



*The Board of Education of School District
No. 39 (Vancouver)*

Financial Statements

July 1, 2015 to June 30, 2016



School District No. 39 (Vancouver)

June 30, 2016

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INDEPENDENT AUDITOR'S REPORT

*To the Board of Education of School District No. 39 (Vancouver), and
To the Minister of Education, Province of British Columbia*

I have audited the accompanying financial statements of School District No. 39 (Vancouver) (“the entity”), which comprise the statement of financial position as at June 30, 2016, and the statements of operations, changes in net financial assets (debt), and cash flows for the year then ended, and 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 Canadian Public Sector Accounting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 the auditor's 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, the auditor considers 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.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

As described in Note 2 to the financial statements, the entity's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to

recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In our opinion certain contributions of the entity do not meet the definition of a liability, and as such the entity's method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. When the cumulative effects of this departure to date are adjusted through opening accumulated surplus, the entity's records indicate that the effects of this departure on the current year financial statements is an overstatement of the liabilities for deferred capital revenue of \$395 million and deferred revenue of \$15 million, an understatement of accumulated surplus of \$410 million, and a current year overstatement of revenue of \$1 million. Accordingly, the current year deficit is understated by \$1 million and net debt is overstated by \$410 million.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of School District No. 39 (Vancouver) as at June 30, 2016, and the results of its operations, changes in its net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Other Matters

Without modifying my opinion, I advise the reader that I was not engaged to audit the comparative financial statements of School District No. 39 (Vancouver) as at June 30, 2015, for their fair presentation in accordance with Canadian Public Sector Accounting Standards. The financial statements of School District No. 39 (Vancouver) as at June 30, 2015 were audited by a professional accounting firm who previously reported on their compliance with Section 23.1 of the *Budget Transparency and Accountability Act* including Treasury Board Regulation 198/2011 prescribing the accounting policy for contributions. However, because that audit reported against a different framework than that of the current year, I must advise you that the comparative information in the financial statements and related disclosures were not audited in accordance with the Canadian Public Sector Accounting Standards framework adopted in the current year, but rather in compliance with Section 23.1 of the *Budget Transparency and Accountability Act*.

Victoria, British Columbia
September 26, 2016



Russ Jones, FCPA, FCA
Deputy Auditor General

School District No. 39 (Vancouver)

Management Report

Version: 6225-5480-3497

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 39 (Vancouver) 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. 39 (Vancouver) (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 externally audited financial statements yearly.

The external auditors, Office of the Auditor General, 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. 39 (Vancouver) 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. 39 (Vancouver)

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent - Director

Date Signed

Signature of the Secretary-Treasurer - Director of Finance

Date Signed

School District No. 39 (Vancouver)

Statement 1

Statement of Financial Position

As at June 30, 2016

	2016 Actual	2015 Actual (Recnst)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	132,313,988	136,594,362
Accounts Receivable		
Due from Province - Ministry of Education	17,513,870	5,887,087
Due from Province - Other	85,808	66,675
Due from LEA/Direct Funding	-	30,492
Other (Note 3)	1,743,194	4,413,536
Portfolio Investments (Note 4)	2,234,514	2,027,302
Total Financial Assets	<u>153,891,374</u>	<u>149,019,454</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	62,709,859	48,756,750
Unearned Revenue (Note 6)	27,234,477	23,367,705
Deferred Revenue (Note 7)	27,159,569	27,454,668
Deferred Capital Revenue (Note 8)	537,200,220	476,074,644
Employee Future Benefits (Note 9)	22,499,151	20,441,204
Capital Lease Obligations (Note 10)	3,333,309	1,828,149
Other Liabilities	2,116,416	1,471,926
Total Liabilities	<u>682,253,001</u>	<u>599,395,046</u>
Net Financial Assets (Debt)	<u>(528,361,627)</u>	<u>(450,375,592)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	642,248,460	584,106,853
Prepaid Expenses	2,925,683	2,275,542
Supplies Inventory	1,014,731	1,064,324
Total Non-Financial Assets	<u>646,188,874</u>	<u>587,446,719</u>
Accumulated Surplus (Deficit) (Note 16)	<u>117,827,247</u>	<u>137,071,127</u>

Contractual Obligations and Contingencies (Note 13)

Approved by the Board

Chairperson of the Board of Education

Sept 26 2016
Date Signed

Superintendent

Sep 26, 2016
Date Signed

Signature of the Secretary-Treasurer Director of Finance

Sept 26 2016
Date Signed

School District No. 39 (Vancouver)

Statement 2

Statement of Operations
Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	481,964,457	481,695,713	467,990,973
Other	4,426,658	5,621,635	4,955,187
Federal Grants	1,812,904	2,035,012	1,891,078
Tuition	24,654,504	24,718,785	22,625,820
Other Revenue	39,971,275	37,384,240	35,190,630
Rentals and Leases	4,831,260	5,123,513	4,477,520
Investment Income	1,576,200	1,676,693	1,935,904
Gain (Loss) on Disposal of Tangible Capital Assets			337,232
Amortization of Deferred Capital Revenue	13,667,139	13,726,211	13,366,155
Economic Stability Dividend	12,918		
Total Revenue	<u>572,917,315</u>	<u>571,981,802</u>	<u>552,770,499</u>
Expenses			
Instruction	481,374,850	484,695,956	456,355,757
District Administration	17,862,274	18,190,367	17,354,397
Operations and Maintenance	86,866,830	85,594,244	83,544,373
Transportation and Housing	3,020,213	2,745,115	2,667,501
Debt Services	51,852		
Total Expense	<u>589,176,019</u>	<u>591,225,682</u>	<u>559,922,028</u>
Surplus (Deficit) for the year	<u>(16,258,704)</u>	<u>(19,243,880)</u>	<u>(7,151,529)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		137,071,127	144,222,656
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>117,827,247</u></u>	<u>137,071,127</u>

School District No. 39 (Vancouver)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual (Recast)
	\$	\$	\$
Surplus (Deficit) for the year	(16,258,704)	(19,243,880)	(7,151,529)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(71,597,825)	(82,379,680)	(54,357,901)
Amortization of Tangible Capital Assets	20,895,266	21,132,509	20,946,082
Net carrying value of Tangible Capital Assets disposed of		3,105,564	(337,232)
Total Effect of change in Tangible Capital Assets	(50,702,559)	(58,141,607)	(33,749,051)
Acquisition of Prepaid Expenses		(1,802,222)	(1,063,370)
Use of Prepaid Expenses		1,152,081	905,485
Acquisition of Supplies Inventory		(42,145,730)	(9,126,166)
Use of Supplies Inventory		42,195,323	9,017,485
Total Effect of change in Other Non-Financial Assets	-	(600,548)	(266,566)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(66,961,263)</u>	(77,986,035)	(41,167,146)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(77,986,035)	(41,167,146)
Net Financial Assets (Debt), beginning of year		(450,375,592)	(409,208,446)
Net Financial Assets (Debt), end of year		(528,361,627)	(450,375,592)

