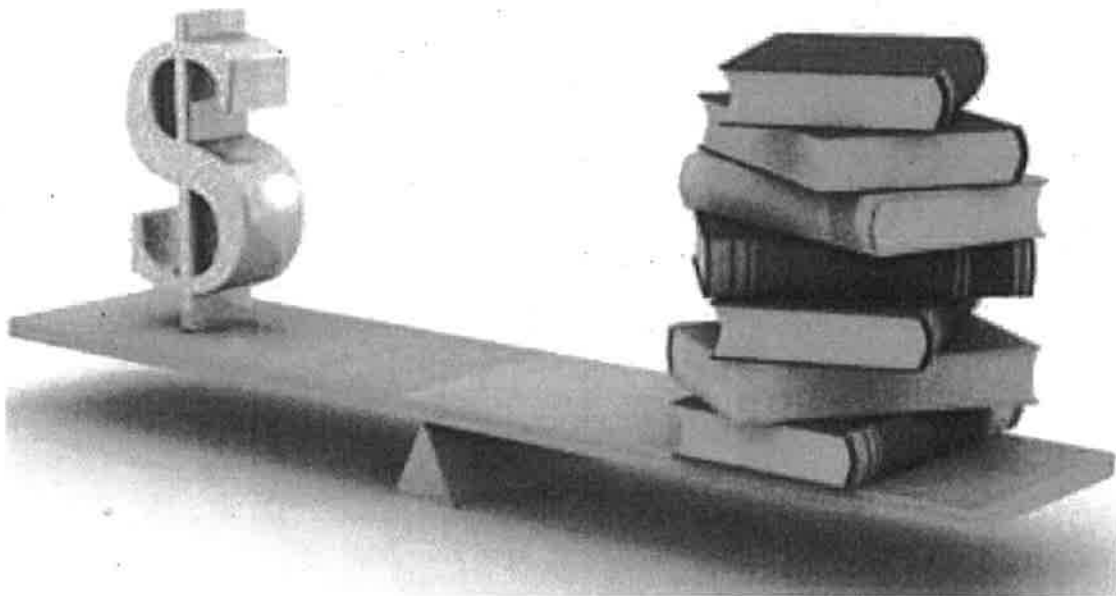




*The Board of Education of School District
No. 39 (Vancouver)*

Financial Statements

July 1, 2016 to June 30, 2017



School District No. 39 (Vancouver)

June 30, 2017

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School District No. 39 (Vancouver)

MANAGEMENT REPORT

Version: 3203-2457-9475

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 internal financial statements on a monthly basis and 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

Sept 25 2017

Date Signed

Signature of the Superintendent

Sept. 25, 2017

Date Signed

Signature of the Secretary Treasurer

Sept 25, 2017

Date Signed



INDEPENDENT AUDITOR'S REPORT

*To the Members of 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, 2017, and the statements of operations, changes in net financial assets (debt), 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.

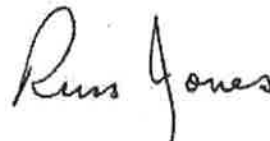
Under Canadian Public Sector Accounting Standards, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received 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 \$464 million and deferred revenue of \$18 million, an understatement of accumulated surplus of \$398 million, and a current year understatement of revenue of \$84 million. Accordingly, the current year deficit is overstated by \$84 million and net debt is overstated by \$398 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, 2017, 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.

Victoria, British Columbia
September 25, 2017



Russ Jones, FCPA, FCA
Deputy Auditor General



School District No. 39 (Vancouver)

Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual (Recast)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	142,992,300	132,313,988
Accounts Receivable		
Due from Province - Ministry of Education	1,662,245	17,513,870
Due from Province - Other	370	85,808
Other (Note 3)	3,878,986	1,743,194
Portfolio Investments (Note 4)	2,097,483	2,234,514
Total Financial Assets	<u>150,631,384</u>	<u>153,891,374</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	56,506,646	62,709,859
Unearned Revenue (Note 6)	27,437,512	27,234,477
Deferred Revenue (Note 7)	32,106,259	27,147,918
Deferred Capital Revenue (Note 8)	563,409,184	524,526,394
Employee Future Benefits (Note 9)	24,249,389	22,499,151
Capital Lease Obligations (Note 10)	3,280,406	3,333,309
Other Liabilities	1,895,668	2,116,416
Total Liabilities	<u>708,885,064</u>	<u>669,567,524</u>
Net Financial Assets (Debt)	<u>(558,253,680)</u>	<u>(515,676,150)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	670,097,151	629,451,071
Prepaid Expenses	1,886,605	2,925,683
Supplies Inventory	1,198,449	1,014,731
Total Non-Financial Assets	<u>673,182,205</u>	<u>633,391,485</u>
Accumulated Surplus (Deficit) (Note 16)	<u>114,928,525</u>	<u>117,715,335</u>

Contractual Obligations and Contingencies (Note 13)

Approved by the Board

Signature of the Chairperson of the Board of Education

Sept 25 2017
Date Signed

Signature of the Superintendent

Sept. 25, 2017
Date Signed

Signature of the Secretary Treasurer

Sept. 25, 2017
Date Signed

School District No. 39 (Vancouver)

Statement 2

Statement of Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	481,874,799	490,806,986	488,209,451
Other	7,162,244	5,122,282	5,621,635
Federal Grants	1,680,517	2,179,441	2,035,012
Tuition	28,176,141	28,789,020	24,718,785
Other Revenue	39,761,846	39,579,668	37,272,328
Rentals and Leases	5,424,266	5,482,619	5,123,513
Investment Income	1,600,592	1,516,605	1,676,693
Amortization of Deferred Capital Revenue	14,454,811	14,925,760	13,916,287
Total Revenue	580,135,216	588,402,381	578,573,704
Expenses			
Instruction	482,578,889	477,143,251	484,695,956
District Administration	18,640,657	19,047,483	18,190,367
Operations and Maintenance	86,998,494	92,093,160	92,298,058
Transportation and Housing	2,838,545	2,768,448	2,745,115
Debt Services	84,988	136,849	
Total Expense	591,141,573	591,189,191	597,929,496
Surplus (Deficit) for the year	(11,006,357)	(2,786,810)	(19,355,792)
Accumulated Surplus (Deficit) from Operations, beginning of year		117,715,335	137,071,127
Accumulated Surplus (Deficit) from Operations, end of year		114,928,525	117,715,335

