tuition			
Continuing Education			79,883
International and Out of Province Students		7,500	150
Total Tuition	-	7,500	80,033
Other Revenues			
Miscellaneous			
Other	5,000	41,774	4,846
Sale of Assets	15,000	8,446	9,786
Total Other Revenue	20,000	50,220	14,632
Rentals and Leases	155,364	206,891	176,712
Investment Income	45,000	71,856	36,899
Total Operating Revenue	33,800,758	33,896,739	34,316,015

School District No. 28 (Quesnel)

Schedule 2B (Unaudited)

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

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Salaries			
Teachers	13,748,359	13,960,221	14,119,089
Principals and Vice Principals	2,133,215	2,140,911	2,184,439
Educational Assistants	2,584,588	2,355,904	2,227,193
Support Staff	3,937,229	3,730,377	3,831,990
Other Professionals	767,932	791,836	780,139
Substitutes	1,317,427	1,431,028	1,601,525
Total Salaries	24,488,750	24,410,277	24,744,375
Employee Benefits	5,506,822	5,412,902	5,431,512
Total Salaries and Benefits	29,995,572	29,823,179	30,175,887
Services and Supplies			
Services	416,662	367,539	350,954
Student Transportation	17,000	5,059	12,471
Professional Development and Travel	359,612	394,095	339,187
Dues and Fees	47,785	37,884	37,058
Insurance	146,491	118,070	116,552
Supplies	1,918,028	1,694,591	1,558,378
Utilities	899,608	795,214	895,815
Total Services and Supplies	3,805,186	3,412,452	3,310,415
Total Operating Expense	33,800,758	33,235,631	33,486,302

School District No. 28 (Quesnel)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	10,101,140	83,653		535,018		758,210	11,478,021
1.03 Career Programs	132,865			33,255		9,428	175,548
1.07 Library Services	488,499	69,370		60,662			618,531
1.08 Counselling	654,188						654,188
1.10 Special Education	2,328,010	193,747	1,854,410	103,853		279,626	4,759,646
1.30 English Language Learning	79,629					70	79,699
1.31 Aboriginal Education	175,890	126,773	501,494	24,249		42,594	871,000
1.41 School Administration		1,379,522		240,888			1,620,410
1.61 Continuing Education							-
1.64 Other						5,705	5,705
Total Function 1	13,960,221	1,853,065	2,355,904	997,925	-	1,095,633	20,262,748
4 District Administration							
4.11 Educational Administration		142,940		51,694	217,890		412,524
4.40 School District Governance					82,728		82,728
4.41 Business Administration		144,906		149,766	320,278		614,950
Total Function 4	-	287,846	-	201,460	620,896	-	1,110,202
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				41,048	98,788		139,836
5.50 Maintenance Operations				1,413,113		166,026	1,579,139
5.52 Maintenance of Grounds				125,086		37,055	162,141
5.56 Utilities							-
Total Function 5	-	-	-	1,579,247	98,788	203,081	1,881,116
7 Transportation and Housing							
7.41 Transportation and Housing Administration				35,555	72,152		107,707
7.70 Student Transportation				916,190		132,314	1,048,504
Total Function 7	-	-	-	951,745	72,152	132,314	1,156,211
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	13,960,221	2,140,911	2,355,904	3,730,377	791,836	1,431,028	24,410,277

School District No. 28 (Quesnel)

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

Schedule 2C (Unaudited)

