

Audited Financial Statements of

**School District No. 38 (Richmond)**

June 30, 2018

# School District No. 38 (Richmond)

June 30, 2018

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# School District No. 38 (Richmond)

## MANAGEMENT REPORT

Version: 5840-5094-3112

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 38 (Richmond) 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. 38 (Richmond) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, 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. 38 (Richmond) 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. 38 (Richmond)

Original Signed September 26, 2018

Signature of the Chairperson of the Board of Education Date Signed

Original Signed September 26, 2018

Signature of the Superintendent Date Signed

Original Signed September 26, 2018

Signature of the Secretary Treasurer Date Signed



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## INDEPENDENT AUDITORS' REPORT

To the Board of Education, and  
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 38 (Richmond), which comprise the statement of financial position as at June 30, 2018, the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



*Opinion*

In our opinion, the financial statements of School District No. 38 (Richmond) as at and for the year ended June 30, 2018 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

*Emphasis of Matter*

Without modifying our opinion, we draw attention to note 2 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants

Vancouver, Canada  
September 26, 2018

# School District No. 38 (Richmond)

Statement of Financial Position  
As at June 30, 2018

Statement 1

	2018 Actual	2017 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	124,699,285	112,295,364
Accounts Receivable		
Due from Province - Ministry of Education	107,606	114,139
Due from Province - Other	-	428
Other (Note 4)	5,868,743	6,817,236
<b>Total Financial Assets</b>	<u>130,675,634</u>	<u>119,227,167</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	69,545	102,330
Other (Note 5)	20,141,643	19,967,465
Unearned Revenue (Note 6)	15,150,499	16,175,834
Deferred Revenue (Note 7)	7,165,597	6,395,812
Deferred Capital Revenue (Note 8)	187,846,036	188,197,887
Employee Future Benefits (Note 9)	11,250,885	11,086,326
Capital Lease Obligations (Note 10)	3,907,330	2,680,206
<b>Total Liabilities</b>	<u>245,531,535</u>	<u>244,605,860</u>
<b>Net Financial Assets (Debt)</b>	<u>(114,855,901)</u>	<u>(125,378,693)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	296,195,339	297,803,417
Prepaid Expenses	717,136	630,767
<b>Total Non-Financial Assets</b>	<u>296,912,475</u>	<u>298,434,184</u>
<b>Accumulated Surplus (Deficit) (Note 18)</b>	<u>182,056,574</u>	<u>173,055,491</u>
Contractual Obligations (Note 16)		
Contingent Liabilities (Note 16)		
Approved by the Board		September 26, 2018
<u>Original Signed</u>		Date Signed
Signature of the Chairperson of the Board of Education		September 26, 2018
<u>Original Signed</u>		Date Signed
Signature of the Superintendent		September 26, 2018
<u>Original Signed</u>		Date Signed
Signature of the Secretary Treasurer		Date Signed

# School District No. 38 (Richmond)

Statement of Operations  
Year Ended June 30, 2018

Statement 2

	2018 Budget (Note 15)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	207,878,933	208,590,968	183,594,288
Other	6,000	6,000	3,000
Federal Grants	1,732,581	1,542,685	1,604,407
Tuition	19,103,020	19,515,922	18,016,632
Other Revenue (Note 19)	7,696,944	7,279,394	12,207,702
Rentals and Leases	1,126,236	1,135,747	1,097,174
Investment Income	1,748,811	1,994,555	1,471,439
Gain (Loss) on Disposal of Tangible Capital Assets		(351,472)	
Amortization of Deferred Capital Revenue	8,140,460	8,140,460	8,156,926
<b>Total Revenue</b>	<u>247,432,985</u>	<u>247,854,259</u>	<u>226,151,568</u>
<b>Expenses (Note 17)</b>			
Instruction	197,333,978	189,894,425	177,705,991
District Administration	6,736,781	6,338,704	5,708,393
Operations and Maintenance	42,668,563	40,863,956	39,791,662
Transportation and Housing	1,613,201	1,617,865	1,630,534
Debt Services	134,894	138,226	181,708
<b>Total Expense</b>	<u>248,487,417</u>	<u>238,853,176</u>	<u>225,018,288</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,054,432)</u>	<u>9,001,083</u>	<u>1,133,280</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		173,055,491	171,922,211
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u>182,056,574</u>	<u>173,055,491</u>

**School District No. 38 (Richmond)**  
 Statement of Changes in Net Financial Assets (Debt)  
 Year Ended June 30, 2018

	2018 Budget (Note 15) \$	2018 Actual \$	2017 Actual \$
<b>Surplus (Deficit) for the year</b>	(1,054,432)	9,001,083	1,133,280
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(13,873,214)	(13,043,479)	(11,826,982)
Amortization of Tangible Capital Assets	14,275,292	14,300,085	14,019,936
Net carrying value of Tangible Capital Assets disposed of	-	351,472	-
<b>Total Effect of change in Tangible Capital Assets</b>	402,078	1,608,078	2,192,954
Acquisition of Prepaid Expenses	-	(717,136)	(630,767)
Use of Prepaid Expenses	-	630,767	297,139
<b>Total Effect of change in Other Non-Financial Assets</b>	-	(86,369)	(333,628)
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	(652,354)	10,522,792	2,992,606
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		10,522,792	2,992,606
<b>Net Financial Assets (Debt), beginning of year</b>		(125,378,693)	(128,371,299)
<b>Net Financial Assets (Debt), end of year</b>		(114,855,901)	(125,378,693)



# School District No. 38 (Richmond)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2018

	2018 Actual	2017 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	9,001,083	1,133,280
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	955,454	(879,775)
Prepaid Expenses	(86,369)	(333,628)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	141,393	571,865
Unearned Revenue	(1,025,335)	(1,683,620)
Deferred Revenue	769,785	(474,662)
Employee Future Benefits	164,559	198,708
Loss (Gain) on Disposal of Tangible Capital Assets	351,472	-
Amortization of Tangible Capital Assets	14,300,085	14,019,936
Amortization of Deferred Capital Revenue	(8,140,460)	(8,156,926)
<b>Total Operating Transactions</b>	<u>16,431,667</u>	<u>4,395,178</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(9,687,033)	(11,233,181)
<b>Total Capital Transactions</b>	<u>(9,687,033)</u>	<u>(11,233,181)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	7,788,609	3,511,394
Capital Lease Payment	(2,129,322)	(2,140,234)
<b>Total Financing Transactions</b>	<u>5,659,287</u>	<u>1,371,160</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>12,403,921</u>	<u>(5,466,843)</u>
<b>Cash and Cash Equivalents, beginning of year (Note 3)</b>	<u>112,295,364</u>	<u>117,762,207</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>124,699,285</u>	<u>112,295,364</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash (Note 3)	22,181,387	27,683,396
Cash Equivalents (Note 3)	102,517,898	84,611,968
	<u>124,699,285</u>	<u>112,295,364</u>
Supplementary Cash Flow Information (Note 22)		

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 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. 38 (Richmond)", and operates as "School District No. 38 (Richmond)." 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 ("MOE"). School District No. 38 (Richmond) is exempt from federal and provincial corporate income taxes.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

The 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(e) and 2(m).

