

Audited Financial Statements of

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

And Independent Auditors' Report thereon

June 30, 2023

# School District No. 28 (Quesnel)

June 30, 2023

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# School District No. 28 (Quesnel)

## MANAGEMENT REPORT

Version: 2379-1633-8650

### 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.

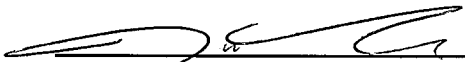
On behalf of School District No. 28 (Quesnel)



Signature of the Chairperson of the Board of Education

Sept. 27, 2023

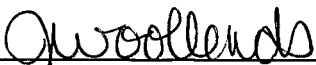
Date Signed



Signature of the Superintendent

Sept 27 / 23

Date Signed



Signature of the Secretary Treasurer

Sept. 27, 2023

Date Signed



KPMG LLP  
177 Victoria Street, Suite 400  
Prince George BC V2L 5R8  
Canada  
Telephone 250 563-7151  
Fax 250 563-5693

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the School District No. 28 (Quesnel), and  
To the Minister of Education and Child Care, 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, 2023
  - the statement of operations for the year then ended
  - the statement of changes in net 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 as at and for the year ended June 30, 2023 of the Entity 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's 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(a) 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 Matter – Comparative Information***

As part of our audit of the financial statements for the year ended June 30, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended June 30, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

***Other Information***

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

- Information included in 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.

We obtained the information included in the Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. 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 auditor's 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.

***Auditor's 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 auditor's 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 auditor's 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 auditor's 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 20, 2023

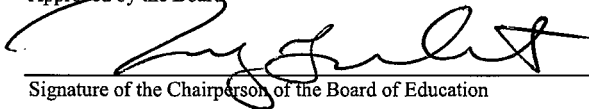
# School District No. 28 (Quesnel)

Statement of Financial Position  
As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	9,779,895	6,249,806
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	562,891	4,536,258
Other (Note 3)	159,279	285,583
<b>Total Financial Assets</b>	<u>10,502,065</u>	<u>11,071,647</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	35,510	
Other (Note 4)	4,181,326	5,082,940
Unearned Revenue	2,174	50,000
Deferred Revenue (Note 5)	834,280	805,106
Deferred Capital Revenue (Note 6)	72,268,945	63,560,652
Employee Future Benefits (Note 7)	918,634	941,412
Asset Retirement Obligation (Note 18)	5,175,900	5,175,900
Other Liabilities (Note 8)	2,666,358	2,550,547
<b>Total Liabilities</b>	<u>86,083,127</u>	<u>78,166,557</u>
<b>Net Debt</b>	<u>(75,581,062)</u>	<u>(67,094,910)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	80,524,720	70,042,003
Restricted Assets (Endowments) (Note 11)	122,000	122,000
Prepaid Expenses	485,222	416,807
Supplies Inventory	27,492	45,617
<b>Total Non-Financial Assets</b>	<u>81,159,434</u>	<u>70,626,427</u>
<b>Accumulated Surplus (Deficit)</b>	<u>5,578,372</u>	<u>3,531,517</u>
<b>Accumulated Surplus (Deficit) is comprised of:</b>		
Accumulated Surplus (Deficit) from Operations	5,578,372	3,531,517
Accumulated Remeasurement Gains (Losses)		
	<u>5,578,372</u>	<u>3,531,517</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. 27, 2023  
Date Signed

  
Signature of the Superintendent

Sept 27/23  
Date Signed

  
Signature of the Secretary Treasurer

Sept. 27, 2023  
Date Signed



# School District No. 28 (Quesnel)

Statement 2

Statement of Operations  
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	44,614,775	44,525,139	39,792,399
Other	4,392	4,392	
Other Revenue	675,706	768,976	523,523
Rentals and Leases	190,660	189,974	190,677
Investment Income	203,000	294,759	39,518
Gain (Loss) on Disposal of Tangible Capital Assets	45,001	45,000	
Amortization of Deferred Capital Revenue	2,260,351	2,156,057	1,391,663
<b>Total Revenue</b>	<u>47,993,885</u>	<u>47,984,297</u>	<u>41,937,780</u>
<b>Expenses</b>			
Instruction	35,081,596	34,771,004	32,532,763
District Administration	2,048,288	1,985,468	1,842,147
Operations and Maintenance	6,630,667	6,419,047	5,443,977
Transportation and Housing	2,846,156	2,761,923	2,519,774
<b>Total Expense</b>	<u>46,606,707</u>	<u>45,937,442</u>	<u>42,338,661</u>
<b>Surplus (Deficit) for the year</b>	<u>1,387,178</u>	<u>2,046,855</u>	<u>(400,881)</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		3,531,517	3,932,398
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>5,578,372</u>	<u>3,531,517</u>

