

Audited Financial Statements of

School District No. 39 (Vancouver)

June 30, 2018

School District No. 39 (Vancouver)

June 30, 2018

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School District No. 39 (Vancouver)

MANAGEMENT REPORT

Version: 9118-8372-6390

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.

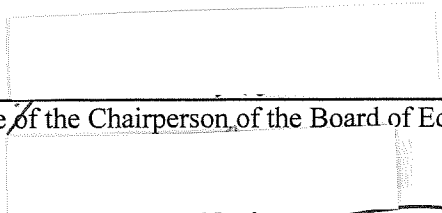
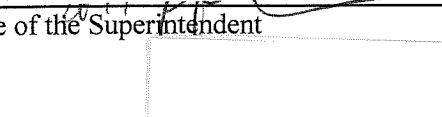
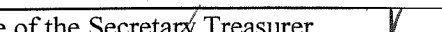
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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 of British Columbia, 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)

	<i>Sept. 24/18</i>
Signature of the Chairperson of the Board of Education	Date Signed
	<i>Sept. 24/18</i>
Signature of the Superintendent	Date Signed
	<i>Sept. 24/18</i>
Signature of the Secretary Treasurer	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, 2018, 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 judgement, 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.

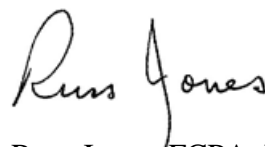
Under Canadian Public Sector Accounting Standards, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received 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 liability for deferred capital revenue of \$453 million and deferred revenue of \$17 million, an understatement of accumulated surplus of \$471 million, and a current year overstatement of revenue of \$1 million. Accordingly, the current year surplus is overstated by \$1 million and net debt is overstated by \$471 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, 2018, 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, 2018



Russ Jones, FCPA, FCA
Deputy Auditor General

School District No. 39 (Vancouver)


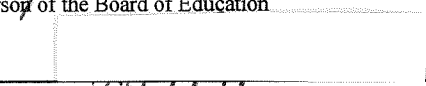

Statement of Financial Position
As at June 30, 2018

	2018 Actual	2017 Actual (Recast)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	143,405,503	142,992,300
Accounts Receivable		
Due from Province - Ministry of Education	8,068,198	1,662,245
Due from Province - Other		370
Other (Note 3)	5,297,735	3,878,986
Portfolio Investments (Note 4)	1,914,800	2,097,483
Total Financial Assets	158,686,236	150,631,384
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	181,114	164,407
Due to Province - Other	219,245	209,897
Other (Note 5)	60,665,630	56,132,342
Unearned Revenue (Note 6)	29,380,200	27,437,512
Deferred Revenue (Note 7)	30,617,007	32,106,259
Deferred Capital Revenue (Note 8)	599,129,507	563,409,184
Employee Future Benefits (Note 9)	25,676,796	24,249,389
Capital Lease Obligations (Note 10)	1,825,785	3,280,406
Other Liabilities	987,023	1,895,668
Total Liabilities	748,682,307	708,885,064
Net Financial Assets (Debt)	(589,996,071)	(558,253,680)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	703,860,418	670,097,151
Prepaid Expenses	3,554,679	1,886,605
Supplies Inventory	952,851	1,198,449
Total Non-Financial Assets	708,367,948	673,182,205
Accumulated Surplus (Deficit) (Note 16)	118,371,877	114,928,525

Contractual Obligations (Note 13)

Contingent Liabilities (Note 18)

Approved by the Board

	Sept 24/18 Date Signed
	Sept. 24/18 Date Signed
	Sept 24/18 Date Signed

School District No. 39 (Vancouver)

Statement of Operations
Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	519,035,115	509,318,308	490,806,986
Other	5,104,725	5,744,555	5,122,282
Federal Grants	2,236,492	2,364,846	2,179,441
Tuition	28,891,797	28,517,730	28,789,020
Other Revenue	35,508,733	36,398,608	39,579,668
Rentals and Leases	5,169,196	5,334,936	5,482,619
Investment Income	1,896,376	2,712,102	1,516,605
Amortization of Deferred Capital Revenue	17,121,417	15,841,256	14,925,760
Total Revenue	<u>614,963,851</u>	<u>606,232,341</u>	<u>588,402,381</u>
Expenses			
Instruction	499,456,418	492,382,329	477,143,251
District Administration	20,554,434	20,071,774	19,047,483
Operations and Maintenance	92,043,130	87,353,245	92,093,160
Transportation and Housing	2,890,660	2,847,157	2,768,448
Debt Services	179,626	134,484	136,849
Total Expense	<u>615,124,268</u>	<u>602,788,989</u>	<u>591,189,191</u>
Surplus (Deficit) for the year	<u>(160,417)</u>	<u>3,443,352</u>	<u>(2,786,810)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		114,928,525	117,715,335
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>118,371,877</u></u>	<u>114,928,525</u>

School District No. 39 (Vancouver)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual (Recast)
	\$	\$	\$
Surplus (Deficit) for the year	(160,417)	3,443,352	(2,786,810)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(51,574,747)	(57,752,841)	(63,051,454)
Amortization of Tangible Capital Assets	24,753,180	23,989,574	22,405,374
Total Effect of change in Tangible Capital Assets	(26,821,567)	(33,763,267)	(40,646,080)
Acquisition of Prepaid Expenses		(3,580,877)	(2,711,231)
Use of Prepaid Expenses		1,912,803	3,750,309
Acquisition of Supplies Inventory		(2,087,112)	(2,199,096)
Use of Supplies Inventory		2,332,710	2,015,378
Total Effect of change in Other Non-Financial Assets	-	(1,422,476)	855,360
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(26,981,984)</u>	(31,742,391)	(42,577,530)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(31,742,391)	(42,577,530)
Net Financial Assets (Debt), beginning of year		(558,253,680)	(515,676,150)
Net Financial Assets (Debt), end of year		(589,996,071)	(558,253,680)

School District No. 39 (Vancouver)