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(e) and 2(m), 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.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid 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.

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) 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 (m).

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.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

f) Employee Future Benefits

i) Post-Employment Benefits:

The School District provides certain post-employment benefits, including vested and non-vested benefits, for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs, including both vested and non-vested benefits, under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31, adjusted for transactions to June 30, 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.

g) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of 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 standards;
- 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.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

g) Liability for Contaminated Sites (Continued)

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.

h) Tangible Capital Assets

The following criteria apply:

- 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 value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case the assets are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events indicate the need to revise. Estimated useful lives are as follows:

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

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

i) **Asset Retirement Obligations**

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

j) **Capital Leases**

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as a leased tangible capital asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. 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 fees and dues, licenses, and rent are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) **Funds and Reserves**

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes (see Note 18 - Accumulated Surplus). Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 - Interfund Transfers).

m) **Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

m) Revenue Recognition (Continued)

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 value and amortized over the useful life 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 government 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 as revenue over the period that the liability is extinguished.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

n) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes interest charged on capital leases.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

n) Expenditures (Continued)

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, 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.

o) 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, accounts receivable, accounts payable, accrued liabilities, and capital lease obligations.

Except for portfolio investments in equity instruments quoted in an active market 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.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.



**SCHOOL DISTRICT NO. 38 (RICHMOND)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

o) Financial Instruments (Continued)

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.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

p) 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.

**NOTE 3 CASH AND CASH EQUIVALENTS**

	2018	2017
Cash – Operating Fund	\$18,761,233	\$24,985,961
Cash – Special Purpose Fund	3,420,154	2,697,435
Cash Equivalent	102,427,374	84,524,000
Investments held by Richmond Community Foundation	90,524	87,968
	\$124,699,285	\$112,295,364

During fiscal 2012, the School District transferred scholarship funds to the Richmond Community Foundation. Richmond Community Foundation will retain, invest and have disbursed scholarships on behalf of the School District, in exchange for an administration fee. The funds will be invested in pooled funds with the Foundation's other assets. The funds will remain with the Foundation for a minimum of 10 years, before returning to the School District unless the agreement is extended.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 4      ACCOUNTS RECEIVABLE - OTHER**

	2018	2017
Due from Federal Government	\$667,475	\$1,120,072
Due from Benefit Carrier - unrestricted deposit account	4,811,413	5,062,986
Other	389,855	634,178
	\$5,868,743	\$6,817,236

The amount due from the Benefit Carrier –Unrestricted Deposit Account represents surplus funds in excess of the required reserves held by the Benefit Carrier.

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2018	2017
Trade payables	\$3,104,521	\$4,315,174
Salaries and benefits payable	13,825,026	12,697,423
Accrued vacation pay	2,785,951	2,696,383
Other	426,145	258,485
	\$20,141,643	\$19,967,465

**NOTE 6      UNEARNED REVENUE**

	2018	2017
Balance, beginning of year	\$16,175,834	\$17,859,454
Fees received	18,490,587	19,757,593
Fees recognized as revenue	(19,515,922)	(21,441,213)
	\$15,150,499	\$16,175,834

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 7 DEFERRED REVENUE**

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	2018	2017
Balance, beginning of year	\$6,395,812	\$6,870,474
Changes for the year:		
Increase:		
Provincial grants - MOE	33,956,179	8,716,482
Federal grants	1,539,382	1,615,154
Other revenue	7,599,244	7,827,972
Investment income	63,268	24,163
	<u>43,158,073</u>	<u>18,183,771</u>
Decrease:		
Transfers to revenue	<u>(42,388,288)</u>	<u>(18,658,433)</u>
Balance, end of year	<u>\$7,165,597</u>	<u>\$6,395,812</u>

**NOTE 8 DEFERRED CAPITAL REVENUE**

Deferred capital revenue 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 the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	2018	2017
Balance, beginning of year	\$188,197,887	\$192,843,419
Changes for the year:		
Increase:		
Transfer from DC - capital additions	6,862,654	7,019,067
Provincial grants - MOE	6,465,432	2,625,190
Provincial grants - Other	72,154	142,827
Other revenue	1,078,843	633,006
Investment income	172,180	110,371
	<u>14,651,263</u>	<u>10,530,461</u>
Decrease:		
Transfer to DCC - capital additions	<u>(6,862,654)</u>	<u>(7,019,067)</u>
Amortization	<u>(8,140,460)</u>	<u>(8,156,926)</u>
	<u>(15,003,114)</u>	<u>(15,175,993)</u>
Balance, end of year	<u>\$187,846,036</u>	<u>\$188,197,887</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 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.

	2018	2017
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation - April 1	\$11,112,487	\$11,865,436
Service Cost	924,074	924,168
Interest Cost	314,111	297,515
Benefit Payments	(1,006,394)	(953,121)
Actuarial (Gain) Loss	(209,197)	(1,021,511)
Accrued Benefit Obligation - March 31	<u>\$11,135,081</u>	<u>\$11,112,487</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$11,135,081	\$11,112,487
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(11,135,081)	(11,112,487)
Employer Contributions After Measurement Date	408,068	278,575
Benefit Expense After Measurement Date	(318,992)	(309,546)
Unamortized Net Actuarial Loss	(204,880)	57,132
Accrued Benefit Liability - June 30	<u>\$(11,250,885)</u>	<u>\$(11,086,326)</u>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	\$11,086,326	\$10,887,618
Net Expense for Fiscal Year	1,300,447	1,375,911
Employer Contributions	(1,135,888)	(1,177,203)
Accrued Benefit Liability - June 30	<u>\$11,250,885</u>	<u>\$11,086,326</u>
<b>Components of Net Benefit Expense</b>		
Service Cost	\$933,204	\$924,145
Interest Cost	314,427	301,663
Amortization of Net Actuarial Loss	52,816	150,103
Net Benefit Expense	<u>\$1,300,447</u>	<u>\$1,375,911</u>

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

	2018	2017
Discount Rate - April 1	2.75%	2.50%
Discount Rate - March 31	2.75%	2.75%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSLS - March 31	10.5	10.5

**SCHOOL DISTRICT NO. 38 (RICHMOND)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 10 CAPITAL LEASE OBLIGATIONS**

The School District has obligations under capital leases. The present value of future minimum lease payments, rates of interest and end dates of these leases are shown below:

	2018	2017
Macquarie Financial, with interest at 4.98%, expired September 1, 2017	-	6,147
Macquarie Financial, with interest at 3.20%, expired March 1, 2018	-	182,187
Macquarie Financial, with interest at 3.17%, expired June 1, 2018	-	30,930
Macquarie Financial, with interest at 3.00%, expired June 1, 2018	-	123,725
Macquarie Financial, with interest at 3.56%, expired June 1, 2018	-	5,576
Macquarie Financial, with interest at 3.45%, expires September 1, 2018	3,290	63,310
Macquarie Financial, with interest at 3.45%, expires March 1, 2019	19,851	55,280
Macquarie Financial, with interest at 3.79%, expires May 31, 2020	235,788	363,691
Macquarie Financial, with interest at 3.19%, expires June 1, 2019	710,959	1,414,582
Macquarie Financial, with interest at 4.90%, expires June 2, 2020	82,502	120,806
Macquarie Financial, with interest at 3.49%, expires June 1, 2019	72,491	142,504
Macquarie Financial, with interest at 3.01%, expires June 1, 2019	39,252	77,348
Macquarie Financial, with interest at 3.10%, expires December 1, 2019	57,339	94,120
CSI EPC, with interest at 2.69%, expires September 1, 2021	1,838,371	-
CSI EPC, with interest at 2.69%, expires October 1, 2021	113,261	-
CSI EPC, with interest at 2.69%, expires November 1, 2019	107,397	-
CSI EPC, with interest at 2.69%, expires March 1, 2021	626,829	-
	<u>\$3,907,330</u>	<u>\$2,680,206</u>

Repayments are due as follows:

	2018
2019	\$2,036,136
2020	1,085,417
2021	880,084
2022	60,247
Total minimum lease payments	\$4,061,884
Less amounts representing interest	154,554
Present value of net minimum capital lease payments	\$3,907,330

Total interest on leases for the year was \$138,226 (2017 - \$181,708).

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 11 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2018	Net Book Value 2017
Sites	\$55,169,613	\$55,169,613
Buildings	226,105,810	227,924,255
Furniture & Equipment	4,183,697	4,231,551
Vehicles	1,581,782	1,798,242
Computer Software	790,971	1,139,487
Computer Hardware	8,363,466	7,540,269
<b>Total</b>	<b>\$296,195,339</b>	<b>\$297,803,417</b>

**June 30, 2018**

Cost:	Opening Cost	Additions	Disposals	Total 2018
Sites	\$55,169,613	\$ -	\$ -	\$55,169,613
Buildings	427,251,523	8,049,228	-	435,300,751
Furniture & Equipment	8,596,006	790,229	(1,220,576)	8,165,659
Vehicles	3,341,783	115,127	(260,034)	3,196,876
Computer Software	2,095,523	49,192	(263,164)	1,881,551
Computer Hardware	14,176,309	4,039,703	(2,666,655)	15,549,357
<b>Total</b>	<b>\$510,630,757</b>	<b>\$13,043,479</b>	<b>\$(4,410,429)</b>	<b>\$519,263,807</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2018
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	199,327,268	9,867,673	-	209,194,941
Furniture & Equipment	4,364,455	838,083	(1,220,576)	3,981,962
Vehicles	1,543,541	331,587	(260,034)	1,615,094
Computer Software	956,036	397,708	(263,164)	1,090,580
Computer Hardware	6,636,040	2,865,034	(2,315,183)	7,185,891
<b>Total</b>	<b>\$212,827,340</b>	<b>\$14,300,085</b>	<b>\$(4,058,957)</b>	<b>\$223,068,468</b>

**SCHOOL DISTRICT NO. 38 (RICHMOND)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2017**

Cost:	Opening Cost	Additions	Disposals	Total 2017
Sites	\$55,169,613	\$ -	\$ -	\$55,169,613
Buildings	418,083,423	9,168,100	-	427,251,523
Furniture & Equipment	10,178,075	488,088	(2,070,157)	8,596,006
Vehicles	3,464,630	172,883	(295,730)	3,341,783
Computer Software	2,122,930	208,641	(236,048)	2,095,523
Computer Hardware	14,043,227	1,789,270	(1,656,188)	14,176,309
<b>Total</b>	<b>\$503,061,898</b>	<b>\$11,826,982</b>	<b>\$(4,258,123)</b>	<b>\$510,630,757</b>

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	189,642,350	9,684,918	-	199,327,268
Furniture & Equipment	5,495,908	938,704	(2,070,157)	4,364,455
Vehicles	1,494,296	344,975	(295,730)	1,543,541
Computer Software	768,646	423,438	(236,048)	956,036
Computer Hardware	5,664,327	2,627,901	(1,656,188)	6,636,040
<b>Total</b>	<b>\$203,065,527</b>	<b>\$14,019,936</b>	<b>\$(4,258,123)</b>	<b>\$212,827,340</b>

- Included in capital assets is equipment under capital lease with a cost of \$9,449,945 (2017 - \$8,147,675) and accumulated amortization of \$3,341,819 (2017 - \$3,651,688).

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 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 board 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 provided are based on a formula. As at December 31, 2017, the Teachers' Pension Plan has about 46,455 active members and approximately 37,570 retired members, and 12,400 inactive members. As at December 31, 2017, the Municipal Pension Plan has about 197,279 active members, 95,200 retired members, and 40,410 inactive members, including approximately 24,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits on a going concern basis. As a result of the 2014 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased. The next valuation will be as at December 31, 2017 with results available in 2018.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged. The next valuation will be as at December 31, 2018 with results available in 2019.

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

School District #38 (Richmond) paid \$18,891,415 (2017 - \$17,738,785) for employer contributions to these plans in the year ended June 30, 2018.



**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 13 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2018, were as follows:

	Operating Fund		Special Purpose Funds		Capital Fund	
	2018	2017	2018	2017	2018	2017
Funding Local Capital Reserve						
as permitted under School Act	\$(4,657,849)	\$(5,255,416)	\$(130,803)	-	\$4,788,652	\$5,255,416
Capital assets purchased	(474,957)	-	(801,691)	(640,267)	1,276,648	640,267
	<u>\$(5,132,806)</u>	<u>\$(5,255,416)</u>	<u>\$(932,494)</u>	<u>\$(640,267)</u>	<u>\$6,065,300</u>	<u>\$5,895,683</u>

**NOTE 14 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. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

During the year, the School District received \$240,000 (2017 - \$240,000) from School District #93, the Conseil Scolaire Francophone, for the rental of facilities.

