

Audited Financial Statements of

School District No. 39 (Vancouver)

June 30, 2019

School District No. 39 (Vancouver)

June 30, 2019

Table of Contents

Management Report	1
Independent Auditors' Report	2-5
Statement of Financial Position - Statement 1	6
Statement of Operations - Statement 2	7
Statement of Changes in Net Financial Assets (Debt) - Statement 4	8
Statement of Cash Flows - Statement 5	9
Notes to the Financial Statements	10-29
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	30
Schedule of Operating Operations - Schedule 2 (Unaudited)	31
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	32
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	33
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	34
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	36
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	37
Schedule of Capital Operations - Schedule 4 (Unaudited)	40
Schedule 4A - Tangible Capital Assets (Unaudited)	41
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	42
Schedule 4C - Deferred Capital Revenue (Unaudited)	43
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	44

School District No. 39 (Vancouver)

MANAGEMENT REPORT

Version: 3164-2418-9436

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)

Signature of the Chairperson of the Board of Education

Sept. 23, 2019

Date Signed

Signature of the Superintendent

Sept. 23, 2019

Date Signed

Signature of the Secretary Treasurer

Sept. 23, 2019

Date Signed



OFFICE OF THE
Auditor General
of British Columbia

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*

Qualified Opinion

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, 2019, 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.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of School District No. 39 (Vancouver) as at June 30, 2019, and the results of its operations, change in its net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 my 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. Had the entity made an adjustment for this departure in the current year, as at June 30, 2019, the liability for deferred revenue would have been lower by \$23 million, the liability for deferred capital contributions would have been lower by \$562 million,

revenue, annual surplus and accumulated surplus would have been higher by \$585 million and net debt would have been lower by \$585 million.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Other Accompanying Information

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the unaudited schedules, and the financial statement discussion and analysis, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report I obtained the unaudited schedules and the financial statement discussion and analysis. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the unaudited schedules and the financial statement discussion and analysis affected by this departure from PSAS.

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

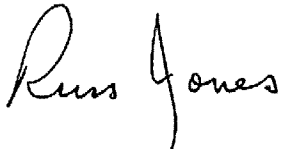
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Russ Jones, FCPA, FCA
Deputy Auditor General

Victoria, British Columbia, Canada
September 26, 2019



School District No. 39 (Vancouver)

Statement 1

Statement of Financial Position

As at June 30, 2019

	2019 Actual \$	2018 Actual \$
Financial Assets		
Cash and Cash Equivalents	240,548,009	143,405,503
Accounts Receivable		
Due from Province - Ministry of Education	4,942,307	8,068,198
Due from Province - Other	132,675	
Other (Note 3)	7,046,469	5,297,735
Portfolio Investments (Note 4)	996,966	1,914,800
Total Financial Assets	<u>253,666,426</u>	<u>158,686,236</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	185,434	181,114
Due to Province - Other	3,741,338	219,245
Other (Note 5)	70,347,072	60,665,630
Unearned Revenue (Note 6)	46,853,440	29,380,200
Deferred Revenue (Note 7)	38,431,885	30,617,007
Deferred Capital Revenue (Note 8)	669,517,976	599,129,507
Employee Future Benefits (Note 9)	27,947,342	25,676,796
Capital Lease Obligations (Note 10)	3,579,816	1,825,785
Other Liabilities	1,686,023	987,023
Total Liabilities	<u>862,290,326</u>	<u>748,682,307</u>
Net Financial Assets (Debt)	<u>(608,623,900)</u>	<u>(589,996,071)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	740,854,968	703,860,418
Prepaid Expenses	3,855,200	3,554,679
Supplies Inventory	934,237	952,851
Total Non-Financial Assets	<u>745,644,405</u>	<u>708,367,948</u>
Accumulated Surplus (Deficit) (Note 16)	<u>137,020,505</u>	<u>118,371,877</u>

Approved by the Board

Signature of the Chairperson of the Board of Education

Sept. 23, 2019
Date Signed

Signature of the Superintendent

Sept. 23, 2019
Date Signed

Signature of the Secretary Treasurer

Sept. 23, 2019
Date Signed

School District No. 39 (Vancouver)

Statement 2

Statement of Operations
Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	529,481,950	527,030,604	509,318,308
Other	5,230,468	6,327,769	5,744,555
Federal Grants	2,259,915	2,259,914	2,364,846
Tuition	28,878,599	29,847,950	28,517,730
Other Revenue	37,924,246	32,057,017	36,398,608
Rentals and Leases	4,716,950	5,555,704	5,334,936
Investment Income	2,981,137	3,945,348	2,712,102
Gain (Loss) on Disposal of Tangible Capital Assets	16,237,469	12,008,555	
Amortization of Deferred Capital Revenue	17,461,901	17,466,107	15,841,256
Total Revenue	<u>645,172,635</u>	<u>636,498,968</u>	<u>606,232,341</u>
Expenses			
Instruction	516,880,582	499,036,105	492,382,329
District Administration	24,385,967	24,392,628	20,071,774
Operations and Maintenance	91,876,338	91,371,275	87,353,245
Transportation and Housing	2,959,355	2,988,963	2,847,157
Debt Services	152,988	61,369	134,484
Total Expense	<u>636,255,230</u>	<u>617,850,340</u>	<u>602,788,989</u>
Surplus (Deficit) for the year	<u>8,917,405</u>	<u>18,648,628</u>	<u>3,443,352</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		118,371,877	114,928,525
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>137,020,505</u></u>	<u>118,371,877</u>

School District No. 39 (Vancouver)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	8,917,405	18,648,628	3,443,352
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(52,798,855)	(62,868,369)	(57,752,841)
Amortization of Tangible Capital Assets	25,335,342	25,807,374	23,989,574
Net carrying value of Tangible Capital Assets disposed of	12,531	66,445	-
Total Effect of change in Tangible Capital Assets	<u>(27,450,982)</u>	<u>(36,994,550)</u>	<u>(33,763,267)</u>
Acquisition of Prepaid Expenses		(4,193,855)	(3,580,877)
Use of Prepaid Expenses		3,893,333	1,912,803
Acquisition of Supplies Inventory		(1,719,054)	(2,087,112)
Use of Supplies Inventory		1,737,669	2,332,710
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(281,907)</u>	<u>(1,422,476)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(18,533,577)</u>	(18,627,829)	(31,742,391)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(18,627,829)	(31,742,391)
Net Financial Assets (Debt), beginning of year		(589,996,071)	(558,253,680)
Net Financial Assets (Debt), end of year		<u>(608,623,900)</u>	<u>(589,996,071)</u>