School District No. 39 (Vancouver)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Recast)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(11,006,357)</u>	<u>(2,786,810)</u>	<u>(19,355,792)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(66,464,040)	(63,051,454)	(69,772,367)
Amortization of Tangible Capital Assets	21,707,635	22,405,374	21,322,585
Net carrying value of Tangible Capital Assets disposed of			3,105,564
Total Effect of change in Tangible Capital Assets	<u>(44,756,405)</u>	<u>(40,646,080)</u>	<u>(45,344,218)</u>
Acquisition of Prepaid Expenses		(2,711,231)	(1,802,222)
Use of Prepaid Expenses		3,750,309	1,152,081
Acquisition of Supplies Inventory		(2,199,096)	(42,145,730)
Use of Supplies Inventory		2,015,378	42,195,323
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>855,360</u>	<u>(600,548)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(55,762,762)</u>	<u>(42,577,530)</u>	<u>(65,300,558)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(42,577,530)</u>	<u>(65,300,558)</u>
Net Financial Assets (Debt), beginning of year		<u>(515,676,150)</u>	<u>(450,375,592)</u>
Net Financial Assets (Debt), end of year		<u>(558,253,680)</u>	<u>(515,676,150)</u>

School District No. 39 (Vancouver)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2017

	2017 Actual	2016 Actual (Recast)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(2,786,810)	(19,355,792)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	13,801,268	(8,945,079)
Supplies Inventories	(183,719)	49,593
Prepaid Expenses	1,039,078	(650,141)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(6,203,213)	13,953,109
Unearned Revenue	203,035	3,866,772
Deferred Revenue	4,958,341	(295,099)
Employee Future Benefits	1,750,238	2,057,947
Other Liabilities	(220,747)	82,458
Amortization of Tangible Capital Assets	22,405,374	21,322,585
Amortization of Deferred Capital Revenue	(14,925,760)	(13,916,287)
Total Operating Transactions	<u>19,837,085</u>	<u>(1,829,934)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,839,107)	(5,130,807)
Tangible Capital Assets -WIP Purchased	(56,264,912)	(75,787,978)
Sale and Leaseback of Equipment \ Capital lease (non cash)	(609,518)	4,707,374
Insurance claim	(548,307)	
Total Capital Transactions	<u>(62,261,844)</u>	<u>(76,211,411)</u>
Financing Transactions		
Capital Revenue Received	54,356,857	74,963,699
Capital Lease Payments	(1,390,817)	(995,516)
Total Financing Transactions	<u>52,966,040</u>	<u>73,968,183</u>
Investing Transactions		
Investments in Portfolio Investments	137,031	(207,212)
Total Investing Transactions	<u>137,031</u>	<u>(207,212)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>10,678,312</u>	<u>(4,280,374)</u>
Cash and Cash Equivalents, beginning of year	<u>132,313,988</u>	<u>136,594,362</u>
Cash and Cash Equivalents, end of year	<u>142,992,300</u>	<u>132,313,988</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>142,992,300</u>	<u>132,313,988</u>
	<u>142,992,300</u>	<u>132,313,988</u>
Supplementary Cash Flow Information		

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

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, except as noted in Note 19 Subsequent Events. 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 non-capital restricted contributions into revenue in the fiscal period in which the restriction the contribution is subject to is met and 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. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability.

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, 2017

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 three 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, 2017

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, 2017

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

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

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

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

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful 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

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals' and Vice-Principals' salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

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 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

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
Due from Federal Government	\$ 496,764	\$ 353,152
Due from Municipalities	1,308,274	265,083
Due from Other School Districts	61,158	48,097
Rentals and Leases	399,661	377,059
Other Receivables	1,956,225	1,037,562
Allowance for Doubtful Accounts	(343,096)	(337,759)
Total	<u>\$ 3,878,986</u>	<u>\$ 1,743,194</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

4 Portfolio Investments

GIC's and term deposits included in portfolio investments are held with local banking institutions and earn average interest at 1.06% (2016 – 0.98%). Senior government bonds held earn average interest at 2.27% (2016 - 2.30%).

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
GIC's	\$ 533,622	\$ 660,450
Term deposits	577,983	576,244
Senior Government Bonds	985,878	997,820
	<u>\$ 2,097,483</u>	<u>\$ 2,234,514</u>

5 Accounts Payable and Accrued Liabilities – Other

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
Accrued vacation pay	\$ 8,673,273	\$ 9,676,757
Other	9,690,934	11,695,156
Salaries and benefits payable	29,419,016	24,764,055
Trade payables	8,723,423	16,573,891
	<u>\$ 56,506,646</u>	<u>\$ 62,709,859</u>

6 Unearned Revenue

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
Balance, beginning of year	\$ 27,234,477	\$ 23,367,705
Amounts received		
Tuition fees	24,777,246	25,004,882
Rental/Lease of facilities	4,862,555	4,888,883
Other	114,815	114,315
	<u>\$ 29,754,616</u>	<u>\$ 30,008,080</u>
Amounts earned		
Tuition fees	24,678,397	21,086,470
Rental/Lease of facilities	4,730,764	4,850,830
Other	142,420	204,008
	<u>\$ 29,551,581</u>	<u>\$ 26,141,308</u>
Net changes for the year	<u>\$ 203,035</u>	<u>\$ 3,866,772</u>
Balance, end of year	<u>\$ 27,437,512</u>	<u>\$ 27,234,477</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

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.

	30-Jun-17	30-Jun-16
Deferred revenue, beginning of year	\$ 27,147,918	\$ 27,454,668
Increase		
Provincial Grants - Ministry of Education	39,010,825	34,004,962
Provincial Grants - Other	6,958,531	3,391,939
Other	33,104,557	32,986,883
Investment Income	449,718	548,232
	79,523,631	70,932,016
Decrease		
Allocated to Revenue	74,021,595	71,238,766
Recoveries	113,488	-
Transfer to Capital	430,207	-
	74,565,290	71,238,766
Deferred revenue, end of year	\$ 32,106,259	\$ 27,147,918

