

Audited Financial Statements of

School District No. 39 (Vancouver)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 39 (Vancouver)

June 30, 2020

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School District No. 39 (Vancouver)

MANAGEMENT REPORT

Version: 2695-1950-8967

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 quarterly 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. 28, 2020

Date Signed

Signature of the Superintendent

Sept. 28, 2020

Date Signed

Signature of the Secretary Treasurer

Sept. 28, 2020

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*

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, 2020, and the statements of operations, changes in net 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, 2020, and the results of its operations, change in its net 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, 2020, the liability for deferred revenue would have been lower by \$20 million, the liability for deferred capital revenue would have been lower by \$555 million,

revenue, annual surplus and accumulated surplus would have been higher by \$575 million and net debt would have been lower by \$575 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:

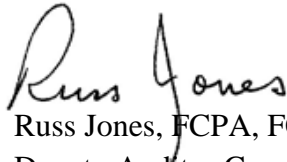
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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, ICD.D
Deputy Auditor General

Victoria, British Columbia, Canada
September 28, 2020



School District No. 39 (Vancouver)

Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual (Restated)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	252,446,220	240,548,009
Accounts Receivable		
Due from Province - Ministry of Education	10,146,510	4,942,307
Due from Province - Other	168,200	132,675
Other (Note 3)	5,167,290	7,046,469
Portfolio Investments (Note 4)	712,341	996,966
Total Financial Assets	268,640,561	253,666,426
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	173,857	185,434
Due to Province - Other	4,050,173	3,741,338
Other (Note 5)	74,080,929	70,347,072
Unearned Revenue (Note 6 and 18)	57,368,400	60,158,517
Deferred Revenue (Note 7)	35,125,057	38,431,885
Deferred Capital Revenue (Note 8 and 18)	717,744,982	656,212,899
Employee Future Benefits (Note 9)	29,545,276	27,947,342
Capital Lease Obligations (Note 10)	2,098,085	3,579,816
Other Liabilities	1,349,000	1,686,023
Total Liabilities	921,535,759	862,290,326
Net Debt	(652,895,198)	(608,623,900)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	797,124,254	740,854,968
Prepaid Expenses	2,137,471	3,855,200
Supplies Inventory	860,921	934,237
Total Non-Financial Assets	800,122,646	745,644,405
Accumulated Surplus (Deficit) (Note 16)	147,227,448	137,020,505

Approved by the Board

Signature of the Chairperson of the Board of Education	<i>Sept. 28, 2020</i> Date Signed
Signature of the Superintendent	<i>Sept. 28, 2020</i> Date Signed
Signature of the Secretary Treasurer	<i>Sept. 28, 2020</i> Date Signed

School District No. 39 (Vancouver)

Statement of Operations
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	541,111,591	542,083,299	527,030,604
Other	5,375,834	6,469,984	6,327,769
Federal Grants	2,280,857	2,280,857	2,259,914
Tuition	29,411,375	29,951,775	29,847,950
Other Revenue	31,495,877	26,063,173	32,228,696
Rentals and Leases	5,966,987	5,541,059	5,555,704
Investment Income	4,922,194	3,881,363	3,945,348
Gain (Loss) on Disposal of Tangible Capital Assets			12,008,555
Amortization of Deferred Capital Revenue	19,176,608	19,148,025	17,294,428
Total Revenue	<u>639,741,323</u>	<u>635,419,535</u>	<u>636,498,968</u>
Expenses			
Instruction	519,161,959	505,557,058	499,036,105
District Administration	24,285,974	23,457,736	24,392,628
Operations and Maintenance	94,717,239	93,677,099	91,371,275
Transportation and Housing	3,515,863	2,409,292	2,988,963
Debt Services	120,452	111,407	61,369
Total Expense	<u>641,801,487</u>	<u>625,212,592</u>	<u>617,850,340</u>
Surplus (Deficit) for the year	<u>(2,060,164)</u>	<u>10,206,943</u>	<u>18,648,628</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		137,020,505	118,371,877
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>147,227,448</u></u>	<u>137,020,505</u>

School District No. 39 (Vancouver)

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
Surplus (Deficit) for the year	(2,060,164)	10,206,943	18,648,628
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(64,521,470)	(84,060,205)	(62,868,369)
Amortization of Tangible Capital Assets	27,842,527	27,790,919	25,807,374
Net carrying value of Tangible Capital Assets disposed of			66,445
Total Effect of change in Tangible Capital Assets	(36,678,943)	(56,269,286)	(36,994,550)
Acquisition of Prepaid Expenses		(4,086,682)	(4,193,855)
Use of Prepaid Expenses		5,804,411	3,893,333
Acquisition of Supplies Inventory		(1,612,903)	(1,719,054)
Use of Supplies Inventory		1,686,219	1,737,669
Total Effect of change in Other Non-Financial Assets	-	1,791,045	(281,907)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(38,739,107)</u>	(44,271,298)	(18,627,829)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(44,271,298)	(18,627,829)
Net Debt, beginning of year		(608,623,900)	(589,996,071)
Net Debt, end of year		<u>(652,895,198)</u>	<u>(608,623,900)</u>