# School District No. 28 (Quesnel)

Statement 4

Statement of Changes in Net Debt  
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	1,387,178	<b>2,046,855</b>	(400,881)
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(16,782,550)	<b>(14,667,570)</b>	(26,937,747)
Amortization of Tangible Capital Assets	2,638,574	<b>2,545,810</b>	1,766,279
Net carrying value of Tangible Capital Assets disposed of	324,235	<b>324,234</b>	
Write-down carrying value of Tangible Capital Assets	1,314,809	<b>1,314,809</b>	
<b>Total Effect of change in Tangible Capital Assets</b>	<b>(12,504,932)</b>	<b>(10,482,717)</b>	(25,171,468)
Acquisition of Prepaid Expenses		<b>(68,415)</b>	
Use of Prepaid Expenses			51,247
Acquisition of Supplies Inventory			(24,406)
Use of Supplies Inventory		<b>18,125</b>	
<b>Total Effect of change in Other Non-Financial Assets</b>	<b>-</b>	<b>(50,290)</b>	26,841
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<b>(11,117,754)</b>	<b>(8,486,152)</b>	(25,545,508)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(8,486,152)</b>	(25,545,508)
<b>Net Debt, beginning of year</b>		<b>(67,094,910)</b>	(41,549,402)
<b>Net Debt, end of year</b>		<b>(75,581,062)</b>	(67,094,910)

# School District No. 28 (Quesnel)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 22)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	2,046,855	(400,881)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	4,099,671	(1,913,239)
Supplies Inventories	18,125	(24,406)
Prepaid Expenses	(68,415)	51,247
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(866,104)	3,740,418
Unearned Revenue	(47,826)	50,000
Deferred Revenue	29,174	41,132
Employee Future Benefits	(22,778)	(25,465)
Other Liabilities	115,811	(561,224)
Amortization of Tangible Capital Assets	2,545,810	1,766,279
Amortization of Deferred Capital Revenue	(2,156,057)	(1,391,663)
Recognition of Deferred Capital Revenue Spent on Sites	(1,920,000)	
<b>Total Operating Transactions</b>	<u>3,774,266</u>	<u>1,332,198</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(14,618,573)	(2,654,269)
Tangible Capital Assets -WIP Purchased	(48,997)	(24,283,478)
<b>Total Capital Transactions</b>	<u>(14,667,570)</u>	<u>(26,937,747)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	14,423,393	26,761,466
<b>Total Financing Transactions</b>	<u>14,423,393</u>	<u>26,761,466</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,530,089</b>	<b>1,155,917</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>6,249,806</u>	<u>5,093,889</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>9,779,895</u>	<u>6,249,806</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	9,779,895	6,249,806
	<u>9,779,895</u>	<u>6,249,806</u>

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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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 and Child Care. 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. 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 School 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 NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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, 2022 – increase in annual surplus by \$24,696,611

June 30, 2022 – increase in accumulated surplus and decrease in deferred contributions by \$63,560,652

Year-ended June 30, 2023 – increase in annual surplus by \$8,571,272

June 30, 2023 – increase in accumulated surplus and decrease in deferred contributions by \$72,268,945

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

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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 (1).

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, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. 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 NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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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.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 h)). Assumptions used in the calculations are reviewed annually.

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 NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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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 NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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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 Note 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.

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,

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

- 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.

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.

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

- 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 NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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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 3400 Revenue* issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. 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.

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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**

	2023	2022
Due from Federal Government	\$ 98,441	\$ 191,918
Other	60,838	93,665
	\$ 159,279	\$ 285,583

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

	2023	2022
Trade payables	\$ 4,181,326	\$ 5,076,381
Salaries and benefits payable	-	6,559
	\$ 4,181,326	\$ 5,082,940

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**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.

	2023	2022
Deferred Revenue, beginning of year	\$ 805,106	\$ 763,974
Add: Restricted Grants		
Provincial Grants – Ministry of Education	\$ 3,897,390	\$ 3,474,069
Other Grants	710,556	535,680
Investment Income	3,492	3,483
	\$ 4,611,438	\$ 4,013,232
Less: Allocated to Revenue	\$ 4,582,264	\$ 3,972,100
Recovered	-	-
	\$ 4,582,264	\$ 3,972,100
Balance, end of year	\$ 834,280	\$ 805,106

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**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.

	2023	2022
Deferred Capital Revenue, beginning of year	\$ 63,508,524	\$ 38,138,721
MOE Restricted Capital Revenue, beginning of year	52,128	52,128
Total Deferred Capital Revenue, beginning of year	\$ 63,560,652	\$ 38,190,849
Increase:		
Transferred from Deferred Revenue – Capital Addition	\$ 12,367,375	\$ 2,527,952
Transferred from Deferred Revenue – Work in Progress	48,997	24,233,478
Investment Income	2,019	36
MECC Restricted Portion of Proceeds on Disposal	135,002	-
Total Increase of Deferred Capital Revenue	\$ 12,553,393	\$ 26,761,466
Decrease:		
Unspent Capital Revenue	\$ 50,000	\$ -
Amortization of Deferred Capital Revenue	2,156,057	1,391,663
Revenue Recognized on Disposal of Buildings	324,234	-
Revenue Recognized on Write-off/down of Buildings	1,314,809	-
Total Decrease of Deferred Capital Revenue	3,845,100	1,391,663
Deferred Capital Revenue	\$ 72,268,945	\$ 63,560,652

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**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.