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

	30-Jun-17	30-Jun-16
DCR, Completed Projects:	\$ 393,183,982	\$ 402,374,515
Increases		
Transfers from DCR, WIP	86,070,449	4,725,754
Other Capital Additions	2,606	-
	86,073,055	4,725,754
Decreases		
Amortization - ByLaw Capital	14,547,128	13,547,316
Amortization - Other Provincial Capital	197,422	197,292
Amortization - Other Capital	181,210	171,679
	14,925,760	13,916,287
Balance, end of year	\$ 464,331,277	\$ 393,183,982
DCR, Work in Progress (WIP)		
Balance, beginning of year	\$ 128,484,923	\$ 63,936,438
Increases		
Transfers from DR – spent funds	56,264,912	69,274,239
Decreases		
Transfers to DCR – completed projects	86,070,449	4,725,754
Balance, end of year	\$ 98,679,386	\$ 128,484,923
Balance DCR Completed Projects and WIP, end of year	\$ 563,010,663	\$ 521,668,905
DCR, Unspent		
Balance, beginning of year	\$ 2,857,489	\$ 3,670,116
Increases		
Provincial Grants – Ministry of Education	54,924,119	74,919,157
Other	2,930,450	-
Investment Income	97,631	56,194
	57,952,200	74,975,351
Decreases		
Transferred to DCR, WIP	56,264,912	69,274,239
Insurance netted with expenditure	548,307	-
Other Capital Additions Transferred to DCR	2,606	-
Transfer to income statement for AFG projects	3,595,343	6,513,739
	60,411,168	75,787,978
Balance, DCR, Unspent, end of year	\$ 398,521	\$ 2,857,489
Total Deferred Capital Revenue	\$ 563,409,184	\$ 524,526,394

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

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.

	30-Jun-17	30-Jun-16
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 29,561,323	\$ 31,086,802
Service Cost	1,916,884	2,111,512
Interest Cost	756,255	722,732
Benefit Payments	(1,856,361)	(1,344,558)
Actuarial (Gain) Loss	(1,224,459)	(3,015,165)
Accrued Benefit Obligation – March 31	\$ 29,153,642	\$ 29,561,323
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 29,153,642	\$ 29,561,323
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	29,153,642	29,561,323
Employer Contributions After Measurement Date	(1,081,814)	(1,165,600)
Benefits Expense After Measurement Date	682,984	668,285
Unamortized Net Actuarial Loss	(4,505,420)	(6,564,858)
Accrued Benefit Liability - June 30	\$ 24,249,389	\$ 22,499,151
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 22,499,150	\$ 20,441,203
Net Expense for Fiscal Year	3,522,816	3,895,774
Employer Contributions	(1,772,575)	(1,837,827)
Accrued Benefit Liability - June 30	\$ 24,249,389	\$ 22,499,151
Components of Net Benefit Expense		
Service Cost - June 30	\$ 1,914,392	\$ 2,062,855
Interest Cost - June 30	773,446	731,113
Amortization of Net Actuarial (Gain)/Loss	834,978	1,101,807
Net Benefit Expense (Income)	\$ 3,522,816	\$ 3,895,775

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

Assumptions		
Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	2.75%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	11.3	11.3

10 Capital Lease Obligations

Repayments are due as follows:

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
2017	\$ -	\$ 1,636,263
2018	2,034,675	1,530,262
2019	706,418	194,740
2020	655,429	194,740
2021	104,721	39,960
	<u>\$ 3,501,243</u>	<u>\$ 3,595,965</u>
<i>Interest portion - ranging from 2.5% to 8.8%</i>	<i>(220,837)</i>	<i>(262,656)</i>
Total	<u>\$ 3,280,406</u>	<u>\$ 3,333,309</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

11 Tangible Capital Asset

2017

Cost	July 1, 2016	Additions	Disposals	Transfers	June 30, 2017
Sites	\$ 20,848,131	\$ -	\$ -	\$ -	\$ 20,848,131
Buildings	763,549,193	2,477,653	-	85,750,728	851,777,574
Buildings – WIP	128,290,333	55,899,826	-	(85,750,728)	98,439,431
Furniture & Equipment	15,035,943	970,437	(1,055,840)	319,721	15,270,261
Furniture & Equipment - WIP	194,590	365,086	-	(319,721)	239,955
Vehicles	1,824,734	222,749	(144,568)	-	1,902,915
Computer Software	1,257,460	1,683,767	(258,868)	-	2,682,359
Computer Hardware	11,553,765	1,431,936	(569,806)	-	12,415,895
Total	\$ 942,554,149	\$ 63,051,454	\$ (2,029,082)	\$ -	\$ 1,003,576,521

Accumulated Amortization	July 1, 2016	Amortization	Disposals	June 30, 2017
Buildings	\$ 299,466,318	\$ 17,912,732	\$ -	\$ 317,379,050
Furniture & Equipment	6,849,859	1,515,310	1,055,840	7,309,329
Vehicles	870,240	186,382	144,568	912,054
Computer Software	506,880	393,982	258,868	641,994
Computer Hardware	5,409,781	2,396,968	569,806	7,236,943
Total	\$ 313,103,078	\$ 22,405,374	\$ 2,029,082	\$ 333,479,370

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	69,975,659	63,040,428	-	(4,725,754)	128,290,333
Furniture & Equipment	16,082,120	2,155,514	(3,201,691)	-	15,035,943
Furniture & Equipment - WIP	54,353	140,237	-	-	194,590
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	\$ 69,772,367	\$ (7,539,033)	\$ -	\$ 942,554,149

Accumulated Amortization	July 1, 2015	Amortization	Disposals	June 30, 2016
Buildings	\$ 282,550,214	\$ 16,916,104	\$ -	\$ 299,466,318
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	\$ 21,322,585	\$ 4,433,468	\$ 313,103,079

Net Book Value	June 30, 2017	June 30, 2016
Sites	\$ 20,848,131	\$ 20,848,131
Buildings	534,398,524	464,082,875
Buildings - WIP	98,439,431	128,290,333
Furniture & Equipment	7,960,932	8,186,084
Furniture & Equipment - WIP	239,954	194,590
Vehicles	990,861	954,494
Computer Software	2,040,365	750,580
Computer Hardware	5,178,952	6,143,983
Total	\$ 670,097,151	\$ 629,451,071

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

As at June 30, 2017, there was work in progress of \$98,679,385 (\$128,484,923 in 2016) 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 \$1,952,924 (2016: \$1,460,895) 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, 2015, the Teachers' Pension Plan had about 45,000 active members and approximately 36,000 retired members. As of December 31, 2015, the Municipal Pension Plan had about 189,000 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, 2015, indicated a \$2,224 million funding deficit for basic pension benefits on a going concern basis.

The School District paid \$45,342,216 (2016 - \$51,243,594) for employer contributions to these plans in the year ended June 30, 2017.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

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

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

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.