School District No. 39 (Vancouver)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual	2019 Actual (Restated)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	10,206,943	18,648,628
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(3,360,549)	1,244,482
Supplies Inventories	73,316	18,615
Prepaid Expenses	1,717,729	(300,523)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	4,031,115	13,207,857
Unearned Revenue	(2,790,117)	17,301,562
Deferred Revenue	(3,306,828)	7,814,878
Employee Future Benefits	1,597,933	2,270,546
Other Liabilities	(337,024)	699,000
Loss (Gain) on Disposal of Tangible Capital Assets		(12,008,555)
Amortization of Tangible Capital Assets	27,790,919	25,807,374
Amortization of Deferred Capital Revenue	(19,148,025)	(17,294,428)
Insurance claim	(86,652)	
Total Operating Transactions	16,388,760	57,409,436
Capital Transactions		
Tangible Capital Assets Purchased	(5,045,550)	(3,957,793)
Tangible Capital Assets -WIP Purchased	(78,289,901)	(55,100,423)
District Portion of Proceeds on Disposal		12,075,000
Total Capital Transactions	(83,335,451)	(46,983,216)
Financing Transactions		
Capital Revenue Received	80,766,760	87,854,576
Capital Lease Payments	(2,206,484)	(2,056,124)
Total Financing Transactions	78,560,276	85,798,452
Investing Transactions		
Investments in Portfolio Investments	284,626	917,834
Total Investing Transactions	284,626	917,834
Net Increase (Decrease) in Cash and Cash Equivalents	11,898,211	97,142,506
Cash and Cash Equivalents, beginning of year	240,548,009	143,405,503
Cash and Cash Equivalents, end of year	252,446,220	240,548,009
Cash and Cash Equivalents, end of year, is made up of:		
Cash	252,446,220	240,548,009
	252,446,220	240,548,009

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2020

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, 2020

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, receipt of proceeds for services or products to be delivered in a future period and the remaining balance of a 99-year ground lease (see Notes 6 and 18). For tuition fees and the receipt of proceeds for services or products to be delivered, revenue will be recognized in that future period when the courses, services, or products are provided. For the ground lease, revenue will be recognized on a straight line basis over the remaining term of the lease.

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2020

The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2020

Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2020

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 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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2020

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 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.

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The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

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

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

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

q) Measurement Uncertainty

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

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Due from Federal Government	\$ 1,151,655	\$ 370,893
Due from Municipalities	2,417,237	3,616,639
Due from Other School Districts	4,213	75,490
Rentals and Leases	176,404	330,826
Other Receivables	1,420,787	3,005,814
Allowance for Doubtful Accounts	<u>(3,006)</u>	<u>(353,193)</u>
Total	<u>\$ 5,167,290</u>	<u>\$ 7,046,469</u>

4 Portfolio Investments

GIC's and term deposits included in portfolio investments are held with local banking institutions and earn average interest at 1.58% (2019 – 1.60%). Senior government bonds held earn average interest at 2.72% (2019 - 2.57%).

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
GIC's	\$ 100,637	\$ 207,119
Term deposits	238,166	215,190
Senior Government Bonds	<u>373,539</u>	<u>574,657</u>
	<u>\$ 712,341</u>	<u>\$ 996,966</u>

5 Accounts Payable and Accrued Liabilities – Other

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Accrued vacation pay	\$ 9,605,585	\$ 8,935,601
Other	12,069,687	12,397,073
Salaries and benefits payable	36,631,590	34,910,522
Trade payables	<u>15,774,067</u>	<u>14,103,876</u>
	<u>\$ 74,080,929</u>	<u>\$ 70,347,072</u>

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6 Unearned Revenue

	30-Jun-20	30-Jun-19
Balance, beginning of year	\$ 46,853,440	\$ 29,380,200
Prior period adjustment (Note 18)	13,305,077	13,476,755
Balance, beginning of year, restated	60,158,517	42,856,955
Amounts received		
Tuition fees	22,365,492	24,858,225
Rental/Lease of facilities	1,935,378	5,622,434
Other	451,646	17,179,930
	24,752,516	47,660,589
Amounts earned		
Tuition fees	25,073,179	24,926,285
Rental/Lease of facilities	2,342,083	5,308,591
Other	127,371	124,151
	27,542,633	30,359,027
Net changes for the year	(2,790,117)	17,301,562
Balance, end of year	\$ 57,368,400	\$ 60,158,517

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-20	30-Jun-19
Deferred revenue, beginning of year	\$ 38,431,885	\$ 30,617,007
Increase		
Provincial Grants - Ministry of Education	65,877,660	68,068,534
Provincial Grants - Other	3,799,005	12,772,152
Other	21,270,393	26,335,436
Investment Income	998,857	960,684
	91,945,915	108,136,806
Decrease		
Allocated to Revenue	90,278,475	97,446,991
Recoveries	3,139,254	2,438,119
Transfer to nonprofit organizations	1,835,014	436,818
	95,252,743	100,321,928
Deferred revenue, end of year	\$ 35,125,057	\$ 38,431,885

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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.

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
DCR, Completed Projects		
Balance, beginning of year	\$ 562,207,879	\$ 453,280,499
Prior period adjustment (Note 18)	<u>(13,305,077)</u>	<u>(13,476,755)</u>
Balance, beginning of year, restated	548,902,802	439,803,744
Increases		
Transfers from DCR, WIP	24,807,570	126,276,150
Other Capital Additions	<u>591,528</u>	<u>117,337</u>
	25,399,098	126,393,487
Decreases		
Amortization - ByLaw Capital	18,810,645	17,019,495
Amortization - Other Provincial Capital	312,484	255,872
Amortization - Other Capital	<u>24,896</u>	<u>19,061</u>
	19,148,025	17,294,428
Balance, end of year	<u>555,153,875</u>	<u>548,902,802</u>
DCR, Work in Progress (WIP)		
Balance, beginning of year	68,853,457	144,005,432
Increases		
Transfers from DR – spent funds	77,020,087	51,124,175
Decreases		
Transfers to DCR – completed projects	<u>24,807,570</u>	<u>126,276,150</u>
Balance, end of year	<u>121,065,974</u>	<u>68,853,457</u>
Balance DCR Completed Projects and WIP, end of year	<u>676,219,849</u>	<u>617,756,259</u>
DCR, Unspent		
Balance, beginning of year	38,456,640	1,843,576
Increases		
Provincial Grants – Ministry of Education	72,637,413	41,451,578
Other	7,106,836	9,285,581
Investment Income	1,022,511	892,417
MEd Restricted Portion of Proceeds on Disposal	<u>-</u>	<u>36,225,000</u>
	80,766,760	87,854,576
Decreases		
Transferred to DCR, WIP	77,020,087	51,124,175
Insurance netted with expenditure	86,652	-
Other Capital Additions Transferred to DCR	<u>591,528</u>	<u>117,337</u>
	<u>77,698,267</u>	<u>51,241,512</u>
Balance, DCR, Unspent, end of year	<u>41,525,133</u>	<u>38,456,640</u>
Total Deferred Capital Revenue	<u>\$ 717,744,982</u>	<u>\$ 656,212,899</u>