School District No. 39 (Vancouver)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual \$	2018 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	18,648,628	3,443,352
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,244,482	(7,824,333)
Supplies Inventories	18,615	245,598
Prepaid Expenses	(300,523)	(1,668,075)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	13,207,857	4,559,342
Unearned Revenue	17,473,241	1,942,687
Deferred Revenue	7,814,878	(1,489,252)
Employee Future Benefits	2,270,546	1,427,406
Other Liabilities	699,000	(908,644)
Loss (Gain) on Disposal of Tangible Capital Assets	(12,008,555)	
Amortization of Tangible Capital Assets	25,807,374	23,989,574
Amortization of Deferred Capital Revenue	(17,466,107)	(15,841,256)
Total Operating Transactions	57,409,436	7,876,399
Capital Transactions		
Tangible Capital Assets Purchased	(3,957,793)	(7,110,384)
Tangible Capital Assets -WIP Purchased	(55,100,423)	(49,972,454)
District Portion of Proceeds on Disposal	12,075,000	-
Sale and Leaseback of Equipment / Capital Lease (non cash)		(464,575)
Insurance claim		(387,035)
Total Capital Transactions	(46,983,216)	(57,934,448)
Financing Transactions		
Capital Revenue Received	87,854,576	51,948,614
Capital Lease Payments	(2,056,124)	(1,660,044)
Total Financing Transactions	85,798,452	50,288,570
Investing Transactions		
Investments in Portfolio Investments	917,834	182,682
Total Investing Transactions	917,834	182,682
Net Increase (Decrease) in Cash and Cash Equivalents	97,142,506	413,203
Cash and Cash Equivalents, beginning of year	143,405,503	142,992,300
Cash and Cash Equivalents, end of year	240,548,009	143,405,503
Cash and Cash Equivalents, end of year, is made up of:		
Cash	240,548,009	143,405,503
	240,548,009	143,405,503

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

1 Authority and Purpose

The School District, established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 39 (Vancouver)", and operates as "School District No. 39 (Vancouver)." A board of education (Board) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 39 is exempt from federal and provincial income taxes.

2 Summary of Significant Accounting Policies

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(f) and 2(n).

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

As noted in notes 2(f) and 2(n), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

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 over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished.

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, 2019

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. 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 acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events 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, 2019

i) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made

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 premiums 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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

n) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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

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

- non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred;
- 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 or receivable.

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

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

Allocation of Costs

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

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

q) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential 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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

3 Other Receivables

	<u>30-Jun-19</u>	<u>30-Jun-18</u>
Due from Federal Government	\$ 370,893	\$ 362,324
Due from Municipalities	3,616,639	2,783,342
Due from Other School Districts	75,490	75,543
Rentals and Leases	330,826	210,548
Other Receivables	3,005,814	2,212,974
Allowance for Doubtful Accounts	<u>(353,193)</u>	<u>(346,996)</u>
Total	<u>\$ 7,046,469</u>	<u>\$ 5,297,735</u>

4 Portfolio Investments

GIC's and term deposits included in portfolio investments are held with local banking institutions and earn average interest at 1.60% (2018 – 1.34%). Senior government bonds held earn average interest at 2.57% (2018 - 2.15%).

	<u>30-Jun-19</u>	<u>30-Jun-18</u>
GIC's	\$ 207,119	\$ 546,113
Term deposits	215,190	457,192
Senior Government Bonds	<u>574,657</u>	<u>911,495</u>
	<u>\$ 996,966</u>	<u>\$ 1,914,800</u>

5 Accounts Payable and Accrued Liabilities – Other

	<u>30-Jun-19</u>	<u>30-Jun-18</u>
Accrued vacation pay	\$ 8,935,601	\$ 8,824,173
Other	12,397,073	11,457,068
Salaries and benefits payable	34,910,522	27,887,614
Trade payables	<u>14,103,876</u>	<u>12,496,775</u>
	<u>\$ 70,347,072</u>	<u>\$ 60,665,630</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

6 Unearned Revenue

		30-Jun-19		30-Jun-18
Balance, beginning of year	\$	29,380,200	\$	27,437,512
Amounts received				
Tuition fees		24,858,225		27,845,657
Rental/Lease of facilities		5,622,434		5,272,297
Other		17,179,930		103,390
		47,660,589		33,221,344
Amounts earned				
Tuition fees		24,926,285		26,979,865
Rental/Lease of facilities		5,136,912		4,161,296
Other		124,151		137,495
		30,187,348		31,278,656
Net changes for the year		17,473,241		1,942,688
Balance, end of year	\$	46,853,440	\$	29,380,200

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.

		30-Jun-19		30-Jun-18
Deferred revenue, beginning of year	\$	30,617,007	\$	32,106,259
Increase				
Provincial Grants - Ministry of Education		68,068,534		57,168,021
Provincial Grants - Other		12,772,152		3,315,862
Other		26,335,436		30,902,954
Investment Income		960,684		741,420
		108,136,806		92,128,257
Decrease				
Allocated to Revenue		97,446,991		93,617,509
Recoveries		2,438,119		-
Transfer to nonprofit organizations		436,818		-
		100,321,928		93,617,509
Deferred revenue, end of year	\$	38,431,885	\$	30,617,007