Statement of Cash Flows
Year Ended June 30, 2018

	2018 Actual	2017 Actual (Recast)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	3,443,352	(2,786,810)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(7,824,333)	13,801,268
Supplies Inventories	245,598	(183,719)
Prepaid Expenses	(1,668,075)	1,039,078
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	4,559,342	(6,203,213)
Unearned Revenue	1,942,687	203,035
Deferred Revenue	(1,489,252)	4,958,341
Employee Future Benefits	1,427,406	1,750,238
Other Liabilities	(908,644)	(220,747)
Amortization of Tangible Capital Assets	23,989,574	22,405,374
Amortization of Deferred Capital Revenue	(15,841,256)	(14,925,760)
Total Operating Transactions	7,876,399	19,837,085
Capital Transactions		
Tangible Capital Assets Purchased	(7,110,384)	(4,839,107)
Tangible Capital Assets -WIP Purchased	(49,972,454)	(56,264,912)
Sale and Leaseback of Equipment / Capital Lease (non cash)	(464,575)	(609,518)
Insurance Claim	(387,035)	(548,307)
Total Capital Transactions	(57,934,448)	(62,261,844)
Financing Transactions		
Capital Revenue Received	51,948,614	54,356,857
Capital Lease Payments	(1,660,044)	(1,390,817)
Total Financing Transactions	50,288,570	52,966,040
Investing Transactions		
Investments in Portfolio Investments	182,682	137,031
Total Investing Transactions	182,682	137,031
Net Increase (Decrease) in Cash and Cash Equivalents	413,203	10,678,312
Cash and Cash Equivalents, beginning of year	142,992,300	132,313,988
Cash and Cash Equivalents, end of year	143,405,503	142,992,300
Cash and Cash Equivalents, end of year, is made up of:		
Cash	143,405,503	142,992,300
	143,405,503	142,992,300

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

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 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, 2018

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, 2018

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, 2018

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, 2018

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) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- 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, 2018

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, 2018

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-18</u>	<u>30-Jun-17</u>
Due from Federal Government	\$ 362,324	\$ 496,764
Due from Municipalities	2,783,342	1,308,274
Due from Other School Districts	75,543	61,158
Rentals and Leases	210,548	399,661
Other Receivables	2,212,974	1,956,224
Allowance for Doubtful Accounts	<u>(346,996)</u>	<u>(343,096)</u>
Total	<u>\$ 5,297,735</u>	<u>\$ 3,878,986</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

4 Portfolio Investments

GIC's and term deposits included in portfolio investments are held with local banking institutions and earn average interest at 1.34% (2017 – 1.06%). Senior government bonds held earn average interest at 2.15% (2017 - 2.27%).

	<u>30-Jun-18</u>	<u>30-Jun-17</u>
GIC's	\$ 546,113	\$ 533,622
Term deposits	457,192	577,983
Senior Government Bonds	<u>911,495</u>	<u>985,878</u>
	<u>\$ 1,914,800</u>	<u>\$ 2,097,483</u>

5 Accounts Payable and Accrued Liabilities – Other

	<u>30-Jun-18</u>	<u>30-Jun-17</u>
Accrued vacation pay	\$ 8,824,173	\$ 8,673,273
Other	11,457,068	9,690,934
Salaries and benefits payable	27,887,614	29,419,016
Trade payables	<u>12,496,775</u>	<u>8,349,119</u>
	<u>\$ 60,665,630</u>	<u>\$ 56,132,342</u>

6 Unearned Revenue

	<u>30-Jun-18</u>	<u>30-Jun-17</u>
Balance, beginning of year	\$ 27,437,512	\$ 27,234,477
Amounts received		
Tuition fees	27,845,657	24,777,246
Rental/Lease of facilities	5,272,297	4,862,555
Other	<u>103,390</u>	<u>114,815</u>
	<u>33,221,344</u>	<u>29,754,616</u>
Amounts earned		
Tuition fees	26,979,865	24,678,397
Rental/Lease of facilities	4,161,296	4,730,764
Other	<u>137,495</u>	<u>142,420</u>
	<u>31,278,656</u>	<u>29,551,581</u>
Net changes for the year	<u>1,942,688</u>	<u>203,035</u>
Balance, end of year	<u>\$ 29,380,200</u>	<u>\$ 27,437,512</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

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 the Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	<u>30-Jun-18</u>	<u>30-Jun-17</u>
Deferred revenue, beginning of year	\$ 32,106,259	\$ 27,147,918
Increase		
Provincial Grants - Ministry of Education	57,168,021	39,010,825
Provincial Grants - Other	3,315,862	6,958,531
Other	30,902,954	33,104,557
Investment Income	741,420	449,718
	<u>92,128,257</u>	<u>79,523,631</u>
Decrease		
Allocated to Revenue	93,617,509	74,021,595
Recoveries	-	113,488
Transfer to Capital	-	430,207
	<u>93,617,509</u>	<u>74,565,290</u>
Deferred revenue, end of year	<u>\$ 30,617,007</u>	<u>\$ 32,106,259</u>

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, 2018

	30-Jun-18	30-Jun-17
DCR, Completed Projects:	\$ 464,331,277	\$ 393,183,982
Increases		
Transfers from DCR, WIP	4,646,408	86,070,449
Other Capital Additions	144,070	2,606
	4,790,478	86,073,055
Decreases		
Amortization - ByLaw Capital	15,445,630	14,547,128
Amortization - Other Provincial Capital	204,885	197,422
Amortization - Other Capital	190,741	181,210
	15,841,256	14,925,760
Balance, end of year	453,280,499	464,331,277
DCR, Work in Progress (WIP)		
Balance, beginning of year	98,679,386	128,484,923
Increases		
Transfers from DR – spent funds	49,972,454	56,264,912
Decreases		
Transfers to DCR – completed projects	4,646,408	86,070,449
Balance, end of year	144,005,432	98,679,386
Balance DCR Completed Projects and WIP, end of year	597,285,931	563,010,663
DCR, Unspent		
Balance, beginning of year	398,521	2,857,489
Increases		
Provincial Grants – Ministry of Education	47,229,283	54,924,119
Other	4,700,292	2,930,450
Investment Income	19,039	97,631
	51,948,614	57,952,200
Decreases		
Transferred to DCR, WIP	49,972,454	56,264,912
Insurance netted with expenditure	387,035	548,307
Other Capital Additions Transferred to DCR	144,070	2,606
Transfer to income statement for AFG projects	-	3,595,343
	50,503,559	60,411,168
Balance, DCR, Unspent, end of year	1,843,576	398,521
Total Deferred Capital Revenue	\$ 599,129,507	\$ 563,409,184