	2018	2019	2020	2021	2022
Approved Capital Projects					
- Unperformed portion	\$ 32,571,738	\$ -	\$ -	\$ -	\$ -
Future operating lease payments	1,052,890	672,447	327,128	139,377	50,616
	\$ 33,624,628	\$ 672,447	\$ 327,128	\$ 139,377	\$ 50,616

14 Budget Figures

Budget figures included in the financial statements are audited. The figures reflect the amended annual budget approved by the Board on February 27, 2017. 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.

	Amended Budget	Annual Budget
Ministry Operating Grant Funded FTE's		
School-Age	49,931	49,954
Adult	316	384
Other	1,751	1,765
Total Ministry Operating Grant Funded FTE's	51,998	52,103

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

	<u>Amended Budget</u>	<u>Annual Budget</u>
Revenues		
Provincial Grants		
Ministry of Education	\$ 481,874,799	\$ 478,931,596
Other	7,162,244	4,760,015
Municipal Grants Spent on Sites		
Federal Grants	1,680,517	1,680,517
Tuition	28,176,141	25,618,991
Other Revenue	39,761,846	36,176,032
Rentals and Leases	5,424,266	5,586,954
Investment Income	1,600,592	1,560,913
Amortization of Deferred Capital Revenue	14,454,811	15,709,504
Total Revenue	<u>\$ 580,135,216</u>	<u>\$ 570,024,522</u>
Expenses		
Instruction	\$ 482,578,889	\$ 477,306,137
District Administration	18,640,657	15,920,736
Operations and Maintenance	86,998,494	85,526,503
Transportation and Housing	2,838,545	3,024,059
Debt Services	84,988	70,628
Total Expense	<u>\$ 591,141,573</u>	<u>\$ 581,848,063</u>
Net Revenue (Expense), before Endowment Contributions	<u>\$ (11,006,357)</u>	<u>\$ (11,823,541)</u>
Net Revenue (Expense)	<u>\$ (11,006,357)</u>	<u>\$ (11,823,541)</u>
Budgeted Allocation (Retirement) of Surplus (Deficit)	\$ 7,794,525	\$ 9,309,841
Budgeted Reduction of Unfunded Employee Future Benefits	(132,764)	(132,764)
Budgeted Surplus (Deficit), for the year	<u>\$ (3,344,596)</u>	<u>\$ (2,646,464)</u>
Budgeted Surplus (Deficit), for the year comprised of		
Capital Fund Surplus (Deficit)	<u>\$ (3,344,596)</u>	<u>\$ (2,646,464)</u>
Budgeted Surplus (Deficit), for the year	<u>\$ (3,344,596)</u>	<u>\$ (2,646,464)</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

15 Expense by Object

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
Amortization	\$ 22,405,374	\$ 21,322,584
Interest	138,325	15,626
Salaries and benefits	486,531,159	494,928,701
Services and supplies	82,114,334	81,662,585
	<u>\$ 591,189,191</u>	<u>\$ 597,929,496</u>

16 Accumulated Surplus

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
Invested in Capital Assets	\$ 104,845,739	\$ 104,449,350
Local Capital Fund	128,454	2,981,808
Capital Fund Balance	<u>\$ 104,974,193</u>	<u>\$ 107,431,158</u>
External Commitments		
Donated Funds for School Programs	\$ 2,634,891	\$ 2,335,270
Distributed Learning Funding for Courses in Progress	196,880	367,056
	<u>2,831,771</u>	<u>2,702,326</u>
Internal Commitments		
Student Learning Grant	\$ 2,603,509	\$ -
School Budget Balances	1,026,581	-
Funds Required to Complete Projects in Progress	1,851,463	-
Repayment of Prior Year's Unrestricted Deficit	27,741	-
	<u>5,509,294</u>	<u>-</u>
Restricted by Board Resolution		
Prior Year Unrestricted to Fund Next Year's Budget	-	\$ 734,061
Current year Surplus to Fund Next Year's Budget	-	7,824,402
	<u>\$ -</u>	<u>\$ 8,558,463</u>
Unrestricted Operating Surplus	2,457,116	-
Unfunded Accrued Employee Benefits	(843,847)	(976,611)
Accumulated Surplus	<u>\$ 114,928,525</u>	<u>\$ 117,715,335</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

17 Interfund Transfers

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

- \$100,420 from special purpose to capital for capital assets purchased
- \$ 307,914 from local capital to operating for MyEd BC
- \$2,137,188 from operating to capital for capital lease payments
- \$1,983,271 from operating to capital for capital assets purchased

18 Recast of June 30, 2016 Statements

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

	Previously Reported	Adjustment	Recast
Provincial Grants - Ministry of Education	\$ 481,695,713	6,513,738	\$ 488,209,451
Other Revenue	37,384,240	(111,912)	37,272,328
Amortization of Deferred Capital Revenue	13,726,211	190,076	13,916,287
Operations and Maintenance	85,594,244	6,703,814	92,298,058
Surplus (Deficit) for the year	(19,243,880)	(301,988)	(19,545,868)
Accumulated Surplus (Deficit) from Operations, end of year	117,827,247	(111,912)	117,715,335
Net Financial Assets (Debt)	(528,361,627)	12,685,477	(515,676,150)

19 Subsequent Events

On October 16, 2016, the Lieutenant Governor, by and with the advice and consent of the Executive Council, ordered the appointment of an Official Trustee in accordance with Section 172 of the *School Act*. Pursuant to Section 172 (2), on the appointment of an official trustee to conduct the affairs of a school district, the trustees of the school district cease to hold office.

On August 3, 2017, the Lieutenant Governor, by and with the advice and consent of the Executive Council, ordered that:

- (a) A by-election be held in School District No. 39 (Vancouver) in accordance with the *School Act* and,
- (b) The Office Trustee is removed as official trustee on the later of November 1, 2017 or the date on which at least 3 trustees elected in the by election take office in accordance with Section 50 (3) of the *School Act*.

Subsequent to these Orders in Council, a by election was called to be held on October 14, 2017.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

The Ministry of Education had advised that once the new Board is elected and the Official Trustee role is concluded, the Official Trustee will serve to assist the new Board's transition, in a new capacity of Special Advisor as provided for under Section 171.1 of the *School Act*.

An estimate of the financial effect of these events cannot reasonably be made.

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.

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2017

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.