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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-20	30-Jun-19
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 28,301,794	\$ 29,839,114
Service Cost	1,923,522	2,029,697
Interest Cost	724,855	845,874
Benefit Payments	(1,426,797)	(1,520,360)
Increase (Decrease) in obligation due to Plan Amendment	-	42,868
Actuarial (Gain) Loss	712,375	(2,935,399)
Accrued Benefit Obligation – March 31	\$ 30,235,749	\$ 28,301,794
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 30,235,749	\$ 28,301,794
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	30,235,749	28,301,794
Employer Contributions After Measurement Date	(800,799)	(676,319)
Benefits Expense After Measurement Date	676,706	662,094
Unamortized Net Actuarial Gain (Loss)	(566,380)	(340,228)
Accrued Benefit Liability - June 30	\$ 29,545,276	\$ 27,947,342
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 27,947,342	\$ 25,676,796
Net Expense for Fiscal Year	3,149,212	3,609,953
Employer Contributions	(1,551,278)	(1,339,408)
Accrued Benefit Liability - June 30	\$ 29,545,276	\$ 27,947,342
Components of Net Benefit Expense		
Service Cost - June 30	\$ 1,950,776	\$ 2,003,153
Interest Cost - June 30	712,213	815,619
Immediate Recognition of Plan Amendment	-	42,868
Amortization of Net Actuarial (Gain)/Loss	486,223	748,312
Net Benefit Expense (Income)	\$ 3,149,213	\$ 3,609,953

SCHOOL DISTRICT No. 39 (Vancouver)
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	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Assumptions		
Discount Rate - April 1	2.50%	2.75%
Discount Rate - March 31	1.75%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	11.20	11.20

10 Capital Lease Obligations

Repayments are due as follows:

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
2020	\$ -	\$ 2,071,151
2021	1,433,453	1,313,718
2022	514,764	255,786
2023	255,785	255,786
2024	-	-
	<u>2,204,002</u>	<u>3,896,441</u>
<i>Interest portion - ranging from 4.2% to 6.9%</i>	<i>(105,917)</i>	<i>(316,625)</i>
Total	<u>\$ 2,098,085</u>	<u>\$ 3,579,816</u>

SCHOOL DISTRICT No. 39 (Vancouver)
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11 Tangible Capital Asset

2020

Cost	July 1, 2019	Additions	Disposals	Transfers	June 30, 2020
Sites	\$ 20,781,686	\$ -	\$ -	\$ -	\$ 20,781,686
Buildings	984,041,365	677,708	-	24,779,367	1,009,498,440
Buildings – WIP	72,826,298	77,786,935	-	(24,779,367)	125,833,866
Furniture & Equipment	16,092,659	2,250,999	(1,245,902)	210,000	17,307,756
Furniture & Equipment - WIP	3,407	502,966	-	(210,000)	296,373
Vehicles	2,214,103	597,551	(448,923)	-	2,362,731
Computer Software	3,131,937	-	(551,245)	-	2,580,692
Computer Hardware	16,280,997	2,244,046	(4,831,635)	-	13,693,408
Total	\$ 1,115,372,452	\$ 84,060,205	\$ (7,077,705)	\$ -	\$ 1,192,354,952

Accumulated Amortization	July 1, 2019	Amortization	Disposals	June 30, 2020
Buildings	\$ 356,739,256	\$ 22,323,436	\$ -	\$ 379,062,692
Furniture & Equipment	7,802,120	1,669,955	1,245,902	8,226,173
Vehicles	1,103,254	228,842	448,923	883,173
Computer Software	1,673,472	571,245	551,245	1,693,472
Computer Hardware	7,199,382	2,997,442	4,831,635	5,365,189
Total	\$ 374,517,484	\$ 27,790,920	\$ 7,077,705	\$ 395,230,699

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

Net Book Value	June 30, 2020	June 30, 2019
Sites	\$ 20,781,686	\$ 20,781,686
Buildings	630,435,748	627,302,109
Buildings - WIP	125,833,866	72,826,297
Furniture & Equipment	9,081,583	8,290,539
Furniture & Equipment - WIP	296,373	3,407
Vehicles	1,479,558	1,110,849
Computer Software	887,220	1,458,465
Computer Hardware	8,328,220	9,081,615
Total	\$ 797,124,254	\$ 740,854,968

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As at June 30, 2020, there was work in progress of \$126,130,239 (\$72,829,704 in 2019) 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 \$724,754 (2019: \$3,810,153) 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, 2018, the Teachers' Pension Plan had about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan had about 205,000 active members, including approximately 26,000 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$43,784,235 (2019 - \$44,716,710) for employer contributions to these plans in the year ended June 30, 2020.

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, 2021, with results available in 2022.

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).

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

	2021	2022	2023	2024	2025
Approved Capital Projects -					
Unperformed portion	\$ 67,339,172	\$ 57,340,832	\$ 33,523,673	\$ 8,916,218	\$ -
Future operating lease					
payments	523,734	578,354	618,813	475,460	291,822
Future capital lease					
payments	116,556	116,556	116,556		
	<u>\$ 67,979,462</u>	<u>\$ 58,035,742</u>	<u>\$ 34,259,042</u>	<u>\$ 9,391,678</u>	<u>\$ 291,822</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 24, 2020. 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	49,075	48,867
Adult	244	172
Other	1,578	1,598
Total Ministry Operating Grant Funded FTEs	<u>50,897</u>	<u>50,637</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2020