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

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-18	30-Jun-17
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 29,153,642	\$ 29,561,323
Service Cost	1,906,916	1,916,884
Interest Cost	825,019	756,255
Benefit Payments	(2,291,600)	(1,856,361)
Actuarial (Gain) Loss	245,137	(1,224,459)
Accrued Benefit Obligation – March 31	\$ 29,839,114	\$ 29,153,642
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 29,839,114	\$ 29,153,642
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	29,839,114	29,153,642
Employer Contributions After Measurement Date	(857,271)	(1,081,814)
Benefits Expense After Measurement Date	718,893	682,984
Unamortized Net Actuarial Loss	(4,023,939)	(4,505,420)
Accrued Benefit Liability - June 30	\$ 25,676,796	\$ 24,249,392
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 24,249,391	\$ 22,499,150
Net Expense for Fiscal Year	3,494,463	3,522,816
Employer Contributions	(2,067,058)	(1,772,575)
Accrued Benefit Liability - June 30	\$ 25,676,796	\$ 24,249,389
Components of Net Benefit Expense		
Service Cost - June 30	\$ 1,937,611	\$ 1,914,392
Interest Cost - June 30	830,233	773,446
Amortization of Net Actuarial (Gain)/Loss	726,619	834,978
Net Benefit Expense (Income)	\$ 3,494,463	\$ 3,522,816

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

Assumptions		
Discount Rate - April 1	2.75%	2.50%
Discount Rate - March 31	2.75%	2.75%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + 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-18</u>	<u>30-Jun-17</u>
2018	\$ -	\$ 2,034,675
2019	960,240	706,418
2020	842,351	655,429
2021	119,952	104,721
2022	-	-
	<u>1,922,543</u>	<u>3,501,243</u>
<i>Interest portion - ranging from 2.5% to 8.8%</i>	(96,758)	(220,837)
Total	<u>\$ 1,825,785</u>	<u>\$ 3,280,406</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

11 Tangible Capital Asset

2018

Cost	July 1, 2017	Additions	Disposals	Transfers	June 30, 2018
Sites	\$ 20,848,131	\$ -	\$ -	\$ -	\$ 20,848,131
Buildings	851,777,574	1,289,717	-	4,414,829	857,482,120
Buildings – WIP	98,439,431	49,787,280	-	(4,414,829)	143,811,882
Furniture & Equipment	15,270,261	1,772,642	(1,034,977)	231,579	16,239,505
Furniture & Equipment - WIP	239,955	185,174	-	(231,579)	193,550
Vehicles	1,902,915	-	(186,311)	-	1,716,604
Computer Software	2,682,359	355,327	(10,317)	-	3,027,369
Computer Hardware	12,415,895	4,362,701	(4,284,892)	-	12,493,704
Total	\$ 1,003,576,521	\$ 57,752,841	\$ (5,516,497)	\$ -	\$ 1,055,812,865

Accumulated Amortization	July 1, 2017	Amortization	Disposals	June 30, 2018
Buildings	\$ 317,379,050	\$ 18,859,298	\$ -	\$ 336,238,348
Furniture & Equipment	7,309,329	1,575,458	1,034,977	7,849,810
Vehicles	912,054	180,976	186,311	906,719
Computer Software	641,994	570,973	10,317	1,202,650
Computer Hardware	7,236,943	2,802,869	4,284,892	5,754,920
Total	\$ 333,479,370	\$ 23,989,574	\$ 5,516,497	\$ 351,952,447

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)	239,954
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

Net Book Value	June 30, 2018	June 30, 2017
Sites	\$ 20,848,131	\$ 20,848,131
Buildings	521,243,772	534,398,524
Buildings - WIP	143,811,882	98,439,431
Furniture & Equipment	8,389,695	7,960,932
Furniture & Equipment - WIP	193,549	239,954
Vehicles	809,885	990,861
Computer Software	1,824,719	2,040,365
Computer Hardware	6,738,784	5,178,952
Total	\$ 703,860,418	\$ 670,097,151

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
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As at June 30, 2018, there was work in progress of \$144,005,432 (\$98,679,385 in 2017) 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 \$670,003 (2017: \$1,952,924) 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, 2016, the Teachers' Pension Plan had about 45,000 active members and approximately 37,000 retired members. As of December 31, 2016, the Municipal Pension Plan had about 193,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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

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

The School District paid \$47,397,164 (2017 - \$45,342,216) for employer contributions to these plans in the year ended June 30, 2018.

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

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.

13 Contractual Obligations

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met.

	2019	2020	2021	2022	2023
Approved Capital Projects -					
Unperformed portion	\$ 38,467,163	\$ -	\$ -	\$ -	\$ -
Future operating lease					
payments	873,891	500,031	329,367	149,023	69,152
	\$ 39,341,055	\$ 500,031	\$ 329,367	\$ 149,023	\$ 69,152

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 26, 2018. 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 FTEs		
School-Age	49,540	49,685
Adult	288	318
Other	1,649	1,754
Total Ministry Operating Grant Funded FTEs	51,477	51,757