School District No. 39 (Vancouver)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2016

	2016 Actual	2015 Actual (Recast)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(19,243,880)	(7,151,529)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(8,945,079)	2,631,857
Supplies Inventories	49,593	(108,681)
Prepaid Expenses	(650,141)	(157,885)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	13,953,109	(13,106,782)
Unearned Revenue	3,866,772	941,885
Deferred Revenue	(295,099)	4,027,556
Employee Future Benefits	2,057,947	2,283,929
Other Liabilities	82,458	(661,566)
Loss (Gain) on Disposal of Tangible Capital Assets	-	(337,232)
Amortization of Tangible Capital Assets	21,132,509	20,946,082
Amortization of Deferred Capital Revenue	(13,726,211)	(13,366,155)
Total Operating Transactions	(1,718,022)	(4,058,521)
Capital Transactions		
Tangible Capital Assets Purchased	(5,130,807)	(5,049,561)
Tangible Capital Assets -WIP Purchased	(75,787,978)	(46,884,468)
District Portion of Proceeds on Disposal	-	1,571,876
Sale and Leaseback of Equipment	4,707,374	-
Total Capital Transactions	(76,211,411)	(50,362,153)
Financing Transactions		
Capital Revenue Received	74,851,787	46,447,453
Capital Lease Payments	(995,516)	(2,239,320)
Total Financing Transactions	73,856,271	44,208,133
Investing Transactions		
Investments in Portfolio Investments	(207,212)	242,926
Total Investing Transactions	(207,212)	242,926
Net Increase (Decrease) in Cash and Cash Equivalents	(4,280,374)	(9,969,615)
Cash and Cash Equivalents, beginning of year	136,594,362	146,563,977
Cash and Cash Equivalents, end of year	132,313,988	136,594,362
Cash and Cash Equivalents, end of year, is made up of:		
Cash	132,313,988	136,594,362
	132,313,988	136,594,362

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

1 Authority and Purpose

The School District, established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 39 (Vancouver)", and operates as "School District No. 39 (Vancouver)." 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. 39 is exempt from federal and provincial income taxes.

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(f) and 2(n).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in notes 2(f) and 2(n), 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.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

d) Portfolio Investments

The School District has investments in Guaranteed Investment Certificates (“GIC’s”), term deposits and bonds that have a period to maturity of greater than 3 months at the time of acquisition. These investments are not quoted in an active market and are reported at 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 issuance of a financial asset.

e) Unearned Revenue

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

f) Deferred Revenue 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(n).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized to revenue in the statement of operations over the life of the asset acquired. 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.

g) Employee Future Benefits

i) Post-employment 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. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

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.

ii) Pension Plans

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.

h) Tangible Capital Assets

- 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 in which case the assets are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an addition 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 indicate 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. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

i) 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.

j) 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 executory costs, e.g., insurance or maintenance costs. 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.

k) Prepaid Expenses

Prepaid annual maintenance contracts, prepaid rent, membership dues, and medical benefit plan surplus are included as a prepaid expense and stated at acquisition cost, and are charged to expense over the periods expected to benefit from it.

l) Supplies Inventory

Supplies inventory held for consumption or use are recorded at the lower of historical cost and replacement cost.

m) 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.

n) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Contributions received, or where eligibility criteria have been met, are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

criteria that the School District has to meet in order to receive the contributions, including authorization by the transferring government.

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

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that governments 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 over the period that the liability is extinguished.

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.

o) Expenses

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.
- The Superintendent, Assistant Superintendent, Secretary-Treasurer, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
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- 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.

p) 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, portfolio investments, accounts receivable, accounts payable and other current liabilities.

Except for portfolio investments in equity instruments quoted in an active market, or items designated by management, that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Interest and dividends attributable to financial instruments are reported in the statement of operations.

Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

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.

q) 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

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

r) 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.

3 Other Receivables

	30-Jun-16	30-Jun-15
Due from Federal Government	\$ 353,152	\$ 581,828
Due from Municipalities	265,083	330,478
Due from Other School Districts	48,097	89,283
Rentals and Leases	377,059	349,156
Other Receivables	1,037,562	3,395,855
Allowance for Doubtful Accounts	(337,759)	(333,064)
Total	\$ 1,743,194	\$ 4,413,536

4 Portfolio Investments

GIC's and term deposits included in portfolio investments are held with local banking institutions and earn average interest at 0.98% (2015 – 1.33%). Senior government bonds held earn average interest at 2.30% (2015 - 3.41%).

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

	30-Jun-16	30-Jun-15
GIC's	\$ 660,450	\$ 746,169
Term deposits	576,244	495,265
Senior Government Bonds	997,820	785,868
	\$ 2,234,514	\$ 2,027,302

5 Accounts Payable and Accrued Liabilities - Other

	30-Jun-16	30-Jun-15
Accrued vacation pay	9,676,757	6,806,110
Other	11,695,156	9,101,786
Salaries and benefits payable	24,764,055	25,550,434
Trade payables	\$ 16,573,891	\$ 7,298,420
	\$ 62,709,859	\$ 48,756,750

6 Unearned Revenue

	30-Jun-16	30-Jun-15
Balance, beginning of year	\$ 23,367,705	\$ 22,425,820
Amounts received		
Tuition fees	25,004,882	20,063,775
Rental/Lease of facilities	4,888,883	3,428,407
Other	114,315	304,858
	\$ 30,008,080	\$ 23,797,038
Amounts earned		
Tuition fees	21,086,470	19,368,541
Rental/Lease of facilities	4,850,830	3,360,373
Other	204,008	126,241
	\$ 26,141,308	\$ 22,855,155
Net changes for the year	\$ 3,866,772	\$ 941,885
Balance, end of year	\$ 27,234,477	\$ 23,367,705

7 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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

	30-Jun-16	30-Jun-15
Deferred revenue, beginning of year	\$ 27,454,668	\$ 23,427,112
Increase		
Provincial Grants - Ministry of Education	34,017,272	32,500,898
Provincial Grants - Other	3,391,939	8,062,388
Other	32,984,872	31,250,183
Investment Income	549,584	480,552
	70,943,667	72,294,021
Decrease		
Allocated to Revenue	71,238,766	67,301,171
Recoveries	-	655,790
Strike Savings	-	309,504
	71,238,766	68,266,465
Deferred revenue, end of year	\$ 27,159,569	\$ 27,454,668