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	645,963	977,529
Service Cost	61,503	70,840
Interest Cost	21,827	24,765
Benefit Payments	(67,174)	(113,693)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(11,523)	(313,478)
Accrued Benefit Obligation – March 31	650,596	645,963
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	650,596	645,963
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(650,596)	(645,963)
Employer Contributions After Measurement Date	26,266	22,750
Benefits Expense After Measurement Date	(21,718)	(20,833)
Unamortized Net Actuarial (Gain) Loss	(272,586)	(297,366)
Accrued Benefit Asset (Liability) - June 30	(918,634)	(941,412)
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability (Asset) - July 1	941,412	966,879
Net Expense for Fiscal Year	47,912	107,507
Employer Contributions	(70,690)	(132,974)
Accrued Benefit Liability (Asset) - June 30	918,634	941,412
<b>Components of Net Benefit Expense</b>		
Service Cost	61,050	68,506
Interest Cost	23,166	24,031
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	(36,304)	14,971
Net Benefit Expense (Income)	47,912	107,508



**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**Assumptions**

Discount Rate - April 1	3.25%		2.50%
Discount Rate - March 31	4.00%		3.25%
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	9.6		9.6

**NOTE 8 OTHER LIABILITIES**

	2023	2022
Accrued Vacation Payable	\$ 377,897	\$ 432,499
Receiver General Payable	571,094	524,881
Workers Compensation Board Payable	115,406	93,226
Teacher Summer Pay Plan Payable	1,102,939	1,030,706
Employers Health Tax	219,380	198,267
Employee Benefit and Programs Payable	217,693	209,628
Pension	57,526	56,594
Other	4,423	4,746
	<b>\$ 2,666,358</b>	<b>\$ 2,550,547</b>

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2023	Net Book Value 2022
Sites	\$ 4,762,620	\$ 2,842,620
Buildings	69,686,125	25,350,939
Buildings – work in progress	48,997	36,983,401
Furniture & Equipment	2,351,472	922,865
Furniture & Equipment – work in progress	-	457,161
Vehicles	2,499,656	2,660,811
Computer Software	277,339	315,654
Computer Hardware	898,511	7,875
Computer Hardware – work in progress	-	500,677
Total	<b>\$ 80,524,720</b>	<b>\$ 70,042,003</b>

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**June 30, 2023**

	Opening Cost (Restated - Note 22)	Additions	Disposals	Total 2023
Sites	\$ 2,842,620	\$ 1,920,000	\$ -	\$ 4,762,620
Buildings	67,535,231	47,651,833	5,478,808	109,708,256
Buildings – work in progress	36,983,401	48,997	36,983,401	48,997
Furniture & Equipment	1,626,423	1,661,353	259,280	3,028,496
Furniture & Equipment – work in progress	457,161	-	457,161	-
Vehicles	4,014,632	249,659	62,670	4,201,621
Computer Software	572,262	81,539	27,514	626,287
Computer Hardware	26,246	995,428	-	1,021,674
Computer Hardware – work in progress	500,677	-	500,677	-
<b>Total</b>	<b>\$ 114,558,653</b>	<b>\$ 52,608,809</b>	<b>\$43,769,511</b>	<b>\$ 123,397,951</b>

	Opening Accumulated Amortization (Restated - Note 22)	Additions	Disposals	Total 2023
Buildings	\$ 42,184,292	\$ 1,677,604	\$ 3,839,765	\$ 40,022,131
Furniture & Equipment	703,558	232,746	259,280	677,024
Vehicles	1,353,821	410,813	62,670	1,701,964
Computer Software	256,608	119,855	27,514	348,949
Computer Hardware	18,371	104,792	-	123,163
<b>Total</b>	<b>\$ 44,516,650</b>	<b>\$ 2,545,810</b>	<b>\$ 4,189,229</b>	<b>\$ 42,873,231</b>

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

**June 30, 2022**

	Opening Cost	Additions	Disposals	Total 2022
Sites	\$ 2,842,620	\$ -	\$ -	\$ 2,842,620
Buildings	60,614,698	1,744,633	-	62,359,331
Buildings – work in progress	13,657,761	23,325,640	-	36,983,401
Furniture & Equipment	1,567,985	191,122	132,684	1,626,423
Furniture & Equipment – work in progress	-	457,161	-	457,161
Vehicles	3,556,389	686,505	228,262	4,014,632
Computer Software	540,253	32,009	-	572,262
Computer Hardware	26,246	-	-	26,246
Computer Hardware – work in progress	-	500,677	-	500,677
<b>Total</b>	<b>\$ 82,805,952</b>	<b>\$ 26,937,747</b>	<b>\$ 360,946</b>	<b>\$ 109,382,753</b>

	Opening Accumulated Amortization (Restated - Note 22)	Additions	Disposals	Total 2022
Buildings	\$ 35,896,105	\$ 1,112,287	\$ -	\$ 37,008,392
Furniture & Equipment	676,522	159,720	132,684	703,558
Vehicles	1,204,312	377,771	228,262	1,353,821
Computer Software	145,356	111,252	-	256,608
Computer Hardware	13,122	5,249	-	18,371
<b>Total</b>	<b>\$ 37,935,417</b>	<b>\$ 1,766,279</b>	<b>\$ 360,946</b>	<b>\$ 39,340,750</b>

- Buildings – work in progress having a value of \$48,997 (2022: \$37,941,239) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**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, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 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. 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, 2020, indicated a \$1,584 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$3,045,471 for employer contributions to the plans for the year ended June 30, 2023 (2022: \$2,961,837).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in 2025.