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

	<u>Amended Budget</u>	<u>Annual Budget</u>
Revenues		
Provincial Grants		
Ministry of Education	\$ 519,035,115	\$ 535,636,874
Other	5,104,725	4,115,357
Federal Grants	2,236,492	2,236,492
Tuition	28,891,797	28,245,500
Other Revenue	35,508,733	33,906,599
Rentals and Leases	5,169,196	6,231,001
Investment Income	1,896,376	1,662,312
Amortization of Deferred Capital Revenue	17,121,417	17,144,715
Total Revenue	614,963,851	629,178,850
Expenses		
Instruction	499,456,418	522,462,030
District Administration	20,554,434	18,398,666
Operations and Maintenance	92,043,130	88,802,514
Transportation and Housing	2,890,660	3,051,600
Debt Services	179,626	85,303
Total Expense	615,124,268	632,800,113
Net Revenue (Expense)	(160,417)	(3,621,263)
Budgeted Allocation (Retirement) of Surplus (Deficit)	-	150,000
Budgeted Reduction of Unfunded Employee Future Benefits	(132,764)	(132,764)
Budgeted Surplus (Deficit), for the year	\$ (293,181)	\$ (3,604,027)
Budgeted Surplus (Deficit), for the year comprised of:		
Capital Fund Surplus (Deficit)	\$ (293,181)	\$ (3,604,027)
Budgeted Surplus (Deficit), for the year	\$ (293,181)	\$ (3,604,027)

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

15 Expense by Object

	30-Jun-18	30-Jun-17
Amortization	\$ 23,989,573	\$ 22,405,374
Interest	136,847	138,325
Salaries and benefits	498,694,068	486,531,159
Services and supplies	79,968,501	82,114,334
	\$ 602,788,989	\$ 591,189,191

16 Accumulated Surplus

	30-Jun-18	30-Jun-17
Invested in Capital Assets	\$ 105,788,480	\$ 104,845,860
Local Capital Fund	128,330	128,330
Capital Fund Balance	105,916,810	104,974,190
External Commitments		
Donated Funds for School Programs	2,873,077	2,634,891
Distributed Learning Funding for Courses in Progress	126,249	196,880
	2,999,326	2,831,771
Internal Commitments		
Student Learning Grant	-	2,603,509
Special Grant for Schools and Mentorship	1,200,000	-
School Budget Balances	1,608,333	1,026,581
Funds Required to Complete Projects in Progress	1,640,864	1,851,463
Repayment of Prior Year's Unrestricted Deficit	-	27,741
	4,449,197	5,509,294
Restricted by Board Resolution		
Prior Year Unrestricted to Fund Next Year's Budget	2,034,222	-
Unrestricted Operating Surplus	2,972,321	2,457,116
Unfunded Accrued Employee Benefits	-	(843,847)
Accumulated Surplus	\$ 118,371,877	\$ 114,928,525

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

17 Interfund Transfers

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

- \$3,727,429 from operating to capital for capital assets purchased
- \$2,047,510 from special purpose to capital for capital assets purchased
- \$5,489 from special purpose to capital for capital lease payments
- \$2,253,744 from operating to capital for capital lease payments

18 Contingent Liabilities

During construction at Kitsilano Secondary, hazardous material and contaminated soil was discovered and remediation work was undertaken. Discussions between the District and the contractor are currently underway as to where responsibility lies for funding the additional work.

As per a directive from the Ministry of Education, any funding for Remedy with the Classroom Enhancement Fund requires an agreement for payout with the School District's teachers' association. No agreement was in place June 30 and the amount and likelihood of a payout are not measurable.

19 Subsequent Events

On July 4, 2018, pursuant to a motion passed at a public meeting held on June 25, 2018, the Board of Education signed a purchase and sale agreement with the British Columbia Hydro and Power Authority ("BC Hydro") for the sale of a subsurface parcel at the Lord Roberts Annex school site for the construction of an underground electrical substation. The fee simple disposal of the subsurface parcel has been approved by way of bylaw by the Board of Education and has received the approval of the Minister of Education. The purchase and sale agreement has also received the approval of the Board of Directors of BC Hydro. Under the terms of the agreement the District will receive \$48.3 million for the subsurface parcel and \$16.7 million for various statutory rights of way and covenants. The agreement also contains provisions for a five-year construction lease of \$8.0 million payable by BC Hydro in 2023, at the start of construction of the substation, and up to \$2.0 million for the construction of a play field at the Lord Roberts Annex site at the end of construction of the substation.

A portion of the \$65.0 million received in 2018 will fund the construction of an elementary school in a City of Vancouver development in Coal Harbour, planned for completion in 2023. The Lord Roberts Annex students would be relocated to this new site to allow for construction of the underground electrical substation. The remaining funds, the funds from the construction lease in 2023 and accumulated interest over the next ten years will provide funding for the construction of a replacement elementary school at the Lord Roberts Annex site.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

20 Recast of June 30, 2017 Statements

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

	<u>Previously Reported</u>	<u>Adjustment</u>	<u>Recast</u>
Accounts Payable and Accrued Liabilities			
Due to Province - Ministry of Education	\$ -	164,407	\$ 164,407
Due to Province - Other	-	209,897	209,897
Other	56,506,646	(374,304)	56,132,342

21 Economic Dependence

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

22 Related Party Transactions

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities and crown corporations. The School District is also related to key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the District. The key management personnel are the Board of Education, Superintendent of Schools and the Secretary Treasurer. All transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

23 Risk Management

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

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

a) Credit risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments. The School District

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2018

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.