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2018 Actual \$	2018 Budget \$	2017 Actual \$
1 Instruction							
1.02 Regular Instruction	11,478,021	2,552,207	14,030,228	1,039,090	15,069,318	15,068,860	15,766,107
1.03 Career Programs	175,548	39,575	215,123	11,523	226,646	236,045	246,168
1.07 Library Services	618,531	141,280	759,811	33,698	793,509	952,470	833,177
1.08 Counselling	654,188	152,199	806,387	63,481	869,868	835,212	866,932
1.10 Special Education	4,759,646	1,086,243	5,845,889	136,390	5,982,279	6,072,857	5,515,425
1.30 English Language Learning	79,699	17,865	97,564	3,944	101,508	109,948	136,733
1.31 Aboriginal Education	871,000	219,269	1,090,269	55,775	1,146,044	1,189,864	1,002,882
1.41 School Administration	1,620,410	341,566	1,961,976	67,093	2,029,069	2,066,491	1,755,106
1.61 Continuing Education	-	-	-	-	-	-	352,640
1.64 Other	5,705	708	6,413	19,561	25,974	19,764	11,279
Total Function 1	20,262,748	4,550,912	24,813,660	1,430,555	26,244,215	26,551,511	26,486,449
4 District Administration							
4.11 Educational Administration	412,524	82,476	495,000	38,878	533,878	552,669	510,111
4.40 School District Governance	82,728	1,448	84,176	76,953	161,129	152,964	141,551
4.41 Business Administration	614,950	109,068	724,018	100,850	824,868	803,311	818,656
Total Function 4	1,110,202	192,992	1,303,194	216,681	1,519,875	1,508,944	1,470,318
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	139,836	32,423	172,259	85,876	258,135	271,755	341,713
5.50 Maintenance Operations	1,579,139	335,933	1,915,072	338,258	2,253,330	2,545,561	2,340,645
5.52 Maintenance of Grounds	162,141	37,848	199,989	13,242	213,231	214,298	191,314
5.56 Utilities	-	-	-	795,214	795,214	899,608	895,815
Total Function 5	1,881,116	406,204	2,287,320	1,232,590	3,519,910	3,931,222	3,769,487
7 Transportation and Housing							
7.41 Transportation and Housing Administration	107,707	26,974	134,681		134,681	138,994	88,187
7.70 Student Transportation	1,048,504	235,820	1,284,324	532,626	1,816,950	1,670,087	1,671,861
Total Function 7	1,156,211	262,794	1,419,005	532,626	1,951,631	1,809,081	1,760,048
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	24,410,277	5,412,902	29,823,179	3,412,452	33,235,631	33,800,758	33,486,302

School District No. 28 (Quesnel)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	3,444,574	3,195,700	2,453,247
Other		26,355	30,615
Other Revenue	710,000	1,014,658	1,055,532
Investment Income	2,000	2,046	1,539
Total Revenue	<u>4,156,574</u>	<u>4,238,759</u>	<u>3,540,933</u>
Expenses			
Instruction	3,977,478	4,059,663	3,346,592
Operations and Maintenance	179,096	179,096	194,341
Total Expense	<u>4,156,574</u>	<u>4,238,759</u>	<u>3,540,933</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>

Schedule 3A (Unaudited)

School District No. 28 (Quesnel)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2018

Schedule 3A (Unaudited)

	Community/LINK	Rural Education Enhancement Fund		Coding and Curriculum Implementation		Priority Measures		Classroom Enhancement Fund - Overhead		Classroom Enhancement Fund - Staffing		BC Skills for Jobs		Other Partnerships		TOTAL
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		-	-	-	41,931	68,671	-	291,612	1,134,173	14,182	99,068	724,289				
Add: Restricted Grants																
Provincial Grants - Ministry of Education	459,818	636,758						291,612	1,134,173							3,073,003
Provincial Grants - Other																17,800
Other																1,045,378
Investment Income																2,046
Less: Allocated to Revenue	459,818	636,758		41,931	68,671	-	291,612	291,612	1,133,108	-	294,918	4,138,227				4,138,227
Deferred Revenue, end of year	-	-	-	-	-	-	-	-	1,065	14,182	74,789	4,238,759				623,757
Revenues																
Provincial Grants - Ministry of Education	459,818	636,758		41,931	68,671		291,612	291,612	1,133,108							3,195,700
Provincial Grants - Other																26,355
Other Revenue																1,014,658
Investment Income																2,046
Expenses																
Salaries																
Teachers		139,178		23,185	55,191				918,007		36,629	1,207,161				233,758
Principals and Vice Principals		233,758														158,833
Educational Assistants	12,207	26,074														560,875
Support Staff	263,788	86,283						34,899			820	743				90,267
Substitutes								74,804								
Employee Benefits	275,995	485,293		23,185	55,191		109,703	918,007			38,192	2,250,894				529,989
Services and Supplies	72,192	110,266		5,796	13,480		27,004	215,101			8,667	248,059				1,457,876
	111,631	41,199		12,950			154,905									
	459,818	636,758		41,931	68,671		291,612	291,612	1,133,108		294,918	4,238,759				
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund	14,649						33,315		52,205			100,169				