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

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**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	2022	Contributions	2023
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	\$ 122,000	\$ -	\$ 122,000

**NOTE 12 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2023, were as follows:

- \$331,199 to Capital Fund for purchase from the Operating Fund primarily for maintenance vehicles and equipment.

**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 former site of Quesnel Junior School (585 Callanan Street, Quesnel) and the Helen Dixon Centre site (241 Kinchant Street, Quesnel) are crown land which are not recorded as an asset. A reasonable estimate of the value of the use of those lands cannot be made.

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**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	2024	2025	2026	2027	2028	Thereafter
Multi-Functional Devices	\$ 32,441	\$ 9,428	\$ 6,795	\$ 6,795	\$ 1,133	\$ -
Quesnel Junior School	1,985,908	-	-	-	-	-
	<u>\$2,018,349</u>	<u>\$ 9,428</u>	<u>\$ 6,795</u>	<u>\$ 6,795</u>	<u>\$ 1,133</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, 2023, and accordingly, no provision has been made in these financial statements.

**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 15, 2023.

	2022/2023 Preliminary Budget	2022/2023 Amended Budget
<b>Revenue</b>		
Provincial Grants – Ministry of Education	\$ 39,643,227	\$ 44,619,167
Other Revenue	510,392	675,706
Rentals and Leases	190,660	190,660
Investment Income	43,000	203,000
Gain (Loss) on Disposal of Tangible Capital Assets	-	45,001
Amortization of Deferred Capital Revenue	2,113,872	2,260,351
<b>Total Revenue</b>	<u>\$ 42,501,151</u>	<u>\$ 47,993,885</u>
<b>Expenses</b>		
Instruction	32,514,826	35,081,596
District Administration	1,892,768	2,048,288
Operations and Maintenance	6,335,966	6,630,667
Transportation and Housing	2,501,345	2,846,156
<b>Total Expenses</b>	<u>\$ 43,244,905</u>	<u>\$ 46,606,707</u>

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 17 BUDGET FIGURES (Continued)**

	2022/2023 Preliminary Budget	2022/2023 Amended Budget
Net Expenses	(743,754)	1,387,178
Budget Allocation of Surplus	458,600	458,600
Budget Deficit for the year	\$ (285,154)	\$ 1,845,778

**NOTE 18 ASSET RETIREMENT OBLIGATION**

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 22 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

Asset Retirement Obligation, July 1, 2022 (see Note 22)	\$ 5,175,900
Settlements during the year	-
Asset Retirement Obligation, closing balance	\$ 5,175,900

**NOTE 19 EXPENSE BY OBJECT**

	2023	2022
Salaries and benefits	\$ 38,195,547	\$ 36,198,211
Services and supplies	5,196,085	4,374,171
Amortization	2,545,810	1,766,279
	\$ 45,937,442	\$ 42,338,661

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

Internally Restricted (appropriated) by Board for:	
Aboriginal Education	\$ 250,908
School surpluses	43,590
Local Education Agreement Funding	27,400
Subtotal Internally Restricted	321,898
Unrestricted Operating Surplus (Deficit)	1,870,449
Total Available for Future Operations	\$ 2,192,347

**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 21 ECONOMIC DEPENDENCE**

The operations of the School District are dependent on continued funding from the Ministry of Education and Child Care 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**

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 18). This standard was adopted using the modified retroactive approach.

On July 1, 2022 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos and other hazardous materials. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. Accumulated amortization has been recorded from the later of, the date of acquisition of the related asset or April 1, 1988 (effective date of the *Hazardous Waste Regulation (April 1, 1988) – Part 6 – Management of Specific Hazardous Wastes*).

The impact of the prior period adjustment on the June 30, 2022 comparative amounts is as follows:

	Increase (Decrease)
Asset Retirement Obligation (liability)	\$ 5,175,900
Tangible Capital Assets – cost	5,175,900
Tangible Capital Assets – accumulated amortization	5,175,900
Accumulated Surplus – Invested in Capital Assets	(5,175,900)

**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.



**SCHOOL DISTRICT NO. 28**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

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 2022 related to credit, market or liquidity risks.