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 of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2017

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual (Recast)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	10,284,177		107,431,158	117,715,335	137,071,127
Changes for the year					
Surplus (Deficit) for the year	3,482,703	100,420	(6,369,933)	(2,786,810)	(19,355,792)
Interfund Transfers					
Tangible Capital Assets Purchased	(1,983,271)	(100,420)	2,083,691	-	
Local Capital	307,914		(307,914)	-	
Other	(2,137,188)		2,137,188	-	
Net Changes for the year	(329,842)	-	(2,456,968)	(2,786,810)	(19,355,792)
Accumulated Surplus (Deficit), end of year - Statement 2	9,954,335	-	104,974,190	114,928,525	117,715,335

School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	447,649,971	450,599,833	448,036,127
Other	25,937	62,249	63,132
Federal Grants	1,680,517	2,179,441	2,035,012
Tuition	28,176,141	28,789,020	24,718,785
Other Revenue	5,383,405	7,097,658	5,229,423
Rentals and Leases	4,430,519	4,458,619	4,146,434
Investment Income	1,380,309	1,338,162	1,428,485
Total Revenue	488,726,799	494,524,982	485,657,398
Expenses			
Instruction	410,137,513	406,497,625	416,315,204
District Administration	17,991,088	18,324,059	17,413,402
Operations and Maintenance	62,627,140	63,452,147	63,624,073
Transportation and Housing	2,838,545	2,768,448	2,745,115
Total Expense	493,594,286	491,042,279	500,097,794
Operating Surplus (Deficit) for the year	(4,867,487)	3,482,703	(14,440,396)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	7,794,525		
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	(132,764)		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,967,306)	(1,983,271)	(3,451,224)
Local Capital	379,207	307,914	447,793
Other	(1,206,175)	(2,137,188)	2,110,048
Total Net Transfers	(2,794,274)	(3,812,545)	(893,383)
Total Operating Surplus (Deficit), for the year	-	(329,842)	(15,333,779)
Operating Surplus (Deficit), beginning of year		10,284,177	25,617,956
Operating Surplus (Deficit), end of year		9,954,335	10,284,177
Operating Surplus (Deficit), end of year			
Internally Restricted		8,341,066	11,260,788
Unrestricted		2,457,116	
Unfunded Accrued Employee Future Benefits		(843,847)	(976,611)
Total Operating Surplus (Deficit), end of year		9,954,335	10,284,177

School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Recast)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	436,856,096	436,895,013	438,858,794
Other Ministry of Education Grants			
Pay Equity	7,294,124	7,294,124	7,294,124
Funding for Graduated Adults	753,139	772,681	952,405
Transportation Supplement	53,423	53,423	
Economic Stability Dividend	293,862	274,751	383,534
Return of Administrative Savings	2,251,318	2,251,318	
Carbon Tax Grant	481,814	393,393	420,113
Student Learning Grant		2,603,509	
Foundation Skills Assessment	41,621	41,621	44,207
Teachers On Call Prepayment		9,100	82,950
Reduced Funding Expected from Updated Enrolment Projections for Adult Educatio	(392,926)		
Shoulder Tappers Grant	17,500	10,900	
Total Provincial Grants - Ministry of Education	447,649,971	450,599,833	448,036,127
Provincial Grants - Other	25,937	62,249	63,132
Federal Grants	1,680,517	2,179,441	2,035,012
Tuition			
Summer School Fees	1,403,363	1,357,950	1,030,014
Continuing Education	1,049,149	1,146,670	986,266
International and Out of Province Students	25,723,629	26,284,400	22,702,505
Total Tuition	28,176,141	28,789,020	24,718,785
Other Revenues			
Miscellaneous			
Miscellaneous Income	3,746,496	5,447,525	3,759,445
Instructional Cafeteria	1,460,879	1,309,467	1,274,637
Miscellaneous Grants	176,030	340,666	195,341
Total Other Revenue	5,383,405	7,097,658	5,229,423
Rentals and Leases	4,430,519	4,458,619	4,146,434
Investment Income	1,380,309	1,338,162	1,428,485
Total Operating Revenue	488,726,799	494,524,982	485,657,398

School District No. 39 (Vancouver)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Recast)
	\$	\$	\$
Salaries			
Teachers	230,091,486	227,389,065	229,640,527
Principals and Vice Principals	21,772,970	22,001,986	22,241,638
Educational Assistants	35,977,033	35,327,138	37,039,699
Support Staff	52,722,493	53,333,106	54,847,296
Other Professionals	9,399,397	9,466,644	9,432,632
Substitutes	8,499,504	9,683,974	9,931,653
Total Salaries	358,462,883	357,201,913	363,133,445
Employee Benefits	94,576,837	94,064,654	99,464,327
Total Salaries and Benefits	453,039,720	451,266,567	462,597,772
Services and Supplies			
Services	13,391,442	13,300,014	13,003,878
Student Transportation	2,827,160	2,773,828	2,813,434
Professional Development and Travel	908,434	887,914	1,132,680
Rentals and Leases	2,230,438	2,089,416	1,440,570
Dues and Fees	864,157	976,961	653,544
Insurance	1,317,714	1,339,951	1,020,698
Interest	41,159	1,476	15,624
Supplies	10,483,291	9,814,245	10,261,238
Utilities	8,490,771	8,591,907	7,158,356
Total Services and Supplies	40,554,566	39,775,712	37,500,022
Total Operating Expense	493,594,286	491,042,279	500,097,794

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	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	170,419,278		2,182,680	4,618,776	392,512	7,568,783	185,182,029
1.03 Career Programs	600,469	59,348	125,265	128,976	125,523	25,059	1,064,640
1.07 Library Services	5,330,127	768,966	16,710	234,607	130	259,781	6,610,321
1.08 Counselling	8,566,047	494,502	93,056	94,731	366,160	205,551	9,820,047
1.10 Special Education	21,782,058	2,073,810	29,361,481	150,685	40,842	737,772	54,146,648
1.30 English Language Learning	11,083,722	1,737,948	2,017,864	394,826	160,108	405,425	15,799,893
1.31 Aboriginal Education	627,996	196,577	1,113,425	92,566	776	22,575	2,053,915
1.41 School Administration	22	15,117,691	15,864	10,494,059	3,003	29,895	25,660,534
1.60 Summer School	1,974,595	282,605	179,702	401,092	3,544	4,703	2,846,241
1.62 International and Out of Province Students	7,004,751		161,772	508,803	378,219	212,336	8,265,881
1.64 Other				2,375			2,375
Total Function 1	227,389,065	20,731,447	35,267,819	17,121,496	1,470,817	9,471,880	311,452,524
4 District Administration							
4.11 Educational Administration		1,270,539	11,075	332,203	1,823,885	21,505	3,459,207
4.40 School District Governance				60,017	186,432		246,449
4.41 Business Administration			33,232	3,007,873	3,515,688	2,091	6,558,884
Total Function 4	-	1,270,539	44,307	3,400,093	5,526,005	23,596	10,264,540
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration			13,216	1,383,906	1,544,954	144,023	3,086,099
5.50 Maintenance Operations			1,796	28,208,510	770,159	44,475	29,024,940
5.52 Maintenance of Grounds				3,173,942	154,709		3,328,651
5.56 Utilities				1,721			1,721
Total Function 5	-	-	15,012	32,768,079	2,469,822	188,498	35,441,411
7 Transportation and Housing							
7.70 Student Transportation				43,438			43,438
Total Function 7	-	-	-	43,438	-	-	43,438
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	227,389,065	22,001,986	35,327,138	53,333,106	9,466,644	9,683,974	357,201,913

