

Audited Financial Statements of

School District No. 38 (Richmond)

June 30, 2019

School District No. 38 (Richmond)

June 30, 2019

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School District No. 38 (Richmond)

MANAGEMENT REPORT

Version: 9796-9050-7068

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.



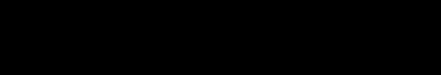
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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, PricewaterhouseCoopers 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)

	SEPT. 11, 2019
Signature of the Chairperson of the Board of Education	Date Signed
	SEPT. 11, 2019
Signature of the Superintendent	Date Signed
	SEPT. 11, 2019
Signature of the Secretary / Treasurer	Date Signed



Independent auditor's report

To the Board of Education of School District No. 38 (Richmond) and The Minister of Education, Province of British Columbia

Our opinion

In our opinion, the accompanying financial statements of School District No. 38 (the Organization) as at June 30, 2019 and for the year then ended 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.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at June 30, 2019;
- the statement of operations for the year then ended;
- the statement of changes in net financial assets (debt) for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 report.

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

Independence

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

Emphasis of matter – basis of accounting

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. Note 2 to the financial statements discloses the impact of these differences. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
Central City Tower, 13450 102 Avenue, Suite 1400, Surrey, British Columbia, Canada V3T 5X3
T: 604 806 7000, F: 604 806 7806

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

Management is responsible for the other information. The other information comprises Financial Statement Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 accounting requirements 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization'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 Organization'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 Organization to cease to continue as a going concern.

We 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Surrey, British Columbia
September 11, 2019

School District No. 38 (Richmond)

Statement of Financial Position


As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	140,163,033	124,699,285
Accounts Receivable		
Due from Province - Ministry of Education	93,946	107,606
Due from Province - Other	541	-
Other (Note 4)	2,892,614	5,868,743
Total Financial Assets	143,150,134	130,675,634
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	106,000	69,545
Other (Note 5)	24,573,106	20,141,643
Unearned Revenue (Note 6)	15,992,335	15,150,499
Deferred Revenue (Note 7)	7,690,098	7,165,597
Deferred Capital Revenue (Note 8)	195,623,135	187,846,036
Employee Future Benefits (Note 9)	11,346,552	11,250,885
Capital Lease Obligations (Note 10)	4,071,590	3,907,330
Total Liabilities	259,402,816	245,531,535
Net Financial Assets (Debt)	(116,252,682)	(114,855,901)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	302,874,847	296,195,339
Prepaid Expenses	1,010,353	717,136
Total Non-Financial Assets	303,885,200	296,912,475
Accumulated Surplus (Deficit) (Note 18)	187,632,518	182,056,574

Contractual Obligations (Note 16)

Contractual Rights (Note 16)

Approved by the Board


Signature of the Chairperson of the Board of Education

SEPT. 11, 2019
Date Signed


Signature of the Superintendent

SEPT. 11, 2019
Date Signed


Signature of the Secretary Treasurer

SEPT. 11, 2019
Date Signed

School District No. 38 (Richmond)

Statement of Operations
Year Ended June 30, 2019

Statement 2

	2019 Budget (Note 15) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	216,170,584	216,667,433	208,590,968
Other	144,000	108,098	6,000
Federal Grants	1,676,331	1,563,573	1,542,685
Tuition	20,202,634	19,992,817	19,515,922
Other Revenue (Note 19)	8,745,754	8,628,632	7,279,394
Rentals and Leases	1,094,978	1,048,311	1,135,747
Investment Income	2,824,651	3,110,505	1,994,555
Gain (Loss) on Disposal of Tangible Capital Assets			(351,472)
Amortization of Deferred Capital Revenue	8,439,266	8,287,156	8,140,460
Total Revenue	259,298,198	259,406,525	247,854,259
Expenses (Note 17)			
Instruction	207,405,607	203,044,834	189,894,425
District Administration	7,300,829	6,704,709	6,338,704
Operations and Maintenance	42,881,878	42,318,560	40,863,956
Transportation and Housing	1,631,245	1,629,564	1,617,865
Debt Services	156,930	132,914	138,226
Total Expense	259,376,489	253,830,581	238,853,176
Surplus (Deficit) for the year	(78,291)	5,575,944	9,001,083
Accumulated Surplus (Deficit) from Operations, beginning of year		182,056,574	173,055,491
Accumulated Surplus (Deficit) from Operations, end of year		187,632,518	182,056,574

School District No. 38 (Richmond)
Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2019