# School District No. 28 (Quesnel)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,051,937	122,000	1,357,580	3,531,517	9,108,298
Prior Period Adjustments					(5,175,900)
Accumulated Surplus (Deficit), beginning of year, as restated	<u>2,051,937</u>	<u>122,000</u>	<u>1,357,580</u>	<u>3,531,517</u>	<u>3,932,398</u>
Changes for the year					
Surplus (Deficit) for the year	471,608		1,575,247	2,046,855	(400,881)
Interfund Transfers					
Tangible Capital Assets Purchased	(331,198)		331,198	-	
Net Changes for the year	<u>140,410</u>	<u>-</u>	<u>1,906,445</u>	<u>2,046,855</u>	<u>(400,881)</u>
Accumulated Surplus (Deficit), end of year - Statement 2	<u>2,192,347</u>	<u>122,000</u>	<u>3,264,025</u>	<u>5,578,372</u>	<u>3,531,517</u>

# School District No. 28 (Quesnel)

Schedule 2 (Unaudited)

Schedule of Operating Operations  
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	38,746,185	38,757,077	36,303,762
Other Revenue	65,000	42,658	43,543
Rentals and Leases	190,660	189,974	190,677
Investment Income	200,000	291,267	36,035
<b>Total Revenue</b>	<b>39,201,845</b>	<b>39,280,976</b>	<b>36,574,017</b>
<b>Expenses</b>			
Instruction	30,678,292	30,454,334	28,816,783
District Administration	2,048,288	1,985,468	1,842,147
Operations and Maintenance	4,252,288	4,104,920	3,880,150
Transportation and Housing	2,271,577	2,264,646	2,061,202
<b>Total Expense</b>	<b>39,250,445</b>	<b>38,809,368</b>	<b>36,600,282</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(48,600)</b>	<b>471,608</b>	<b>(26,265)</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>458,600</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(410,000)	(331,198)	(155,701)
Tangible Capital Assets - Work in Progress			(50,000)
Other			29,384
<b>Total Net Transfers</b>	<b>(410,000)</b>	<b>(331,198)</b>	<b>(176,317)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>140,410</b>	<b>(202,582)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>2,051,937</b>	<b>2,254,519</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>2,192,347</b>	<b>2,051,937</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 20)		321,898	472,361
Unrestricted		1,870,449	1,579,576
<b>Total Operating Surplus (Deficit), end of year</b>		<b>2,192,347</b>	<b>2,051,937</b>

# School District No. 28 (Quesnel)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source  
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	36,641,972	36,608,806	35,584,958
Other Ministry of Education and Child Care Grants			
Pay Equity	379,632	379,632	379,632
Funding for Graduated Adults	1,000	1,886	1,571
Student Transportation Fund	274,209	274,209	274,209
Support Staff Benefits Grant	53,274	54,317	53,274
FSA Scorer Grant	8,187	8,187	8,187
Early Learning Framework (ELF) Implementation	430	430	1,931
Labour Settlement Funding	1,387,481	1,429,610	
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>38,746,185</b>	<b>38,757,077</b>	<b>36,303,762</b>
<b>Other Revenues</b>			
Miscellaneous			
Other	65,000	29,967	8,470
Sale of Assets		12,691	35,073
<b>Total Other Revenue</b>	<b>65,000</b>	<b>42,658</b>	<b>43,543</b>
<b>Rentals and Leases</b>	<b>190,660</b>	<b>189,974</b>	<b>190,677</b>
<b>Investment Income</b>	<b>200,000</b>	<b>291,267</b>	<b>36,035</b>
<b>Total Operating Revenue</b>	<b>39,201,845</b>	<b>39,280,976</b>	<b>36,574,017</b>

# School District No. 28 (Quesnel)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
<b>Salaries</b>			
Teachers	15,653,955	15,726,135	15,108,225
Principals and Vice Principals	2,939,337	2,941,183	2,647,811
Educational Assistants	3,075,550	2,988,048	2,669,655
Support Staff	4,539,546	4,361,357	4,182,228
Other Professionals	1,136,470	1,135,672	1,041,319
Substitutes	1,479,134	1,455,268	1,510,905
<b>Total Salaries</b>	<b>28,823,992</b>	<b>28,607,663</b>	<b>27,160,143</b>
<b>Employee Benefits</b>	<b>6,267,181</b>	<b>6,388,284</b>	<b>6,078,955</b>
<b>Total Salaries and Benefits</b>	<b>35,091,173</b>	<b>34,995,947</b>	<b>33,239,098</b>
<b>Services and Supplies</b>			
Services	432,630	372,857	336,485
Student Transportation	10,000	8,819	11,763
Professional Development and Travel	412,635	434,910	322,775
Dues and Fees	63,000	62,912	60,094
Insurance	92,800	83,195	83,030
Supplies	2,294,247	1,994,737	1,714,278
Utilities	853,960	855,991	832,759
<b>Total Services and Supplies</b>	<b>4,159,272</b>	<b>3,813,421</b>	<b>3,361,184</b>
<b>Total Operating Expense</b>	<b>39,250,445</b>	<b>38,809,368</b>	<b>36,600,282</b>