**NOTE 15 BUDGET FIGURES**

Budget figures, included in the financial statements, are the School District's Amended Annual budget approved by the Board through the adoption of an Amended Annual Budget on February 14, 2018. Changes between the Annual Budget (approved by the Board on June 19, 2017) and the Amended Annual Budget are listed below:

	Annual Budget	Amended Budget	Change
Statement 2			
Total Revenue	\$227,726,236	\$247,432,985	\$19,706,749
Total Expense	229,146,635	248,487,417	19,340,782
Budgeted Deficit for the year	<u>\$(1,420,399)</u>	<u>\$(1,054,432)</u>	<u>\$365,967</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 15 BUDGET FIGURES (Continued)**

	Annual Budget	Amended Budget	Change
Statement 4			
Deficit for the year	\$(1,420,399)	\$(1,054,432)	\$365,967
Total Effect of change in Tangible Capital Assets	2,067,837	402,078	(1,665,759)
(Increase) Decrease in Net Financial Assets (Debt)	\$647,438	\$(652,354)	\$(1,299,792)

Significant changes between the annual and amended budget were:

Statement 2

Total Revenue

- Budgeted revenues were amended based on actual student enrolment, increased student tuition fees revenue and increased classroom enhancement fund staffing grant.

Total Expense

- Budgeted expenses were amended based on revised projections/cost estimates and the additional staffing costs for the classroom enhancement fund staffing grant.

**NOTE 16 CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES**

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.

**NOTE 17 EXPENSE BY OBJECT**

	2018	2017
Salaries and benefits	\$198,401,543	\$183,729,931
Services and supplies	26,013,322	27,086,713
Interest	138,226	181,708
Amortization	14,300,085	14,019,936
	<u>\$238,853,176</u>	<u>\$225,018,288</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 18 ACCUMULATED SURPLUS**

Accumulated surplus balances are comprised of:

	2018	2017
Invested in Tangible Capital Assets	\$115,236,224	\$116,793,623
Local Capital Internally Restricted by Board for:		
Restricted - Capital Leases	3,907,330	2,680,206
Restricted - City Centre Elementary School	36,457,158	37,957,158
Restricted - Anderson Elementary - 8 Classroom		
Addition - Board Portion	-	403,870
Restricted - Cook Elementary – Board Portion	1,355,000	1,000,000
Restricted - Board Approved	4,696,652	1,045,963
Restricted - Under Review by Board	155,167	2,960,165
Restricted - Contingency Reserves	1,500,000	-
Annual Local Capital Expense	2,346,000	2,346,000
Subtotal Internally Restricted	50,417,307	48,393,362
Capital Surplus	\$165,653,531	\$165,186,985
Internally Restricted (Appropriated) by Board for:		
2018/19 Budget Appropriation	1,559,512	-
School/Staff Account Balances	5,361,065	5,390,631
Outstanding Purchase Orders	313,696	353,294
School Generated Funds	1,600,000	1,600,000
International Education Programs	500,000	500,000
Subtotal Internally Restricted	\$9,334,273	\$7,843,925
Unrestricted Operating Surplus	7,068,770	24,581
Total Operating Surplus, Restricted and Unrestricted	\$16,403,043	\$7,868,506
Total Accumulated Surplus	\$182,056,574	\$173,055,491

**SCHOOL DISTRICT NO. 38 (RICHMOND)  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2018**

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**NOTE 19 OTHER REVENUE**

Other Revenue, shown on Statement 2, comprises the following:

	2018	2017
Operating Fund:		
Other School District/Education Authorities	\$240,000	\$240,000
Miscellaneous:		
Cafeteria	346,356	351,708
Miscellaneous	37,624	42,753
International Education Programs and Services	-	3,424,581
	\$623,980	\$4,059,042
Special Purpose Funds:		
School Generated Funds	6,323,742	7,808,881
Educational Trust Funds	328,672	331,111
Strong Start	3,000	8,668
	\$6,655,414	\$8,148,660
 Total Other Revenue	 \$7,279,394	 \$12,207,702

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 20 FINANCIAL STATEMENT PRESENTATION – BY FUND**

While Canadian public sector accounting standards (“PSA Standards”) require that financial information for each fund be presented separately within the unaudited Schedules to these financial statements, there is no reporting requirement to provide segmented summary information.

Thus, for the reader’s ease of use of these financial statements, this information is presented below, for both the Statement of Financial Position and the Statement of Operations.

i) Statement of Financial Position by Fund

	Operating Fund	Special Purpose Funds	Capital Fund	Total June 30, 2018	Total June 30, 2017
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and Cash Equivalents	120,441,173	4,258,112	-	124,699,285	112,295,364
Accounts Receivable					
Due from Province - Ministry of Education	17,641	89,965	-	107,606	114,139
Due from Province - Other	-	-	-	-	428
Other	5,333,379	535,364	-	5,868,743	6,817,236
<b>Total Financial Assets</b>	<b>125,792,193</b>	<b>4,883,441</b>	<b>-</b>	<b>130,675,634</b>	<b>119,227,167</b>
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education	69,545	-	-	69,545	102,330
Other	19,456,912	28,919	655,812	20,141,643	19,967,465
Due To/From	64,178,445	(2,311,075)	(61,867,370)	-	-
Unearned Revenue	15,150,499	-	-	15,150,499	16,175,834
Deferred Revenue	-	7,165,597	-	7,165,597	6,395,812
Deferred Capital Revenue	-	-	187,846,036	187,846,036	188,197,887
Employee Future Benefits	11,250,885	-	-	11,250,885	11,086,326
Capital Lease Obligations	-	-	3,907,330	3,907,330	2,680,206
<b>Total Liabilities</b>	<b>110,106,286</b>	<b>4,883,441</b>	<b>130,541,808</b>	<b>245,531,535</b>	<b>244,605,860</b>
<b>Net Financial Assets (Debt)</b>	<b>15,685,907</b>	<b>-</b>	<b>(130,541,808)</b>	<b>(114,855,901)</b>	<b>(125,378,693)</b>
<b>Non-Financial Assets</b>					
Tangible Capital Assets	-	-	296,195,339	296,195,339	297,803,417
Prepaid Expenses	717,136	-	-	717,136	630,767
<b>Total Non-Financial Assets</b>	<b>717,136</b>	<b>-</b>	<b>296,195,339</b>	<b>296,912,475</b>	<b>298,434,184</b>
<b>Accumulated Surplus (Deficit)</b>	<b>16,403,043</b>	<b>-</b>	<b>165,653,531</b>	<b>182,056,574</b>	<b>173,055,491</b>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 20 FINANCIAL STATEMENT PRESENTATION – BY FUND (Continued)**