8 Deferred Capital Revenue

Deferred Capital Revenue (DCR) 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 Regulation 198/2011 issued by the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	30-Jun-16	30-Jun-15
DCR, Completed Projects:	\$ 402,374,515	\$ 385,641,966
Increases		
Transfers from DCR, WIP	4,725,754	30,098,704
Decreases		
Amortization - ByLaw Capital	13,357,240	12,997,184
Amortization - Other Provincial Capital	197,292	197,292
Amortization - Other Capital	171,679	171,679
	13,726,211	13,366,155
Balance, end of year	\$ 393,374,058	\$ 402,374,515

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

DCR, Work in Progress (WIP)		
Balance, beginning of year	\$ 70,030,012	\$ 53,244,248
Increases		
Transfers from DR – spent funds	75,787,978	46,884,468
Decreases		
Transfers to DCR – completed projects	<u>4,725,754</u>	<u>30,098,704</u>
Balance, end of year	<u>\$ 141,092,236</u>	<u>\$ 70,030,012</u>
Balance DCR Completed Projects and WIP, end of year	<u>\$ 534,466,294</u>	<u>\$ 472,404,527</u>
DCR, Unspent		
Balance, beginning of year	\$ 3,670,116	\$ 4,107,131
Increases		
Provincial Grants – Ministry of Education	74,795,594	46,303,937
Investment Income	<u>56,194</u>	<u>143,516</u>
	<u>74,851,788</u>	<u>46,447,453</u>
Decreases		
Transferred to DCR, WIP	75,787,978	46,884,468
Balance, DCR, Unspent, end of year	\$ 2,733,926	\$ 3,670,116
Total Deferred Capital Revenue	<u>\$ 537,200,220</u>	<u>\$ 476,074,643</u>

9 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.

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 31,086,802	\$ 28,074,207
Service Cost	2,111,512	1,823,211
Interest Cost	722,732	934,278
Benefit Payments	(1,344,558)	(1,765,296)
Actuarial (Gain) Loss	<u>(3,015,165)</u>	<u>2,020,402</u>
Accrued Benefit Obligation – March 31	<u>\$ 29,561,323</u>	<u>\$ 31,086,802</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 29,561,323	\$ 31,086,802
Market Value of Plan Assets - March 31	<u>-</u>	<u>-</u>
Funded Status - Deficit	29,561,323	31,086,802
Employer Contributions After Measurement Date	(1,165,600)	(672,331)
Benefits Expense After Measurement Date	668,285	708,561
Unamortized Net Actuarial Loss	<u>(6,564,858)</u>	<u>(10,681,829)</u>
Accrued Benefit Liability - June 30	<u>\$ 22,499,150</u>	<u>\$ 20,441,203</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 20,441,203	\$ 18,157,275
Net Expense for Fiscal Year	3,895,774	3,702,797
Employer Contributions	<u>(1,837,827)</u>	<u>(1,418,868)</u>
Accrued Benefit Liability - June 30	<u>\$ 22,499,150</u>	<u>\$ 20,441,204</u>
Components of Net Benefit Expense		
Service Cost - June 30	\$ 2,062,855	\$ 1,895,286
Interest Cost - June 30	731,113	881,391
Amortization of Net Actuarial (Gain)/Loss	<u>1,101,807</u>	<u>926,120</u>
Net Benefit Expense (Income)	<u>\$ 3,895,775</u>	<u>\$ 3,702,797</u>
Assumptions		
Discount Rate - April 1	2.25%	3.25%
Discount Rate - March 31	2.50%	2.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
Expected Average Remaining Service Lifetime-March 31	11.3	11.5

10 Capital Lease Obligations

Repayments are due as follows:

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
2016	-	709,240
2017	1,636,263	1,167,184
2018	1,530,262	-
2019	194,740	-
2020	194,740	-
2021	<u>39,960</u>	<u>-</u>
	3,595,965	1,876,424
<i>Interest portion - ranging from 2.5% to 8.8%</i>	<u>(262,656)</u>	<u>(48,275)</u>
Total	<u>\$ 3,333,309</u>	<u>\$ 1,828,149</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

11 Tangible Capital Asset

2016

Cost	July 1, 2015	Additions	Disposals	Transfers	June 30, 2016
Sites	\$ 20,848,131	\$ -	\$ -	\$ -	\$ 20,848,131
Buildings	757,341,934	1,481,505	-	4,725,754	763,549,193
Buildings – WIP	70,030,012	75,787,978	-	(4,725,754)	141,092,236
Furniture & Equipment	16,082,120	2,155,514	(3,201,691)	-	15,035,943
Vehicles	1,935,886	181,718	(292,870)	-	1,824,734
Computer Software	1,113,759	291,938	(148,237)	-	1,257,460
Computer Hardware	12,968,973	2,481,027	(3,896,235)	-	11,553,765
Total	\$880,320,815	\$ 82,379,680	\$ (7,539,033)	\$ -	\$ 955,161,462

Accumulated Amortization	July 1, 2015	Amortization	Disposals	June 30, 2016
Buildings	\$282,550,214	\$ 16,726,028	\$ -	\$ 299,276,242
Furniture & Equipment	7,435,992	1,556,590	2,142,723	6,849,859
Vehicles	975,079	188,031	292,870	870,240
Computer Software	417,995	237,122	148,237	506,880
Computer Hardware	4,834,682	2,424,738	1,849,638	5,409,782
Total	\$296,213,962	\$ 21,132,509	\$ 4,433,468	\$ 312,913,003

2015

Cost	July 1, 2014	Additions	Disposals	Transfers	June 30, 2015
Sites	\$ 20,848,131	\$ -	\$ -	\$ -	\$ 20,848,131
Buildings	726,777,064	979,934	-	29,584,936	757,341,934
Buildings – WIP	53,124,226	46,436,370	-	(29,584,936)	69,975,660
Furniture & Equipment	16,784,956	1,479,853	(2,128,336)	-	16,136,473
Vehicles	1,744,437	191,449	-	-	1,935,886
Computer Software	2,380,418	551,245	(1,817,904)	-	1,113,759
Computer Hardware	13,355,489	4,719,050	(5,105,566)	-	12,968,973
Total	\$835,014,721	\$ 54,357,901	\$ (9,051,806)	\$ -	\$ 880,320,815

Accumulated Amortization	July 1, 2014	Amortization	Disposals	June 30, 2015
Buildings	\$266,199,741	\$ 16,350,473	\$ -	\$ 282,550,214
Furniture & Equipment	8,185,681	1,378,647	2,128,336	7,435,992
Vehicles	791,063	184,016	-	975,079
Computer Software	1,886,919	348,980	1,817,904	417,995
Computer Hardware	7,593,514	2,346,734	5,105,566	4,834,682
Total	\$284,656,918	\$ 20,608,850	\$ 9,051,806	\$ 296,213,962

Net Book Value	June 30, 2016	June 30, 2015
Sites	\$ 20,848,131	\$ 20,848,131
Buildings	464,272,951	474,791,720
Buildings - WIP	141,092,236	69,975,660
Furniture & Equipment	8,186,084	8,700,481
Vehicles	954,494	960,807
Computer Software	750,580	695,763
Computer Hardware	6,143,983	8,134,291
Total	\$642,248,460	\$584,106,853

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

As at June 30, 2016, there was work in progress of \$141,092,237 (\$70,030,012 in 2015) included in Buildings and Furniture & Equipment and not being amortized. Amortization of these assets will commence when the asset is put into service.