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

8 Deferred Capital Revenue

Deferred Capital Revenue (DCR) includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in Regulation 198/2011 issued by the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	30-Jun-19	30-Jun-18
DCR, Completed Projects		
Balance, beginning of year	\$ 453,280,499	\$ 464,331,277
Increases		
Transfers from DCR, WIP	126,276,150	4,646,408
Other Capital Additions	117,337	144,070
	126,393,487	4,790,478
Decreases		
Amortization - ByLaw Capital	17,019,495	15,445,630
Amortization - Other Provincial Capital	255,872	204,885
Amortization - Other Capital	190,740	190,741
	17,466,107	15,841,256
Balance, end of year	562,207,879	453,280,499
DCR, Work in Progress (WIP)		
Balance, beginning of year	144,005,432	98,679,386
Increases		
Transfers from DR – spent funds	51,124,175	49,972,454
Decreases		
Transfers to DCR – completed projects	126,276,150	4,646,408
Balance, end of year	68,853,457	144,005,432
Balance DCR Completed Projects and WIP, end of year	631,061,336	597,285,931
DCR, Unspent		
Balance, beginning of year	1,843,576	398,521
Increases		
Provincial Grants – Ministry of Education	41,451,578	47,229,283
Other	9,285,581	4,700,292
Investment Income	892,417	19,039
MEd Restricted Portion of Proceeds on Disposal	36,225,000	-
	87,854,576	51,948,614
Decreases		
Transferred to DCR, WIP	51,124,175	49,972,454
Insurance netted with expenditure	-	387,035
Other Capital Additions Transferred to DCR	117,337	144,070
	51,241,512	50,503,559
Balance, DCR, Unspent, end of year	38,456,640	1,843,576
Total Deferred Capital Revenue	\$ 669,517,976	\$ 599,129,507

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

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-19	30-Jun-18
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 29,839,114	\$ 29,153,642
Service Cost	2,029,697	1,906,916
Interest Cost	845,874	825,019
Benefit Payments	(1,520,360)	(2,291,600)
Increase (Decrease) in obligation due to Plan Amendment	42,868	-
Actuarial (Gain) Loss	(2,935,399)	245,137
Accrued Benefit Obligation – March 31	\$ 28,301,794	\$ 29,839,114
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 28,301,794	\$ 29,839,114
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	28,301,794	29,839,114
Employer Contributions After Measurement Date	(676,319)	(857,271)
Benefits Expense After Measurement Date	662,094	718,893
Unamortized Net Actuarial Loss	(340,228)	(4,023,939)
Accrued Benefit Liability - June 30	\$ 27,947,342	\$ 25,676,798
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 25,676,796	\$ 24,249,391
Net Expense for Fiscal Year	3,609,953	3,494,463
Employer Contributions	(1,339,408)	(2,067,058)
Accrued Benefit Liability - June 30	\$ 27,947,342	\$ 25,676,796
Components of Net Benefit Expense		
Service Cost - June 30	\$ 2,003,153	\$ 1,937,611
Interest Cost - June 30	815,619	830,233
Immediate Recognition of Plan Amendment	42,868	-
Amortization of Net Actuarial (Gain)/Loss	748,312	726,619
Net Benefit Expense (Income)	\$ 3,609,953	\$ 3,494,463

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

Assumptions		
Discount Rate - April 1	2.75%	2.75%
Discount Rate - March 31	2.50%	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
EARSLS - March 31	11.20	11.30

10 Capital Lease Obligations

Repayments are due as follows:

	<u>30-Jun-19</u>	<u>30-Jun-18</u>
2019	\$ -	\$ 960,240
2020	2,071,151	842,351
2021	1,313,718	119,952
2022	255,786	-
2023	255,786	-
	<u>3,896,441</u>	<u>1,922,543</u>
<i>Interest portion - ranging from 2.3% to 6.9%</i>	<u>(316,625)</u>	<u>(96,758)</u>
Total	<u>\$ 3,579,816</u>	<u>\$ 1,825,785</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

11 Tangible Capital Asset

2019

Cost	July 1, 2018	Additions	Disposals	Transfers	June 30, 2019
Sites	\$ 20,848,131	\$ -	\$ (66,445.00)	\$ -	\$ 20,781,686
Buildings	857,482,120	717,276	-	125,841,969	984,041,365
Buildings – WIP	143,811,882	54,856,384	-	(125,841,969)	72,826,297
Furniture & Equipment	16,239,505	1,083,210	(1,664,237)	434,181	16,092,659
Furniture & Equipment - WIP	193,550	244,038	-	(434,181)	3,407
Vehicles	1,716,604	497,499	-	-	2,214,103
Computer Software	3,027,369	249,659	(145,091)	-	3,131,937
Computer Hardware	12,493,704	5,220,302	(1,433,009)	-	16,280,997
Total	\$1,055,812,865	\$ 62,868,368	\$ (3,308,782)	\$ -	\$1,115,372,451

Accumulated Amortization	July 1, 2018	Amortization	Disposals	June 30, 2019
Buildings	\$ 336,238,348	\$ 20,500,908	\$ -	\$ 356,739,256
Furniture & Equipment	7,849,810	1,616,547	1,664,237	7,802,120
Vehicles	906,719	196,535	-	1,103,254
Computer Software	1,202,650	615,913	145,091	1,673,472
Computer Hardware	5,754,920	2,877,471	1,433,009	7,199,382
Total	\$ 351,952,447	\$ 25,807,374	\$ 3,242,337	\$ 374,517,484

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

Net Book Value	June 30, 2019	June 30, 2018
Sites	\$ 20,781,686	\$ 20,848,131
Buildings	627,302,109	521,243,772
Buildings - WIP	72,826,297	143,811,882
Furniture & Equipment	8,290,539	8,389,695
Furniture & Equipment - WIP	3,407	193,549
Vehicles	1,110,849	809,885
Computer Software	1,458,465	1,824,719
Computer Hardware	9,081,615	6,738,784
Total	\$ 740,854,967	\$ 703,860,418

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

As at June 30, 2019, there was work in progress of \$72,829,704 (\$144,005,432 in 2018) 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 \$3,810,153 (2018: \$670,003) 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, 2017, the Teachers' Pension Plan had about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan had about 197,000 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, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

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 \$44,716,710 (2018 - \$47,397,164) for employer contributions to these plans in the year ended June 30, 2019.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. 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, 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.

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.

	2020	2021	2022	2023	2024
Approved Capital Projects -					
Unperformed portion	\$ 35,008,287	\$ 18,833,581	\$ -	\$ -	\$ -
Future operating lease payments	641,406	470,743	315,333	222,675	7,682
Service agreements	483,206				
	<u>\$ 36,132,899</u>	<u>\$ 19,304,324</u>	<u>\$ 315,333</u>	<u>\$ 222,675</u>	<u>\$ 7,682</u>

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 25, 2019. The District has elected to present the amended annual budget as it reflects a budget based on funding as a result of final enrollment numbers versus estimated annual projections.