ii) Statement of Operations by Fund

	2018				2018	2017
	Budget	Operating	Special Purpose	Capital	Actual	Actual
	(Total)	Fund	Funds	Fund	Total	Total
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Provincial Grants						
Ministry of Education	207,878,933	174,437,649	34,153,319	-	208,590,968	183,594,288
Other	6,000	6,000	-	-	6,000	3,000
Federal Grants	1,732,581	-	1,542,685	-	1,542,685	1,604,407
Tuition	19,103,020	19,515,922	-	-	19,515,922	18,016,632
Other Revenue	7,696,944	623,980	6,655,414	-	7,279,394	12,207,702
Rentals and Leases	1,126,236	1,135,747	-	-	1,135,747	1,097,174
Investment Income	1,748,811	907,116	36,870	1,050,569	1,994,555	1,471,439
Loss (Gain) on Disposal of Tangible Capital Assets	-	-	-	(351,472)	(351,472)	-
Amortization of Deferred Capital Revenue	8,140,460	-	-	8,140,460	8,140,460	8,156,926
<b>Total Revenue</b>	<b>247,432,985</b>	<b>196,626,414</b>	<b>42,388,288</b>	<b>8,839,557</b>	<b>247,854,259</b>	<b>226,151,568</b>
<b>Expenses</b>						
Instruction	197,333,978	150,066,950	39,827,475	-	189,894,425	177,705,991
District Administration	6,736,781	5,729,053	609,651	-	6,338,704	5,708,393
Operations and Maintenance	42,668,563	-25,876,790	1,018,668	13,968,498	40,863,956	39,791,662
Transportation and Housing	1,613,201	1,286,278	-	331,587	1,617,865	1,630,534
Debt Services	134,894	-	-	138,226	138,226	181,708
<b>Total Expense</b>	<b>248,487,417</b>	<b>182,959,071</b>	<b>41,455,794</b>	<b>14,438,311</b>	<b>238,853,176</b>	<b>225,018,288</b>
<b>Surplus (Deficit) for the year</b>	<b>(1,054,432)</b>	<b>13,667,343</b>	<b>932,494</b>	<b>(5,598,754)</b>	<b>9,001,083</b>	<b>1,133,280</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		7,868,506	-	165,186,985	173,055,491	171,922,211
<b>Interfund Transfers (Note 13)</b>		(5,132,806)	(932,494)	6,065,300	-	-
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>16,403,043</b>	<b>-</b>	<b>165,653,531</b>	<b>182,056,574</b>	<b>173,055,491</b>

**NOTE 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. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 22 SUPPLEMENTARY CASH FLOW INFORMATION**

During the year, the School District had acquired tangible capital assets under capital leases of \$3,356,446 (2017 - \$593,801).

**NOTE 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 receivables 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 placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates and term deposits.

b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest primarily in guaranteed investment certificates and term deposits that have a maturity date of no more than 3 years.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**NOTE 23    RISK MANAGEMENT** *(Continued)*

c) **Liquidity risk**

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

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

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.



**School District No. 38 (Richmond)**  
 Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
 Year Ended June 30, 2018

	Operating Fund	Special Purpose Fund	Capital Fund	2018 Actual	2017 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,868,506		165,186,985	173,055,491	171,922,211
Changes for the year					
Surplus (Deficit) for the year	13,667,343	932,494	(5,598,754)	9,001,083	1,133,280
Interfund Transfers	(474,957)	(801,691)	1,276,648	-	-
Tangible Capital Assets Purchased	(4,657,849)	(130,803)	4,657,849	-	-
Local Capital			130,803		
Other			466,546		
Net Changes for the year	8,534,537	-	466,546	9,001,083	1,133,280
Accumulated Surplus (Deficit), end of year - Statement 2	16,403,043	-	165,653,531	182,056,574	173,055,491

**School District No. 38 (Richmond)**

Schedule 2 (Unaudited)

Schedule of Operating Operations  
Year Ended June 30, 2018

	2018 Budget (Note 15)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	173,194,987	174,437,649	174,694,575
Other	6,000	6,000	3,000
Tuition	19,103,020	19,515,922	18,016,632
Other Revenue	594,494	623,980	4,059,042
Rentals and Leases	1,126,236	1,135,747	1,097,174
Investment Income	784,111	907,116	735,181
<b>Total Revenue</b>	<b>194,808,848</b>	<b>196,626,414</b>	<b>198,605,604</b>
<b>Expenses</b>			
Instruction	156,963,072	150,066,950	160,614,915
District Administration	6,159,953	5,729,053	5,207,749
Operations and Maintenance	26,412,970	25,876,790	25,690,255
Transportation and Housing	1,272,853	1,286,278	1,285,559
<b>Total Expense</b>	<b>190,808,848</b>	<b>182,959,071</b>	<b>192,798,478</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>4,000,000</b>	<b>13,667,343</b>	<b>5,807,126</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	-	(474,957)	-
Local Capital	(4,000,000)	(4,657,849)	(5,255,416)
<b>Total Net Transfers</b>	<b>(4,000,000)</b>	<b>(5,132,806)</b>	<b>(5,255,416)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>8,534,537</b>	<b>551,710</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>7,868,506</b>	<b>7,316,796</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>16,403,043</b>	<b>7,868,506</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 18)		<b>9,334,273</b>	<b>7,843,925</b>
Unrestricted		<b>7,068,770</b>	<b>24,581</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>16,403,043</b>	<b>7,868,506</b>

# School District No. 38 (Richmond)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source  
Year Ended June 30, 2018

	2018 Budget (Note 15)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	169,818,182	170,849,905	170,185,089
Other Ministry of Education Grants			
Pay Equity	2,215,706	2,215,706	2,215,706
Funding for Graduated Adults	31,392	71,578	81,895
Transportation Supplement	21,608	21,608	21,608
Economic Stability Dividend	-	-	107,004
Return of Administrative Savings	871,987	871,987	871,987
Carbon Tax Grant	140,000	158,754	147,324
Student Learning Grant	-	-	1,009,169
SRG3 Assessment Grant	-	152,000	-
Benefits Funding	51,740	51,740	-
Other Misc and One-Time Grants	44,372	44,371	54,793
<b>Total Provincial Grants - Ministry of Education</b>	<b>173,194,987</b>	<b>174,437,649</b>	<b>174,694,575</b>
<b>Provincial Grants - Other</b>	<b>6,000</b>	<b>6,000</b>	<b>3,000</b>
<b>Tuition</b>			
Summer School Fees	546,173	545,963	443,134
Continuing Education	859,365	703,008	486,770
International and Out of Province Students	17,697,482	18,266,951	17,086,728
<b>Total Tuition</b>	<b>19,103,020</b>	<b>19,515,922</b>	<b>18,016,632</b>
<b>Other Revenues</b>			
Other School District/Education Authorities	240,000	240,000	240,000
Miscellaneous			
Cafeteria	340,494	346,356	351,708
Miscellaneous	14,000	37,624	42,753
International Education Programs and Services	-	-	3,424,581
<b>Total Other Revenue</b>	<b>594,494</b>	<b>623,980</b>	<b>4,059,042</b>
<b>Rentals and Leases</b>	<b>1,126,236</b>	<b>1,135,747</b>	<b>1,097,174</b>
<b>Investment Income</b>	<b>784,111</b>	<b>907,116</b>	<b>735,181</b>
<b>Total Operating Revenue</b>	<b>194,808,848</b>	<b>196,626,414</b>	<b>198,605,604</b>

