

FINANCIAL STATEMENTS

July 1, 2022 to June 30, 2023



Audited Financial Statements of

School District No. 39 (Vancouver)

And Independent Auditor's Report thereon

June 30, 2023

School District No. 39 (Vancouver)

June 30, 2023

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School District No. 39 (Vancouver)

MANAGEMENT REPORT

Version: 5411-4666-2683

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, KPMG LLP, 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 Auditor's 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)

Original signed	Sept. 26, 2023
Signature of the Chairperson of the Board of Education	Date Signed
Original signed	Sept. 26, 2023
Signature of the Superintendent	Date Signed
Original signed	Sept. 26, 2023
Signature of the Secretary Treasurer	Date Signed



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone 604-691-3000
Fax 604-691-3031

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of School District No. 39 (Vancouver) (the Entity), which comprise:

- the statement of financial position as at June 30, 2023
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2023 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



Emphasis of Matter – Comparative Information

We draw attention to Note 21 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2022 has been restated. Note 21 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended June 30, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended June 30, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. Other information comprises:

- Information included in Unaudited Schedules 1-4 attached to the audited financial statements
- Management's Financial Statement Discussion and Analysis

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information included in the Unaudited Schedules 1-4 attached to the audited financial statements and Management's Financial Statement Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 our 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We 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 our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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 we identify during our audit.

Chartered Professional Accountants

Vancouver, Canada
September 26, 2023

School District No. 39 (Vancouver)

Statement of Financial Position

As at June 30, 2023

	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$
Financial Assets		
Cash and Cash Equivalents	260,849,132	246,302,561
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	5,702,015	10,260,655
Due from Province - Other	94,000	
Other (Note 3)	18,806,469	8,507,795
Portfolio Investments (Note 4)	419,516	412,517
Total Financial Assets	285,871,132	265,483,528
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	641,332	613,513
Other (Note 5)	87,392,634	83,901,719
Unearned Revenue (Note 6)	56,318,061	52,614,786
Deferred Revenue (Note 7)	42,294,538	25,387,704
Deferred Capital Revenue (Note 8)	917,555,273	860,965,554
Employee Future Benefits (Note 9)	33,236,114	32,387,116
Asset Retirement Obligation (Note 20)	67,117,711	67,117,711
Capital Lease Obligations (Note 10)	3,680,067	5,524,778
Other Liabilities		99,369
Total Liabilities	1,208,235,730	1,128,612,250
Net Debt	(922,364,598)	(863,128,722)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	991,045,169	940,474,668
Prepaid Expenses	1,686,027	1,431,188
Supplies Inventory	1,112,118	988,979
Total Non-Financial Assets	993,843,314	942,894,835
Accumulated Surplus (Deficit) (Note 16)	71,478,716	79,766,113
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	71,478,716	79,766,113
Accumulated Remeasurement Gains (Losses)		
	71,478,716	79,766,113

Approved by the Board

Original signed	Sept. 26, 2023
Signature of the Chairperson of the Board of Education	Date Signed
Original signed	Sept. 26, 2023
Signature of the Superintendent	Date Signed
Original signed	Sept. 26, 2023
Signature of the Secretary Treasurer	Date Signed

School District No. 39 (Vancouver)

Statement 2

Statement of Operations
Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	585,822,404	590,032,562	547,615,755
Other	6,036,065	7,910,330	7,310,002
Federal Grants	2,720,926	2,686,892	2,381,164
Tuition	22,527,764	23,467,077	22,276,057
Other Revenue	22,235,501	27,837,780	25,412,788
Rentals and Leases	7,243,713	7,727,957	9,446,489
Investment Income	5,902,306	7,232,917	2,015,598
Amortization of Deferred Capital Revenue	24,706,427	24,553,444	22,432,349
Total Revenue	<u>677,195,106</u>	<u>691,448,959</u>	<u>638,890,202</u>
Expenses			
Instruction	552,425,182	556,351,264	517,042,506
District Administration	24,343,293	26,288,842	23,347,664
Operations and Maintenance	111,385,885	113,433,643	106,483,763
Transportation and Housing	3,504,294	3,477,279	3,487,561
Debt Services	187,527	185,328	110,798
Total Expense	<u>691,846,181</u>	<u>699,736,356</u>	<u>650,472,292</u>
Surplus (Deficit) for the year	<u>(14,651,075)</u>	<u>(8,287,397)</u>	<u>(11,582,090)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		79,766,113	91,348,203
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>71,478,716</u></u>	<u>79,766,113</u>

School District No. 39 (Vancouver)

Statement of Changes in Net Debt

Year Ended June 30, 2023

	2023 Budget (Note 14) \$	2023 Actual \$	2022 Actual (Restated - Note 21) \$
Surplus (Deficit) for the year	(14,651,075)	(8,287,397)	(11,582,090)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(103,316,622)	(84,917,201)	(108,904,130)
Amortization of Tangible Capital Assets	34,431,463	34,346,700	32,389,948
Total Effect of change in Tangible Capital Assets	(68,885,159)	(50,570,501)	(76,514,182)
Acquisition of Prepaid Expenses		(8,364,408)	(3,811,474)
Use of Prepaid Expenses		8,109,569	4,364,908
Acquisition of Supplies Inventory		(1,853,639)	(1,612,433)
Use of Supplies Inventory		1,730,500	1,572,421
Total Effect of change in Other Non-Financial Assets	-	(377,978)	513,422
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(83,536,234)	(59,235,876)	(87,582,850)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(59,235,876)	(87,582,850)
Net Debt, beginning of year		(863,128,722)	(775,545,872)
Net Debt, end of year		(922,364,598)	(863,128,722)

School District No. 39 (Vancouver)

Statement of Cash Flows
Year Ended June 30, 2023

	2023 Actual	2022 Actual
		(Restated - Note 21)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(8,287,397)	(11,582,090)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(5,834,034)	(8,365,678)
Supplies Inventories	(123,139)	(40,012)
Prepaid Expenses	(254,839)	553,437
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	3,518,734	(2,826,258)
Unearned Revenue	3,703,275	497,322
Deferred Revenue	16,906,834	57,254
Employee Future Benefits	848,998	1,313,813
Other Liabilities	(99,369)	(262,381)
Amortization of Tangible Capital Assets	34,346,700	32,389,948
Amortization of Deferred Capital Revenue	(24,553,444)	(22,432,349)
Insurance Claim		(711)
Total Operating Transactions	<u>20,172,319</u>	<u>(10,697,705)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,648,014)	(2,782,887)
Tangible Capital Assets -WIP Purchased	(81,926,677)	(102,094,963)
Total Capital Transactions	<u>(84,574,691)</u>	<u>(104,877,850)</u>
Financing Transactions		
Capital Revenue Received	81,143,163	100,339,251
Capital Lease Payments	(2,187,221)	(2,422,020)
Total Financing Transactions	<u>78,955,942</u>	<u>97,917,231</u>
Investing Transactions		
Investments in Portfolio Investments	(6,999)	7,885
Total Investing Transactions	<u>(6,999)</u>	<u>7,885</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>14,546,571</u>	<u>(17,650,439)</u>
Cash and Cash Equivalents, beginning of year	<u>246,302,561</u>	<u>263,953,000</u>
Cash and Cash Equivalents, end of year	<u>260,849,132</u>	<u>246,302,561</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>260,849,132</u>	<u>246,302,561</u>
	<u>260,849,132</u>	<u>246,302,561</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2023

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 and Child Care. School District No. 39 (Vancouver) 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, 2023

d) Portfolio Investments

The School District has investments in Guaranteed Investment Certificates (GIC's) 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. 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, 2023

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, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. 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, 2023

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.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see Note 2h). Assumptions used in the calculations are reviewed annually.