	<u>Amended Budget</u>	<u>Annual Budget</u>
Revenues		
Provincial Grants		
Ministry of Education	\$ 541,111,591	\$ 529,448,466
Other	5,375,834	5,884,318
Federal Grants	2,280,857	2,236,492
Tuition	29,411,375	28,706,598
Other Revenue	31,495,877	33,088,955
Rentals and Leases	5,966,987	4,810,176
Investment Income	4,922,194	3,072,392
Amortization of Deferred Capital Revenue	19,176,608	19,154,425
Total Revenue	639,741,323	626,401,822
Expenses		
Instruction	519,161,959	510,999,443
District Administration	24,285,974	22,956,961
Operations and Maintenance	94,717,239	92,087,056
Transportation and Housing	3,515,863	2,896,057
Debt Services	120,452	152,141
Total Expense	641,801,487	629,091,658
Net Revenue (Expense)	(2,060,164)	(2,689,836)
Budgeted Allocation (Retirement) of Surplus (Deficit)	2,389,671	2,631,000
Budgeted Surplus (Deficit), for the year	\$ 329,507	\$ (58,836)
Budgeted Surplus (Deficit), for the year comprised of:		
Capital Fund Surplus (Deficit)	\$ 329,507	\$ (58,836)
Budgeted Surplus (Deficit), for the year	\$ 329,507	\$ (58,836)

15 Expense by Object

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Amortization	\$ 27,790,925	\$ 25,807,374
Interest	113,648	61,698
Salaries and benefits	530,388,724	512,071,839
Services and supplies	66,919,295	79,909,429
	\$ 625,212,592	\$ 617,850,340

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
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16 Accumulated Surplus

	30-Jun-20	30-Jun-19
Invested in Capital Assets	\$ 106,712,698	\$ 107,253,594
Local Capital Fund	10,385,062	9,897,980
Capital Fund Balance	117,097,760	117,151,574
Operations Spanning Future School Years	14,499,276	7,792,090
Anticipated Unusual Expenses Identified	2,876,397	2,503,785
Nature of Constraints on the Funds		
Donated Funds for School Programs	3,106,404	3,095,065
Special Grant for Schools and Mentorship	-	107,305
Special Grant for Special Education	692,284	1,479,601
Unspent Targeted Funding - Indigenous Education	64,498	
	3,863,185	4,681,971
Contingency Reserve	5,049,436	2,474,567
Unrestricted Operating Surplus	3,841,394	2,416,518
Accumulated Surplus	\$ 147,227,448	\$ 137,020,505

(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:

- \$4,147,591 from operating to capital for capital assets purchased
- \$286,339 from special purpose to capital for capital assets purchased
- \$2,317,890 from operating to capital for capital lease payments

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
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18 Prior Period Adjustment

The School District has made a retroactive adjustment to the prior year's financial statements relating to an error where prepaid lease revenue for a ground lease was recorded as deferred capital revenue in the capital fund in prior periods. The original amount of the 99-year ground lease in 1998 was \$16,996,177. No adjustment has been made for amortization of deferred capital revenue in the years prior to 2018-2019 as there was no change to the Invested in Tangible Capital Assets balance in the capital fund as the recognition of income from the remaining balance of \$13,305,077, which has been reclassified from Deferred Capital Revenue to Unearned Revenue as shown in the table below, was recorded as Other Revenue.

	June 30, 2019 Previously Reported	Adjustment	June 30, 2019 Restated
Other Revenue	\$ 32,057,017	171,679	\$ 32,228,696
Amortization of Deferred Capital Revenue	17,466,107	(171,679)	17,294,428
Unearned Revenue	46,853,440	13,305,077	60,158,517
Deferred Capital Revenue	669,517,976	(13,305,077)	656,212,899

19 Contingent Liabilities

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, 2020 the District did not have agreements with the teachers' associations, and the amount and likelihood of a payout are not measurable.

20 Contingent Assets

In fiscal 2018-19 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, 2024. The issuance of the construction lease in 2024 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. Originally the construction lease was to commence in 2023 but the School District has provided notice of a one-year delay to BC Hydro as per the terms of the agreement. Contingent assets are not recorded in the financial statements.

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2020

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 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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2020

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.

24 Significant Event

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

School District No. 39 (Vancouver)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2020

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual (Restated)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	19,868,931		117,151,574	137,020,505	118,371,877
Changes for the year					
Surplus (Deficit) for the year	16,726,238	286,339	(6,805,634)	10,206,943	18,648,628
Interfund Transfers					
Tangible Capital Assets Purchased	(4,147,591)	(286,339)	4,433,930	-	
Other	(2,317,890)		2,317,890	-	
Net Changes for the year	10,260,757	-	(53,814)	10,206,943	18,648,628
Accumulated Surplus (Deficit), end of year - Statement 2	30,129,688	-	117,097,760	147,227,448	137,020,505

School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	471,867,772	478,575,986	461,968,200
Other	62,248	62,249	77,811
Federal Grants	2,280,857	2,280,857	2,259,914
Tuition	29,411,375	29,951,775	29,847,950
Other Revenue	6,288,413	6,048,486	6,519,772
Rentals and Leases	4,654,079	4,288,039	4,522,920
Investment Income	3,374,666	2,706,834	2,774,350
Total Revenue	517,939,410	523,914,226	507,970,917
Expenses			
Instruction	423,005,963	419,298,454	405,891,228
District Administration	22,991,533	22,184,140	22,990,328
Operations and Maintenance	64,244,831	63,296,102	63,042,732
Transportation and Housing	3,466,621	2,409,292	2,988,963
Total Expense	513,708,948	507,187,988	494,913,251
Operating Surplus (Deficit) for the year	4,230,462	16,726,238	13,057,666
Budgeted Appropriation (Retirement) of Surplus (Deficit)	2,389,671		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(4,319,280)	(4,147,591)	(3,350,003)
Tangible Capital Assets - Work in Progress			(181,796)
Other	(2,300,853)	(2,317,890)	(2,112,003)
Total Net Transfers	(6,620,133)	(6,465,481)	(5,643,802)
Total Operating Surplus (Deficit), for the year	-	10,260,757	7,413,864
Operating Surplus (Deficit), beginning of year		19,868,931	12,455,067
Operating Surplus (Deficit), end of year		30,129,688	19,868,931
Operating Surplus (Deficit), end of year			
Internally Restricted		26,288,294	17,452,413
Unrestricted		3,841,394	2,416,518
Total Operating Surplus (Deficit), end of year		30,129,688	19,868,931