**School District No. 28 (Quesnel)**  
 Operating Expense by Function, Program and Object  
 Year Ended June 30, 2023

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	11,450,746	223,603		611,749		909,329	13,195,427
1.03 Career Programs	43,599			34,336			77,935
1.07 Library Services	559,274	109,862		61,722			730,858
1.08 Counselling	744,001						744,001
1.10 Special Education	2,454,459	321,653	2,444,639	115,186		193,256	5,529,193
1.30 English Language Learning	92,907						92,907
1.31 Indigenous Education	381,149	120,764	543,409	24,941		42,242	1,112,505
1.41 School Administration		1,807,717		252,536			2,060,253
1.64 Other						4,517	4,517
<b>Total Function 1</b>	<b>15,726,135</b>	<b>2,583,599</b>	<b>2,988,048</b>	<b>1,100,470</b>	<b>-</b>	<b>1,149,344</b>	<b>23,547,596</b>
<b>4 District Administration</b>							
4.11 Educational Administration		158,841		48,003	294,872		501,716
4.40 School District Governance					94,879		94,879
4.41 Business Administration		198,743		115,950	549,760		864,453
<b>Total Function 4</b>	<b>-</b>	<b>357,584</b>	<b>-</b>	<b>163,953</b>	<b>939,511</b>	<b>-</b>	<b>1,461,048</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				26,266	105,446		131,712
5.50 Maintenance Operations				1,749,596		191,694	1,941,290
5.52 Maintenance of Grounds				167,109		13,404	180,513
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,942,971</b>	<b>105,446</b>	<b>205,098</b>	<b>2,253,515</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				63,623	90,715		154,338
7.70 Student Transportation				1,090,340		100,826	1,191,166
7.73 Housing							-
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,153,963</b>	<b>90,715</b>	<b>100,826</b>	<b>1,345,504</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>15,726,135</b>	<b>2,941,183</b>	<b>2,988,048</b>	<b>4,361,357</b>	<b>1,135,672</b>	<b>1,455,268</b>	<b>28,607,663</b>

**School District No. 28 (Quesnel)**  
 Operating Expense by Function, Program and Object  
 Year Ended June 30, 2023

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget	2022 Actual (Restated - Note 22)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	13,195,427	2,972,261	16,167,688	1,187,617	17,355,305	17,167,944	16,501,071
1.03 Career Programs	77,935	16,866	94,801	809	95,610	103,393	92,121
1.07 Library Services	730,858	169,741	900,599	35,494	936,093	956,993	933,652
1.08 Counselling	744,001	156,590	900,591	57,548	958,139	955,706	1,072,461
1.10 Special Education	5,529,193	1,280,903	6,810,096	171,914	6,982,010	7,074,584	6,320,188
1.30 English Language Learning	92,907	20,844	113,751	1,045	114,796	116,796	109,680
1.31 Indigenous Education	1,112,505	254,642	1,367,147	89,885	1,457,032	1,707,940	1,402,268
1.41 School Administration	2,060,253	420,685	2,480,938	57,786	2,538,724	2,574,966	2,367,169
1.64 Other	4,517	751	5,268	11,357	16,625	19,970	18,173
<b>Total Function 1</b>	<b>23,547,596</b>	<b>5,293,283</b>	<b>28,840,879</b>	<b>1,613,455</b>	<b>30,454,334</b>	<b>30,678,292</b>	<b>28,816,783</b>
<b>4 District Administration</b>							
4.11 Educational Administration	501,716	94,646	596,362	42,219	638,581	709,395	626,290
4.40 School District Governance	94,879	3,592	98,471	106,937	205,408	194,830	168,456
4.41 Business Administration	864,453	172,074	1,036,527	104,952	1,141,479	1,144,063	1,047,401
<b>Total Function 4</b>	<b>1,461,048</b>	<b>270,312</b>	<b>1,731,360</b>	<b>254,108</b>	<b>1,985,468</b>	<b>2,048,288</b>	<b>1,842,147</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	131,712	32,824	164,536	64,153	228,689	244,406	210,041
5.50 Maintenance Operations	1,941,290	447,742	2,389,032	388,805	2,777,837	2,904,404	2,644,514
5.52 Maintenance of Grounds	180,513	42,179	222,692	19,711	242,403	249,518	192,836
5.56 Utilities	-	-	-	855,991	855,991	853,960	832,759
<b>Total Function 5</b>	<b>2,253,515</b>	<b>522,745</b>	<b>2,776,260</b>	<b>1,328,660</b>	<b>4,104,920</b>	<b>4,252,288</b>	<b>3,880,150</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	154,338	30,239	184,577	-	184,577	195,969	163,873
7.70 Student Transportation	1,191,166	271,705	1,462,871	617,198	2,080,069	2,072,108	1,893,782
7.73 Housing	-	-	-	-	-	3,500	3,547
<b>Total Function 7</b>	<b>1,345,504</b>	<b>301,944</b>	<b>1,647,448</b>	<b>617,198</b>	<b>2,264,646</b>	<b>2,271,577</b>	<b>2,061,202</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>28,607,663</b>	<b>6,388,284</b>	<b>34,995,947</b>	<b>3,813,421</b>	<b>38,809,368</b>	<b>39,250,445</b>	<b>36,600,282</b>

# School District No. 28 (Quesnel)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations  
Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 22)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	4,099,590	3,848,062	3,488,637
Other	4,392	4,392	
Other Revenue	610,706	726,318	479,980
Investment Income	3,000	3,492	3,483
<b>Total Revenue</b>	<u>4,717,688</u>	<u>4,582,264</u>	<u>3,972,100</u>
<b>Expenses</b>			
Instruction	4,403,304	4,316,670	3,715,980
Operations and Maintenance	179,130	179,130	175,319
Transportation and Housing	135,254	86,464	80,801
<b>Total Expense</b>	<u>4,717,688</u>	<u>4,582,264</u>	<u>3,972,100</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	-	-	-
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>		122,000	122,000
<b>Special Purpose Surplus (Deficit), end of year</b>		<u>122,000</u>	<u>122,000</u>
<b>Special Purpose Surplus (Deficit), end of year</b>			
Endowment Contributions		122,000	122,000
<b>Total Special Purpose Surplus (Deficit), end of year</b>		<u>122,000</u>	<u>122,000</u>