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 and membership dues 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, 2023

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 that are government transfers 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, 2023

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, Deputy Superintendent, Associate Superintendents, Secretary-Treasurer, Assistant 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.

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

r) 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.

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

Other Receivables includes an amount for unpaid ground lease revenue. Due to uncertainty surrounding the collectability of this amount it is included in Allowance for Doubtful Accounts (refer to Note 18, Contingent Assets).

	30-Jun-23	30-Jun-22
Due from Federal Government	\$ 520,359	\$ 402,659
Due from Municipalities	10,651,904	3,628,481
Due from Other School Districts	206,138	3,019
Rentals and Leases	48,460,646	40,899,306
Other Receivables	7,365,882	3,964,589
Allowance for Doubtful Accounts	(48,398,460)	(40,390,259)
Total	\$ 18,806,469	\$ 8,507,795

4 Portfolio Investments

GIC's included in portfolio investments are held with local banking institutions and earn average interest at 4.83% (2022 – 1.54%). Senior government bonds held earn average interest at 2.51% (2022 – 2.53%).

	30-Jun-23	30-Jun-22
GIC's	\$ 101,297	\$ 100,549
Senior Government Bonds	318,219	311,968
	\$ 419,516	\$ 412,517

5 Accounts Payable and Accrued Liabilities – Other

	30-Jun-23	30-Jun-22
Accrued vacation pay	\$ 11,273,531	\$ 11,197,304
Other	20,371,913	19,671,170
Salaries and benefits payable	40,359,078	36,520,793
Trade payables	15,388,112	16,512,452
	\$ 87,392,634	\$ 83,901,719

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
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6 Unearned Revenue

	30-Jun-23	30-Jun-22
Balance, beginning of year		
Tuition fees	\$ 21,165,567	\$ 19,978,937
Rental/Lease of facilities	13,426,071	14,319,257
Other	18,023,148	17,819,270
	52,614,786	52,117,464
Amounts received		
Tuition fees	21,330,098	18,885,356
Rental/Lease of facilities	10,858,247	7,486,551
Other	829,442	210,788
	33,017,787	26,582,695
Amounts earned		
Tuition fees	18,423,625	17,698,726
Rental/Lease of facilities	10,885,462	8,379,737
Other	5,425	6,910
	29,314,512	26,085,373
Net changes for the year	3,703,275	497,322
Balance, end of year	\$ 56,318,061	\$ 52,614,786

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.

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	30-Jun-23	30-Jun-22
Deferred revenue, beginning of year	\$ 25,387,704	\$ 25,330,450
Increase		
Provincial Grants - Ministry of Education and Child Care	71,795,961	64,799,035
Provincial Grants - Other	24,063,527	8,065,618
Other	7,197,314	6,339,186
Investment Income	1,263,177	265,820
	104,319,979	79,469,659
Decrease		
Allocated to Revenue	85,869,813	76,343,435
Recoveries	1,543,332	2,284,536
Other	-	784,434
	87,413,145	79,412,405
Deferred revenue, end of year	\$ 42,294,538	\$ 25,387,704

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.

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	30-Jun-23	30-Jun-22
DCR, Completed Projects		
Balance, beginning of year	\$ 669,328,255	\$ 624,651,284
Increases		
Transfers from DCR, WIP	109,227,319	67,109,320
	109,227,319	67,109,320
Decreases		
Amortization - ByLaw Capital	23,599,792	21,604,479
Amortization - Other Provincial Capital	353,719	326,613
Amortization - Other Capital	599,933	501,257
	24,553,444	22,432,349
Balance, end of year	754,002,130	669,328,255
DCR, Work in Progress (WIP)		
Balance, beginning of year	149,529,463	116,291,284
Increases		
Transfers from DR – spent funds	80,260,630	100,347,499
Decreases		
Transfers to DCR – completed projects	109,227,319	67,109,320
Balance, end of year	120,562,774	149,529,463
Balance DCR Completed Projects and WIP, end of year	874,564,904	818,857,718
DCR, Unspent		
Balance, beginning of year	42,107,836	42,116,795
Increases		
Provincial Grants – Ministry of Education and Child Care (MECC)	70,381,970	94,557,683
Other	8,752,484	5,216,827
Investment Income	2,008,709	506,427
MECC Restricted Portion of Proceeds on Disposal		
MECC Restricted insurance claim surplus	58,314	58,314
	81,143,163	100,339,251
Decreases		
Transferred to DCR, WIP	80,260,630	100,347,499
Insurance netted with expenditure	711	711
	80,260,630	100,348,210
Balance, DCR, Unspent, end of year	42,990,369	42,107,836
Total Deferred Capital Revenue	\$ 917,555,273	\$ 860,965,554

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

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2023

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-23	30-Jun-22
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 27,847,971	\$ 28,912,625
Service Cost	1,832,149	2,020,899
Interest Cost	913,961	743,384
Benefit Payments	(1,932,724)	(1,630,413)
Actuarial (Gain) Loss	(2,272,507)	(2,198,524)
Accrued Benefit Obligation – March 31	\$ 26,388,850	\$ 27,847,971
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 26,388,850	\$ 27,847,971
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	26,388,850	27,847,971
Employer Contributions After Measurement Date	(1,160,797)	(1,056,392)
Benefits Expense After Measurement Date	700,188	686,528
Unamortized Net Actuarial Gain (Loss)	7,307,873	4,909,009
Accrued Benefit Liability - June 30	\$ 33,236,114	\$ 32,387,116
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 32,387,116	\$ 31,073,306
Net Expense for Fiscal Year	2,886,127	3,085,962
Employer Contributions	(2,037,129)	(1,772,152)
Accrued Benefit Liability - June 30	\$ 33,236,114	\$ 32,387,116
Components of Net Benefit Expense		
Service Cost - June 30	\$ 1,806,784	\$ 1,973,712
Interest Cost - June 30	952,987	786,028
Amortization of Net Actuarial (Gain)/Loss	126,356	326,222
Net Benefit Expense (Income)	\$ 2,886,127	\$ 3,085,962

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ENDED JUNE 30, 2023

	<u>30-Jun-23</u>	<u>30-Jun-22</u>
Assumptions		
Discount Rate - April 1	3.25%	2.50%
Discount Rate - March 31	4.00%	3.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	11.00	11.00

The impact of changes in assumptions between the March 31, 2023 measurement date and June 30, 2023 reporting date have been considered and are not considered to be material.