School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	456,347,893	456,996,745	451,134,199
Other Ministry of Education Grants			
Pay Equity	7,294,124	7,294,124	7,294,124
Funding for Graduated Adults	874,891	1,642,050	1,119,705
Transportation Supplement	53,423	53,423	53,423
Economic Stability Dividend			561,139
Carbon Tax Grant	452,355	183,298	478,280
Employer Health Tax Grant	4,112,510	4,112,510	1,249,709
Strategic Priorities - Mental Health Grant			30,000
Support Staff Wage Increase Funding	2,652,898	2,652,898	
Teachers' Labour Settlement Funding		5,588,260	
Foundation Skills Assessment	41,621	41,621	41,621
MyEd BC Travel			3,000
Dogwood 25	27,000		
Early Learning Framework Implementation	9,057	9,057	
Equity Scan	2,000	2,000	3,000
Total Provincial Grants - Ministry of Education	471,867,772	478,575,986	461,968,200
Provincial Grants - Other	62,248	62,249	77,811
Federal Grants	2,280,857	2,280,857	2,259,914
Tuition			
Summer School Fees	1,320,473	1,321,138	1,378,520
Continuing Education	943,684	966,125	1,011,750
International and Out of Province Students	27,147,218	27,664,512	27,457,680
Total Tuition	29,411,375	29,951,775	29,847,950
Other Revenues			
Other School District/Education Authorities	1,150,000	1,150,000	1,150,000
Miscellaneous			
Instructional Cafeteria Revenue	1,080,000	774,397	1,082,198
Other Grants	533,097	679,583	243,157
Miscellaneous Fees and Revenues	3,525,316	3,444,506	4,044,417
Total Other Revenue	6,288,413	6,048,486	6,519,772
Rentals and Leases	4,654,079	4,288,039	4,522,920
Investment Income	3,374,666	2,706,834	2,774,350
Total Operating Revenue	517,939,410	523,914,226	507,970,917

School District No. 39 (Vancouver)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
Salaries			
Teachers	226,929,527	230,201,588	222,087,465
Principals and Vice Principals	25,130,248	24,915,066	23,993,358
Educational Assistants	41,213,309	40,720,409	36,966,930
Support Staff	55,941,682	55,348,489	53,670,115
Other Professionals	11,004,578	11,833,466	9,885,282
Substitutes	10,626,084	7,743,430	10,151,901
Total Salaries	370,845,428	370,762,448	356,755,051
Employee Benefits	96,847,523	98,063,910	94,499,119
Total Salaries and Benefits	467,692,951	468,826,358	451,254,170
Services and Supplies			
Services	16,650,058	14,127,461	16,399,860
Student Transportation	3,581,798	2,448,469	2,999,259
Professional Development and Travel	1,281,971	1,080,664	1,247,070
Rentals and Leases	729,002	696,123	950,286
Dues and Fees	1,356,578	1,141,145	893,453
Insurance	1,111,736	1,031,860	907,774
Interest		1,680	328
Supplies	12,707,551	10,085,406	10,701,905
Utilities	8,597,303	7,748,822	9,559,146
Total Services and Supplies	46,015,997	38,361,630	43,659,081
Total Operating Expense	513,708,948	507,187,988	494,913,251

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	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	171,630,905	34,383	477,574	6,202,110	264,061	6,058,545	184,667,578
1.03 Career Programs	710,899	65,086		136,661	94,838	13,532	1,021,016
1.07 Library Services	5,439,709	843,321	19,146	250,725	161	168,793	6,721,855
1.08 Counselling	9,133,035	733,856			277,964	160,453	10,305,308
1.10 Special Education	21,840,618	2,283,499	36,280,410	525,826	9,431	622,252	61,562,036
1.30 English Language Learning	11,292,186	1,840,742	2,295,441	396,435	172,766	315,987	16,313,557
1.31 Indigenous Education	784,010	134,398	1,201,269	114,184	954	53,725	2,288,540
1.41 School Administration	89	16,878,079	130	10,323,773	3,692	45,545	27,251,308
1.60 Summer School	2,091,818	243,796	255,616	382,212	20,598	2,913	2,996,953
1.62 International and Out of Province Students	7,275,869	142,025	189,923	524,543	339,381	157,428	8,629,169
1.64 Other	1,831						1,831
Total Function 1	230,200,969	23,199,185	40,719,509	18,856,469	1,183,846	7,599,173	321,759,151
4 District Administration							
4.11 Educational Administration		1,657,043		318,491	1,873,627	1,081	3,850,242
4.40 School District Governance				64,441	672,049		736,490
4.41 Business Administration				3,341,719	4,894,451	28,743	8,264,913
Total Function 4	-	1,657,043	-	3,724,651	7,440,127	29,824	12,851,645
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration		58,838		1,458,487	2,964,315	76,658	4,558,298
5.50 Maintenance Operations	619		900	27,958,120	235,163	37,775	28,232,577
5.52 Maintenance of Grounds				3,295,319	10,015		3,305,334
5.56 Utilities							-
Total Function 5	619	58,838	900	32,711,926	3,209,493	114,433	36,096,209
7 Transportation and Housing							
7.70 Student Transportation				55,443			55,443
Total Function 7	-	-	-	55,443	-	-	55,443
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	230,201,588	24,915,066	40,720,409	55,348,489	11,833,466	7,743,430	370,762,448