Included within tangible capital assets purchases is \$1,460,895 (2015: \$2,423,872) of assets acquired through capital lease

12 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, 2014, the Teachers' Pension Plan had about 45,000 active members and approximately 35,000 retired members. As of December 31, 2014, the Municipal Pension Plan had about 185,000 active members, including approximately 24,000 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 is then adjusted to the extent there is amortization of any funding deficit.

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.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The School District paid \$51,243,594 (2015 - \$47,723,072) for employer contributions to these plans in the year ended June 30, 2016.

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, 2015, with results available in 2016.

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. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

13 Commitments and Contingencies

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.

	2017	2018	2019	2020	2021
Approved Capital Projects					
- Unperformed portion	\$ 38,749,029	\$ 4,961,984	\$ -	\$ -	\$ -
Future operating lease payments	2,663,984	2,054,096	1,985,400	1,952,543	1,597,711
	<u>\$ 41,413,013</u>	<u>\$ 7,016,080</u>	<u>\$ 1,985,400</u>	<u>\$ 1,952,543</u>	<u>\$ 1,597,711</u>

On June 16, 2014, the Board approved the allocation of up to \$2.8 million from the Local Capital Reserve to be used to assist in funding the International Village elementary school capital project. The Minister of Education approved this funding allocation in a letter dated August 7, 2014. It is anticipated that this expenditure from the Local Capital Reserve will result in a deficit in the Local Capital Reserve in the order of approximately \$230,000 in 2016/2017.

14 Budget Figures

Budget figures included in the financial statements are not audited. The figures reflect the amended annual budget approved by the Board on February 29, 2016. The District has elected to present the amended annual budget as it reflects a budget based on funding as a result of final enrollment numbers versus estimated annual projections.

	<u>Amended Budget</u>	<u>Annual Budget</u>
Ministry Operating Grant Funded FTE's		
School-Age	50,186	50,505
Adult	423	532
Other	1,629	1,906
Total Ministry Operating Grant Funded FTE's	<u>52,238</u>	<u>52,943</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

	<u>Amended Budget</u>	<u>Annual Budget</u>
Revenues		
Provincial Grants		
Ministry of Education	\$ 481,964,457	\$ 483,970,653
Other	4,426,658	4,426,851
Federal Grants	1,812,904	2,419,731
Tuition	24,654,504	22,110,545
Other Revenue	39,971,275	38,383,617
Rentals and Leases	4,831,260	4,796,383
Investment Income	1,576,200	1,513,405
Amortization of Deferred Capital Revenue	13,667,139	13,957,230
Economic Stability Fund	12,918	-
Total Revenue	\$ 572,917,315	\$ 571,578,415
Expenses		
Instruction	\$ 481,374,850	\$ 482,900,407
District Administration	17,862,274	16,552,413
Operations and Maintenance	86,866,830	85,905,941
Transportation and Housing	3,020,213	3,023,500
Debt Services	51,852	23,762
Total Expense	\$ 589,176,019	\$ 588,406,023
Net Revenue (Expense)	\$ (16,258,704)	\$ (16,827,608)
Budgeted Allocation (Retirement) of Surplus (Deficit)	13,096,317	13,834,881
Budgeted Retirement of Unfunded Employee Future Benefits	(132,764)	(132,764)
Budgeted Surplus (Deficit), for the year	\$ (3,295,151)	\$ (3,125,491)
Budgeted Surplus (Deficit), for the year comprised of:		
Capital Fund Surplus (Deficit)	\$ (3,295,151)	\$ (3,125,491)

15 Expense by Object

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
Amortization	\$ 21,132,508	\$ 20,946,082
Interest	15,626	136,958
Salaries and benefits	491,671,832	466,090,588
Services and supplies	78,405,716	72,748,400
	\$ 591,225,682	\$ 559,922,028

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

16 Accumulated Surplus

	30-Jun-16	30-Jun-15
Invested in Capital Assets	\$ 104,449,350	\$ 109,874,078
Local Capital Fund	2,981,808	1,579,093
Capital Fund Balance	\$ 107,431,158	\$ 111,453,171
External Commitments		
Donated Funds for School Programs	\$ 2,335,270	\$ 2,592,370
Distributed Learning Funding for Courses in Progress	367,056	219,759
	2,702,326	2,812,129
Internal Commitments		
School Budget Balances	\$ -	\$ 2,683,475
Purchase Order Commitments	-	1,896,257
Funds Required to Complete Projects in Progress	-	3,072,061
	-	7,651,793
Restricted by Board Resolution		
Prior Year Unrestricted to Fund Next Year's Budget	\$ 734,061	\$ 7,435,260
Current year Surplus to Fund Next Year's Budget	7,936,312	7,961,324
	\$ 8,670,373	\$ 15,396,584
Unrestricted Operating Surplus	-	734,061
Unfunded Accrued Employee Benefits	(976,611)	(976,611)
Accumulated Surplus	\$ 117,827,247	\$ 137,071,127

17 Interfund Transfers

Interfund Transfers between operating, special purpose and capital funds for the year were as follows:

- \$1,462,507 from special purpose to capital fund for capital assets purchased
- \$ 447,793 from local capital to operating for BCeSIS
- \$ 3,105,564 from capital fund to operating for revenue for sale of equipment, and \$995,516 from operating to capital fund for capital lease payments
- \$3,451,224 from the operating fund to the capital fund for capital assets purchased

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

18 Recast of June 30, 2015 Statements

The School District has made a retroactive adjustment to the prior year financial statements as follows:

	Previously Reported	Adjustment	Recast
Prepays	\$ 713,840	\$ 1,561,703	\$ 2,275,543
Accumulated Surplus, beginning of year	142,660,954	1,622,109	144,283,063
Deficit for the year	(7,151,529)	(60,406)	(7,211,935)
Accumulated Surplus, end of year	135,509,425	1,561,703	137,071,128
Non Financial Assets	\$ 585,885,017	\$ 1,561,703	\$ 587,446,720

19 Subsequent Events

- a) On April 28, 2016, Board staff brought forward a proposed budget for the upcoming fiscal year 2016/2017. The Board defeated the budget motion at the April 28, 2016 board meeting, and no motion was made subsequently to reconsider the budget by the June 30, 2016 deadline, as outlined in S. 113(1) of the *School Act*. The defeat of the 2016/2017 budget will not have a financial impact on the 2015/2016 fiscal year. An estimate of the financial effect of the defeat of the budget on the 2016/2017 fiscal year cannot reasonably be made.