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, 2018

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual (Recast)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	9,954,335		104,974,190	114,928,525	117,715,335
Changes for the year					
Surplus (Deficit) for the year	8,481,905	2,052,999	(7,091,552)	3,443,352	(2,786,810)
Interfund Transfers					
Tangible Capital Assets Purchased	(3,727,429)	(2,047,510)	5,774,939	-	
Other	(2,253,744)	(5,489)	2,259,233	-	
Net Changes for the year	2,500,732	-	942,620	3,443,352	(2,786,810)
Accumulated Surplus (Deficit), end of year - Statement 2	12,455,067	-	105,916,810	118,371,877	114,928,525

School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	452,603,722	452,867,890	450,599,833
Other	68,719	46,686	62,249
Federal Grants	2,236,492	2,364,846	2,179,441
Tuition	28,891,797	28,517,730	28,789,020
Other Revenue	5,892,499	5,414,945	7,097,658
Rentals and Leases	4,185,516	4,351,960	4,458,619
Investment Income	1,613,502	1,935,923	1,338,162
Total Revenue	<u>495,492,247</u>	<u>495,499,980</u>	<u>494,524,982</u>
Expenses			
Instruction	406,396,778	404,527,999	406,497,625
District Administration	19,095,436	18,804,178	18,324,059
Operations and Maintenance	61,975,642	60,838,741	63,452,147
Transportation and Housing	2,890,660	2,847,157	2,768,448
Total Expense	<u>490,358,516</u>	<u>487,018,075</u>	<u>491,042,279</u>
Operating Surplus (Deficit) for the year	<u>5,133,731</u>	<u>8,481,905</u>	<u>3,482,703</u>
Budgeted Reduction of Unfunded Accrued Employee Future Benefits	<u>(132,764)</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,499,970)	(3,727,429)	(1,983,271)
Local Capital			307,914
Other	(2,500,997)	(2,253,744)	(2,137,188)
Total Net Transfers	<u>(5,000,967)</u>	<u>(5,981,173)</u>	<u>(3,812,545)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>2,500,732</u>	<u>(329,842)</u>
Operating Surplus (Deficit), beginning of year		9,954,335	10,284,177
Operating Surplus (Deficit), end of year		<u>12,455,067</u>	<u>9,954,335</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		9,482,746	8,341,066
Unrestricted		2,972,321	2,457,116
Unfunded Accrued Employee Future Benefits			(843,847)
Total Operating Surplus (Deficit), end of year		<u>12,455,067</u>	<u>9,954,335</u>

School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual (Recast)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	441,588,921	441,454,591	436,895,013
Other Ministry of Education Grants			
Pay Equity	7,294,124	7,294,124	7,294,124
Funding for Graduated Adults	672,482	950,153	772,681
Transportation Supplement	53,423	53,423	53,423
Economic Stability Dividend	264,641	306,895	274,751
Return of Administrative Savings	2,251,318	2,251,318	2,251,318
Carbon Tax Grant	420,113	492,086	393,393
Student Learning Grant			2,603,509
Foundation Skills Assessment	41,621	41,621	41,621
Shoulder Tappers	17,079	23,679	10,900
Teachers on Call Prepayment			9,100
Total Provincial Grants - Ministry of Education	<u>452,603,722</u>	<u>452,867,890</u>	<u>450,599,833</u>
Provincial Grants - Other	<u>68,719</u>	<u>46,686</u>	<u>62,249</u>
Federal Grants	<u>2,236,492</u>	<u>2,364,846</u>	<u>2,179,441</u>
Tuition			
Summer School Fees	1,357,584	1,357,936	1,357,950
Continuing Education	863,761	784,107	1,146,670
International and Out of Province Students	26,670,452	26,375,687	26,284,400
Total Tuition	<u>28,891,797</u>	<u>28,517,730</u>	<u>28,789,020</u>
Other Revenues			
Other School District/Education Authorities	1,150,000	950,000	
Miscellaneous			
Instructional Cafeteria Revenue	1,367,948	1,194,017	1,309,467
Miscellaneous Fees and Revenues	3,244,902	3,145,549	5,447,525
Other Grants	129,649	125,379	340,666
Total Other Revenue	<u>5,892,499</u>	<u>5,414,945</u>	<u>7,097,658</u>
Rentals and Leases	<u>4,185,516</u>	<u>4,351,960</u>	<u>4,458,619</u>
Investment Income	<u>1,613,502</u>	<u>1,935,923</u>	<u>1,338,162</u>
Total Operating Revenue	<u><u>495,492,247</u></u>	<u><u>495,499,980</u></u>	<u><u>494,524,982</u></u>

School District No. 39 (Vancouver)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual (Recast)
	\$	\$	\$
Salaries			
Teachers	222,176,857	227,048,691	227,389,065
Principals and Vice Principals	22,682,929	22,757,385	22,001,986
Educational Assistants	34,140,654	34,436,424	35,327,138
Support Staff	53,370,287	53,052,511	53,333,106
Other Professionals	8,552,189	8,769,140	9,466,644
Substitutes	9,229,948	8,650,473	9,683,974
Total Salaries	350,152,864	354,714,624	357,201,913
Employee Benefits	93,597,187	92,290,601	94,064,654
Total Salaries and Benefits	443,750,051	447,005,225	451,266,567
Services and Supplies			
Services	15,735,902	12,838,594	13,300,014
Student Transportation	2,912,857	2,861,122	2,773,828
Professional Development and Travel	997,394	1,019,232	887,914
Rentals and Leases	1,222,298	1,214,709	2,089,416
Dues and Fees	959,104	866,214	976,961
Insurance	1,253,273	973,852	1,339,951
Interest	2,363	2,363	1,476
Supplies	14,837,733	12,073,409	9,814,245
Utilities	8,687,541	8,163,355	8,591,907
Total Services and Supplies	46,608,465	40,012,850	39,775,712
Total Operating Expense	490,358,516	487,018,075	491,042,279