	2019 Budget (Note 15) \$	2019 Actual \$	2018 Actual \$
Surplus (Deficit) for the year	(78,291)	5,575,944	9,001,083
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(22,312,153)	(21,434,050)	(13,043,479)
Amortization of Tangible Capital Assets	14,921,449	14,754,542	14,300,085
Net carrying value of Tangible Capital Assets disposed of	-		351,472
Total Effect of change in Tangible Capital Assets	(7,390,704)	(6,679,508)	1,608,078
Acquisition of Prepaid Expenses	-	(1,010,353)	(717,136)
Use of Prepaid Expenses	-	717,136	630,767
Total Effect of change in Other Non-Financial Assets	-	(293,217)	(86,369)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(7,468,995)	(1,396,781)	10,522,792
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(1,396,781)	10,522,792
Net Financial Assets (Debt), beginning of year		(114,855,901)	(125,378,693)
Net Financial Assets (Debt), end of year		(116,252,682)	(114,855,901)

School District No. 38 (Richmond)Statement of Cash Flows
Year Ended June 30, 2019

Statement 5

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	5,575,944	9,001,083
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,989,248	955,454
Prepaid Expenses	(293,217)	(86,369)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	4,467,918	141,393
Unearned Revenue	841,836	(1,025,335)
Deferred Revenue	524,501	769,785
Employee Future Benefits	95,667	164,559
Loss (Gain) on Disposal of Tangible Capital Assets	-	351,472
Amortization of Tangible Capital Assets	14,754,542	14,300,085
Amortization of Deferred Capital Revenue	(8,287,156)	(8,140,460)
Total Operating Transactions	<u>20,669,283</u>	<u>16,431,667</u>
Capital Transactions		
Tangible Capital Assets Purchased	(9,488,557)	(9,687,033)
Tangible Capital Assets -WIP Purchased	(9,786,807)	
Total Capital Transactions	<u>(19,275,364)</u>	<u>(9,687,033)</u>
Financing Transactions		
Capital Revenue Received	16,064,255	7,788,609
Capital Lease Payment	(1,994,426)	(2,129,322)
Total Financing Transactions	<u>14,069,829</u>	<u>5,659,287</u>
Net Increase (Decrease) in Cash and Cash Equivalents	15,463,748	12,403,921
Cash and Cash Equivalents, beginning of year (Note 3)	<u>124,699,285</u>	<u>112,295,364</u>
Cash and Cash Equivalents, end of year	<u>140,163,033</u>	<u>124,699,285</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash (Note 3)	29,623,912	22,181,387
Cash Equivalents (Note 3)	110,539,121	102,517,898
	<u>140,163,033</u>	<u>124,699,285</u>
Supplementary Cash Flow Information (Note 22)		

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

Year-ended June 30, 2018 - increase in annual surplus by \$351,851

June 30, 2018 - increase in accumulated surplus and decrease in deferred contributions by \$187,846,036

Year-ended June 30, 2019 – increase in annual surplus by \$7,777,099

June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions by \$195,623,135

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019

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 (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31, 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, 2019

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, which are then 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 initiate 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, 2019

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

i) Asset Retirement Obligations

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

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

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as 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).

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

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.

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, 2019

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, 2019**

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

	2019	2018
Cash – Operating Fund	\$25,691,665	\$18,761,233
Cash – Special Purpose Fund	3,932,247	3,420,154
Cash Equivalents – Special Purpose Fund	816,427	747,434
Central Deposit Investment	109,639,246	101,679,940
Investments held by Richmond Community Foundation	83,448	90,524
	\$140,163,033	\$124,699,285

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, 2019

NOTE 4 ACCOUNTS RECEIVABLE - OTHER

	2019	2018
Due from Federal Government	\$822,213	\$667,475
Due from Benefit Carrier - unrestricted deposit account	1,130,101	4,811,413
Other	940,300	389,855
	\$2,892,614	\$5,868,743

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

	2019	2018
Trade payables	\$5,382,217	\$3,104,521
Salaries and benefits payable	15,985,553	13,825,026
Accrued vacation pay	2,931,385	2,785,951
Other	273,951	426,145
	\$24,573,106	\$20,141,643

NOTE 6 UNEARNED REVENUE

	2019	2018
Balance, beginning of year	\$15,150,499	\$16,175,834
Fees received	20,834,653	18,490,587
Fees recognized as revenue	(19,992,817)	(19,515,922)
	\$15,992,335	\$15,150,499

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

	2019	2018
Balance, beginning of year	\$7,165,597	\$6,395,812
Changes for the year:		
Increase:		
Provincial grants - MOE	37,170,449	33,956,179
Federal grants	1,554,725	1,539,382
Other revenue	8,128,952	7,599,244
Investment income	24,433	63,268
	<u>46,878,559</u>	<u>43,158,073</u>
Decrease:		
Transfers to revenue	<u>(46,354,058)</u>	<u>(42,388,288)</u>
Balance, end of year	<u>\$7,690,098</u>	<u>\$7,165,597</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.