In consultation with legal counsel and the Ministry of Education, VBE staff have implemented the proposed 2016/2017 budget tabled at that meeting, with adjustments for two subsequent announcements by the Ministry regarding additional grant funding. In a letter dated July 4, 2016, the Minister of Education indicated that the Ministry would be appointing a Special Advisor, and further, the Minister confirmed that the Board has the authority to spend and manage its financial resources in the interim. In a letter dated July 18, 2016, the Minister confirmed the appointment of the Special Advisor.

- b) On August 19, 2016, there was a fire in the main brick building of Sir Guy Carlton Elementary. The fire started on the third floor and spread to the attic, where it was contained. Fire, smoke and water damage was sustained to the building and the supporting electrical and mechanical systems. The cost of repairs is currently under assessment, and a financial estimate of the cost cannot be made at this time.

20 Economic Dependence

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

21 Related Party Transactions

The School District is related through common control 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.

22 Risk Management

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments. The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are held by recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates, term deposits, Senior Government Bonds and the Central Deposit Program of BC.

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 because it invests solely in guaranteed investment certificates, term deposits, and Senior Government Bonds.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2016

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

School District No. 39 (Vancouver)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2016

	Operating Fund	Special Purpose Fund	Capital Fund	2016 Actual	2015 Actual (Recast)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	25,617,956		111,453,171	137,071,127	142,660,954
Prior Period Adjustments					1,561,702
Accumulated Surplus (Deficit), beginning of year, as restated	25,617,956	-	111,453,171	137,071,127	144,222,656
Changes for the year					
Surplus (Deficit) for the year	(14,328,484)	1,462,507	(6,377,903)	(19,243,880)	(7,151,529)
Interfund Transfers					
Tangible Capital Assets Purchased	(3,451,224)	(1,462,507)	4,913,731	-	
Local Capital	447,793		(447,793)	-	
Other	2,110,048		(2,110,048)	-	
Net Changes for the year	(15,221,867)	-	(4,022,013)	(19,243,880)	(7,151,529)
Accumulated Surplus (Deficit), end of year - Statement 2	10,396,089	-	107,431,158	117,827,247	137,071,127

School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	447,821,517	448,036,127	435,952,653
Other	68,719	63,132	160,741
Federal Grants	1,812,904	2,035,012	1,891,078
Tuition	24,654,504	24,718,785	22,625,820
Other Revenue	9,086,381	5,341,335	4,652,302
Rentals and Leases	3,837,513	4,146,434	3,480,084
Investment Income	1,382,353	1,428,485	1,707,200
Total Revenue	488,663,891	485,769,310	470,469,878
Expenses			
Instruction	415,823,434	416,315,204	392,428,477
District Administration	16,976,142	17,413,402	16,656,031
Operations and Maintenance	63,191,863	63,624,073	61,479,008
Transportation and Housing	3,020,213	2,745,115	2,667,501
Total Expense	499,011,652	500,097,794	473,231,017
Operating Surplus (Deficit) for the year	(10,347,761)	(14,328,484)	(2,761,139)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	13,096,317		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(132,764)		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,929,830)	(3,451,224)	(2,270,115)
Local Capital	725,000	447,793	2,481,534
Other	(1,410,962)	2,110,048	(665,858)
Total Net Transfers	(2,615,792)	(893,383)	(454,439)
Total Operating Surplus (Deficit), for the year	-	(15,221,867)	(3,215,578)
Operating Surplus (Deficit), beginning of year		25,617,956	27,271,832
Prior Period Adjustments			
Employee Benefit Claims Surplus			1,561,702
Operating Surplus (Deficit), beginning of year, as restated		25,617,956	28,833,534
Operating Surplus (Deficit), end of year		10,396,089	25,617,956
Operating Surplus (Deficit), end of year			
Internally Restricted		11,372,700	25,860,506
Unrestricted		-	734,061
Unfunded Accrued Employee Future Benefits		(976,611)	(976,611)
Total Operating Surplus (Deficit), end of year		10,396,089	25,617,956

School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual (Recast)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	438,875,486	438,858,794	433,376,310
AANDC/LEA Recovery	(32,670)	-	(56,703)
Strike Savings Recovery			(17,499,477)
Other Ministry of Education Grants			
Labour Settlement Funding			9,026,343
Pay Equity	7,294,124	7,294,124	7,294,124
Funding for Graduated Adults	1,029,408	952,405	3,261,034
Economic Stability Dividend	90,404	383,534	
Carbon Tax Grant	481,814	420,113	506,815
Foundation Skills Assessment	-	44,207	44,207
Curriculum Implementation Grant	82,951	82,950	-
Total Provincial Grants - Ministry of Education	447,821,517	448,036,127	435,952,653
Provincial Grants - Other	68,719	63,132	160,741
Federal Grants	1,812,904	2,035,012	1,891,078
Tuition			
Summer School Fees	1,030,015	1,030,014	2,854
Continuing Education	888,963	986,266	476,476
Offshore Tuition Fees	22,735,526	22,702,505	22,146,490
Total Tuition	24,654,504	24,718,785	22,625,820
Other Revenues			
LEA/Direct Funding from First Nations	32,670	-	56,703
Miscellaneous			
Miscellaneous Income	7,349,305	3,871,357	3,184,365
Instructional Cafeteria	1,349,868	1,274,637	1,179,898
Miscellaneous Grants	354,538	195,341	231,336
Total Other Revenue	9,086,381	5,341,335	4,652,302
Rentals and Leases	3,837,513	4,146,434	3,480,084
Investment Income	1,382,353	1,428,485	1,707,200
Total Operating Revenue	488,663,891	485,769,310	470,469,878