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual (Restated)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	184,667,578	48,750,103	233,417,681	6,219,206	239,636,887	240,726,799	236,139,615
1.03 Career Programs	1,021,016	273,252	1,294,268	251,901	1,546,169	1,569,804	1,496,630
1.07 Library Services	6,721,855	1,786,166	8,508,021	484,354	8,992,375	9,200,321	8,880,481
1.08 Counselling	10,305,308	2,747,725	13,053,033	98,293	13,151,326	13,212,828	12,451,289
1.10 Special Education	61,562,036	17,462,322	79,024,358	874,026	79,898,384	81,078,902	73,880,053
1.30 English Language Learning	16,313,557	4,392,123	20,705,680	158,059	20,863,739	21,245,265	20,204,826
1.31 Indigenous Education	2,288,540	644,075	2,932,615	232,179	3,164,794	3,365,208	2,787,447
1.41 School Administration	27,251,308	6,912,196	34,163,504	922,631	35,086,135	35,422,194	33,978,715
1.60 Summer School	2,996,953	812,580	3,809,533	143,540	3,953,073	4,180,832	4,095,206
1.62 International and Out of Province Students	8,629,169	2,333,420	10,962,589	2,027,159	12,989,748	12,994,791	11,955,831
1.64 Other	1,831	-	1,831	13,993	15,824	9,019	21,135
Total Function 1	321,759,151	86,113,962	407,873,113	11,425,341	419,298,454	423,005,963	405,891,228
4 District Administration							
4.11 Educational Administration	3,850,242	917,177	4,767,419	1,214,963	5,982,382	6,806,896	6,154,649
4.40 School District Governance	736,490	123,177	859,667	160,563	1,020,230	1,056,775	805,884
4.41 Business Administration	8,264,913	2,145,292	10,410,205	4,771,323	15,181,528	15,127,862	16,029,795
Total Function 4	12,851,645	3,185,646	16,037,291	6,146,849	22,184,140	22,991,533	22,990,328
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	4,558,298	1,167,816	5,726,114	1,731,004	7,457,118	6,817,074	6,618,116
5.50 Maintenance Operations	28,232,577	6,857,766	35,090,343	7,464,296	42,554,639	44,399,502	42,073,269
5.52 Maintenance of Grounds	3,305,334	722,316	4,027,650	1,765,921	5,793,571	4,663,247	4,984,621
5.56 Utilities	-	-	-	7,490,774	7,490,774	8,365,008	9,366,726
Total Function 5	36,096,209	8,747,898	44,844,107	18,451,995	63,296,102	64,244,831	63,042,732
7 Transportation and Housing							
7.70 Student Transportation	55,443	16,404	71,847	2,337,445	2,409,292	3,466,621	2,988,963
Total Function 7	55,443	16,404	71,847	2,337,445	2,409,292	3,466,621	2,988,963
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	370,762,448	98,063,910	468,826,358	38,361,630	507,187,988	513,708,948	494,913,251

School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	69,243,819	63,507,313	65,062,404
Other	5,313,586	6,407,735	6,249,958
Other Revenue	24,916,319	19,566,028	25,253,531
Investment Income	1,105,961	797,399	881,098
Total Revenue	100,579,685	90,278,475	97,446,991
Expenses			
Instruction	96,155,996	86,258,604	93,144,877
District Administration	1,294,441	1,273,596	1,402,300
Operations and Maintenance	2,499,623	2,459,936	2,417,052
Transportation and Housing	49,242		
Total Expense	99,999,302	89,992,136	96,964,229
Special Purpose Surplus (Deficit) for the year	580,383	286,339	482,762
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(580,383)	(286,339)	(477,274)
Other			(5,488)
Total Net Transfers	(580,383)	(286,339)	(482,762)
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, 2020

	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			11,442	560,032	2,163,440	10,611,085	51,476	40,040	29,760
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,237,985	1,707,675			8,348,341		627,577	219,898	658,282
Provincial Grants - Other				4,654	410	18,019,596			
Other									
Investment Income	14,757		285	10,536	55,839	283,718	4,450	830	3,990
	<u>2,252,742</u>	<u>1,707,675</u>	<u>285</u>	<u>15,190</u>	<u>8,404,590</u>	<u>18,303,314</u>	<u>632,027</u>	<u>220,728</u>	<u>662,272</u>
Less: Allocated to Revenue	2,252,742	1,433,882	-	37,520	8,082,073	17,613,438	631,295	229,307	430,770
Recovered									
Transfer to nonprofit organization									
Deferred Revenue, end of year	<u>-</u>	<u>273,793</u>	<u>11,727</u>	<u>537,702</u>	<u>2,485,957</u>	<u>11,300,961</u>	<u>52,208</u>	<u>31,461</u>	<u>261,262</u>
Revenues									
Provincial Grants - Ministry of Education	2,237,985	1,433,882			8,025,239		626,845	228,477	426,780
Provincial Grants - Other									
Other Revenue				29,431	995	17,329,720			
Investment Income	14,757			8,089	55,839	283,718	4,450	830	3,990
	<u>2,252,742</u>	<u>1,433,882</u>	<u>-</u>	<u>37,520</u>	<u>8,082,073</u>	<u>17,613,438</u>	<u>631,295</u>	<u>229,307</u>	<u>430,770</u>
Expenses									
Salaries									
Teachers					1,776,178				107,379
Principals and Vice Principals					367,989				
Educational Assistants		1,113,024					467,510	876	
Support Staff	1,705,516				1,075,169	107,960	1,019	48,662	205
Other Professionals					70,417				
Substitutes					3,226			1,743	22,017
	<u>1,705,516</u>	<u>1,113,024</u>	<u>-</u>	<u>-</u>	<u>3,292,979</u>	<u>107,960</u>	<u>468,529</u>	<u>51,281</u>	<u>129,601</u>
Employee Benefits	398,178	320,858			910,696	13,328	136,488	14,612	28,801
Services and Supplies	149,048			37,520	3,803,007	17,447,271	26,278	163,414	248,526
	<u>2,252,742</u>	<u>1,433,882</u>	<u>-</u>	<u>37,520</u>	<u>8,006,682</u>	<u>17,568,559</u>	<u>631,295</u>	<u>229,307</u>	<u>406,928</u>
Net Revenue (Expense) before Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,391</u>	<u>44,879</u>	<u>-</u>	<u>-</u>	<u>23,842</u>
Interfund Transfers									
Tangible Capital Assets Purchased					(75,391)	(44,879)			(23,842)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,391)</u>	<u>(44,879)</u>	<u>-</u>	<u>-</u>	<u>(23,842)</u>
Net Revenue (Expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2020