10 Capital Lease Obligations

Repayments are due as follows:

	<u>30-Jun-23</u>	<u>30-Jun-22</u>
2023	-	2,272,005
2024	1,493,108	1,396,250
2025	1,488,474	1,389,771
2026	956,360	868,755
2027	-	-
	<u>3,937,942</u>	<u>5,926,781</u>
<i>Interest portion - ranging from 0% to 9.95%</i>	<u>(257,875)</u>	<u>(402,003)</u>
Total	<u>\$ 3,680,067</u>	<u>\$ 5,524,778</u>

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
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11 Tangible Capital Asset

2023

	July 1, 2022 (Restated (Note 21))	Additions	Disposals	Transfers	June 30, 2023
Cost					
Sites	\$ 20,781,543	\$ -	\$ -	\$ -	\$ 20,781,543
Buildings	1,233,403,733	278,301		108,806,613	1,342,488,647
Buildings – WIP	157,342,036	81,525,338		(108,806,613)	130,060,761
Furniture & Equipment	18,985,751	1,529,310	(1,660,102)	420,706	19,275,665
Furniture & Equipment - WIP	33,260	401,339		(420,706)	13,893
Vehicles	2,125,351	36,731	(231,756)		1,930,326
Computer Software	679,878	15,240	(355,327)		339,791
Computer Hardware	23,760,497	1,130,942	(4,362,700)		20,528,739
Total	\$ 1,457,112,049	\$ 84,917,201	\$ (6,609,885)	\$ -	\$ 1,535,419,365

	July 1, 2022 (Restated (Note 21))	Amortization	Disposals	June 30, 2023
Accumulated Amortization				
Buildings	\$ 495,341,289	\$ 27,699,949	\$ -	\$ 523,041,238
Furniture & Equipment	8,375,945	1,913,072	1,660,102	8,628,915
Vehicles	1,100,126	202,785	231,756	1,071,155
Computer Software	510,628	101,968	355,327	257,269
Computer Hardware	11,309,393	4,428,926	4,362,700	11,375,619
Total	\$ 516,637,381	\$ 34,346,700	\$ 6,609,885	\$ 544,374,196

2022

	July 1, 2021 (Restated (Note 21))	ARO	Additions	Disposals	Transfers	June 30, 2022 (Restated)
Cost						
Sites	\$ 20,781,543	\$ -	\$ -	\$ -	\$ -	\$ 20,781,543
Buildings	1,099,659,124	67,117,711	33,917		66,592,981	1,233,403,733
Buildings – WIP	122,330,093		101,604,924		(66,592,981)	157,342,036
Furniture & Equipment	18,563,455		1,879,088	(1,973,130)	516,338	18,985,751
Furniture & Equipment - WIP	59,559		490,039		(516,338)	33,260
Vehicles	2,299,283			(173,932)		2,125,351
Computer Software	2,334,026		29,619	(1,683,767)		679,878
Computer Hardware	20,325,890		4,866,543	(1,431,936)		23,760,497
Total	\$ 1,286,352,973	\$ 67,117,711	\$ 108,904,130	\$ (5,262,765)	\$ -	\$ 1,457,112,049

	July 1, 2021 (Restated (Note 21))	ARO (Note 21)	Amortization	Disposals	June 30, 2022 (Restated)
Accumulated Amortization					
Buildings	\$ 402,753,676	\$ 67,014,459	\$ 25,573,154	\$ -	\$ 495,341,289
Furniture & Equipment	8,471,615		1,877,460	1,973,130	8,375,945
Vehicles	1,052,826		221,232	173,932	1,100,126
Computer Software	1,893,005		301,390	1,683,767	510,628
Computer Hardware	8,332,689		4,408,640	1,431,936	11,309,393
Total	\$ 422,503,811	\$ 67,014,459	\$ 32,381,876	\$ 5,262,765	\$ 516,637,381

	June 30, 2023	June 30, 2022 (Restated)
Net Book Value		
Sites	\$ 20,781,543	\$ 20,781,543
Buildings	819,447,409	738,062,444
Buildings - WIP	130,060,761	157,342,036
Furniture & Equipment	10,646,750	10,609,806
Furniture & Equipment - WIP	13,893	33,260
Vehicles	859,171	1,025,225
Computer Software	82,522	169,250
Computer Hardware	9,153,120	12,451,104
Total	\$ 991,045,169	\$ 940,474,668

As at June 30, 2023 there was work in progress of \$130,074,654 (2022: \$157,375,296) included in Buildings and Furniture & Equipment and not being amortized. Amortization of these assets will commence when the asset is put into service.

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Included within tangible capital assets purchases is \$342,510 (2022: \$4,026,280) 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, 2022, the Teachers' Pension Plan has about 51,000 active members and approximately 41,000 retired members. As of December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 30,000 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, 2020, indicated a \$1,584 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$46,976,307 (2022 - \$45,442,073) for employer contributions to these plans in the year ended June 30, 2023.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in 2025.

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

SCHOOL DISTRICT No. 39 (Vancouver)
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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.

	2024	2025	2026	2027	2028
Approved Capital Projects -					
Unperformed portion	\$ 34,172,568	\$ 19,473,393	\$ 2,671,715	\$ -	\$ -
Future operating lease payments	569,814	330,999	167,003	72,286	-
	<u>\$ 34,742,382</u>	<u>\$ 19,804,392</u>	<u>\$ 2,838,718</u>	<u>\$ 72,286</u>	<u>\$ -</u>

14 Budget Figures

Budget figures reflect the amended annual budget approved by the Board on February 27, 2023. 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. As the 2022/23 Amended Annual Budget is used for comparative purposes, a reconciliation between the 2022/23 Annual and the 2022/23 Amended Annual Budgets is provided:

	Amended Annual Budget	Annual Budget
Ministry Operating Grant Funded FTEs		
School-Age	49,414	48,351
Adult	189	177
Other	970	1,056
Total Ministry Operating Grant Funded FTEs	<u>50,573</u>	<u>49,584</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
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	Amended Annual Budget	Annual Budget
Revenues		
Provincial Grants		
Ministry of Education and Child Care	\$ 585,822,404	\$ 548,718,547
Other	6,036,065	6,131,941
Federal Grants	2,720,926	2,720,926
Tuition	22,527,764	20,723,248
Other Revenue	22,235,501	33,374,002
Rentals and Leases	7,243,713	7,220,701
Investment Income	5,902,306	3,611,273
Amortization of Deferred Capital Revenue	24,706,427	24,919,089
Total Revenue	677,195,106	647,419,727
Expenses		
Instruction	552,425,182	529,553,321
District Administration	24,343,293	22,871,121
Operations and Maintenance	111,385,885	104,978,719
Transportation and Housing	3,504,294	3,190,862
Debt Services	187,527	149,115
Total Expense	691,846,181	660,743,138
Net Revenue (Expense)	(14,651,075)	(13,323,411)
Budgeted Allocation (Retirement) of Surplus (Deficit)	13,465,992	10,611,799
Budgeted Surplus (Deficit), for the year	\$ (1,185,083)	\$ (2,711,612)
Budgeted Surplus (Deficit), for the year comprised of:		
Capital Fund Surplus (Deficit)	\$ (1,185,083)	\$ (2,711,612)
Budgeted Surplus (Deficit), for the year	\$ (1,185,083)	\$ (2,711,612)

15 Expense by Object

	30-Jun-23	30-Jun-22
Amortization	\$ 34,346,699	\$ 32,389,948
Interest	185,328	110,798
Salaries and benefits	580,646,731	547,325,287
Services and supplies	84,557,598	70,646,259
	\$ 699,736,356	\$ 650,472,292

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16 Accumulated Surplus

	30-Jun-23	30-Jun-22
Capital Fund Accumulated Surplus		
Internally Restricted (Appropriated) by the Board for:		
Capital Projects Cost Share		
Eric Hamber Secondary	\$ 1,223,000	\$ 2,324,500
Henry Hudson Elementary	722,500	972,500
Kitsilano Secondary	52,101	284,101
Weir Elementary	-	1,132,082
Cavell Modular Building Upgrade	-	278,301
Replacement School at Lord Roberts Annex site	13,615,941	13,016,057
Unfunded Local Capital Commitments	-	(3,834,815)
Parkade Upgrades	300,000	
Equipment Replacement	500,000	
Contingency Reserve for Local Capital	168,060	
Total Internally Restricted Local Capital Surplus	16,581,602	14,172,726
Invested in Tangible Capital Assets	34,103,904	37,224,199
Total Capital Fund Accumulated Surplus	50,685,506	51,396,925
Operating Fund Accumulated Surplus		
Internally Restricted (Appropriated) by the Board for:		
Operations Spanning Multiple School Years		
School Budget Balances	1,350,656	2,404,213
Indigenous Education	296,275	129,985
Online Learning Funding for Courses in Progress	424,448	279,463
Education Plan	184,832	506,064
Employee Services	-	142,388
IT Capital Plan	199,478	525,010
Facilities Upgrades	221,697	160,500
Cafeteria Upgrades	350,000	110,000
Health and Safety	-	109,700
Long Range Facilities Plan Implementation	120,000	-
Equity and Anti-racism, Non-Discrimination	231,972	-
Use of Surplus for 2022/23 Budget	-	9,817,189
Total Operations Spanning Multiple School Years	3,379,358	14,184,512
Anticipated Unusual Expenses Identified		
Risk Mitigation - Systems and Processes	700,000	-
Financial Provisions	1,200,000	-
Total Anticipated Unusual Expenses Identified	1,900,000	-
Nature of Constraints on the Funds		
Grants and Donations	3,260,068	2,709,569
Scholarships	720,039	753,692
School Generated Funds	6,533,026	6,447,415
Early Career Mentorship	543,264	596,163
Total Nature of Constraints on the Funds	11,056,397	10,506,839
Total Internally Restricted Operating Surplus	16,335,755	24,691,351
Unrestricted Operating Surplus (Contingency)	4,457,455	3,677,837
Total Operating Fund Accumulated Surplus	20,793,210	28,369,188
Accumulated Surplus	\$ 71,478,716	\$ 79,766,113

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17 Interfund Transfers

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

- \$1,733,877 from operating to capital for capital assets purchased
- \$635,836 from special purpose to capital for capital assets purchased
- \$2,361,451 from operating to capital for capital lease payments
- \$11,098 from special purpose to capital for capital lease payments

18 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.

In January 2022 the School District received an arbitration award regarding the annual ground lease rent for the site on which Kingsgate Mall occupies. The District has invoiced the tenant annual rent based on the arbitration ruling. The tenant has appealed the arbitration decision and is paying a lower amount of rent. The collectability of the amount invoiced is dependent on the outcome of the appeal.

Contingent assets are not recorded in the financial statements.

19 Contingent Liabilities

As per a directive from the Ministry of Education and Child Care, any funding for Remedy with the Classroom Enhancement Fund requires an agreement for payout with the School District's teachers' associations. On June 30, 2023 the District did not have agreements with the teachers' associations, and the amount and likelihood of a payout are not measurable.

In the ordinary course of operations, the School District has legal proceedings brought against it. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
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20 Asset Retirement Obligation

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials (lead in paint, fuel tanks) within some School District owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 (see Note 21 – Prior Period Adjustment – Change in Accounting Policy). The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets’ carrying value and are amortized over the assets’ estimated useful lives.

Asset Retirement Obligation, July 1, 2022 (see Note 21)	\$	67,117,711
Settlements during the year		-
Asset Retirement Obligation, closing balance	\$	67,117,711

21 Prior Period Adjustment – Change in Accounting Policy

On July 1, 2022 the School District adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in buildings that will undergo major renovation or demolition in the future (see Note 20). This standard was adopted using the modified retroactive approach which results in the restatement of comparative information as at and for the year ended June 30, 2022.

On July 1, 2022 the School District recognized an asset retirement obligation relating to several owned buildings that contain asbestos and other hazardous materials (lead in paint, fuel tanks). The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The associated costs have been reported as an increase to the carrying value of the associated tangible capital assets. Accumulated amortization has been recorded from the later of, the date of acquisition of the related asset or April 1, 1988 (effective date of the *Hazardous Waste Regulation (April 1, 1988) – Part 6 – Management of Specific Hazardous Wastes*).

The impact of the prior period adjustment on the June 30, 2022 comparative amounts is as follows:

	As Previously Reported	Increase (Decrease)	As Restated
Asset Retirement Obligation (liability)	\$ 99,369	\$ 67,018,342	\$ 67,117,711
Tangible Capital Assets – cost	99,369	67,018,342	67,117,711
Tangible Capital Assets – accumulated amortization		67,014,459	67,014,459
Operations & Maintenance Expense – Asset amortization (2022)		8,072	8,072
Accumulated Surplus – Invested in Capital Assets		(67,006,387)	(67,006,387)

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2023

22 Economic Dependence

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

23 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.

24 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.

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.

SCHOOL DISTRICT No. 39 (Vancouver)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2023

It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk because it invests solely in guaranteed investment certificates, term deposits, and Senior Government Bonds.

c) Liquidity risk

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

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

Risk management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2022 related to credit, market or liquidity risks.