School District No. 39 (Vancouver)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual (Recast)
	\$	\$	\$
Salaries			
Teachers	228,372,167	229,640,527	214,815,122
Principals and Vice Principals	21,739,623	22,241,638	21,153,856
Educational Assistants	34,314,550	37,039,699	35,885,227
Support Staff	55,975,854	54,847,296	52,660,817
Other Professionals	9,002,107	9,432,632	9,319,637
Substitutes	11,829,548	9,931,653	10,213,309
Total Salaries	361,233,849	363,133,445	344,047,968
Employee Benefits	96,510,540	99,464,327	94,637,712
Total Salaries and Benefits	457,744,389	462,597,772	438,685,680
Services and Supplies			
Services	12,135,580	13,003,878	9,554,643
Student Transportation	3,028,819	2,813,434	2,685,925
Professional Development and Travel	533,282	1,132,680	1,144,075
Rentals and Leases	2,697,919	1,440,570	1,449,748
Dues and Fees	443,161	653,544	819,527
Insurance	1,137,224	1,020,698	1,143,073
Interest	84,722	15,624	137,290
Supplies	12,882,194	10,261,238	10,046,503
Utilities	8,324,362	7,158,356	7,564,553
Total Services and Supplies	41,267,263	37,500,022	34,545,337
Total Operating Expense	499,011,652	500,097,794	473,231,017

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	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	172,415,126	53,755	1,627,330	1,633,190	12,676	7,691,470	183,433,547
1.03 Career Programs	690,170	59,219	462,333	144,409	94,296	36,236	1,486,663
1.07 Library Services	5,619,625	767,298	65,129	227,297	127	273,300	6,952,776
1.08 Counselling	8,721,972	538,506	85,974	149,148	440,224	236,344	10,172,168
1.10 Special Education	21,243,635	2,145,659	31,340,880	1,054,193	55,824	785,704	56,625,895
1.30 English Language Learning	11,466,316	1,696,486	2,102,991	410,608	163,546	428,831	16,268,778
1.31 Aboriginal Education	612,423	129,899	1,058,509	129,807	758		1,931,396
1.41 School Administration		15,343,854	7,788	13,817,039	2,934	34,810	29,206,425
1.60 Summer School	1,872,560	211,931	117,837	449,782	6,508	3,231	2,661,849
1.62 Offshore Students	6,998,700	1,008	168,537	530,538	482,370	234,347	8,415,500
1.64 Other							-
Total Function 1	229,640,527	20,947,615	37,037,308	18,546,011	1,259,263	9,724,273	317,154,997
4 District Administration							
4.11 Educational Administration		1,290,300		410,941	1,406,265	47,170	3,154,676
4.40 School District Governance				61,093	401,196		462,289
4.41 Business Administration				2,510,604	3,766,071		6,276,675
Total Function 4	-	1,290,300	-	2,982,638	5,573,532	47,170	9,893,640
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration		3,723		1,498,316	1,743,254	93,839	3,339,132
5.50 Maintenance Operations			2,391	28,787,088	689,739	66,371	29,545,589
5.52 Maintenance of Grounds				2,990,775	166,844		3,157,619
5.56 Utilities							-
Total Function 5	-	3,723	2,391	33,276,179	2,599,837	160,210	36,042,340
7 Transportation and Housing							
7.70 Student Transportation				42,468			42,468
Total Function 7	-	-	-	42,468	-	-	42,468
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	229,640,527	22,241,638	37,039,699	54,847,296	9,432,632	9,931,653	363,133,445

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2016

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2016 Actual	2016 Budget	2015 Actual (Recast)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	183,433,547	50,470,001	233,903,548	7,970,695	241,874,243	243,332,797	229,075,904
1.03 Career Programs	1,486,663	406,958	1,893,621	68,208	1,961,829	1,932,258	1,988,925
1.07 Library Services	6,952,776	1,917,306	8,870,082	787,133	9,657,215	9,949,885	9,574,249
1.08 Counselling	10,172,168	2,779,232	12,951,400	120,205	13,071,605	13,157,872	12,853,383
1.10 Special Education	56,625,895	15,477,639	72,103,534	1,085,055	73,188,589	73,183,170	68,645,836
1.30 English Language Learning	16,268,778	4,444,943	20,713,721	292,236	21,005,957	20,454,001	19,054,768
1.31 Aboriginal Education	1,931,396	527,695	2,459,091	174,856	2,633,947	2,511,059	2,392,932
1.41 School Administration	29,206,425	7,982,699	37,189,124	129,061	37,318,185	36,118,727	37,268,785
1.60 Summer School	2,661,849	727,268	3,389,117	265,124	3,654,241	3,489,812	453,355
1.62 Offshore Students	8,415,500	2,299,276	10,714,776	1,234,617	11,949,393	11,693,853	11,119,908
1.64 Other	-	-	-	-	-	-	432
Total Function 1	317,154,997	87,033,017	404,188,014	12,127,190	416,315,204	415,823,434	392,428,477
4 District Administration							
4.11 Educational Administration	3,154,676	881,517	4,036,193	1,378,199	5,414,392	5,139,652	4,018,205
4.40 School District Governance	462,289	126,306	588,595	132,807	721,402	763,258	650,526
4.41 Business Administration	6,276,675	1,541,257	7,817,932	3,459,676	11,277,608	11,073,232	11,987,300
Total Function 4	9,893,640	2,549,080	12,442,720	4,970,682	17,413,402	16,976,142	16,656,031
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	3,339,132	914,736	4,253,868	2,241,072	6,494,940	6,013,484	5,878,937
5.50 Maintenance Operations	29,545,589	8,092,933	37,638,522	7,479,086	45,117,608	43,948,097	43,522,781
5.52 Maintenance of Grounds	3,157,619	862,722	4,020,341	1,029,377	5,049,718	5,146,492	4,418,310
5.56 Utilities	-	236	236	6,961,571	6,961,807	8,083,790	7,658,980
Total Function 5	36,042,340	9,870,627	45,912,967	17,711,106	63,624,073	63,191,863	61,479,008
7 Transportation and Housing							
7.70 Student Transportation	42,468	11,603	54,071	2,691,044	2,745,115	3,020,213	2,667,501
Total Function 7	42,468	11,603	54,071	2,691,044	2,745,115	3,020,213	2,667,501
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	363,133,445	99,464,327	462,597,772	37,500,022	500,097,794	499,011,652	473,231,017

School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual	2015 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	34,142,940	33,659,586	32,038,320
Other	4,357,939	5,558,503	4,794,446
Other Revenue	30,666,655	31,801,612	30,308,329
Investment Income	126,847	219,065	160,076
Economic Stability Dividend	12,918		
Total Revenue	<u>69,307,299</u>	<u>71,238,766</u>	<u>67,301,171</u>
Expenses			
Instruction	65,551,416	68,380,752	63,927,280
District Administration	886,132	776,965	698,366
Operations and Maintenance	2,413,960	618,542	691,484
Total Expense	<u>68,851,508</u>	<u>69,776,259</u>	<u>65,317,130</u>
Special Purpose Surplus (Deficit) for the year	<u>455,791</u>	<u>1,462,507</u>	<u>1,984,041</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(455,791)	(1,462,507)	(1,982,456)
Other			(1,585)
Total Net Transfers	<u>(455,791)</u>	<u>(1,462,507)</u>	<u>(1,984,041)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 39 (Vancouver)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2016