	<u>Amended Budget</u>	<u>Annual Budget</u>
Ministry Operating Grant Funded FTEs		
School-Age	49,332	48,916
Adult	264	256
Other	1,598	1,658
Total Ministry Operating Grant Funded FTEs	<u>51,194</u>	<u>50,830</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

	<u>Amended Budget</u>	<u>Annual Budget</u>
Revenues		
Provincial Grants		
Ministry of Education	\$ 529,481,950	\$ 516,394,334
Other	5,230,468	5,263,141
Federal Grants	2,259,915	2,236,492
Tuition	28,878,599	29,798,303
Other Revenue	37,924,246	37,095,713
Rentals and Leases	4,716,950	5,031,351
Investment Income	2,981,137	2,410,895
Gain (Loss) on Disposal of Tangible Capital Assets	16,237,469	-
Amortization of Deferred Capital Revenue	17,461,901	17,522,416
Total Revenue	645,172,635	615,752,645
Expenses		
Instruction	516,880,582	506,258,701
District Administration	24,385,967	20,063,125
Operations and Maintenance	91,876,338	90,626,309
Transportation and Housing	2,959,355	2,892,176
Debt Services	152,988	178,808
Total Expense	636,255,230	620,019,119
Net Revenue (Expense)	8,917,405	(4,266,474)
Budgeted Allocation (Retirement) of Surplus (Deficit)	5,210,896	2,034,222
Budgeted Surplus (Deficit), for the year	\$ 14,128,301	\$ (2,232,252)
Budgeted Surplus (Deficit), for the year comprised of:		
Capital Fund Surplus (Deficit)	\$ 14,128,301	\$ (2,232,252)
Budgeted Surplus (Deficit), for the year	\$ 14,128,301	\$ (2,232,252)

15 Expense by Object

	<u>30-Jun-19</u>	<u>30-Jun-18</u>
Amortization	\$ 25,807,374	\$ 23,989,573
Interest	61,698	136,847
Salaries and benefits	512,071,839	498,694,068
Services and supplies	79,909,429	79,968,501
	\$ 617,850,340	\$ 602,788,989

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

16 Accumulated Surplus

	30-Jun-19	30-Jun-18
Invested in Capital Assets	\$ 107,253,594	\$ 105,788,480
Local Capital Fund	9,897,980	128,330
Capital Fund Balance	117,151,574	105,916,810
Operations Spanning Future School Years	7,792,091	3,768,805
Anticipated Unusual Expenses Identified	2,503,785	1,640,864
Nature of Constraints on the Funds		
Donated Funds for School Programs	3,095,065	2,873,077
Special Grant for Schools and Mentorship	107,305	1,200,000
Special Grant for Special Education	1,479,601	-
	4,681,971	4,073,077
Contingency Reserve	2,474,567	-
Unrestricted Operating Surplus	2,416,518	2,972,321
Accumulated Surplus	\$ 137,020,505	\$ 118,371,877

(in accordance with VBE Policy 19 - Accumulated Operating Surplus)

17 Interfund Transfers

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

- \$3,531,799 from operating to capital for capital assets purchased and work in progress
- \$477,274 from special purpose to capital for capital assets purchased
- \$5,488 from special purpose to capital for capital lease payments
- \$2,112,003 from operating to capital for capital lease payments

18 Contingent Liabilities

Discussions have taken place during the year between the District and the contractor about the respective responsibility of each party for the hazardous material and contaminated soil that was discovered during the construction of Kitsilano Secondary. The contractor has filed a civil claim against the District in the form of two liens. Much of the amounts claimed are already recognized

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

by the District as payable under the construction contract and do not represent an additional cost outside the contract value. The final outcome of the ongoing discussions for the remaining amounts is not determinable as at June 30, 2019, and accordingly, no provision has been made in these financial statements for any liability that may result over and above what the District has already recognized.

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' associations. On June 30, 2019 the District did not have an agreement with the elementary teachers' association for 2018, and the amount and likelihood of a payout are not measurable.

19 Contingent Assets

During the year, the School District entered into an agreement with BC Hydro for the sale of an underground air parcel at Lord Roberts Annex for the construction of an electrical substation. As a result of that sale, a contingent asset exists in the form of a construction lease starting August 1, 2023. The issuance of the construction lease in 2023 is dependent on BC Hydro receiving a Certificate of Public Convenience and Necessity from the British Columbia Utilities Commission for the construction of the substation. Contingent assets are not recorded in the financial statements.

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 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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

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 debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

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

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2019

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, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	12,455,067		105,916,810	118,371,877	114,928,525
Changes for the year					
Surplus (Deficit) for the year	13,057,666	482,762	5,108,200	18,648,628	3,443,352
Interfund Transfers					
Tangible Capital Assets Purchased	(3,350,003)	(477,274)	3,827,277	-	
Tangible Capital Assets - Work in Progress	(181,796)		181,796	-	
Other	(2,112,003)	(5,488)	2,117,491	-	
Net Changes for the year	7,413,864	-	11,234,764	18,648,628	3,443,352
Accumulated Surplus (Deficit), end of year - Statement 2	19,868,931	-	117,151,574	137,020,505	118,371,877