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

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	First Nation Student Transportation	Mental Health in Schools
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			141,295	231,916			11,852				123,486	64,321
<b>Add:</b> Restricted Grants												
Provincial Grants - Ministry of Education and Child Care	179,130	126,106			128,000	29,400	95,751	517,488	222,465	1,973,625	11,768	55,000
Other			45,777	529,587				1,000				
Investment Income			3,492									
	179,130	126,106	49,269	529,587	128,000	29,400	95,751	518,488	222,465	1,973,625	11,768	55,000
<b>Less:</b> Allocated to Revenue	179,130	126,106	32,900	469,097	128,000	21,512	92,328	518,488	222,465	1,973,625	86,464	119,321
<b>Deferred Revenue, end of year</b>	-	-	157,664	292,406	-	7,888	15,275	-	-	-	48,790	-
<b>Revenues</b>												
Provincial Grants - Ministry of Education and Child Care	179,130	126,106			128,000	21,512	92,328	517,488	222,465	1,973,625	86,464	119,321
Provincial Grants - Other								1,000				
Other Revenue			29,408	469,097								
Investment Income			3,492									
	179,130	126,106	32,900	469,097	128,000	21,512	92,328	518,488	222,465	1,973,625	86,464	119,321
<b>Expenses</b>												
Salaries												
Teachers							44,422			1,618,961		
Principals and Vice Principals												30,833
Educational Assistants		101,047			92,664	811		340,467	58,493		32,797	
Support Staff					2,092	4,357		2,518	86,500		9,157	35,748
Substitutes					94,756	5,168		144,993	144,993	1,618,961	41,954	66,581
Employee Benefits		25,059			23,026	64		74,420	29,245	354,664	10,647	6,771
Services and Supplies	179,130		32,900	469,097	10,218	16,280	39,010	101,083	48,227		33,863	45,969
	179,130	126,106	32,900	469,097	128,000	21,512	92,328	518,488	222,465	1,973,625	86,464	119,321
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-	-	-	-

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

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2023

	Changing Results for Young Children	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	Other Partnerships	BC Skills for Jobs	TOTAL
	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	3,541				224,303	4,392	805,106
<b>Add: Restricted Grants</b>							
Provincial Grants - Ministry of Education and Child Care	6,000	357,657	19,000	175,000			3,896,390
Other					135,192		711,556
Investment Income							3,492
	6,000	357,657	19,000	175,000	135,192	-	4,611,438
<b>Less: Allocated to Revenue</b>	6,864	201,941	7,598	165,220	226,813	4,392	4,582,264
<b>Deferred Revenue, end of year</b>	2,677	155,716	11,402	9,780	132,682	-	834,280
<b>Revenues</b>							
Provincial Grants - Ministry of Education and Child Care	6,864	201,941	7,598	165,220			3,848,062
Provincial Grants - Other						4,392	4,392
Other Revenue					226,813		726,318
Investment Income							3,492
	6,864	201,941	7,598	165,220	226,813	4,392	4,582,264
<b>Expenses</b>							
Salaries							
Teachers					15,716		1,679,099
Principals and Vice Principals				111,148			111,148
Educational Assistants							131,880
Support Staff	849			23,322	12,148		561,551
Substitutes	2,135		736		4,637		147,880
	2,984	-	736	134,470	32,501	-	2,631,558
Employee Benefits	472		160	29,534	5,084		568,042
Services and Supplies	3,408	201,941	6,702	1,216	189,228	4,392	1,382,664
	6,864	201,941	7,598	165,220	226,813	4,392	4,582,264
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-
<b>Interfund Transfers</b>	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-

# School District No. 28 (Quesnel)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 22)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education and Child Care	1,769,000	1,920,000		1,920,000	
Gain (Loss) on Disposal of Tangible Capital Assets	45,001	45,000		45,000	
Amortization of Deferred Capital Revenue	2,260,351	2,156,057		2,156,057	1,391,663
<b>Total Revenue</b>	<b>4,074,352</b>	<b>4,121,057</b>	<b>-</b>	<b>4,121,057</b>	<b>1,391,663</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,199,249	2,134,997		2,134,997	1,388,508
Transportation and Housing	439,325	410,813		410,813	377,771
<b>Total Expense</b>	<b>2,638,574</b>	<b>2,545,810</b>	<b>-</b>	<b>2,545,810</b>	<b>1,766,279</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>1,435,778</b>	<b>1,575,247</b>	<b>-</b>	<b>1,575,247</b>	<b>(374,616)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	410,000	331,198		331,198	155,701
Tangible Capital Assets - Work in Progress				-	50,000
AFG Capitalized in prior year				-	(29,384)
<b>Total Net Transfers</b>	<b>410,000</b>	<b>331,198</b>	<b>-</b>	<b>331,198</b>	<b>176,317</b>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(45,000)	45,000	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>(45,000)</b>	<b>45,000</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>1,845,778</b>	<b>1,861,445</b>	<b>45,000</b>	<b>1,906,445</b>	<b>(198,299)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>1,357,580</b>		<b>1,357,580</b>	<b>6,731,779</b>
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(5,175,900)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>1,357,580</b>	<b>-</b>	<b>1,357,580</b>	<b>1,555,879</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>3,219,025</b>	<b>45,000</b>	<b>3,264,025</b>	<b>1,357,580</b>