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	10,559	149,026	1,100,177	1,378,728	8,649,545	12,128	8,089
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,128,486	9,244,675		20,305		7,394,519		608,000	225,400
Provincial Grants - Other									
Other					6,365	135,575	26,899,605		
Investment Income		52,168	175	2,039	10,941	36,232	166,897	3,298	1,381
	2,128,486	9,296,843	175	22,344	17,306	7,566,326	27,066,502	611,298	226,781
Less: Allocated to Revenue	2,128,486	9,296,843	-	69,213	65,913	7,363,241	25,985,092	576,400	206,377
Deferred Revenue, end of year	-	-	10,734	102,157	1,051,570	1,581,813	9,730,955	47,026	28,493
Revenues									
Provincial Grants - Ministry of Education	2,128,486	9,244,675		69,213		7,351,629		576,400	206,377
Provincial Grants - Other									
Other Revenue					65,913	11,612	25,818,195		
Investment Income		52,168					166,897		
	2,128,486	9,296,843	-	69,213	65,913	7,363,241	25,985,092	576,400	206,377
Expenses									
Salaries									
Teachers		6,289,252				1,440,320			
Principals and Vice Principals		13,809				114,895			
Educational Assistants		1,356,483						434,107	
Support Staff	620,542	92,511		15,532	1,755	934,097	57,079	10,503	42,333
Other Professionals						137,029			
Substitutes									724
	620,542	7,752,055	-	15,532	1,755	2,626,341	57,079	444,610	43,057
Employee Benefits	229,984	1,543,685		1,164	369	732,679	10,645	118,180	12,149
Services and Supplies	1,277,960	1,103		52,517	63,789	3,917,491	25,852,323	13,610	151,171
	2,128,486	9,296,843	-	69,213	65,913	7,276,511	25,920,047	576,400	206,377
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	86,730	65,045	-	-
Interfund Transfers									
Tangible Capital Assets Purchased						(86,730)	(65,045)		
	-	-	-	-	-	(86,730)	(65,045)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2016

	OLEP	Community- LINK	Clink Other	PRP	ERAC	CAYA	Assistive Technology AT-BC	PRCVI	Settlement Workers in Schools
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	336,532	672,276	91,951	858,535	5,987,729	6,563,869	94	725,846
Add: Restricted Grants									
Provincial Grants - Ministry of Education	727,980	8,890,568		2,109,797	550,000			2,091,883	
Provincial Grants - Other			20,000				2,613,213		
Other	2,414		2,059,624		1,834,131		1,059,494	9,334	800
Investment Income	698	11,586	11,843	1,186	27,163	82,184	111,163	9,421	10,150
	731,092	8,902,154	2,091,467	2,110,983	2,411,294	82,184	3,783,870	2,110,638	10,950
Less: Allocated to Revenue	509,921	8,902,000	1,915,305	2,054,764	2,478,866	2,202,946	3,471,095	1,807,230	286,001
Deferred Revenue, end of year	221,171	336,686	848,438	148,170	790,963	3,866,967	6,876,644	303,502	450,795
Revenues									
Provincial Grants - Ministry of Education	507,555	8,902,000		2,054,764	820,430			1,797,971	
Provincial Grants - Other					17,460	2,202,946	2,381,268		183,321
Other Revenue	2,366		1,915,305		1,640,976		1,089,827	9,259	102,680
Investment Income									
	509,921	8,902,000	1,915,305	2,054,764	2,478,866	2,202,946	3,471,095	1,807,230	286,001
Expenses									
Salaries									
Teachers	33,376	537,864		1,287,687	85,841			127,517	
Principals and Vice Principals		105,836							
Educational Assistants		2,312,851	12,804	122,747					39,917
Support Staff		1,088,901	1,255,296	49,146	147,547	354,974	537,642	646,319	30,982
Other Professionals		1,177,241	52,464	8,024	97,838	103,474	655,526	101,777	1,257
Substitutes	22,652		264	27,479					6,593
	56,028	5,222,693	1,320,828	1,495,083	331,226	458,448	1,193,168	875,613	78,749
Employee Benefits	11,398	1,400,845	101,261	386,798	90,732	138,326	295,033	236,975	15,258
Services and Supplies	442,495	2,269,896	493,216	172,883	2,056,908	1,605,352	1,982,894	688,686	127,724
	509,921	8,893,434	1,915,305	2,054,764	2,478,866	2,202,126	3,471,095	1,801,274	221,731
Net Revenue (Expense) before Interfund Transfers	-	8,566	-	-	-	820	-	5,956	64,270
Interfund Transfers									
Tangible Capital Assets Purchased		(8,566)				(820)		(5,956)	(64,270)
	-	(8,566)	-	-	-	(820)	-	(5,956)	(64,270)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2016

	<u>Miscellaneous</u>	<u>TOTAL</u>
	\$	\$
Deferred Revenue, beginning of year	909,584	27,454,668
Add: Restricted Grants		
Provincial Grants - Ministry of Education	25,000	34,016,613
Provincial Grants - Other	758,726	3,391,939
Other	979,541	32,986,883
Investment Income	9,707	548,232
	<u>1,772,974</u>	<u>70,943,667</u>
Less: Allocated to Revenue	1,919,073	71,238,766
Deferred Revenue, end of year	<u>763,485</u>	<u>27,159,569</u>
Revenues		
Provincial Grants - Ministry of Education	86	33,659,586
Provincial Grants - Other	773,508	5,558,503
Other Revenue	1,145,479	31,801,612
Investment Income		219,065
	<u>1,919,073</u>	<u>71,238,766</u>
Expenses		
Salaries		
Teachers	25,380	9,827,237
Principals and Vice Principals		234,540
Educational Assistants	5,126	4,284,035
Support Staff	18,049	5,903,208
Other Professionals		2,334,630
Substitutes	28,611	86,323
	<u>77,166</u>	<u>22,669,973</u>
Employee Benefits	16,559	5,342,040
Services and Supplies	594,228	41,764,246
	<u>687,953</u>	<u>69,776,259</u>
Net Revenue (Expense) before Interfund Transfers	<u>1,231,120</u>	<u>1,462,507</u>
Interfund Transfers		
Tangible Capital Assets Purchased	(1,231,120)	(1,462,507)
	<u>(1,231,120)</u>	<u>(1,462,507)</u>
Net Revenue (Expense)	<u><u>-</u></u>	<u><u>-</u></u>