**School District No. 38 (Richmond)**

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2018

	2018 Budget (Note 15)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	82,153,167	80,408,087	88,599,685
Principals and Vice Principals	11,215,852	10,530,787	10,696,823
Educational Assistants	10,699,119	9,852,349	10,344,482
Support Staff	20,279,846	19,150,851	19,135,743
Other Professionals	5,093,133	4,878,753	4,363,348
Substitutes	7,558,778	6,754,162	6,930,341
<b>Total Salaries</b>	<b>136,999,895</b>	<b>131,574,989</b>	<b>140,070,422</b>
<b>Employee Benefits</b>	<b>35,671,358</b>	<b>33,828,578</b>	<b>35,551,342</b>
<b>Total Salaries and Benefits</b>	<b>172,671,253</b>	<b>165,403,567</b>	<b>175,621,764</b>
<b>Services and Supplies</b>			
Services	7,324,602	7,220,337	7,767,892
Student Transportation	10,300	24,455	4,933
Professional Development and Travel	883,962	746,983	631,629
Rentals and Leases	232,047	236,917	205,726
Dues and Fees	121,600	104,041	117,744
Insurance	509,988	463,788	417,134
Supplies	5,605,026	5,533,043	4,820,484
Utilities	3,450,070	3,225,940	3,211,172
<b>Total Services and Supplies</b>	<b>18,137,595</b>	<b>17,555,504</b>	<b>17,176,714</b>
<b>Total Operating Expense</b>	<b>190,808,848</b>	<b>182,959,071</b>	<b>192,798,478</b>

**School District No. 38 (Richmond)**

Operating Expense by Function, Program and Object  
Year Ended June 30, 2018

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	61,707,125	1,598,635		1,016,368		4,674,381	68,996,509
1.03 Career Programs	154,184			430,203			584,387
1.07 Library Services	1,232,233			571,559			1,803,792
1.08 Counselling	2,615,231					763,207	2,615,231
1.10 Special Education	6,372,555	136,969	9,852,349	131,950			17,325,080
1.30 English Language Learning	2,329,105	62,812		32,494			2,523,867
1.31 Aboriginal Education	285,081	36,514		3,942,008			354,089
1.41 School Administration	639,491	73,509			290,775		12,133,708
1.60 Summer School	457,844	429,608		113,927	19,120		732,120
1.61 Continuing Education	4,415,238	162,516		127,044	368,216		1,369,595
1.62 International and Out of Province Students					38,513		5,232,261
1.64 Other					488,950		
<b>Total Function 1</b>	<b>80,408,087</b>	<b>10,401,488</b>	<b>9,852,349</b>	<b>6,365,553</b>	<b>488,950</b>	<b>6,154,212</b>	<b>113,670,639</b>
<b>4 District Administration</b>							
4.11 Educational Administration				292,224	1,284,796	781	1,577,801
4.40 School District Governance					166,723		166,723
4.41 Business Administration		129,299		946,896	1,540,692	1,366	2,618,253
<b>Total Function 4</b>	<b>-</b>	<b>129,299</b>	<b>-</b>	<b>1,239,120</b>	<b>2,992,211</b>	<b>2,147</b>	<b>4,362,777</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				108,414	1,397,592	78,416	1,584,422
5.50 Maintenance Operations				10,220,782		486,523	10,707,305
5.52 Maintenance of Grounds				628,873			628,873
5.56 Utilities							
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,958,069</b>	<b>1,397,592</b>	<b>564,939</b>	<b>12,920,600</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				588,109		32,864	620,973
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>588,109</b>	<b>-</b>	<b>32,864</b>	<b>620,973</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>80,408,087</b>	<b>10,530,787</b>	<b>9,852,349</b>	<b>19,150,851</b>	<b>4,878,753</b>	<b>6,754,162</b>	<b>131,574,989</b>

**School District No. 38 (Richmond)**

Operating Expense by Function, Program and Object  
Year Ended June 30, 2018

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2018 Actual	2018 Budget (Note 15)	2017 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	68,996,509	18,266,411	87,262,920	2,948,582	90,211,502	92,860,331	94,260,764
1.03 Career Programs	584,387	167,250	751,637	300,393	1,052,030	1,070,545	1,045,424
1.07 Library Services	1,803,792	465,859	2,269,651	340,935	2,610,586	2,639,921	3,804,171
1.08 Counselling	2,615,231	561,548	3,176,779	8,326	3,185,105	3,287,745	3,331,313
1.10 Special Education	17,325,080	4,833,367	22,158,447	880,710	23,039,157	24,499,099	25,357,773
1.30 English Language Learning	2,523,867	645,376	3,169,243	18,364	3,187,607	3,850,936	5,721,370
1.31 Aboriginal Education	354,089	85,181	439,270	33,643	472,913	494,769	458,415
1.41 School Administration	12,133,708	2,846,497	14,980,205	188,783	15,168,988	16,432,405	15,510,126
1.60 Summer School	732,120	126,853	858,973	46,062	905,035	874,911	953,678
1.61 Continuing Education	1,369,595	216,986	1,586,581	242,781	1,829,362	1,906,139	1,536,985
1.62 International and Out of Province Students	5,232,261	1,313,639	6,545,900	1,849,516	8,395,416	9,036,739	8,626,155
1.64 Other	-	-	-	9,249	9,249	9,532	8,741
<b>Total Function 1</b>	<b>113,670,639</b>	<b>29,528,967</b>	<b>143,199,606</b>	<b>6,867,344</b>	<b>150,066,950</b>	<b>156,963,072</b>	<b>160,614,915</b>
<b>4 District Administration</b>							
4.11 Educational Administration	1,577,801	355,449	1,933,250	98,033	2,031,283	2,263,359	2,151,300
4.40 School District Governance	166,723	4,275	170,998	121,529	292,527	304,275	295,408
4.41 Business Administration	2,618,253	564,798	3,183,051	222,192	3,405,243	3,592,319	2,761,041
<b>Total Function 4</b>	<b>4,362,777</b>	<b>924,522</b>	<b>5,287,299</b>	<b>441,754</b>	<b>5,729,053</b>	<b>6,159,953</b>	<b>5,207,749</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	1,584,422	349,771	1,934,193	711,769	2,645,962	3,046,970	2,263,963
5.50 Maintenance Operations	10,707,305	2,637,717	13,345,022	5,635,928	18,980,950	18,842,968	19,164,017
5.52 Maintenance of Grounds	628,873	158,462	787,335	236,603	1,023,938	1,072,962	1,051,103
5.56 Utilities	-	-	-	3,225,940	3,225,940	3,450,070	3,211,172
<b>Total Function 5</b>	<b>12,920,600</b>	<b>3,145,950</b>	<b>16,066,550</b>	<b>9,810,240</b>	<b>25,876,790</b>	<b>26,412,970</b>	<b>25,690,255</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation	620,973	229,139	850,112	436,166	1,286,278	1,272,853	1,285,559
<b>Total Function 7</b>	<b>620,973</b>	<b>229,139</b>	<b>850,112</b>	<b>436,166</b>	<b>1,286,278</b>	<b>1,272,853</b>	<b>1,285,559</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>							
<b>Total Functions 1 - 9</b>	<b>131,574,989</b>	<b>33,828,578</b>	<b>165,403,567</b>	<b>17,555,504</b>	<b>182,959,071</b>	<b>190,808,848</b>	<b>192,798,478</b>