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	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	170,457,622	35,958	585,974	6,106,214	155,593	7,031,780	184,373,141
1.03 Career Programs	600,467	60,267	-	120,086	89,055	17,216	887,091
1.07 Library Services	5,338,205	780,874	10,492	252,317	132	201,244	6,583,264
1.08 Counselling	8,624,591	591,131	-	84	98,649	151,899	9,466,354
1.10 Special Education	21,300,700	2,004,385	30,238,722	239,559	4,305	560,123	54,347,794
1.30 English Language Learning	11,072,532	1,703,198	2,114,643	346,338	155,371	338,012	15,730,094
1.31 Aboriginal Education	658,953	111,906	1,104,926	98,821	788	5,974	1,981,368
1.41 School Administration	107	15,764,092	12,215	10,198,883	3,049	11,685	25,990,031
1.60 Summer School	1,978,255	266,276	186,715	384,947	6,056	8,855	2,831,104
1.61 Continuing Education							-
1.62 International and Out of Province Students	7,016,522	-	178,286	455,852	354,528	166,751	8,171,939
1.64 Other							-
Total Function 1	227,047,954	21,318,087	34,431,973	18,203,101	867,526	8,493,539	310,362,180
4 District Administration							
4.11 Educational Administration	-	1,439,298	2,767	303,128	1,784,059	10,165	3,539,417
4.40 School District Governance	-	-	-	59,419	263,360	-	322,779
4.41 Business Administration	-	-	-	2,831,369	3,409,699	8,003	6,249,071
Total Function 4	-	1,439,298	2,767	3,193,916	5,457,118	18,168	10,111,267
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	1,400,057	2,232,193	86,435	3,718,685
5.50 Maintenance Operations	737	-	1,684	27,182,456	212,303	52,331	27,449,511
5.52 Maintenance of Grounds	-	-	-	3,029,227	-	-	3,029,227
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	737	-	1,684	31,611,740	2,444,496	138,766	34,197,423
7 Transportation and Housing							
7.70 Student Transportation				43,754			43,754
Total Function 7	-	-	-	43,754	-	-	43,754
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	227,048,691	22,757,385	34,436,424	53,052,511	8,769,140	8,650,473	354,714,624

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget	2017 Actual (Recast)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	184,373,141	47,846,316	232,219,457	8,178,360	240,397,817	239,340,209	242,110,547
1.03 Career Programs	887,091	233,864	1,120,955	124,918	1,245,873	1,278,457	1,490,868
1.07 Library Services	6,583,264	1,725,527	8,308,791	902,351	9,211,142	9,271,464	9,058,966
1.08 Counselling	9,466,354	2,496,695	11,963,049	111,182	12,074,231	12,287,518	12,517,475
1.10 Special Education	54,347,794	15,166,399	69,514,193	993,835	70,508,028	71,497,923	70,266,215
1.30 English Language Learning	15,730,094	4,175,041	19,905,135	189,754	20,094,889	20,412,784	20,261,967
1.31 Aboriginal Education	1,981,368	554,019	2,535,387	118,026	2,653,413	2,727,426	2,819,279
1.41 School Administration	25,990,031	6,524,461	32,514,492	228,593	32,743,085	33,310,786	32,238,703
1.60 Summer School	2,831,104	754,731	3,585,835	247,294	3,833,129	3,805,772	3,789,072
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	8,171,939	2,182,007	10,353,946	1,395,660	11,749,606	12,448,043	11,931,887
1.64 Other	-	-	-	16,786	16,786	16,396	12,646
Total Function 1	310,362,180	81,659,060	392,021,240	12,506,759	404,527,999	406,396,778	406,497,625
4 District Administration							
4.11 Educational Administration	3,539,417	832,045	4,371,462	1,499,510	5,870,972	6,048,914	5,692,226
4.40 School District Governance	322,779	45,400	368,179	337,685	705,864	663,942	629,151
4.41 Business Administration	6,249,071	1,581,547	7,830,618	4,396,724	12,227,342	12,382,580	12,002,682
Total Function 4	10,111,267	2,458,992	12,570,259	6,233,919	18,804,178	19,095,436	18,324,059
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	3,718,685	954,271	4,672,956	1,631,516	6,304,472	6,018,311	5,918,831
5.50 Maintenance Operations	27,449,511	6,551,680	34,001,191	7,385,029	41,386,220	43,369,391	43,567,075
5.52 Maintenance of Grounds	3,029,227	653,832	3,683,059	1,421,992	5,105,051	3,973,344	5,240,463
5.56 Utilities	-	-	-	8,042,998	8,042,998	8,614,596	8,725,778
Total Function 5	34,197,423	8,159,783	42,357,206	18,481,535	60,838,741	61,975,642	63,452,147
7 Transportation and Housing							
7.70 Student Transportation	43,754	12,766	56,520	2,790,637	2,847,157	2,890,660	2,768,448
Total Function 7	43,754	12,766	56,520	2,790,637	2,847,157	2,890,660	2,768,448
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	354,714,624	92,290,601	447,005,225	40,012,850	487,018,075	490,358,516	491,042,279

School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual (Recast)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	66,431,393	56,450,418	36,611,810
Other	5,036,006	5,697,869	5,060,033
Other Revenue	29,382,969	30,728,022	32,210,968
Investment Income	239,226	741,200	138,784
Total Revenue	101,089,594	93,617,509	74,021,595
Expenses			
Instruction	93,059,640	87,854,330	70,645,626
District Administration	1,458,998	1,267,596	723,424
Operations and Maintenance	5,082,511	2,442,584	2,552,125
Total Expense	99,601,149	91,564,510	73,921,175
Special Purpose Surplus (Deficit) for the year	1,488,445	2,052,999	100,420
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,488,445)	(2,047,510)	(100,420)
Other		(5,489)	
Total Net Transfers	(1,488,445)	(2,052,999)	(100,420)
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, 2018

	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			10,910	59,276	954,404	1,578,243	10,114,670	66,833	32,819
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,237,984	1,758,948				8,026,449		608,000	220,500
Provincial Grants - Other									
Other					5,613	25,036	26,306,694		
Investment Income	9,660		236	696	10,637	46,876	179,743	4,679	2,112
	2,247,644	1,758,948	236	696	16,250	8,098,361	26,486,437	612,679	222,612
Less: Allocated to Revenue	2,247,644	1,758,948	16	59,972	69,986	7,135,745	27,008,252	615,317	209,433
Deferred Revenue, end of year	-	-	11,130	-	900,668	2,540,859	9,592,855	64,195	45,998
Revenues									
Provincial Grants - Ministry of Education	2,237,984	1,758,948		59,276		7,084,051		610,638	207,321
Provincial Grants - Other									
Other Revenue					59,349	4,818	26,828,509		
Investment Income	9,660		16	696	10,637	46,876	179,743	4,679	2,112
	2,247,644	1,758,948	16	59,972	69,986	7,135,745	27,008,252	615,317	209,433
Expenses									
Salaries									
Teachers						1,699,354			
Principals and Vice Principals						248,497			
Educational Assistants		1,336,998						432,044	
Support Staff	1,497,334			16,506	359	1,016,923	64,971	8,250	41,193
Other Professionals						154,910			
Substitutes						1,196	1,834		2,121
	1,497,334	1,336,998	-	16,506	359	3,120,880	66,805	440,294	43,314
Employee Benefits	356,179	421,950		2,690	76	869,394	10,629	127,514	12,302
Services and Supplies	257,424		16	40,776	69,551	3,136,799	26,817,231	47,337	153,817
	2,110,937	1,758,948	16	59,972	69,986	7,127,073	26,894,665	615,145	209,433
Net Revenue (Expense) before Interfund Transfers	136,707	-	-	-	-	8,672	113,587	172	-
Interfund Transfers									
Tangible Capital Assets Purchased	(136,707)					(8,672)	(108,098)	(172)	
Other							(5,489)		
	(136,707)	-	-	-	-	(8,672)	(113,587)	(172)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