School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	460,563,800	461,968,200	452,867,890
Other	68,719	77,811	46,686
Federal Grants	2,259,915	2,259,914	2,364,846
Tuition	28,878,599	29,847,950	28,517,730
Other Revenue	5,699,825	6,519,772	5,414,945
Rentals and Leases	3,722,214	4,522,920	4,351,960
Investment Income	2,581,732	2,774,350	1,935,923
Total Revenue	503,774,804	507,970,917	495,499,980
Expenses			
Instruction	414,885,882	405,891,228	404,527,999
District Administration	20,743,440	22,990,328	18,804,178
Operations and Maintenance	66,189,164	63,042,732	60,838,741
Transportation and Housing	2,959,355	2,988,963	2,847,157
Total Expense	504,777,841	494,913,251	487,018,075
Operating Surplus (Deficit) for the year	(1,003,037)	13,057,666	8,481,905
Budgeted Appropriation (Retirement) of Surplus (Deficit)	5,210,896		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,111,648)	(3,350,003)	(3,727,429)
Tangible Capital Assets - Work in Progress		(181,796)	
Other	(2,096,211)	(2,112,003)	(2,253,744)
Total Net Transfers	(4,207,859)	(5,643,802)	(5,981,173)
Total Operating Surplus (Deficit), for the year	-	7,413,864	2,500,732
Operating Surplus (Deficit), beginning of year		12,455,067	9,954,335
Operating Surplus (Deficit), end of year		19,868,931	12,455,067
Operating Surplus (Deficit), end of year			
Internally Restricted		17,452,413	9,482,746
Unrestricted		2,416,518	2,972,321
Total Operating Surplus (Deficit), end of year		19,868,931	12,455,067

School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	451,104,845	451,134,199	441,454,591
Other Ministry of Education Grants			
Pay Equity	7,294,124	7,294,124	7,294,124
Funding for Graduated Adults	1,032,592	1,119,705	950,153
Transportation Supplement	53,423	53,423	53,423
Economic Stability Dividend	584,082	561,139	306,895
Return of Administrative Savings			2,251,318
Carbon Tax Grant	420,113	478,280	492,086
Employer Health Tax Grant		1,249,709	
Strategic Priorities - Mental Health Grant	30,000	30,000	
Equity Scan Implementation	3,000	3,000	
Foundation Skills Assessment	41,621	41,621	41,621
MyEd BC Travel		3,000	
Shoulder Tappers			23,679
Total Provincial Grants - Ministry of Education	460,563,800	461,968,200	452,867,890
Provincial Grants - Other	68,719	77,811	46,686
Federal Grants	2,259,915	2,259,914	2,364,846
Tuition			
Summer School Fees	1,351,226	1,378,520	1,357,936
Continuing Education	522,916	1,011,750	784,107
International and Out of Province Students	27,004,457	27,457,680	26,375,687
Total Tuition	28,878,599	29,847,950	28,517,730
Other Revenues			
Other School District/Education Authorities	1,150,000	1,150,000	950,000
Miscellaneous			
Instructional Cafeteria Revenue	1,194,017	1,082,198	1,194,017
Miscellaneous Fees and Revenues	3,252,544	4,044,417	3,145,549
Other Grants	103,264	243,157	125,379
Total Other Revenue	5,699,825	6,519,772	5,414,945
Rentals and Leases	3,722,214	4,522,920	4,351,960
Investment Income	2,581,732	2,774,350	1,935,923
Total Operating Revenue	503,774,804	507,970,917	495,499,980

School District No. 39 (Vancouver)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	222,989,251	222,087,465	227,048,691
Principals and Vice Principals	24,067,002	23,993,358	22,757,385
Educational Assistants	38,331,986	36,966,930	34,436,424
Support Staff	54,912,383	53,670,115	53,052,511
Other Professionals	9,993,449	9,885,282	8,769,140
Substitutes	10,245,458	10,151,901	8,650,473
Total Salaries	360,539,529	356,755,051	354,714,624
Employee Benefits	95,006,484	94,499,119	92,290,601
Total Salaries and Benefits	455,546,013	451,254,170	447,005,225
Services and Supplies			
Services	17,140,103	16,399,860	12,838,594
Student Transportation	2,972,401	2,999,259	2,861,122
Professional Development and Travel	1,308,829	1,247,070	1,019,232
Rentals and Leases	1,558,775	950,286	1,214,709
Dues and Fees	905,790	893,453	866,214
Insurance	1,316,329	907,774	973,852
Interest	2,363	328	2,363
Supplies	14,903,514	10,701,905	12,073,409
Utilities	9,123,724	9,559,146	8,163,355
Total Services and Supplies	49,231,828	43,659,081	40,012,850
Total Operating Expense	504,777,841	494,913,251	487,018,075

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	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	165,722,504	41,818	529,276	6,194,360	202,537	8,196,421	180,886,916
1.03 Career Programs	674,793	61,991		133,387	92,808	29,450	992,429
1.07 Library Services	5,244,852	803,220	7,900	255,851	141	235,057	6,547,021
1.08 Counselling	8,689,955	708,827			175,753	181,768	9,756,303
1.10 Special Education	21,082,307	2,178,318	32,717,562	171,658	4,307	629,448	56,783,600
1.30 English Language Learning	10,870,227	1,752,073	2,170,298	410,355	172,495	374,484	15,749,932
1.31 Aboriginal Education	707,952	116,388	1,095,949	92,054	837	29,285	2,042,465
1.41 School Administration	34	16,307,812	7,679	10,171,872	3,240	19,448	26,510,085
1.60 Summer School	2,092,915	278,493	252,880	411,167	7,546	5,959	3,048,960
1.62 International and Out of Province Students	6,994,908	142,451	174,429	482,298	220,178	202,929	8,217,193
1.64 Other							-
Total Function 1	222,080,447	22,391,391	36,955,973	18,323,002	879,842	9,904,249	310,534,904
4 District Administration							
4.11 Educational Administration		1,581,529	2,674	323,313	1,839,989	965	3,748,470
4.40 School District Governance				60,595	524,932		585,527
4.41 Business Administration	6,622	20,438	6,330	2,936,263	3,952,085	9,815	6,931,553
Total Function 4	6,622	1,601,967	9,004	3,320,171	6,317,006	10,780	11,265,550
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	164		171	1,369,740	2,424,839	171,150	3,966,064
5.50 Maintenance Operations	232		1,782	27,692,694	261,577	65,722	28,022,007
5.52 Maintenance of Grounds				2,917,032	2,018		2,919,050
5.56 Utilities							-
Total Function 5	396	-	1,953	31,979,466	2,688,434	236,872	34,907,121
7 Transportation and Housing							
7.70 Student Transportation				47,476			47,476
Total Function 7	-	-	-	47,476	-	-	47,476
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	222,087,465	23,993,358	36,966,930	53,670,115	9,885,282	10,151,901	356,755,051