School District No. 39 (Vancouver)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual (Recast)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	185,182,029	48,832,733	234,014,762	8,095,785	242,110,547	243,469,749	241,874,243
1.03 Career Programs	1,064,640	285,364	1,350,004	140,864	1,490,868	1,470,570	1,961,829
1.07 Library Services	6,610,321	1,750,016	8,360,337	698,629	9,058,966	9,244,461	9,657,215
1.08 Counselling	9,820,047	2,622,134	12,442,181	75,294	12,517,475	12,858,475	13,071,605
1.10 Special Education	54,146,648	15,275,407	69,422,055	844,160	70,266,215	72,712,516	73,188,589
1.30 English Language Learning	15,799,893	4,239,423	20,039,316	222,651	20,261,967	19,353,823	21,005,957
1.31 Aboriginal Education	2,053,915	575,779	2,629,694	189,585	2,819,279	2,829,220	2,633,947
1.41 School Administration	25,660,534	6,445,675	32,106,209	132,494	32,238,703	32,139,258	37,318,185
1.60 Summer School	2,846,241	763,813	3,610,054	179,018	3,789,072	3,925,947	3,654,241
1.62 International and Out of Province Students	8,265,881	2,227,994	10,493,875	1,438,012	11,931,887	12,133,494	11,949,393
1.64 Other	2,375	519	2,894	9,752	12,646		
Total Function 1	311,452,524	83,018,857	394,471,381	12,026,244	406,497,625	410,137,513	416,315,204
4 District Administration							
4.11 Educational Administration	3,459,207	791,709	4,250,916	1,441,310	5,692,226	5,567,690	5,414,392
4.40 School District Governance	246,449	47,109	293,558	335,593	629,151	689,769	721,402
4.41 Business Administration	6,558,884	1,639,329	8,198,213	3,804,469	12,002,682	11,733,629	11,277,608
Total Function 4	10,264,540	2,478,147	12,742,687	5,581,372	18,324,059	17,991,088	17,413,402
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	3,086,099	814,428	3,900,527	2,018,304	5,918,831	5,927,689	6,494,940
5.50 Maintenance Operations	29,024,940	7,009,225	36,034,165	7,532,910	43,567,075	43,180,608	45,117,608
5.52 Maintenance of Grounds	3,328,651	730,801	4,059,452	1,181,011	5,240,463	5,198,891	5,049,718
5.56 Utilities	1,721	349	2,070	8,723,708	8,725,778	8,319,952	6,961,807
Total Function 5	35,441,411	8,554,803	43,996,214	19,455,933	63,452,147	62,627,140	63,624,073
7 Transportation and Housing							
7.70 Student Transportation	43,438	12,847	56,285	2,712,163	2,768,448	2,838,545	2,745,115
Total Function 7	43,438	12,847	56,285	2,712,163	2,768,448	2,838,545	2,745,115
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	357,201,913	94,064,654	451,266,567	39,775,712	491,042,279	493,594,286	500,097,794

School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	34,224,828	36,611,810	33,659,586
Other	7,136,307	5,060,033	5,558,503
Other Revenue	34,160,202	32,210,968	31,801,612
Investment Income	151,655	138,784	219,065
Total Revenue	75,672,992	74,021,595	71,238,766
Expenses			
Instruction	72,441,376	70,645,626	68,380,752
District Administration	649,569	723,424	776,965
Operations and Maintenance	2,370,823	2,552,125	618,542
Total Expense	75,461,768	73,921,175	69,776,259
Special Purpose Surplus (Deficit) for the year	211,224	100,420	1,462,507
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(211,224)	(100,420)	(1,462,507)
Total Net Transfers	(211,224)	(100,420)	(1,462,507)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2017

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	Special Education Technology	School Generated Funds	Strong Start
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	10,734	102,157	1,051,570	-	1,581,813	9,730,955	47,026
Transfer to Operating	-	-	-	-	-	-	-	-	-
Deferred Revenue, beginning of year, as restated	-	-	10,734	102,157	1,051,570	-	1,581,813	9,730,955	47,026
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,128,486	9,006,405					7,490,681		612,663
Provincial Grants - Other									
Other					4,844		23,327	28,181,662	
Investment Income	9,867		176	1,405	9,238		36,914	128,917	3,496
	2,138,353	9,006,405	176	1,405	14,082	-	7,550,922	28,310,579	616,159
Less: Allocated to Revenue									
Recovered	2,138,353	9,006,405	-	44,286	111,248	-	7,554,492	27,926,864	596,352
Transfer to Capital									
Deferred Revenue, end of year	-	-	10,910	59,276	954,404	-	1,578,243	10,114,670	66,833
Revenues									
Provincial Grants - Ministry of Education	2,128,486	9,006,405		44,286			7,554,235		596,352
Provincial Grants - Other									
Other Revenue					111,248		257	27,797,947	
Investment Income	9,867							128,917	
	2,138,353	9,006,405	-	44,286	111,248	-	7,554,492	27,926,864	596,352
Expenses									
Salaries									
Teachers		6,093,640					1,602,464		
Principals and Vice Principals							157,076		
Educational Assistants		1,391,983							423,789
Support Staff	1,026,221	48,798		10,431	1,678		962,261	27,342	12,333
Other Professionals							86,049		
Substitutes		1,169					2,762		
	1,026,221	7,535,590	-	10,431	1,678	-	2,810,612	27,342	436,122
Employee Benefits	472,529	1,470,815		2,190	353		774,632	4,593	121,107
Services and Supplies	639,603			31,665	109,217		3,967,594	27,753,231	34,477
	2,138,353	9,006,405	-	44,286	111,248	-	7,552,838	27,785,166	591,706
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	1,654	141,698	4,646
Interfund Transfers									
Tangible Capital Assets Purchased							(1,654)	(141,698)	(4,646)
							(1,654)	(141,698)	(4,646)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