25 Comparative Figures

Certain comparative figures have been restated where necessary to conform with the presentation and disclosures in the current year.

School District No. 39 (Vancouver)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2023

	Operating Fund	Special Purpose Fund	Capital Fund	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	28,369,188		51,396,925	79,766,113	158,354,590
Prior Period Adjustments					(67,006,387)
Accumulated Surplus (Deficit), beginning of year, as restated	28,369,188	-	51,396,925	79,766,113	91,348,203
Changes for the year					
Surplus (Deficit) for the year	(3,480,650)	646,934	(5,453,681)	(8,287,397)	(11,582,090)
Interfund Transfers					
Tangible Capital Assets Purchased	(1,733,877)	(635,836)	2,369,713	-	
Other	(2,361,451)	(11,098)	2,372,549	-	
Net Changes for the year	(7,575,978)	-	(711,419)	(8,287,397)	(11,582,090)
Accumulated Surplus (Deficit), end of year - Statement 2	20,793,210	-	50,685,506	71,478,716	79,766,113

School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	513,525,410	520,371,303	485,531,642
Other	62,249	62,249	62,249
Federal Grants	2,720,926	2,686,892	2,381,164
Tuition	22,527,764	23,467,077	22,276,057
Other Revenue	14,942,828	18,655,824	18,181,195
Rentals and Leases	4,937,018	5,108,191	3,854,710
Investment Income	4,977,930	5,805,867	1,616,179
Total Revenue	563,694,125	576,157,403	533,903,196
Expenses			
Instruction	473,139,336	476,443,480	446,807,317
District Administration	23,149,102	25,112,768	21,931,558
Operations and Maintenance	72,072,910	74,730,709	69,757,734
Transportation and Housing	3,378,111	3,351,096	3,357,313
Total Expense	571,739,459	579,638,053	541,853,922
Operating Surplus (Deficit) for the year	(8,045,334)	(3,480,650)	(7,950,726)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	13,465,992		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,939,398)	(1,733,877)	(1,808,996)
Other	(2,481,260)	(2,361,451)	(2,532,818)
Total Net Transfers	(5,420,658)	(4,095,328)	(4,341,814)
Total Operating Surplus (Deficit), for the year	-	(7,575,978)	(12,292,540)
Operating Surplus (Deficit), beginning of year		28,369,188	40,661,728
Operating Surplus (Deficit), end of year		20,793,210	28,369,188
Operating Surplus (Deficit), end of year			
Internally Restricted		16,335,755	24,691,351
Unrestricted		4,457,455	3,677,837
Total Operating Surplus (Deficit), end of year		20,793,210	28,369,188

School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	491,450,153	492,190,125	476,980,918
Other Ministry of Education and Child Care Grants			
Pay Equity	7,294,124	7,294,124	7,294,124
Funding for Graduated Adults	963,246	993,112	1,152,499
Student Transportation Fund	53,423	53,423	53,423
FSA Scorer Grant	41,621	41,621	41,621
Early Learning Framework (ELF) Implementation	7,437	7,437	9,057
Labour Settlement Funding	13,712,406	19,788,461	
Premier's Award for Excellence in Education - bursary funds	3,000	3,000	
Total Provincial Grants - Ministry of Education and Child Care	513,525,410	520,371,303	485,531,642
Provincial Grants - Other	62,249	62,249	62,249
Federal Grants	2,720,926	2,686,892	2,381,164
Tuition			
Summer School Fees	706,558	682,759	563,515
Continuing Education	464,165	424,576	635,790
International and Out of Province Students	21,357,041	22,359,742	21,076,752
Total Tuition	22,527,764	23,467,077	22,276,057
Other Revenues			
Other School District/Education Authorities	1,150,000	1,150,000	1,150,000
Miscellaneous			
Instructional Cafeteria Revenue	910,737	950,401	879,307
Miscellaneous Fees and Revenue	4,049,021	4,236,283	6,115,950
School Generated Funds	8,833,070	11,623,097	8,695,981
Other Grants		696,043	1,339,957
Total Other Revenue	14,942,828	18,655,824	18,181,195
Rentals and Leases	4,937,018	5,108,191	3,854,710
Investment Income	4,977,930	5,805,867	1,616,179
Total Operating Revenue	563,694,125	576,157,403	533,903,196

School District No. 39 (Vancouver)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Salaries			
Teachers	247,457,223	246,453,861	236,208,791
Principals and Vice Principals	27,921,470	27,796,286	26,832,862
Educational Assistants	43,996,922	45,784,653	44,418,766
Support Staff	55,868,561	59,438,318	54,990,050
Other Professionals	13,174,675	12,975,528	12,494,808
Substitutes	15,918,973	16,240,835	15,322,062
Total Salaries	404,337,824	408,689,481	390,267,339
Employee Benefits	110,454,523	110,069,807	98,235,940
Total Salaries and Benefits	514,792,347	518,759,288	488,503,279
Services and Supplies			
Services	15,640,901	14,674,422	14,918,800
Student Transportation	3,341,027	3,311,929	3,299,310
Professional Development and Travel	1,097,127	1,333,311	950,362
Rentals and Leases	768,539	755,307	655,552
Dues and Fees	959,459	1,125,935	1,307,510
Insurance	1,034,092	1,179,924	1,049,885
Supplies	23,980,152	26,852,730	21,337,134
Utilities	10,125,815	11,645,207	9,832,090
Total Services and Supplies	56,947,112	60,878,765	53,350,643
Total Operating Expense	571,739,459	579,638,053	541,853,922

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	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	183,708,932	462,904	662,877	6,114,364	44,722	12,718,573	203,712,372
1.03 Career Programs	760,401	67,739		142,224	122,271	38,199	1,130,834
1.07 Library Services	5,925,804	885,164	24,700	129,941	138	401,835	7,367,582
1.08 Counselling	9,671,284	904,989		235	257,535	497,240	11,331,283
1.10 Special Education	24,147,750	2,430,585	40,451,622	505,793	3,008	1,162,871	68,701,629
1.20 Early Learning and Child Care		2,312	88,184	4,017	120,971	247	215,731
1.30 English Language Learning	12,088,545	1,946,088	2,501,963	477,291	203,440	719,213	17,936,540
1.31 Indigenous Education	873,487	303,395	1,086,244	179,724	822	29,050	2,472,722
1.41 School Administration	126	18,277,122	10,194	11,299,799	192,038	13,357	29,792,636
1.60 Summer School	1,524,101	202,319	311,755	235,048	6,555	1,768	2,281,546
1.62 International and Out of Province Students	7,701,322	159,125	177,159	488,722	362,256	432,468	9,321,052
Total Function 1	246,401,752	25,641,742	45,314,698	19,577,158	1,313,756	16,014,821	354,263,927
4 District Administration							
4.11 Educational Administration		1,980,099		383,470	2,359,988	6,830	4,730,387
4.40 School District Governance				86,261	800,698		886,959
4.41 Business Administration	586	7,892	8,125	3,447,262	4,954,955	51,196	8,470,016
Total Function 4	586	1,987,991	8,125	3,916,993	8,115,641	58,026	14,087,362
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	51,523	166,553	461,830	1,416,861	2,373,604	106,705	4,577,076
5.50 Maintenance Operations				31,815,959	981,054	61,283	32,858,296
5.52 Maintenance of Grounds				2,658,229	191,473		2,849,702
5.56 Utilities							-
Total Function 5	51,523	166,553	461,830	35,891,049	3,546,131	167,988	40,285,074
7 Transportation and Housing							
7.70 Student Transportation				53,118			53,118
Total Function 7	-	-	-	53,118	-	-	53,118
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	246,453,861	27,796,286	45,784,653	59,438,318	12,975,528	16,240,835	408,689,481