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	CommunityLINK Other	PRP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	354,475	1,225,636	1,726,164	100,204				831,416	60,318
Add: Restricted Grants									
Provincial Grants - Ministry of Education	9,173,579	4,528,797	32,435,215	1,432,273	49,242	21,833	33,000		2,301,125
Provincial Grants - Other								157,500	
Other								718,640	
Investment Income	18,130			117,943	261	166	283	19,870	4,104
	9,191,709	4,528,797	32,435,215	1,550,216	49,503	21,999	33,283	896,010	2,305,229
Less: Allocated to Revenue	9,428,506	4,365,985	30,910,161	1,484,468	-	-	7,329	875,785	2,141,501
Recovered		1,225,636	1,726,164	100,204					
Transfer to nonprofit organization									
Deferred Revenue, end of year	117,678	162,812	1,525,054	65,748	49,503	21,999	25,954	851,641	224,046
Revenues									
Provincial Grants - Ministry of Education	9,410,376	4,365,985	30,910,161	1,366,525			7,294		2,137,397
Provincial Grants - Other								857,200	
Other Revenue								18,585	4,104
Investment Income	18,130			117,943			35		
	9,428,506	4,365,985	30,910,161	1,484,468	-	-	7,329	875,785	2,141,501
Expenses									
Salaries									
Teachers	443,220	237,898	24,483,968	459,789					1,449,841
Principals and Vice Principals									
Educational Assistants	2,566,846	2,005,767					958		67,843
Support Staff	1,119,555	56,085						423,056	54,739
Other Professionals	1,448,557	411,545							8,766
Substitutes	21,090	647,454		741,442			2,828		40,666
	5,599,268	3,358,749	24,483,968	1,201,231	-	-	3,786	423,056	1,621,855
Employee Benefits	1,470,849	907,286	6,426,193	283,237			914	46,105	426,408
Services and Supplies	2,352,117	99,950					2,629	406,194	91,105
	9,422,234	4,365,985	30,910,161	1,484,468	-	-	7,329	875,355	2,139,368
Net Revenue (Expense) before Interfund Transfers	6,272	-	-	-	-	-	-	430	2,133
Interfund Transfers									
Tangible Capital Assets Purchased	(6,272)							(430)	(2,133)
	(6,272)	-	-	-	-	-	-	(430)	(2,133)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2020

	ERAC	CAYA	Assistive Technology AT-BC	PRCVI	Settlement Workers In School	Miscellaneous	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	943,347	9,427,361	8,503,181	520,407	490,419	781,682	38,431,885
Add: Restricted Grants							
Provincial Grants - Ministry of Education				2,102,838			65,877,660
Provincial Grants - Other			3,641,505				3,799,005
Other	2,026,713	150				500,230	21,270,393
Investment Income	17,622	200,427	217,624	11,722	11,338	4,962	998,857
	2,044,335	200,577	3,859,129	2,114,560	11,338	505,192	91,945,915
Less: Allocated to Revenue	1,152,668	3,156,094	3,398,871	2,180,289	75,272	390,519	90,278,475
Recovered						87,250	3,139,254
Transfer to nonprofit organization	1,835,014						1,835,014
Deferred Revenue, end of year	-	6,471,844	8,963,439	454,678	426,485	809,105	35,125,057
Revenues							
Provincial Grants - Ministry of Education	161,800			2,168,567			63,507,313
Provincial Grants - Other		3,152,433	3,181,031		57,838	16,433	6,407,735
Other Revenue	973,246		216		6,096	369,124	19,566,028
Investment Income	17,622	3,661	217,624	11,722	11,338	4,962	797,399
	1,152,668	3,156,094	3,398,871	2,180,289	75,272	390,519	90,278,475
Expenses							
Salaries							
Teachers				194,819		28,171	29,181,263
Principals and Vice Principals							367,989
Educational Assistants					8,907	6,845	6,238,576
Support Staff	93,240	487,038	591,838	666,666	3,558	9,632	6,443,938
Other Professionals	133,326	306,722	750,103	202,479	428		3,332,343
Substitutes					462	32,025	1,512,953
	226,566	793,760	1,341,941	1,063,964	13,355	76,673	47,077,062
Employee Benefits	43,385	222,205	341,047	289,680	3,624	19,115	12,303,009
Services and Supplies	882,717	2,123,082	1,705,979	822,265	58,293	192,670	30,612,065
	1,152,668	3,139,047	3,388,967	2,175,909	75,272	288,458	89,992,136
Net Revenue (Expense) before Interfund Transfers	-	17,047	9,904	4,380	-	102,061	286,339
Interfund Transfers							
Tangible Capital Assets Purchased		(17,047)	(9,904)	(4,380)		(102,061)	(286,339)
	-	(17,047)	(9,904)	(4,380)	-	(102,061)	(286,339)
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual (Restated)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Other Revenue	291,145	171,679	276,980	448,659	455,393
Rentals and Leases	1,312,908		1,253,020	1,253,020	1,032,784
Investment Income	441,567		377,130	377,130	289,900
Gain (Loss) on Disposal of Tangible Capital Assets				-	12,008,555
Amortization of Deferred Capital Revenue	19,176,608	19,148,025		19,148,025	17,294,428
Total Revenue	21,222,228	19,319,704	1,907,130	21,226,834	31,081,060
Expenses					
Operations and Maintenance	130,258		130,142	130,142	104,117
Amortization of Tangible Capital Assets					
Operations and Maintenance	27,842,527	27,790,919		27,790,919	25,807,374
Debt Services					
Capital Lease Interest	120,452		111,407	111,407	61,369
Total Expense	28,093,237	27,790,919	241,549	28,032,468	25,972,860
Capital Surplus (Deficit) for the year	(6,871,009)	(8,471,215)	1,665,581	(6,805,634)	5,108,200
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	4,899,663	4,433,930		4,433,930	3,827,277
Tangible Capital Assets - Work in Progress				-	181,796
Capital Lease Payment	2,300,853		2,317,890	2,317,890	2,117,491
Total Net Transfers	7,200,516	4,433,930	2,317,890	6,751,820	6,126,564
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		20,092	(20,092)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,269,814	(1,269,814)	-	
Principal Payment					
Capital Lease		2,206,483	(2,206,483)	-	
Total Other Adjustments to Fund Balances		3,496,389	(3,496,389)	-	
Total Capital Surplus (Deficit) for the year	329,507	(540,896)	487,082	(53,814)	11,234,764
Capital Surplus (Deficit), beginning of year		107,253,594	9,897,980	117,151,574	105,916,810
Capital Surplus (Deficit), end of year		106,712,698	10,385,062	117,097,760	117,151,574