Schedule 3A (Unaudited)

	Ready, Set, Learn	OLEP	CommunityLINK	Rural Education Enhancement Fund	Coding and Curriculum Implementation	Priority Measures	CLINK Other	PRP	ERAC
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	28,493	221,171	336,686	-	-	-	848,438	148,170	790,963
Transfer to Operating									
Deferred Revenue, beginning of year, as restated	28,493	221,171	336,686	-	-	-	848,438	148,170	790,963
Add: Restricted Grants									
Provincial Grants - Ministry of Education	220,500	670,905	8,942,473		294,922	4,443,600		2,067,391	1,075,000
Provincial Grants - Other									
Other		1,955							
Investment Income	1,463	5,190	11,466		1,170		946,138		1,936,867
	221,963	678,050	8,953,939	-	296,092	4,443,600	13,135	2,562	25,333
Less: Allocated to Revenue									
Recovered	217,637	760,296	8,720,325	-	916	3,221,098	1,197,196	2,069,953	3,037,200
Transfer to Capital								113,488	2,561,715
Deferred Revenue, end of year	32,819	138,925	570,300	-	295,176	1,222,502	610,515	132,279	1,266,448
Revenues									
Provincial Grants - Ministry of Education	217,637	760,296	8,720,325		916	3,221,098		1,972,356	494,377
Provincial Grants - Other									
Other Revenue							1,197,196		2,067,338
Investment Income									
	217,637	760,296	8,720,325	-	916	3,221,098	1,197,196	1,972,356	2,561,715
Expenses									
Salaries									
Teachers		90,098	537,217			2,323,516		1,265,639	
Principals and Vice Principals			64,174						
Educational Assistants	1,728	1,949	2,775,240				255	129,076	
Support Staff	37,765	1,404	1,237,897				695,519	51,434	138,522
Other Professionals			1,151,054					7,972	95,033
Substitutes	2,811	51,286	40,071		747	235,338		41,386	
	42,304	144,737	5,805,653	-	747	2,558,854	695,774	1,495,507	233,555
Employee Benefits	11,829	36,070	1,445,967		169	662,244	50,215	383,165	57,299
Services and Supplies	163,504	527,282	1,468,705				451,207	92,263	2,270,861
	217,637	708,089	8,720,325	-	916	3,221,098	1,197,196	1,970,935	2,561,715
Net Revenue (Expense) before Interfund Transfers	-	52,207	-	-	-	-	-	1,421	-
Interfund Transfers									
Tangible Capital Assets Purchased		(52,207)						(1,421)	
		(52,207)						(1,421)	
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

Schedule 3A (Unaudited)

	CAYA	Assistive Technology AT-BC	PRCVI	Settlement Workers In Schools	Miscellaneous	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	3,866,967	6,876,644	303,502	450,795	763,485	27,159,569
Transfer to Operating					(11,651)	(11,651)
Deferred Revenue, beginning of year, as restated	3,866,967	6,876,644	303,502	450,795	751,834	27,147,918
Add: Restricted Grants						
Provincial Grants - Ministry of Education			2,057,799			39,010,825
Provincial Grants - Other	4,000,000	2,706,882		490	251,159	6,958,531
Other	500	1,193,950	9,632	174,945	630,737	33,104,557
Investment Income	67,263	113,305	4,575	8,299	5,944	449,718
	4,067,763	4,014,137	2,072,006	183,734	887,840	79,523,631
Less: Allocated to Revenue						
Recovered	2,180,098	3,508,552	1,895,041	133,921	274,444	74,021,595
Transfer to Capital						113,488
Deferred Revenue, end of year	5,754,632	7,382,229	480,467	500,608	935,023	32,106,259
Revenues						
Provincial Grants - Ministry of Education			1,895,041			36,611,810
Provincial Grants - Other	2,180,098	3,134,752		59,381	(314,198)	5,060,033
Other Revenue		373,800		74,540	588,642	32,210,968
Investment Income						138,784
	2,180,098	3,508,552	1,895,041	133,921	274,444	74,021,595
Expenses						
Salaries						
Teachers			136,528		6,399	12,055,501
Principals and Vice Principals						221,250
Educational Assistants				5,088	17,561	4,746,669
Support Staff	350,734	556,500	667,302	56,487	46,137	5,928,765
Other Professionals	201,546	745,799	102,946	439		2,390,838
Substitutes					5,839	381,409
	552,280	1,302,299	906,776	62,014	75,936	25,724,432
Employee Benefits	159,570	322,215	246,967	11,057	14,120	6,247,106
Services and Supplies	1,468,248	1,882,151	741,298	56,751	291,580	41,949,637
	2,180,098	3,506,665	1,895,041	129,822	381,636	73,921,175
Net Revenue (Expense) before Interfund Transfers	-	1,887	-	4,099	(107,192)	100,420
Interfund Transfers						
Tangible Capital Assets Purchased		(1,887)		(4,099)	107,192	(100,420)
		(1,887)		(4,099)	107,192	(100,420)
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual (Recast)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education		3,595,343		3,595,343	6,513,738
Other Revenue	218,239		271,042	271,042	241,293
Rentals and Leases	993,747		1,024,000	1,024,000	977,079
Investment Income	68,628		39,659	39,659	29,143
Amortization of Deferred Capital Revenue	14,454,811	14,925,760		14,925,760	13,916,287
Total Revenue	15,735,425	18,521,103	1,334,701	19,855,804	21,677,540
Expenses					
Operations and Maintenance	292,896	3,595,343	88,171	3,683,514	6,732,858
Amortization of Tangible Capital Assets					
Operations and Maintenance	21,707,635	22,405,374		22,405,374	21,322,585
Debt Services					
Capital Lease Interest	84,988		136,849	136,849	
Total Expense	22,085,519	26,000,717	225,020	26,225,737	28,055,443
Capital Surplus (Deficit) for the year	(6,350,094)	(7,479,614)	1,109,681	(6,369,933)	(6,377,903)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,178,530	2,083,691		2,083,691	4,913,731
Local Capital	(379,207)		(307,914)	(307,914)	(447,793)
Capital Lease Payment	1,206,175		2,137,188	2,137,188	995,516
Sale and Leaseback				-	(3,105,564)
Total Net Transfers	3,005,498	2,083,691	1,829,274	3,912,965	2,355,890
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,752,810	(2,752,810)	-	
Principal Payment					
Capital Lease		2,000,335	(2,000,335)	-	
Fund Balance Corrections		1,039,288	(1,039,288)	-	
Total Other Adjustments to Fund Balances		5,792,433	(5,792,433)	-	
Total Capital Surplus (Deficit) for the year	(3,344,596)	396,510	(2,853,478)	(2,456,968)	(4,022,013)
Capital Surplus (Deficit), beginning of year		104,449,350	2,981,808	107,431,158	111,453,171
Capital Surplus (Deficit), end of year		104,845,860	128,330	104,974,190	107,431,158