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	180,886,916	47,727,585	228,614,501	7,525,114	236,139,615	239,203,261	240,397,817
1.03 Career Programs	992,429	266,660	1,259,089	237,541	1,496,630	1,575,961	1,245,873
1.07 Library Services	6,547,021	1,745,930	8,292,951	587,530	8,880,481	9,259,863	9,211,142
1.08 Counselling	9,756,303	2,613,845	12,370,148	81,141	12,451,289	12,577,290	12,074,231
1.10 Special Education	56,783,600	16,166,558	72,950,158	929,895	73,880,053	77,826,647	70,508,028
1.30 English Language Learning	15,749,932	4,257,798	20,007,730	197,096	20,204,826	20,683,698	20,094,889
1.31 Aboriginal Education	2,042,465	579,876	2,622,341	165,106	2,787,447	3,181,572	2,653,413
1.41 School Administration	26,510,085	6,764,361	33,274,446	704,269	33,978,715	34,401,274	32,743,085
1.60 Summer School	3,048,960	829,937	3,878,897	216,309	4,095,206	4,227,118	3,833,129
1.62 International and Out of Province Students	8,217,193	2,233,047	10,450,240	1,505,591	11,955,831	11,932,802	11,749,606
1.64 Other	-	-	-	21,135	21,135	16,396	16,786
Total Function 1	310,534,904	83,185,597	393,720,501	12,170,727	405,891,228	414,885,882	404,527,999
4 District Administration							
4.11 Educational Administration	3,748,470	896,431	4,644,901	1,509,748	6,154,649	5,817,289	5,870,972
4.40 School District Governance	585,527	91,672	677,199	128,685	805,884	893,331	705,864
4.41 Business Administration	6,931,553	1,851,088	8,782,641	7,247,154	16,029,795	14,032,820	12,227,342
Total Function 4	11,265,550	2,839,191	14,104,741	8,885,587	22,990,328	20,743,440	18,804,178
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	3,966,064	1,008,130	4,974,194	1,643,922	6,618,116	6,628,951	6,304,472
5.50 Maintenance Operations	28,022,007	6,811,506	34,833,513	7,239,756	42,073,269	45,915,585	41,386,220
5.52 Maintenance of Grounds	2,919,050	640,582	3,559,632	1,424,989	4,984,621	4,661,756	5,105,051
5.56 Utilities	-	-	-	9,366,726	9,366,726	8,982,872	8,042,998
Total Function 5	34,907,121	8,460,218	43,367,339	19,675,393	63,042,732	66,189,164	60,838,741
7 Transportation and Housing							
7.70 Student Transportation	47,476	14,113	61,589	2,927,374	2,988,963	2,959,355	2,847,157
Total Function 7	47,476	14,113	61,589	2,927,374	2,988,963	2,959,355	2,847,157
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	356,755,051	94,499,119	451,254,170	43,659,081	494,913,251	504,777,841	487,018,075

School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	68,918,150	65,062,404	56,450,418
Other	5,161,749	6,249,958	5,697,869
Other Revenue	31,980,540	25,253,531	30,728,022
Investment Income	364,426	881,098	741,200
Total Revenue	106,424,865	97,446,991	93,617,509
Expenses			
Instruction	101,994,700	93,144,877	87,854,330
District Administration	3,642,527	1,402,300	1,267,596
Operations and Maintenance	269,610	2,417,052	2,442,584
Total Expense	105,906,837	96,964,229	91,564,510
Special Purpose Surplus (Deficit) for the year	518,028	482,762	2,052,999
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(518,028)	(477,274)	(2,047,510)
Other		(5,488)	(5,489)
Total Net Transfers	(518,028)	(482,762)	(2,052,999)
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, 2019