School District No. 39 (Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,781,686	984,041,365	16,092,659	2,214,103	3,131,937	16,280,997	1,042,542,747
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Other		450,000	141,528				591,528
Operating Fund		207,616	1,984,526	597,551		1,357,898	4,147,591
Special Purpose Funds			124,945			161,394	286,339
Local Capital		20,092					20,092
Capital Lease						724,754	724,754
Transferred from Work in Progress		24,779,367	210,000				24,989,367
	-	25,457,075	2,460,999	597,551	-	2,244,046	30,759,671
Decrease:							
Deemed Disposals			1,245,902	448,923	551,245	4,831,635	7,077,705
	-	-	1,245,902	448,923	551,245	4,831,635	7,077,705
Cost, end of year	20,781,686	1,009,498,440	17,307,756	2,362,731	2,580,692	13,693,408	1,066,224,713
Work in Progress, end of year		125,833,866	296,373				126,130,239
Cost and Work in Progress, end of year	20,781,686	1,135,332,306	17,604,129	2,362,731	2,580,692	13,693,408	1,192,354,952
Accumulated Amortization, beginning of year		356,739,256	7,802,120	1,103,254	1,673,472	7,199,382	374,517,484
Changes for the Year							
Increase: Amortization for the Year		22,323,435	1,669,955	228,842	571,245	2,997,442	27,790,919
Decrease:							
Deemed Disposals			1,245,902	448,923	551,245	4,831,635	7,077,705
			-	1,245,902	551,245	4,831,635	7,077,705
Accumulated Amortization, end of year		379,062,691	8,226,173	883,173	1,693,472	5,365,189	395,230,698
Tangible Capital Assets - Net	20,781,686	756,269,615	9,377,956	1,479,558	887,220	8,328,219	797,124,254

School District No. 39 (Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	72,826,298	3,407			72,829,705
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	69,314,174	502,966			69,817,140
Deferred Capital Revenue - Other	7,202,947				7,202,947
Local Capital	1,269,814				1,269,814
	<u>77,786,935</u>	<u>502,966</u>	-	-	<u>78,289,901</u>
Decrease:					
Transferred to Tangible Capital Assets	24,779,367	210,000			24,989,367
	<u>24,779,367</u>	<u>210,000</u>	-	-	<u>24,989,367</u>
Net Changes for the Year	<u>53,007,568</u>	<u>292,966</u>	-	-	<u>53,300,534</u>
Work in Progress, end of year	<u>125,833,866</u>	<u>296,373</u>	-	-	<u>126,130,239</u>

School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	538,805,672	9,382,283	14,019,924	562,207,879
Prior Period Adjustments				
Prepaid Ground Lease (Note 18)			(13,305,077)	(13,305,077)
Deferred Capital Revenue, beginning of year, as restated	538,805,672	9,382,283	714,847	548,902,802
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions		591,528		591,528
Transferred from Work in Progress	24,340,871		466,699	24,807,570
	24,340,871	591,528	466,699	25,399,098
Decrease:				
Amortization of Deferred Capital Revenue	18,810,645	312,484	24,896	19,148,025
	18,810,645	312,484	24,896	19,148,025
Net Changes for the Year	5,530,226	279,044	441,803	6,251,073
Deferred Capital Revenue, end of year	544,335,898	9,661,327	1,156,650	555,153,875
Work in Progress, beginning of year	52,674,575	55,377	16,123,505	68,853,457
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	69,817,140	96,111	7,106,836	77,020,087
	69,817,140	96,111	7,106,836	77,020,087
Decrease				
Transferred to Deferred Capital Revenue	24,340,871		466,699	24,807,570
	24,340,871	-	466,699	24,807,570
Net Changes for the Year	45,476,269	96,111	6,640,137	52,212,517
Work in Progress, end of year	98,150,844	151,488	22,763,642	121,065,974
Total Deferred Capital Revenue, end of year	642,486,742	9,812,815	23,920,292	676,219,849

School District No. 39 (Vancouver)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		38,308,928	147,712			38,456,640
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	69,909,191					69,909,191
Provincial Grants - Other			2,728,222			2,728,222
Other					7,106,836	7,106,836
Investment Income		1,007,234	15,277			1,022,511
Transfer project surplus to MEd Restricted (from) Bylaw	(4,239)	4,239				-
	<u>69,904,952</u>	<u>1,011,473</u>	<u>2,743,499</u>	<u>-</u>	<u>7,106,836</u>	<u>80,766,760</u>
Decrease:						
Transferred to DCR - Capital Additions			591,528			591,528
Transferred to DCR - Work in Progress	69,817,140	96,111			7,106,836	77,020,087
Insurance claim	86,652					86,652
	<u>69,903,792</u>	<u>96,111</u>	<u>591,528</u>	<u>-</u>	<u>7,106,836</u>	<u>77,698,267</u>
Net Changes for the Year	<u>1,160</u>	<u>915,362</u>	<u>2,151,971</u>	<u>-</u>	<u>-</u>	<u>3,068,493</u>
Balance, end of year	<u>1,160</u>	<u>39,224,290</u>	<u>2,299,683</u>	<u>-</u>	<u>-</u>	<u>41,525,133</u>