School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2016

	2016 Budget	2016 Actual			2015 Actual (Recast)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education				-	-
Other Revenue	218,239		241,293	241,293	229,999
Rentals and Leases	993,747		977,079	977,079	997,436
Investment Income	67,000		29,143	29,143	68,628
Gain (Loss) on Disposal of Tangible Capital Assets				-	337,232
Amortization of Deferred Capital Revenue	13,667,139	13,726,211		13,726,211	13,366,155
Total Revenue	14,946,125	13,726,211	1,247,515	14,973,726	14,999,450
Expenses					
Operations and Maintenance	365,741		219,120	219,120	427,799
Amortization of Tangible Capital Assets					
Operations and Maintenance	20,895,266	21,132,509		21,132,509	20,946,082
Debt Services					
Capital Lease Interest	51,852			-	
Total Expense	21,312,859	21,132,509	219,120	21,351,629	21,373,881
Capital Surplus (Deficit) for the year	(6,366,734)	(7,406,298)	1,028,395	(6,377,903)	(6,374,431)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,385,621	4,913,731		4,913,731	4,252,571
Local Capital	(725,000)		(447,793)	(447,793)	(2,481,534)
Capital Lease Payment	1,410,962		995,516	995,516	667,443
Sale and Leaseback		(3,105,564)		(3,105,564)	
Total Net Transfers	3,071,583	1,808,167	547,723	2,355,890	2,438,480
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		217,076	(217,076)	-	
Principal Payment					
Capital Lease		995,516	(995,516)	-	
Total Other Adjustments to Fund Balances		1,212,592	(1,212,592)	-	
Total Capital Surplus (Deficit) for the year	(3,295,151)	(4,385,539)	363,526	(4,022,013)	(3,935,951)
Capital Surplus (Deficit), beginning of year		108,834,889	2,618,282	111,453,171	115,389,122
Capital Surplus (Deficit), end of year		104,449,350	2,981,808	107,431,158	111,453,171

School District No. 39 (Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2016

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,848,131	757,341,934	16,082,120	1,935,886	1,113,759	12,968,973	810,290,803
Changes for the Year							
Increase:							
Purchases from:							
Operating Fund		764,695	1,214,394	181,718	180,573	1,109,844	3,451,224
Special Purpose Funds		516,937	829,296		15,690	100,584	1,462,507
Local Capital		199,873			11,898	5,305	217,076
Capital Leases			111,824		83,777	1,265,294	1,460,895
Transferred from Work in Progress		4,725,754					4,725,754
	-	6,207,259	2,155,514	181,718	291,938	2,481,027	11,317,456
Decrease:							
Disposed of			1,058,968			2,046,596	3,105,564
Deemed Disposals			2,142,723	292,870	148,237	1,849,639	4,433,469
	-	-	3,201,691	292,870	148,237	3,896,235	7,539,033
Cost, end of year	20,848,131	763,549,193	15,035,943	1,824,734	1,257,460	11,553,765	814,069,226
Work in Progress, end of year		140,897,646	194,590				141,092,236
Cost and Work in Progress, end of year	20,848,131	904,446,839	15,230,533	1,824,734	1,257,460	11,553,765	955,161,462
Accumulated Amortization, beginning of year		282,550,214	7,435,992	975,079	417,995	4,834,682	296,213,962
Changes for the Year							
Increase: Amortization for the Year		16,726,028	1,556,590	188,031	237,122	2,424,738	21,132,509
Decrease:							
Deemed Disposals			2,142,723	292,870	148,237	1,849,639	4,433,469
			-	2,142,723	148,237	1,849,639	4,433,469
Accumulated Amortization, end of year		299,276,242	6,849,859	870,240	506,880	5,409,781	312,913,002
Tangible Capital Assets - Net	20,848,131	605,170,597	8,380,674	954,494	750,580	6,143,984	642,248,460

School District No. 39 (Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2016

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	69,975,659	54,353			70,030,012
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	75,632,511	140,237			75,772,748
Deferred Capital Revenue - Other	15,230				15,230
	<u>75,647,741</u>	<u>140,237</u>	-	-	<u>75,787,978</u>
Decrease:					
Transferred to Tangible Capital Assets	4,725,754				4,725,754
	<u>4,725,754</u>	-	-	-	<u>4,725,754</u>
Net Changes for the Year	<u>70,921,987</u>	<u>140,237</u>	-	-	<u>71,062,224</u>
Work in Progress, end of year	<u>140,897,646</u>	<u>194,590</u>	-	-	<u>141,092,236</u>

School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2016

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	381,452,582	6,930,136	13,991,797	402,374,515
Changes for the Year				
Increase:				
Transferred from Work in Progress	4,725,754			4,725,754
	<u>4,725,754</u>	-	-	<u>4,725,754</u>
Decrease:				
Amortization of Deferred Capital Revenue	13,357,240	197,292	171,679	13,726,211
	<u>13,357,240</u>	<u>197,292</u>	<u>171,679</u>	<u>13,726,211</u>
Net Changes for the Year	<u>(8,631,486)</u>	<u>(197,292)</u>	<u>(171,679)</u>	<u>(9,000,457)</u>
Deferred Capital Revenue, end of year	<u>372,821,096</u>	<u>6,732,844</u>	<u>13,820,118</u>	<u>393,374,058</u>
Work in Progress, beginning of year	69,032,688	997,324		70,030,012
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	75,772,748	15,230		75,787,978
	<u>75,772,748</u>	<u>15,230</u>	-	<u>75,787,978</u>
Decrease				
Transferred to Deferred Capital Revenue	4,725,754			4,725,754
	<u>4,725,754</u>	-	-	<u>4,725,754</u>
Net Changes for the Year	<u>71,046,994</u>	<u>15,230</u>	-	<u>71,062,224</u>
Work in Progress, end of year	<u>140,079,682</u>	<u>1,012,554</u>	-	<u>141,092,236</u>
Total Deferred Capital Revenue, end of year	<u>512,900,778</u>	<u>7,745,398</u>	<u>13,820,118</u>	<u>534,466,294</u>

School District No. 39 (Vancouver)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2016

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,209,623	2,460,494				3,670,117
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	74,795,594					74,795,594
Investment Income		56,193				56,193
	<u>74,795,594</u>	<u>56,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,851,787</u>
Decrease:						
Transferred to DCR - Work in Progress	75,772,748	15,230				75,787,978
	<u>75,772,748</u>	<u>15,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,787,978</u>
Net Changes for the Year	<u>(977,154)</u>	<u>40,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(936,191)</u>
Balance, end of year	<u>232,469</u>	<u>2,501,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,733,926</u>