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			11,130	900,668	2,540,859	9,592,855	64,195	45,998	52,970
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,237,985	1,725,642			8,072,715		608,000	220,500	661,193
Provincial Grants - Other									
Other				14,490	6,402	22,818,786			
Investment Income	4,406		312	13,192	70,925	266,018	6,236	3,355	2,427
	2,242,391	1,725,642	312	27,682	8,150,042	23,084,804	614,236	223,855	663,620
Less: Allocated to Revenue	2,242,391	1,725,642	-	96,500	7,972,166	22,066,574	626,955	229,813	658,979
Recovered					555,295				27,851
Transfer to nonprofit organizations				271,818					
Deferred Revenue, end of year	-	-	11,442	560,032	2,163,440	10,611,085	51,476	40,040	29,760
Revenues									
Provincial Grants - Ministry of Education	2,237,985	1,725,642			7,849,120		620,719	226,458	657,090
Provincial Grants - Other									
Other Revenue				88,498	52,121	21,800,556			
Investment Income	4,406			8,002	70,925	266,018	6,236	3,355	1,889
	2,242,391	1,725,642	-	96,500	7,972,166	22,066,574	626,955	229,813	658,979
Expenses									
Salaries									
Teachers					1,813,435				93,619
Principals and Vice Principals					510,827				
Educational Assistants		1,340,575					454,540	926	523
Support Staff	1,469,748				1,056,808	60,815	5,166	47,397	1,031
Other Professionals					47,645				
Substitutes					4,376	683		4,943	56,491
	1,469,748	1,340,575	-	-	3,433,091	61,498	459,706	53,266	151,664
Employee Benefits	316,663	385,067			944,149	9,811	133,101	14,986	36,686
Services and Supplies	455,980			96,500	3,558,254	21,955,387	34,148	161,561	433,404
	2,242,391	1,725,642	-	96,500	7,935,494	22,026,696	626,955	229,813	621,754
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	36,672	39,878	-	-	37,225
Interfund Transfers									
Tangible Capital Assets Purchased					(36,672)	(34,390)			(37,225)
Other						(5,488)			
	-	-	-	-	(36,672)	(39,878)	-	-	(37,225)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	CommunityLINK Other	PRP	ERAC	CAYA	Assistive Technology AT-BC	
CommunityLINK	Fund - Overhead	Fund - Staffing	Fund - Remedies	Other	PRP	ERAC	CAYA	AT-BC	
\$	\$	\$	\$	\$	\$	\$	\$	\$	
Deferred Revenue, beginning of year	382,301		1,571,953	795,582	300,592	1,220,636	2,989,654	7,994,778	
Add: Restricted Grants									
Provincial Grants - Ministry of Education	9,092,315	5,755,366	31,698,349	3,025,589	2,193,693	700,000			
Provincial Grants - Other							9,300,000	3,238,175	
Other				822,960		2,029,235	75	4,350	
Investment Income	33,473	86,382		23,794	8,464	41,534	144,464	215,388	
	9,125,788	5,755,366	31,784,731	3,025,589	2,202,157	2,770,769	9,444,539	3,457,913	
Less: Allocated to Revenue	9,153,614	4,529,730	30,058,567	2,925,385	2,159,411	2,883,058	3,006,832	2,949,510	
Recovered			1,571,953		283,020				
Transfer to nonprofit organizations						165,000			
Deferred Revenue, end of year	354,475	1,225,636	1,726,164	100,204	60,318	943,347	9,427,361	8,503,181	
Revenues									
Provincial Grants - Ministry of Education	9,120,141	4,529,730	29,972,185	2,925,385	2,150,947	937,705			
Provincial Grants - Other							2,932,251	2,727,266	
Other Revenue				790,307		1,903,819		6,856	
Investment Income	33,473	86,382		20,613	8,464	41,534	74,581	215,388	
	9,153,614	4,529,730	30,058,567	2,925,385	2,159,411	2,883,058	3,006,832	2,949,510	
Expenses									
Salaries									
Teachers	380,081	231,628	23,730,851	1,437,637	1,444,172				
Principals and Vice Principals		10,010		391	6,754				
Educational Assistants	2,541,476	1,840,466			48,211				
Support Staff	1,348,675	121,870		459,514	54,856	125,835	456,259	586,547	
Other Professionals	1,208,284	352,474			8,956	79,696	210,555	705,254	
Substitutes	2,405	900,500	27,658	449,378	51,885				
	5,480,921	3,456,948	23,758,509	1,887,406	471,024	1,614,834	205,531	1,291,801	
Employee Benefits	1,452,575	868,465	6,300,058	479,765	45,576	422,519	53,858	328,899	
Services and Supplies	2,220,118	127,442		558,214	293,024	100,269	2,623,669	1,327,539	
	9,153,614	4,452,855	30,058,567	2,925,385	809,624	2,137,622	2,883,058	2,948,239	
Net Revenue (Expense) before Interfund Transfers	-	76,875	-	-	1,296	21,789	-	44,096	1,271
Interfund Transfers									
Tangible Capital Assets Purchased		(76,875)			(1,296)	(21,789)	(44,096)	(1,271)	
Other									
	-	(76,875)	-	-	(1,296)	(21,789)	-	(44,096)	(1,271)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	PRCVI	Settlement Workers In School	Miscellaneous	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year	584,406	467,328	1,101,102	30,617,007
Add: Restricted Grants				
Provincial Grants - Ministry of Education	2,077,187			68,068,534
Provincial Grants - Other			233,977	12,772,152
Other		76,000	563,138	26,335,436
Investment Income	16,469	14,819	9,026	960,684
	2,093,656	90,819	806,141	108,136,806
Less: Allocated to Revenue	2,157,655	67,728	1,125,561	97,446,991
Recovered				2,438,119
Transfer to nonprofit organizations				436,818
Deferred Revenue, end of year	520,407	490,419	781,682	38,431,885
Revenues				
Provincial Grants - Ministry of Education	2,109,297			65,062,404
Provincial Grants - Other		47,745	542,696	6,249,958
Other Revenue	31,889	5,164	574,321	25,253,531
Investment Income	16,469	14,819	8,544	881,098
	2,157,655	67,728	1,125,561	97,446,991
Expenses				
Salaries				
Teachers	85,928		40,783	29,258,134
Principals and Vice Principals				527,982
Educational Assistants			14,792	6,253,019
Support Staff	673,763	12,636	14,431	6,495,351
Other Professionals	175,467	397		2,788,728
Substitutes			5,204	1,503,523
	935,158	13,033	75,210	46,826,737
Employee Benefits	255,562	2,786	20,155	12,265,072
Services and Supplies	959,171	51,909	814,300	37,872,420
	2,149,891	67,728	909,665	96,964,229
Net Revenue (Expense) before Interfund Transfers	7,764	-	215,896	482,762
Interfund Transfers				
Tangible Capital Assets Purchased	(7,764)		(215,896)	(477,274)
Other				(5,488)
	(7,764)	-	(215,896)	(482,762)
Net Revenue (Expense)	-	-	-	-

School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Other Revenue	243,881		283,714	283,714	255,641
Rentals and Leases	994,736		1,032,784	1,032,784	982,976
Investment Income	34,979		289,900	289,900	34,979
Gain (Loss) on Disposal of Tangible Capital Assets	16,237,469	12,008,555		12,008,555	
Amortization of Deferred Capital Revenue	17,461,901	17,466,107		17,466,107	15,841,256
Total Revenue	34,972,966	29,474,662	1,606,398	31,081,060	17,114,852
Expenses					
Operations and Maintenance	82,222		104,117	104,117	82,346
Amortization of Tangible Capital Assets					
Operations and Maintenance	25,335,342	25,807,374		25,807,374	23,989,574
Debt Services					
Capital Lease Interest	152,988		61,369	61,369	134,484
Total Expense	25,570,552	25,807,374	165,486	25,972,860	24,206,404
Capital Surplus (Deficit) for the year	9,402,414	3,667,288	1,440,912	5,108,200	(7,091,552)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,629,676	3,827,277		3,827,277	5,774,939
Tangible Capital Assets - Work in Progress		181,796		181,796	
Capital Lease Payment	2,096,211		2,117,491	2,117,491	2,259,233
Total Net Transfers	4,725,887	4,009,073	2,117,491	6,126,564	8,034,172
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(12,075,000)	12,075,000	-	
Tangible Capital Assets Purchased from Local Capital		13,179	(13,179)	-	
Tangible Capital Assets WIP Purchased from Local Capital		3,794,452	(3,794,452)	-	
Principal Payment					
Capital Lease		2,056,122	(2,056,122)	-	
Total Other Adjustments to Fund Balances		(6,211,247)	6,211,247	-	
Total Capital Surplus (Deficit) for the year	14,128,301	1,465,114	9,769,650	11,234,764	942,620
Capital Surplus (Deficit), beginning of year		105,788,480	128,330	105,916,810	104,974,190
Capital Surplus (Deficit), end of year		107,253,594	9,897,980	117,151,574	105,916,810