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

	OLEP	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	CLINK Other	PRP	ERAC
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	138,925	570,300	295,176	1,222,502			610,515	132,279	1,266,448
Add: Restricted Grants									
Provincial Grants - Ministry of Education	533,072	9,015,094			5,653,444	23,960,885		2,239,074	850,000
Provincial Grants - Other									
Other							986,004		2,101,571
Investment Income	2,651	14,775	2,111			126,939	16,401	5,422	34,718
	535,723	9,029,869	2,111	-	5,653,444	24,087,824	1,002,405	2,244,496	2,986,289
Less: Allocated to Revenue	621,678	9,217,868	297,287	1,222,502	5,653,444	22,515,871	817,338	2,076,183	3,032,101
Deferred Revenue, end of year	52,970	382,301	-	-	-	1,571,953	795,582	300,592	1,220,636
Revenues									
Provincial Grants - Ministry of Education	619,027	9,203,093	295,176	1,222,502	5,653,444	22,388,932		2,070,761	1,056,452
Provincial Grants - Other									
Other Revenue							800,937		1,940,931
Investment Income	2,651	14,775	2,111			126,939	16,401	5,422	34,718
	621,678	9,217,868	297,287	1,222,502	5,653,444	22,515,871	817,338	2,076,183	3,032,101
Expenses									
Salaries									
Teachers	95,641	400,832	4,244	967,935	185,161	17,559,397		1,295,028	2,411
Principals and Vice Principals		67,062			232,052				
Educational Assistants	362	2,604,493			1,709,010			128,717	
Support Staff	308	1,515,675			156,960		354,838	52,347	149,870
Other Professionals		1,261,145			241,169			8,530	97,482
Substitutes	32,918	1,322	12,878		737,743	285,505		58,438	269
	129,229	5,850,529	17,122	967,935	3,262,095	17,844,902	354,838	1,543,060	250,032
Employee Benefits	31,117	1,548,154	4,036	254,567	849,191	4,670,304	32,615	406,565	63,612
Services and Supplies	409,158	1,819,185	59,284		308,943	665	428,075	117,131	2,718,457
	569,504	9,217,868	80,442	1,222,502	4,420,229	22,515,871	815,528	2,066,756	3,032,101
Net Revenue (Expense) before Interfund Transfers	52,174	-	216,845	-	1,233,215	-	1,810	9,427	-
Interfund Transfers									
Tangible Capital Assets Purchased	(52,174)		(216,845)		(1,233,215)		(1,810)	(9,427)	
Other	(52,174)	-	(216,845)	-	(1,233,215)	-	(1,810)	(9,427)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

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

	CAYA	Assistive Technology AT-BC	PRCVI	Settlement Workers In School	Miscellaneous	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	5,754,632	7,382,229	480,467	500,608	935,023	32,106,259
Add: Restricted Grants						
Provincial Grants - Ministry of Education			2,064,571			57,168,021
Provincial Grants - Other		2,994,094		12,470	309,298	3,315,862
Other	300	686,562	22,181	97,770	671,223	30,902,954
Investment Income	89,755	164,350	11,371	11,752	6,536	741,420
	90,055	3,845,006	2,098,123	121,992	987,057	92,128,257
Less: Allocated to Revenue	2,855,033	3,232,457	1,994,184	155,272	820,978	93,617,509
Deferred Revenue, end of year	2,989,654	7,994,778	584,406	467,328	1,101,102	30,617,007
Revenues						
Provincial Grants - Ministry of Education			1,982,813			56,450,418
Provincial Grants - Other	2,765,278	2,740,755		48,268	143,568	5,697,869
Other Revenue		327,352		95,252	670,874	30,728,022
Investment Income	89,755	164,350	11,371	11,752	6,536	741,200
	2,855,033	3,232,457	1,994,184	155,272	820,978	93,617,509
Expenses						
Salaries						
Teachers			112,456		30,460	22,352,919
Principals and Vice Principals						547,611
Educational Assistants					17,302	6,228,926
Support Staff	489,869	579,066	689,179	80,059	10,516	6,724,223
Other Professionals	201,617	738,147	106,785	164		2,809,949
Substitutes					6,545	1,140,769
	691,486	1,317,213	908,420	80,223	64,823	39,804,397
Employee Benefits	199,664	334,611	250,724	21,790	17,452	10,485,136
Services and Supplies	1,963,883	1,580,633	834,242	53,259	459,111	41,274,977
	2,855,033	3,232,457	1,993,386	155,272	541,386	91,564,510
Net Revenue (Expense) before Interfund Transfers	-	-	798	-	279,592	2,052,999
Interfund Transfers						
Tangible Capital Assets Purchased			(798)		(279,592)	(2,047,510)
Other						(5,489)
	-	-	(798)	-	(279,592)	(2,052,999)
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual			2017 Actual (Recast)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education				-	3,595,343
Other Revenue	233,265		255,641	255,641	271,042
Rentals and Leases	983,680		982,976	982,976	1,024,000
Investment Income	43,648		34,979	34,979	39,659
Amortization of Deferred Capital Revenue	17,121,417	15,841,256		15,841,256	14,925,760
Total Revenue	18,382,010	15,841,256	1,273,596	17,114,852	19,855,804
Expenses					
Operations and Maintenance	231,797		82,346	82,346	3,683,514
Amortization of Tangible Capital Assets					
Operations and Maintenance	24,753,180	23,989,574		23,989,574	22,405,374
Debt Services					
Capital Lease Interest	179,626		134,484	134,484	136,849
Total Expense	25,164,603	23,989,574	216,830	24,206,404	26,225,737
Capital Surplus (Deficit) for the year	(6,782,593)	(8,148,318)	1,056,766	(7,091,552)	(6,369,933)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	3,988,415	5,774,939		5,774,939	2,083,691
Local Capital				-	(307,914)
Capital Lease Payment	2,500,997		2,259,233	2,259,233	2,137,188
Total Net Transfers	6,489,412	5,774,939	2,259,233	8,034,172	3,912,965
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,191,375	(1,191,375)	-	
Principal Payment					
Capital Lease		2,124,624	(2,124,624)	-	
Total Other Adjustments to Fund Balances		3,315,999	(3,315,999)	-	
Total Capital Surplus (Deficit) for the year	(293,181)	942,620	-	942,620	(2,456,968)
Capital Surplus (Deficit), beginning of year		104,845,860	128,330	104,974,190	107,431,158
Capital Surplus (Deficit), end of year		105,788,480	128,330	105,916,810	104,974,190