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2023

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2023 Actual	2023 Budget (Note 14)	2022 Actual (Restated - Note 21)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	203,712,372	55,121,826	258,834,198	17,483,434	276,317,632	272,722,810	256,637,691
1.03 Career Programs	1,130,834	306,814	1,437,648	210,488	1,648,136	1,701,389	1,755,619
1.07 Library Services	7,367,582	1,983,751	9,351,333	1,958,146	11,309,479	10,764,332	10,087,673
1.08 Counselling	11,331,283	3,065,384	14,396,667	167,955	14,564,622	14,705,036	12,781,289
1.10 Special Education	68,701,629	19,696,093	88,397,722	2,176,442	90,574,164	91,956,981	89,558,132
1.20 Early Learning and Child Care	215,731	50,184	265,915	15,212	281,127		
1.30 English Language Learning	17,936,540	4,897,222	22,833,762	306,048	23,139,810	23,531,033	21,214,432
1.31 Indigenous Education	2,472,722	697,604	3,170,326	469,196	3,639,522	3,532,170	4,027,033
1.41 School Administration	29,792,636	7,645,476	37,438,112	925,254	38,363,366	38,179,058	36,715,540
1.60 Summer School	2,281,546	629,473	2,911,019	123,577	3,034,596	3,023,568	2,302,438
1.62 International and Out of Province Students	9,321,052	2,554,485	11,875,537	1,695,489	13,571,026	13,022,959	11,727,470
Total Function 1	354,263,927	96,648,312	450,912,239	25,531,241	476,443,480	473,139,336	446,807,317
4 District Administration							
4.11 Educational Administration	4,730,387	1,144,209	5,874,596	1,289,512	7,164,108	6,597,615	5,695,026
4.40 School District Governance	886,959	153,060	1,040,019	216,161	1,256,180	1,271,523	1,269,606
4.41 Business Administration	8,470,016	2,239,443	10,709,459	5,983,021	16,692,480	15,279,964	14,966,926
Total Function 4	14,087,362	3,536,712	17,624,074	7,488,694	25,112,768	23,149,102	21,931,558
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	4,577,076	1,213,487	5,790,563	1,948,598	7,739,161	7,413,521	8,207,218
5.50 Maintenance Operations	32,858,296	8,018,841	40,877,137	8,665,008	49,542,145	50,495,472	46,854,273
5.52 Maintenance of Grounds	2,849,702	636,653	3,486,355	2,635,241	6,121,596	4,216,191	4,980,060
5.56 Utilities	-	-	-	11,327,807	11,327,807	9,947,726	9,716,183
Total Function 5	40,285,074	9,868,981	50,154,055	24,576,654	74,730,709	72,072,910	69,757,734
7 Transportation and Housing							
7.70 Student Transportation	53,118	15,802	68,920	3,282,176	3,351,096	3,378,111	3,357,313
Total Function 7	53,118	15,802	68,920	3,282,176	3,351,096	3,378,111	3,357,313
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	408,689,481	110,069,807	518,759,288	60,878,765	579,638,053	571,739,459	541,853,922

School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

	2023 Budget (Note 14)	2023 Actual	2022 Actual (Restated - Note 21)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	72,296,994	69,661,259	62,084,113
Other	5,973,816	7,848,081	7,247,753
Other Revenue	7,026,009	7,543,783	6,794,441
Investment Income	251,879	816,690	217,128
Total Revenue	85,548,698	85,869,813	76,343,435
Expenses			
Instruction	79,285,846	79,907,784	70,235,189
District Administration	1,194,191	1,176,074	1,416,106
Operations and Maintenance	4,167,507	4,012,838	3,621,918
Transportation and Housing	126,183	126,183	130,248
Total Expense	84,773,727	85,222,879	75,403,461
Special Purpose Surplus (Deficit) for the year	774,971	646,934	939,974
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(774,971)	(635,836)	(939,974)
Other		(11,098)	
Total Net Transfers	(774,971)	(646,934)	(939,974)
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, 2023

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		475,048	531,979	666,054	4,023,290		23,692	196,775	377,587
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,238,403	1,675,004		8,324,504		608,000	218,050	721,678	9,865,189
Provincial Grants - Other									
Other			104,546		6,818,531				
Investment Income	17,957		17,108	25,974		2,460	3,110	15,438	63,780
	2,256,360	1,675,004	121,654	8,350,478	6,818,531	610,460	221,160	737,116	9,928,969
Less: Allocated to Revenue	2,256,360	1,560,521	97,360	8,202,413	6,994,394	610,460	226,796	749,159	9,929,322
Recovered				355,072					
Deferred Revenue, end of year	-	589,531	556,273	459,047	3,847,427	-	18,056	184,732	377,234
Revenues									
Provincial Grants - Ministry of Education and Child Care	2,238,403	1,560,521		8,176,439		608,000	223,686	733,721	9,865,542
Provincial Grants - Other									
Other Revenue			97,246		6,994,394				
Investment Income	17,957		114	25,974		2,460	3,110	15,438	63,780
	2,256,360	1,560,521	97,360	8,202,413	6,994,394	610,460	226,796	749,159	9,929,322
Expenses									
Salaries									
Teachers				1,966,688				117,780	368,102
Principals and Vice Principals				292,619				3,028	131,758
Educational Assistants		1,145,441		104	757	436,127	21,598		2,742,074
Support Staff	1,634,123	60,639		1,126,874	86,197	360	50,443		1,547,016
Other Professionals				19,543					1,343,282
Substitutes				2,073	1,591		2,255	80,499	
	1,634,123	1,206,080	-	3,407,901	88,545	436,487	74,296	201,307	6,132,232
Employee Benefits	354,816	354,441		955,546	16,458	128,804	21,666	47,221	1,661,338
Services and Supplies	267,421		97,360	3,764,528	6,624,836	45,169	130,834	500,631	2,134,792
	2,256,360	1,560,521	97,360	8,127,975	6,729,839	610,460	226,796	749,159	9,928,362
Net Revenue (Expense) before Interfund Transfers	-	-	-	74,438	264,555	-	-	-	960
Interfund Transfers									
Tangible Capital Assets Purchased				(74,438)	(253,457)				(960)
Other					(11,098)				
	-	-	-	(74,438)	(264,555)	-	-	-	(960)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund							87,123		