# School District No. 28 (Quesnel)

Tangible Capital Assets  
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	2,842,620	62,359,331	1,626,423	4,014,632	572,262	26,246	71,441,514
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		5,175,900					5,175,900
<b>Cost, beginning of year, as restated</b>	2,842,620	67,535,231	1,626,423	4,014,632	572,262	26,246	76,617,414
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	1,920,000	10,668,432	1,204,192			494,751	14,287,375
Operating Fund				249,659	81,539		331,198
Transferred from Work in Progress		36,983,401	457,161			500,677	37,941,239
	1,920,000	47,651,833	1,661,353	249,659	81,539	995,428	52,559,812
Decrease:							
Disposed of		472,822					472,822
Deemed Disposals			259,280	62,670	27,514		349,464
Written-off/down During Year		5,005,986					5,005,986
	-	5,478,808	259,280	62,670	27,514	-	5,828,272
<b>Cost, end of year</b>	4,762,620	109,708,256	3,028,496	4,201,621	626,287	1,021,674	123,348,954
<b>Work in Progress, end of year</b>		48,997					48,997
<b>Cost and Work in Progress, end of year</b>	4,762,620	109,757,253	3,028,496	4,201,621	626,287	1,021,674	123,397,951
<b>Accumulated Amortization, beginning of year</b>		37,008,392	703,558	1,353,821	256,608	18,371	39,340,750
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		5,175,900					5,175,900
<b>Accumulated Amortization, beginning of year, as restated</b>		42,184,292	703,558	1,353,821	256,608	18,371	44,516,650
<b>Changes for the Year</b>							
Increase: Amortization for the Year		1,677,604	232,746	410,813	119,855	104,792	2,545,810
Decrease:							
Disposed of		148,588					148,588
Deemed Disposals			259,280	62,670	27,514		349,464
Written-off During Year		3,691,177					3,691,177
		3,839,765	259,280	62,670	27,514	-	4,189,229
<b>Accumulated Amortization, end of year</b>		40,022,131	677,024	1,701,964	348,949	123,163	42,873,231
<b>Tangible Capital Assets - Net</b>	4,762,620	69,735,122	2,351,472	2,499,657	277,338	898,511	80,524,720

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

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress  
 Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	36,983,401	457,161		500,677	37,941,239
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	48,997				48,997
	48,997	-	-	-	48,997
Decrease:					
Transferred to Tangible Capital Assets	36,983,401	457,161		500,677	37,941,239
	36,983,401	457,161	-	500,677	37,941,239
<b>Net Changes for the Year</b>	(36,934,404)	(457,161)	-	(500,677)	(37,892,242)
<b>Work in Progress, end of year</b>	48,997	-	-	-	48,997

# School District No. 28 (Quesnel)

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	25,035,449	681,836		25,717,285
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	12,367,375			12,367,375
Transferred from Work in Progress	37,791,239			37,791,239
	50,158,614	-	-	50,158,614
Decrease:				
Amortization of Deferred Capital Revenue	2,130,987	25,070		2,156,057
Revenue Recognized on Disposal of Buildings	324,234			324,234
Revenue Recognized on Write-off/down of Buildings	1,314,809			1,314,809
	3,770,030	25,070	-	3,795,100
<b>Net Changes for the Year</b>	46,388,584	(25,070)	-	46,363,514
<b>Deferred Capital Revenue, end of year</b>	71,424,033	656,766	-	72,080,799
<b>Work in Progress, beginning of year</b>	37,791,239			37,791,239
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	48,997			48,997
	48,997	-	-	48,997
Decrease				
Transferred to Deferred Capital Revenue	37,791,239			37,791,239
	37,791,239	-	-	37,791,239
<b>Net Changes for the Year</b>	(37,742,242)	-	-	(37,742,242)
<b>Work in Progress, end of year</b>	48,997	-	-	48,997
<b>Total Deferred Capital Revenue, end of year</b>	71,473,030	656,766	-	72,129,796

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

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	50,000	2,128				52,128
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	14,286,372					14,286,372
Investment Income		2,019				2,019
MECC Restricted Portion of Proceeds on Disposal		135,002				135,002
	14,286,372	137,021	-	-	-	14,423,393
Decrease:						
Transferred to DCR - Capital Additions	12,367,375					12,367,375
Transferred to DCR - Work in Progress	48,997					48,997
Transferred to Revenue - Site Purchases	1,920,000					1,920,000
	14,336,372	-	-	-	-	14,336,372
<b>Net Changes for the Year</b>	(50,000)	137,021	-	-	-	87,021
<b>Balance, end of year</b>	-	139,149	-	-	-	139,149