**School District No. 38 (Richmond)**

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations  
Year Ended June 30, 2018

	2018 Budget (Note 15)	2018 Actual	2017 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	34,233,946	34,153,319	8,899,713
Federal Grants	1,732,581	1,542,685	1,604,407
Other Revenue	7,102,450	6,655,414	8,148,660
Investment Income	14,700	36,870	5,653
<b>Total Revenue</b>	<b>43,083,677</b>	<b>42,388,288</b>	<b>18,658,433</b>
<b>Expenses</b>			
Instruction	40,370,906	39,827,475	17,091,076
District Administration	576,828	609,651	500,644
Operations and Maintenance	1,870,649	1,018,668	426,446
<b>Total Expense</b>	<b>42,818,383</b>	<b>41,455,794</b>	<b>18,018,166</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>265,294</b>	<b>932,494</b>	<b>640,267</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(265,294)	(801,691)	(640,267)
Other		(130,803)	
<b>Total Net Transfers</b>	<b>(265,294)</b>	<b>(932,494)</b>	<b>(640,267)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			<b>-</b>
<b>Special Purpose Surplus (Deficit), end of year</b>			<b>-</b>

**School District No. 38 (Richmond)**  
 Changes in Special Purpose Funds and Expense by Object  
 Year Ended June 30, 2018

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OJEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	305,281	4,323	974,336	69,680	4,022,137	81,839	199,956	8,776
Add: Restricted Grants									
Provincial Grants - Ministry of Education	829,133	678,832	-	-	-	7,355,242	224,000	93,100	308,660
Federal Grants	-	-	-	38,600	-	-	3,000	-	-
Other	-	-	-	62,292	-	-	-	-	-
Investment Income	-	-	-	100,892	-	-	-	-	-
Less: Allocated to Revenue Recovered	829,133	740,115	3,501	35,894	69,680	6,323,742	268,275	86,267	8,776
Deferred Revenue, end of year	-	243,998	822	1,039,334	-	5,053,637	40,564	206,789	16,393
<b>Revenues</b>									
Provincial Grants - Ministry of Education	829,133	740,115	3,501	-	69,680	-	263,275	86,267	292,267
Federal Grants	-	-	-	38,600	-	-	-	-	-
Other Revenue	-	-	-	62,292	-	-	-	-	-
Investment Income	-	-	-	100,892	-	-	-	-	-
Expenses									
Salaries	829,133	740,115	3,501	35,894	69,680	6,323,742	3,000	86,267	292,267
Teachers	-	-	-	-	-	-	-	-	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	-
Educational Assistants	-	-	-	-	-	-	-	-	-
Support Staff	-	626,243	-	-	-	-	179,115	44,038	88,089
Other Professionals	-	113,872	-	-	-	-	-	-	-
Substitutes	-	-	-	-	-	-	-	-	-
Employee Benefits	70,578	-	-	-	59,035	-	-	62,405	99,136
Services and Supplies	70,578	740,115	3,501	35,894	10,645	6,323,742	52,112	15,167	21,397
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	69,680	6,323,742	268,275	86,267	278,453
Interfund Transfers	(758,555)	-	-	-	-	-	-	-	(13,814)
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Other	(758,555)	-	-	-	-	-	-	-	(13,814)
<b>Net Revenue (Expense)</b>									
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-



**School District No. 38 (Richmond)**  
 Changes in Special Purpose Funds and Expense by Object  
 Year Ended June 30, 2018

	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Provincial Resource Program	AVID Program	Community Literacy	Provincial Early Intervention
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	16,996	132,588	194,382	-	-	9,508	2,419	10,000	31,484
Add: Restricted Grants									
Provincial Grants - Ministry of Education	740,189			5,305,000	24,965,733	741,783			416,209
Federal Grants									
Other									
Investment Income									
Less: Allocated to Revenue Recovered	740,189	34,356	194,382	5,305,000	24,641,571	741,783			416,209
Deferred Revenue, end of year	660,362	98,232	-	306,200	17,962	652,317	2,419	10,000	31,484
<b>Revenues</b>	<b>660,362</b>	<b>34,356</b>	<b>194,382</b>	<b>5,305,000</b>	<b>24,641,571</b>	<b>652,317</b>	<b>-</b>	<b>-</b>	<b>379,093</b>
Provincial Grants - Ministry of Education									
Federal Grants									
Other Revenue									
Investment Income									
<b>Expenses</b>	<b>660,362</b>	<b>34,356</b>	<b>194,382</b>	<b>5,305,000</b>	<b>24,641,571</b>	<b>652,317</b>	<b>-</b>	<b>-</b>	<b>379,093</b>
Salaries									
Teachers	22,404		156,188		19,205,437	375,494			159,461
Principals and Vice Principals				237,098					
Educational Assistants	285,531			2,282,636					
Support Staff				450,077					
Other Professionals				127,492					
Substitutes				633,282					
Employee Benefits	307,935		156,188	3,730,585	19,883,042	392,910			196,031
Services and Supplies	82,352		33,721	969,434	4,758,529	94,943			48,483
Other	270,075	34,356	4,473	474,178		164,464			134,579
Intergovernmental	650,362	34,356	194,382	5,174,197	24,641,571	652,317			379,093
Net Revenue (Expense) before Interfund Transfers				150,803					
Interfund Transfers				(150,803)					
Tangible Capital Assets Purchased				(130,803)					
Other				(20,000)					
Net Revenue (Expense)									

**School District No. 38 (Richmond)**  
 Changes in Special Purpose Funds and Expense by Object  
 Year Ended June 30, 2018