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

	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	Federal Safe Return to Class / Ventilation Fund	Seamless Day Kindergarten	Student & Family Affordability
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			898,207		49,136	1,739	1,081,444	35,450	
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	4,188,064	31,206,830	2,232,132	126,183	47,000	11,250		55,400	4,712,638
Provincial Grants - Other								4,719	
Other									
Investment Income	62,843				3,450	323	11,795		
	4,250,907	31,206,830	2,232,132	126,183	50,450	11,573	11,795	60,119	4,712,638
Less: Allocated to Revenue	4,250,907	31,206,830	914,743	126,183	60,696	5,705	1,093,239	41,810	3,668,742
Recovered			898,207						
Deferred Revenue, end of year	-	-	1,317,389	-	38,890	7,607	-	53,759	1,043,896
Revenues									
Provincial Grants - Ministry of Education and Child Care	4,188,064	31,206,830	914,743	126,183	57,246	5,382	1,081,444	41,810	3,668,742
Provincial Grants - Other									
Other Revenue									
Investment Income	62,843				3,450	323	11,795		
	4,250,907	31,206,830	914,743	126,183	60,696	5,705	1,093,239	41,810	3,668,742
Expenses									
Salaries									
Teachers		24,535,508	144,915						
Principals and Vice Principals	32,845								
Educational Assistants	2,099,609					1,267		31,551	
Support Staff	21,013						420,518		156
Other Professionals	457,045								
Substitutes	681,816		146,582			2,482			845
	3,292,328	24,535,508	291,497	-	-	3,749	420,518	31,551	1,001
Employee Benefits	895,767	6,671,322	73,274			942	93,945	10,259	235
Services and Supplies	62,812		549,972	126,183	60,696	1,014	584,380		3,667,506
	4,250,907	31,206,830	914,743	126,183	60,696	5,705	1,098,843	41,810	3,668,742
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	(5,604)	-	-
Interfund Transfers									
Tangible Capital Assets Purchased							5,604		
Other									
	-	-	-	-	-	-	5,604	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund	719,740								

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	CommunityLINK Other	PRP	CAYA	Assistive Technology AT-BC	PRCVI	Settlement Workers In School	Miscellaneous
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			782,977	308,493	3,653,598	10,643,553	633,516	390,422	614,744
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	19,000	175,000		2,649,277			2,722,359		
Provincial Grants - Other					17,915,000	6,143,808			
Other			26,222						248,015
Investment Income			30,721	17,189	403,344	508,364	37,646	15,338	26,337
	19,000	175,000	56,943	2,666,466	18,318,344	6,652,172	2,760,005	15,338	274,352
Less: Allocated to Revenue	2,981	79,832	367,851	2,407,200	3,046,551	5,067,225	2,529,325	102,177	271,031
Recovered				290,053					
Deferred Revenue, end of year	16,019	95,168	472,069	277,706	18,925,391	12,228,500	864,196	303,583	618,065
Revenues									
Provincial Grants - Ministry of Education and Child Care	2,981	79,832		2,390,011			2,491,679		
Provincial Grants - Other			155,886		3,046,551	4,558,861		86,783	
Other Revenue			181,244					56	270,843
Investment Income			30,721	17,189		508,364	37,646	15,338	188
	2,981	79,832	367,851	2,407,200	3,046,551	5,067,225	2,529,325	102,177	271,031
Expenses									
Salaries									
Teachers				1,479,560			176,784		
Principals and Vice Principals		73,438		77,317					
Educational Assistants	308		153	54,266					9,555
Support Staff			45	116,097	607,943	674,077	738,948	10,156	
Other Professionals				9,723	257,290	895,631	229,492	605	
Substitutes	490			71,503					
	798	73,438	198	1,808,466	865,233	1,569,708	1,145,224	10,761	9,555
Employee Benefits	213	6,394	46	489,466	255,165	407,145	319,175	2,414	2,800
Services and Supplies	1,970		367,607	109,268	1,926,153	3,090,372	1,022,837	34,590	42,592
	2,981	79,832	367,851	2,407,200	3,046,551	5,067,225	2,487,236	47,765	54,947
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	42,089	54,412	216,084
Interfund Transfers									
Tangible Capital Assets Purchased							(42,089)	(54,412)	(216,084)
Other									
	-	-	-	-	-	-	(42,089)	(54,412)	(216,084)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2023

	<u>TOTAL</u>
	<u>\$</u>
Deferred Revenue, beginning of year	25,387,704
Add: Restricted Grants	
Provincial Grants - Ministry of Education and Child Care	71,795,961
Provincial Grants - Other	24,063,527
Other	7,197,314
Investment Income	<u>1,263,177</u>
	104,319,979
Less: Allocated to Revenue	85,869,813
Recovered	<u>1,543,332</u>
Deferred Revenue, end of year	<u>42,294,538</u>
Revenues	
Provincial Grants - Ministry of Education and Child Care	69,661,259
Provincial Grants - Other	7,848,081
Other Revenue	7,543,783
Investment Income	<u>816,690</u>
	85,869,813
Expenses	
Salaries	
Teachers	28,789,337
Principals and Vice Principals	611,005
Educational Assistants	6,542,810
Support Staff	7,094,605
Other Professionals	3,212,611
Substitutes	<u>990,136</u>
	47,240,504
Employee Benefits	12,768,852
Services and Supplies	<u>25,213,523</u>
	85,222,879
Net Revenue (Expense) before Interfund Transfers	<u>646,934</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(635,836)
Other	<u>(11,098)</u>
	(646,934)
Net Revenue (Expense)	<u><u>-</u></u>
Additional Expenses funded by, and reported in, the Operating Fund	<u>806,863</u>