School District No. 39 (Vancouver)

Tangible Capital Assets
Year Ended June 30, 2017

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,848,131	763,549,193	15,035,943	1,824,734	1,257,460	11,553,765	814,069,226
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Other			2,606				2,606
Operating Fund			787,510	127,887	159,461	908,413	1,983,271
Special Purpose Funds		(275,157)	180,321	94,862	5,489	94,905	100,420
Local Capital		2,752,810					2,752,810
Capital leases					1,518,817	428,618	1,947,435
Transferred from Work in Progress		85,750,728	319,721				86,070,449
		88,228,381	1,290,158	222,749	1,683,767	1,431,936	92,856,991
Decrease:							
Deemed Disposals			1,055,840	144,568	258,868	569,806	2,029,082
			1,055,840	144,568	258,868	569,806	2,029,082
Cost, end of year	20,848,131	851,777,574	15,270,261	1,902,915	2,682,359	12,415,895	904,897,135
Work in Progress, end of year		98,439,431	239,955				98,679,386
Cost and Work in Progress, end of year	20,848,131	950,217,005	15,510,216	1,902,915	2,682,359	12,415,895	1,003,576,521
Accumulated Amortization, beginning of year		299,276,242	6,849,859	870,240	506,880	5,409,781	312,913,002
Prior Period Adjustments							
Transfer to income statement for AFG projects		190,076					190,076
Accumulated Amortization, beginning of year, as restated		299,466,318	6,849,859	870,240	506,880	5,409,781	313,103,078
Changes for the Year							
Increase: Amortization for the Year		17,912,732	1,515,310	186,382	393,982	2,396,968	22,405,374
Decrease:							
Deemed Disposals			1,055,840	144,568	258,868	569,806	2,029,082
			1,055,840	144,568	258,868	569,806	2,029,082
Accumulated Amortization, end of year		317,379,050	7,309,329	912,054	641,994	7,236,943	333,479,370
Tangible Capital Assets - Net	20,848,131	632,837,955	8,200,887	990,861	2,040,365	5,178,952	670,097,151

School District No. 39 (Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2017

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	140,897,646	194,590	-	-	141,092,236
Prior Period Adjustments					
Transfer to income statement for AFG projects	(12,607,313)				(12,607,313)
Work in Progress, beginning of year, as restated	128,290,333	194,590	-	-	128,484,923
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	49,924,875	365,086			50,289,961
Deferred Capital Revenue - Other	5,974,951				5,974,951
	55,899,826	365,086	-	-	56,264,912
Decrease:					
Transferred to Tangible Capital Assets	85,750,728	319,721			86,070,449
	85,750,728	319,721	-	-	86,070,449
Net Changes for the Year	(29,850,902)	45,365	-	-	(29,805,537)
Work in Progress, end of year	98,439,431	239,955	-	-	98,679,386

School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	372,821,096	6,732,844	13,820,118	393,374,058
Prior Period Adjustments				
Transfer to income statement for AFG projects	(190,076)			(190,076)
Deferred Capital Revenue, beginning of year, as restated	372,631,020	6,732,844	13,820,118	393,183,982
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions		2,606		2,606
Transferred from Work in Progress	85,307,952		762,497	86,070,449
	85,307,952	2,606	762,497	86,073,055
Decrease:				
Amortization of Deferred Capital Revenue	14,547,128	197,422	181,210	14,925,760
	14,547,128	197,422	181,210	14,925,760
Net Changes for the Year	70,760,824	(194,816)	581,287	71,147,295
Deferred Capital Revenue, end of year	443,391,844	6,538,028	14,401,405	464,331,277
Work in Progress, beginning of year	140,079,682	1,012,554		141,092,236
Prior Period Adjustments				
Transfer to income statement for AFG projects	(12,607,313)			(12,607,313)
Work in Progress, beginning of year, as restated	127,472,369	1,012,554	-	128,484,923
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	50,289,961	3,173,953	2,800,998	56,264,912
Transferred from Other Provincial - Work in Progress	720,765	(720,765)		-
	51,010,726	2,453,188	2,800,998	56,264,912
Decrease				
Transferred to Deferred Capital Revenue	85,307,952		762,497	86,070,449
	85,307,952	-	762,497	86,070,449
Net Changes for the Year	(34,297,226)	2,453,188	2,038,501	(29,805,537)
Work in Progress, end of year	93,175,143	3,465,742	2,038,501	98,679,386
Total Deferred Capital Revenue, end of year	536,566,987	10,003,770	16,439,906	563,010,663

School District No. 39 (Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	232,469	2,501,457				2,733,926
Prior Period Adjustments						
City of Vancouver Daycare projects moved from Operating Surplus					123,563	123,563
Balance, beginning of year, as restated	232,469	2,501,457	-	-	123,563	2,857,489
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	54,924,119					54,924,119
Provincial Grants - Other			154,560			154,560
Other					2,775,890	2,775,890
Investment Income		96,134	821		676	97,631
Transfer seismic costs to Bylaw	(720,765)	720,765				-
Transfer to income statement for AFG projects	(3,595,343)					(3,595,343)
	50,608,011	816,899	155,381	-	2,776,566	54,356,857
Decrease:						
Transferred to DCR - Capital Additions			2,606			2,606
Transferred to DCR - Work in Progress	50,289,961	3,173,953			2,800,998	56,264,912
Insurance netted with expenditure	548,307					548,307
	50,838,268	3,173,953	2,606	-	2,800,998	56,815,825
Net Changes for the Year	(230,257)	(2,357,054)	152,775	-	(24,432)	(2,458,968)
Balance, end of year	2,212	144,403	152,775	-	99,131	398,521