School District No. 28 (Quesnel)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual			2017 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education				-	107,008
Investment Income	3,000		2,973	2,973	11,532
Gain (Loss) on Disposal of Tangible Capital Assets		4,376		4,376	61,923
Amortization of Deferred Capital Revenue	958,834	975,842		975,842	953,547
Total Revenue	961,834	980,218	2,973	983,191	1,134,010
Expenses					
Operations and Maintenance				-	107,008
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,025,431	1,025,431		1,025,431	1,014,171
Transportation and Housing	238,719	238,719		238,719	254,388
Total Expense	1,264,150	1,264,150	-	1,264,150	1,375,567
Capital Surplus (Deficit) for the year	(302,316)	(283,932)	2,973	(280,959)	(241,557)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	89,936	223,232		223,232	122,791
Total Net Transfers	89,936	223,232	-	223,232	122,791
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(4,500)	4,500	-	
Tangible Capital Assets Purchased from Local Capital		27,514	(27,514)	-	
Total Other Adjustments to Fund Balances		23,014	(23,014)	-	
Total Capital Surplus (Deficit) for the year	(212,380)	(37,686)	(20,041)	(57,727)	(118,766)
Capital Surplus (Deficit), beginning of year		6,711,222	254,172	6,965,394	7,084,160
Capital Surplus (Deficit), end of year		6,673,536	234,131	6,907,667	6,965,394

School District No. 28 (Quesnel)

Tangible Capital Assets
Year Ended June 30, 2018

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,842,744	50,550,499	1,293,343	2,387,188			57,073,774
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,173,184	244,153	165,404			3,582,741
Deferred Capital Revenue - Other			32,417				32,417
Operating Fund		4,701	121,974	96,557			223,232
Local Capital					27,514		27,514
	-	3,177,885	398,544	261,961	27,514	-	3,865,904
Decrease:							
Disposed of	124						124
Deemed Disposals			259,769	153,379			413,148
	124	-	259,769	153,379	-	-	413,272
Cost, end of year	2,842,620	53,728,384	1,432,118	2,495,770	27,514	-	60,526,406
Work in Progress, end of year							-
Cost and Work in Progress, end of year	2,842,620	53,728,384	1,432,118	2,495,770	27,514	-	60,526,406
Accumulated Amortization, beginning of year							
Changes for the Year		31,461,672	751,266	1,049,905			33,262,843
Increase: Amortization for the Year		896,097	129,334	238,719			1,264,150
Decrease:							
Deemed Disposals			259,769	153,379			413,148
		-	259,769	153,379	-	-	413,148
Accumulated Amortization, end of year		32,357,769	620,831	1,135,245	-	-	34,113,845
Tangible Capital Assets - Net	2,842,620	21,370,615	811,287	1,360,525	27,514	-	26,412,561

School District No. 28 (Quesnel)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	16,623,440	452,888	23,382	17,099,710
Prior Period Adjustments				
Youth Trade Capital Equipment Program		23,382	(23,382)	-
Deferred Capital Revenue, beginning of year, as restated	16,623,440	476,270	-	17,099,710
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	3,582,741	32,417		3,615,158
	3,582,741	32,417	-	3,615,158
Decrease:				
Amortization of Deferred Capital Revenue	958,834	17,008		975,842
	958,834	17,008	-	975,842
Net Changes for the Year	2,623,907	15,409	-	2,639,316
Deferred Capital Revenue, end of year	19,247,347	491,679	-	19,739,026
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	19,247,347	491,679	-	19,739,026

School District No. 28 (Quesnel)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2018

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	409,609	283,966	32,417			725,992
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,514,125					3,514,125
Investment Income		3,387				3,387
MEd Restricted Portion of Proceeds on Disposal		13,500				13,500
	3,514,125	16,887	-	-	-	3,531,012
Decrease:						
Transferred to DCR - Capital Additions	3,582,741		32,417			3,615,158
	3,582,741	-	32,417	-	-	3,615,158
Net Changes for the Year	(68,616)	16,887	(32,417)	-	-	(84,146)
Balance, end of year	340,993	300,853	-	-	-	641,846