School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2023

	2023	2023 Actual			2022
	Budget (Note 14)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 21)
	\$	\$	\$	\$	\$
Revenues					
Other Revenue	266,664	171,679	1,466,494	1,638,173	437,152
Rentals and Leases	2,306,695		2,619,766	2,619,766	5,591,779
Investment Income	672,497		610,360	610,360	182,291
Amortization of Deferred Capital Revenue	24,706,427	24,553,444		24,553,444	22,432,349
Total Revenue	27,952,283	24,725,123	4,696,620	29,421,743	28,643,571
Expenses					
Operations and Maintenance	714,005		343,396	343,396	714,163
Amortization of Tangible Capital Assets					
Operations and Maintenance	34,431,463	34,346,700		34,346,700	32,389,948
Debt Services					
Capital Lease Interest	187,527		185,328	185,328	110,798
Total Expense	35,332,995	34,346,700	528,724	34,875,424	33,214,909
Capital Surplus (Deficit) for the year	(7,380,712)	(9,621,577)	4,167,896	(5,453,681)	(4,571,338)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	3,714,369	2,369,713		2,369,713	2,748,970
Capital Lease Payment	2,481,260		2,372,549	2,372,549	2,532,818
Total Net Transfers	6,195,629	2,369,713	2,372,549	4,742,262	5,281,788
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		278,301	(278,301)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,666,047	(1,666,047)	-	
Principal Payment					
Capital Lease		2,187,221	(2,187,221)	-	
Total Other Adjustments to Fund Balances		4,131,569	(4,131,569)	-	
Total Capital Surplus (Deficit) for the year	(1,185,083)	(3,120,295)	2,408,876	(711,419)	710,450
Capital Surplus (Deficit), beginning of year		37,224,199	14,172,726	51,396,925	117,692,862
Prior Period Adjustments					
To Recognize Asset Retirement Obligation					(67,006,387)
Capital Surplus (Deficit), beginning of year, as restated		37,224,199	14,172,726	51,396,925	50,686,475
Capital Surplus (Deficit), end of year		34,103,904	16,581,602	50,685,506	51,396,925

School District No. 39 (Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2023

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,781,543	1,166,286,022	18,985,751	2,125,351	679,878	23,760,497	1,232,619,042
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		67,117,711					67,117,711
Cost, beginning of year, as restated	20,781,543	1,233,403,733	18,985,751	2,125,351	679,878	23,760,497	1,299,736,753
Changes for the Year							
Increase:							
Purchases from:							
Operating Fund			1,172,338	36,731	15,240	509,568	1,733,877
Special Purpose Funds			356,972			278,864	635,836
Local Capital		278,301					278,301
Capital Lease						342,510	342,510
Transferred from Work in Progress		108,806,613	420,706				109,227,319
	-	109,084,914	1,950,016	36,731	15,240	1,130,942	112,217,843
Decrease:							
Deemed Disposals			1,660,102	231,756	355,327	4,362,700	6,609,885
	-	-	1,660,102	231,756	355,327	4,362,700	6,609,885
Cost, end of year	20,781,543	1,342,488,647	19,275,665	1,930,326	339,791	20,528,739	1,405,344,711
Work in Progress, end of year		130,060,761	13,893				130,074,654
Cost and Work in Progress, end of year	20,781,543	1,472,549,408	19,289,558	1,930,326	339,791	20,528,739	1,535,419,365
Accumulated Amortization, beginning of year		428,326,830	8,375,945	1,100,126	510,628	11,309,393	449,622,922
Prior Period Adjustments							
To Recognize Asset Retirement Obligation		67,014,459					67,014,459
Accumulated Amortization, beginning of year, as restated		495,341,289	8,375,945	1,100,126	510,628	11,309,393	516,637,381
Changes for the Year							
Increase: Amortization for the Year		27,699,949	1,913,072	202,785	101,968	4,428,926	34,346,700
Decrease:							
Deemed Disposals			1,660,102	231,756	355,327	4,362,700	6,609,885
			1,660,102	231,756	355,327	4,362,700	6,609,885
Accumulated Amortization, end of year		523,041,238	8,628,915	1,071,155	257,269	11,375,619	544,374,196
Tangible Capital Assets - Net	20,781,543	949,508,170	10,660,643	859,171	82,522	9,153,120	991,045,169

School District No. 39 (Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	157,342,036	33,260			157,375,296
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	68,630,191	387,450			69,017,641
Deferred Capital Revenue - Other	11,229,100	13,889			11,242,989
Local Capital	1,666,047				1,666,047
	<u>81,525,338</u>	<u>401,339</u>	-	-	<u>81,926,677</u>
Decrease:					
Transferred to Tangible Capital Assets	108,806,613	420,706			109,227,319
	<u>108,806,613</u>	<u>420,706</u>	-	-	<u>109,227,319</u>
Net Changes for the Year	<u>(27,281,275)</u>	<u>(19,367)</u>	-	-	<u>(27,300,642)</u>
Work in Progress, end of year	<u>130,060,761</u>	<u>13,893</u>	-	-	<u><u>130,074,654</u></u>

School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	637,148,203	9,072,451	23,107,601	669,328,255
Changes for the Year				
Increase:				
Transferred from Work in Progress	105,437,502	2,174,542	1,615,275	109,227,319
	<u>105,437,502</u>	<u>2,174,542</u>	<u>1,615,275</u>	<u>109,227,319</u>
Decrease:				
Amortization of Deferred Capital Revenue	23,599,792	353,719	599,933	24,553,444
	<u>23,599,792</u>	<u>353,719</u>	<u>599,933</u>	<u>24,553,444</u>
Net Changes for the Year	<u>81,837,710</u>	<u>1,820,823</u>	<u>1,015,342</u>	<u>84,673,875</u>
Deferred Capital Revenue, end of year	<u>718,985,913</u>	<u>10,893,274</u>	<u>24,122,943</u>	<u>754,002,130</u>
Work in Progress, beginning of year	138,906,790	1,644,048	8,978,625	149,529,463
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	69,017,641	2,490,505	8,752,484	80,260,630
	<u>69,017,641</u>	<u>2,490,505</u>	<u>8,752,484</u>	<u>80,260,630</u>
Decrease				
Transferred to Deferred Capital Revenue	105,437,502	2,174,542	1,615,275	109,227,319
	<u>105,437,502</u>	<u>2,174,542</u>	<u>1,615,275</u>	<u>109,227,319</u>
Net Changes for the Year	<u>(36,419,861)</u>	<u>315,963</u>	<u>7,137,209</u>	<u>(28,966,689)</u>
Work in Progress, end of year	<u>102,486,929</u>	<u>1,960,011</u>	<u>16,115,834</u>	<u>120,562,774</u>
Total Deferred Capital Revenue, end of year	<u>821,472,842</u>	<u>12,853,285</u>	<u>40,238,777</u>	<u>874,564,904</u>

School District No. 39 (Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2023

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		40,678,755	1,429,081			42,107,836
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	70,381,970					70,381,970
Other					8,752,484	8,752,484
Investment Income		1,943,902	64,807			2,008,709
Transfer project surplus to MECC Restricted (from) Bylaw	(1,364,329)	1,364,329				-
	69,017,641	3,308,231	64,807	-	8,752,484	81,143,163
Decrease:						
Transferred to DCR - Work in Progress	69,017,641	2,476,616	13,889		8,752,484	80,260,630
	69,017,641	2,476,616	13,889	-	8,752,484	80,260,630
Net Changes for the Year	-	831,615	50,918	-	-	882,533
Balance, end of year	-	41,510,370	1,479,999	-	-	42,990,369