School District No. 39 (Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,848,131	857,482,120	16,239,505	1,716,604	3,027,369	12,493,704	911,807,433
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		(117,164)		117,164			-
Deferred Capital Revenue - Other			117,337				117,337
Operating Fund		773,401	678,720	475,197	53,736	1,368,949	3,350,003
Special Purpose Funds		47,860	287,153	(94,862)		237,123	477,274
Local Capital		13,179					13,179
Capital Lease					195,923	3,614,230	3,810,153
Transferred from Work in Progress		125,841,969	434,181				126,276,150
	-	126,559,245	1,517,391	497,499	249,659	5,220,302	134,044,096
Decrease:							
Disposed of	66,445						66,445
Deemed Disposals			1,664,237		145,091	1,433,009	3,242,337
	66,445	-	1,664,237	-	145,091	1,433,009	3,308,782
Cost, end of year	20,781,686	984,041,365	16,092,659	2,214,103	3,131,937	16,280,997	1,042,542,747
Work in Progress, end of year		72,826,298	3,407				72,829,705
Cost and Work in Progress, end of year	20,781,686	1,056,867,663	16,096,066	2,214,103	3,131,937	16,280,997	1,115,372,452
Accumulated Amortization, beginning of year		336,238,348	7,849,810	906,719	1,202,650	5,754,920	351,952,447
Changes for the Year							
Increase: Amortization for the Year		20,500,908	1,616,547	196,535	615,913	2,877,471	25,807,374
Decrease:							
Deemed Disposals			1,664,237		145,091	1,433,009	3,242,337
			-	-	145,091	1,433,009	3,242,337
Accumulated Amortization, end of year		356,739,256	7,802,120	1,103,254	1,673,472	7,199,382	374,517,484
Tangible Capital Assets - Net	20,781,686	700,128,407	8,293,946	1,110,849	1,458,465	9,081,615	740,854,968

School District No. 39 (Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	143,811,882	193,550	-	-	144,005,432
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	41,435,444	244,038			41,679,482
Deferred Capital Revenue - Other	9,444,693				9,444,693
Operating Fund	181,796				181,796
Local Capital	3,794,452				3,794,452
	<u>54,856,385</u>	<u>244,038</u>	<u>-</u>	<u>-</u>	<u>55,100,423</u>
Decrease:					
Transferred to Tangible Capital Assets	125,841,969	434,181			126,276,150
	<u>125,841,969</u>	<u>434,181</u>	<u>-</u>	<u>-</u>	<u>126,276,150</u>
Net Changes for the Year	<u>(70,985,584)</u>	<u>(190,143)</u>	<u>-</u>	<u>-</u>	<u>(71,175,727)</u>
Work in Progress, end of year	<u>72,826,298</u>	<u>3,407</u>	<u>-</u>	<u>-</u>	<u>72,829,705</u>

School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	432,592,622	6,477,213	14,210,664	453,280,499
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions		117,337		117,337
Transferred from Work in Progress	123,232,545	3,043,605		126,276,150
	<u>123,232,545</u>	<u>3,160,942</u>	<u>-</u>	<u>126,393,487</u>
Decrease:				
Amortization of Deferred Capital Revenue	17,019,495	255,872	190,740	17,466,107
	<u>17,019,495</u>	<u>255,872</u>	<u>190,740</u>	<u>17,466,107</u>
Net Changes for the Year	<u>106,213,050</u>	<u>2,905,070</u>	<u>(190,740)</u>	<u>108,927,380</u>
Deferred Capital Revenue, end of year	<u>538,805,672</u>	<u>9,382,283</u>	<u>14,019,924</u>	<u>562,207,879</u>
Work in Progress, beginning of year	134,227,638	3,043,638	6,734,156	144,005,432
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	41,679,482	55,344	9,389,349	51,124,175
	<u>41,679,482</u>	<u>55,344</u>	<u>9,389,349</u>	<u>51,124,175</u>
Decrease				
Transferred to Deferred Capital Revenue	123,232,545	3,043,605		126,276,150
	<u>123,232,545</u>	<u>3,043,605</u>	<u>-</u>	<u>126,276,150</u>
Net Changes for the Year	<u>(81,553,063)</u>	<u>(2,988,261)</u>	<u>9,389,349</u>	<u>(75,151,975)</u>
Work in Progress, end of year	<u>52,674,575</u>	<u>55,377</u>	<u>16,123,505</u>	<u>68,853,457</u>
Total Deferred Capital Revenue, end of year	<u>591,480,247</u>	<u>9,437,660</u>	<u>30,143,429</u>	<u>631,061,336</u>

School District No. 39 (Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,026,028	583,492	130,288	-	103,768	1,843,576
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	41,319,517					41,319,517
Provincial Grants - Other			132,061			132,061
Other					9,285,581	9,285,581
Investment Income		889,717	2,700			892,417
MEd Restricted Portion of Proceeds on Disposal		36,225,000				36,225,000
Transfer project surplus to MEd Restricted (from) Bylaw	(666,063)	666,063				-
	<u>40,653,454</u>	<u>37,780,780</u>	<u>134,761</u>	<u>-</u>	<u>9,285,581</u>	<u>87,854,576</u>
Decrease:						
Transferred to DCR - Capital Additions			117,337			117,337
Transferred to DCR - Work in Progress	41,679,482	55,344			9,389,349	51,124,175
	<u>41,679,482</u>	<u>55,344</u>	<u>117,337</u>	<u>-</u>	<u>9,389,349</u>	<u>51,241,512</u>
Net Changes for the Year	<u>(1,026,028)</u>	<u>37,725,436</u>	<u>17,424</u>	<u>-</u>	<u>(103,768)</u>	<u>36,613,064</u>
Balance, end of year	<u>-</u>	<u>38,308,928</u>	<u>147,712</u>	<u>-</u>	<u>-</u>	<u>38,456,640</u>