	Educational Trust Fund	LINC/SWIS	TOTAL
Deferred Revenue, beginning of year	\$ 221,087	\$ 111,020	\$ 6,395,812
Add: Restricted Grants			
Provincial Grants - Ministry of Education			34,302,639
Federal Grants		1,539,382	1,539,382
Other	202,402	7,599,244	7,599,244
Investment Income	976		63,263
Less: Allocated to Revenue Recovered	203,378	1,539,382	43,504,533
Deferred Revenue, end of year	329,648	1,542,685	42,388,288
	<u>94,817</u>	<u>107,717</u>	<u>7,165,597</u>
Revenues			
Provincial Grants - Ministry of Education			34,153,219
Federal Grants		1,542,685	1,542,685
Other Revenue	328,672		6,655,414
Investment Income	976		36,870
Expenses			
Salaries			20,051,111
Teachers		23,800	260,898
Principals and Vice Principals			3,391,892
Educational Assistants		492,726	996,789
Support Staff		78,309	264,836
Other Professionals		321,684	1,643,618
Substitutes		916,519	25,609,144
Employee Benefits		203,041	6,388,832
Services and Supplies	329,648	393,803	8,457,818
	<u>329,648</u>	<u>1,513,363</u>	<u>41,455,794</u>
Net Revenue (Expense) before Interfund Transfers		29,322	932,494
Interfund Transfers			
Tangible Capital Assets Purchased		(29,322)	(801,691)
Other		(29,322)	(130,803)
Net Revenue (Expense)			(932,494)

# School District No. 38 (Richmond)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2018

	2018	2018 Actual			2017
	Budget (Note 15)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education	450,000				
Investment Income	950,000		1,050,569	1,050,569	730,605
Gain (Loss) on Disposal of Tangible Capital Assets		(351,472)		(351,472)	
Amortization of Deferred Capital Revenue	8,140,460	8,140,460		8,140,460	8,156,926
<b>Total Revenue</b>	<b>9,540,460</b>	<b>7,788,988</b>	<b>1,050,569</b>	<b>8,839,557</b>	<b>8,887,531</b>
<b>Expenses</b>					
Operations and Maintenance	450,000				
Amortization of Tangible Capital Assets					
Operations and Maintenance	13,934,944	13,968,498		13,968,498	13,674,961
Transportation and Housing	340,348	331,587		331,587	344,975
Debt Services					
Capital Lease Interest	134,894		138,226	138,226	181,708
<b>Total Expense</b>	<b>14,860,186</b>	<b>14,300,085</b>	<b>138,226</b>	<b>14,438,311</b>	<b>14,201,644</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(5,319,726)</b>	<b>(6,511,097)</b>	<b>912,343</b>	<b>(5,598,754)</b>	<b>(5,314,113)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	265,294	1,276,648		1,276,648	640,267
Local Capital	4,000,000		4,657,849	4,657,849	5,255,416
Special Purpose Fund			130,803	130,803	
<b>Total Net Transfers</b>	<b>4,265,294</b>	<b>1,276,648</b>	<b>4,788,652</b>	<b>6,065,300</b>	<b>5,895,683</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		1,547,731	(1,547,731)	-	
Principal Payment		2,129,321	(2,129,321)	-	
Capital Lease		3,677,052	(3,677,052)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>5,354,104</b>	<b>(5,354,104)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(1,054,432)</b>	<b>(1,557,397)</b>	<b>2,023,943</b>	<b>466,546</b>	<b>581,570</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>116,793,623</b>	<b>48,393,362</b>	<b>165,186,985</b>	<b>164,605,415</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>115,236,226</b>	<b>50,417,305</b>	<b>165,653,531</b>	<b>165,186,985</b>

**School District No. 38 (Richmond)**

Tangible Capital Assets  
Year Ended June 30, 2018

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	55,169,613	427,251,523	8,596,006	3,341,783	2,095,523	14,176,309	510,630,757
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		6,618,751		79,625			6,698,376
Deferred Capital Revenue - Other			164,278				164,278
Operating Fund			126,266			348,691	474,957
Special Purpose Funds		758,555				43,136	801,691
Local Capital		671,922	499,685	35,502	49,192	291,430	1,547,731
Additions under Capital Lease			790,229	115,127	49,192	3,356,446	3,356,446
Decrease:							
Disposed of						1,171,577	1,171,577
Deemed Disposals			1,220,576	260,034	263,164	1,495,078	3,238,852
Cost, end of year	55,169,613	433,300,751	8,165,639	3,196,876	1,881,551	15,549,357	519,263,807
Work in Progress, end of year	55,169,613	433,300,751	8,165,639	3,196,876	1,881,551	15,549,357	519,263,807
Cost and Work in Progress, end of year							
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		199,327,268	4,364,455	1,543,541	956,036	6,636,040	212,827,340
Decrease:							
Disposed of		9,867,673	838,083	331,587	397,708	2,865,034	14,300,085
Deemed Disposals			1,220,576	260,034	263,164	1,495,078	3,238,852
Accumulated Amortization, end of year		209,194,941	3,981,962	1,615,094	1,090,580	7,185,891	223,068,468
Tangible Capital Assets - Net	55,169,613	226,105,810	4,183,697	1,581,782	790,971	8,363,466	296,195,339

**School District No. 38 (Richmond)**

Schedule 4C (Unaudited)

Deferred Capital Revenue  
Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	176,735,915	1,200,965	392,706	178,329,586
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	6,698,376	164,278	-	6,862,654
	<u>6,698,376</u>	<u>164,278</u>	<u>-</u>	<u>6,862,654</u>
Decrease:				
Amortization of Deferred Capital Revenue	8,067,056	55,316	18,088	8,140,460
	<u>8,067,056</u>	<u>55,316</u>	<u>18,088</u>	<u>8,140,460</u>
<b>Net Changes for the Year</b>	<u>(1,368,680)</u>	<u>108,962</u>	<u>(18,088)</u>	<u>(1,277,806)</u>
<b>Deferred Capital Revenue, end of year</b>	<u>175,367,235</u>	<u>1,309,927</u>	<u>374,618</u>	<u>177,051,780</u>
<b>Work in Progress, beginning of year</b>				-
<b>Changes for the Year</b>				
<b>Net Changes for the Year</b>	-	-	-	-
<b>Work in Progress, end of year</b>	-	-	-	-
<b>Total Deferred Capital Revenue, end of year</b>	<u>175,367,235</u>	<u>1,309,927</u>	<u>374,618</u>	<u>177,051,780</u>

**School District No. 38 (Richmond)**

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2018

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,647,879	97,473	142,827	7,980,122	-	9,868,301
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	6,465,432		72,154			6,465,432
Provincial Grants - Other		1,961		170,219		172,180
Investment Income				1,078,843		1,078,843
Local Government Site Fees		1,961	72,154	1,249,062		1,788,609
Decrease:						
Transferred to DCR - Capital Additions	6,698,376		164,278			6,862,654
	6,698,376		164,278			6,862,654
	(232,944)	1,961	(92,124)	1,249,062		925,955
<b>Net Changes for the Year</b>	<b>1,414,935</b>	<b>99,434</b>	<b>50,703</b>	<b>9,229,184</b>	<b>-</b>	<b>10,794,256</b>
Balance, end of year						