School District No. 39 (Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,848,131	851,777,574	15,270,261	1,902,915	2,682,359	12,415,895	904,897,135
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Other			144,070				144,070
Operating Fund		(57,479)	797,597		355,327	2,631,984	3,727,429
Special Purpose Funds		155,821	830,975			1,060,714	2,047,510
Local Capital		1,191,375					1,191,375
Capital lease						670,003	670,003
Transferred from Work in Progress		4,414,829	231,579				4,646,408
	-	5,704,546	2,004,221	-	355,327	4,362,701	12,426,795
Decrease:							
Deemed Disposals			1,034,977	186,311	10,317	4,284,892	5,516,497
	-	-	1,034,977	186,311	10,317	4,284,892	5,516,497
Cost, end of year	20,848,131	857,482,120	16,239,505	1,716,604	3,027,369	12,493,704	911,807,433
Work in Progress, end of year		143,811,882	193,550				144,005,432
Cost and Work in Progress, end of year	20,848,131	1,001,294,002	16,433,055	1,716,604	3,027,369	12,493,704	1,055,812,865
Accumulated Amortization, beginning of year		317,379,050	7,309,329	912,054	641,994	7,236,943	333,479,370
Changes for the Year							
Increase: Amortization for the Year		18,859,298	1,575,458	180,976	570,973	2,802,869	23,989,574
Decrease:							
Deemed Disposals			1,034,977	186,311	10,317	4,284,892	5,516,497
			-	1,034,977	186,311	4,284,892	5,516,497
Accumulated Amortization, end of year		336,238,348	7,849,810	906,719	1,202,650	5,754,920	351,952,447
Tangible Capital Assets - Net	20,848,131	665,055,654	8,583,245	809,885	1,824,719	6,738,784	703,860,418

School District No. 39 (Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2018

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	98,439,431	239,955			98,679,386
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	45,091,625	185,174			45,276,799
Deferred Capital Revenue - Other	4,695,655				4,695,655
	49,787,280	185,174	-	-	49,972,454
Decrease:					
Transferred to Tangible Capital Assets	4,414,829	231,579			4,646,408
	4,414,829	231,579	-	-	4,646,408
Net Changes for the Year	45,372,451	(46,405)	-	-	45,326,046
Work in Progress, end of year	143,811,882	193,550	-	-	144,005,432

School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	443,391,844	6,538,028	14,401,405	464,331,277
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions		144,070		144,070
Transferred from Work in Progress	4,646,408			4,646,408
	4,646,408	144,070	-	4,790,478
Decrease:				
Amortization of Deferred Capital Revenue	15,445,630	204,885	190,741	15,841,256
	15,445,630	204,885	190,741	15,841,256
Net Changes for the Year	(10,799,222)	(60,815)	(190,741)	(11,050,778)
Deferred Capital Revenue, end of year	432,592,622	6,477,213	14,210,664	453,280,499
Work in Progress, beginning of year	93,175,143	3,465,742	2,038,501	98,679,386
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	45,276,799		4,695,655	49,972,454
Transfer of costs to Other Capital	422,104	(422,104)		-
	45,698,903	(422,104)	4,695,655	49,972,454
Decrease				
Transferred to Deferred Capital Revenue	4,646,408			4,646,408
	4,646,408	-	-	4,646,408
Net Changes for the Year	41,052,495	(422,104)	4,695,655	45,326,046
Work in Progress, end of year	134,227,638	3,043,638	6,734,156	144,005,432
Total Deferred Capital Revenue, end of year	566,820,260	9,520,851	20,944,820	597,285,931

School District No. 39 (Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 2,212	\$ 144,403	\$ 152,775	\$ -	\$ 99,131	\$ 398,521
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	47,109,754					47,109,754
Provincial Grants - Other			119,529			119,529
Other					4,700,292	4,700,292
Investment Income		16,985	2,054			19,039
	47,109,754	16,985	121,583	-	4,700,292	51,948,614
Decrease:						
Transferred to DCR - Capital Additions			144,070			144,070
Transferred to DCR - Work in Progress	45,276,799				4,695,655	49,972,454
Insurance netted with expenditure	387,035					387,035
Transfer of seismic costs to Bylaw	422,104	(422,104)				-
	46,085,938	(422,104)	144,070	-	4,695,655	50,503,559
Net Changes for the Year	1,023,816	439,089	(22,487)	-	4,637	1,445,055
Balance, end of year	1,026,028	583,492	130,288	-	103,768	1,843,576