	2019	2018
Balance, beginning of year	\$187,846,036	\$188,197,887
Changes for the year:		
Increase:		
Transfer from DR - capital additions	5,387,751	6,862,654
Transfer from DR – Spent Funds	9,786,807	-
Provincial grants - MOE	14,664,077	6,465,432
Provincial grants - Other	77,269	72,154
Other revenue	1,062,909	1,078,843
Investment income	260,000	172,180
	<u>31,238,813</u>	<u>14,651,263</u>
Decrease:		
Transfer to DCR - capital additions	(5,387,751)	(6,862,654)
Transfer to DCR – work in progress	(9,786,807)	-
Amortization	<u>(8,287,156)</u>	<u>(8,140,460)</u>
	<u>(23,461,714)</u>	<u>(15,003,114)</u>
Balance, end of year	<u>\$195,623,135</u>	<u>\$187,846,036</u>

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

	2019	2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	\$11,135,081	\$11,112,487
Service Cost	960,593	924,074
Interest Cost	315,375	314,111
Benefit Payments	(1,384,734)	(1,006,394)
Actuarial (Gain) Loss	2,161,899	(209,197)
Accrued Benefit Obligation - March 31	\$13,188,214	\$11,135,081
 Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$13,188,214	\$11,135,081
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(13,188,214)	(11,135,081)
Employer Contributions After Measurement Date	297,832	408,068
Benefit Expense After Measurement Date	(380,296)	(318,992)
Unamortized Net Actuarial Loss	1,924,126	(204,880)
Accrued Benefit Liability - June 30	\$(11,346,552)	\$(11,250,885)
 Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$11,250,885	\$11,086,326
Net Expense for Fiscal Year	1,370,164	1,300,447
Employer Contributions	(1,274,497)	(1,135,888)
Accrued Benefit Liability - June 30	\$11,346,552	\$11,250,885
 Components of Net Benefit Expense		
Service Cost	\$1,016,407	\$933,204
Interest Cost	320,865	314,427
Amortization of Net Actuarial Loss	32,892	52,816
Net Benefit Expense	\$1,370,164	\$1,300,447

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

	2019	2018
Discount Rate - April 1	2.75%	2.75%
Discount Rate - March 31	2.50%	2.75%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSLS - March 31	9.7	10.5

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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:

	2019	2018
Macquarie Financial, with interest at 3.45%, expires September 1, 2018	-	3,290
Macquarie Financial, with interest at 3.45%, expires March 1, 2019	-	19,851
Macquarie Financial, with interest at 3.19%, expires June 1, 2019	-	710,959
Macquarie Financial, with interest at 3.49%, expires June 1, 2019	-	72,491
Macquarie Financial, with interest at 3.01%, expires June 1, 2019	-	39,252
Macquarie Financial, with interest at 3.10%, expires December 1, 2019	19,406	57,339
Macquarie Financial, with interest at 3.79%, expires May 31, 2020	102,963	235,788
Macquarie Financial, with interest at 4.90%, expires June 2, 2020	42,265	82,502
Macquarie Financial, with interest at 1.51%, expires Dec.1, 2023	447,306	-
Macquarie Financial, with interest at 1.51%, expires March 1, 2024	560,531	-
CSI EPC, with interest at 2.69%, expires November 1, 2019	47,974	107,397
CSI EPC, with interest at 2.69%, expires March 1, 2021	420,694	626,829
CSI EPC, with interest at 3.60%, expires June 1, 2021	441,267	-
CSI EPC, with interest at 3.60%, expires June 1, 2021	78,216	-
CSI EPC, with interest at 3.60%, expires June 1, 2021	133,495	-
CSI EPC, with interest at 4.60%, expires June 1, 2021	31,474	-
CSI EPC, with interest at 2.69%, expires September 1, 2021	1,258,286	1,838,371
CSI EPC, with interest at 2.69%, expires October 1, 2021	79,932	113,261
CSI EPC, with interest at 5.84%, expires December 1, 2021	83,655	-
CSI EPC, with interest at 5.50%, expires February 1, 2022	55,440	-
CSI EPC, with interest at 4.60%, expires February 1, 2024	268,686	-
	<u>4,071,590</u>	<u>3,907,330</u>

Repayments are due as follows:

	2019
2020	\$1,764,878
2021	1,608,785
2022	399,391
2023	282,754
2024	191,767
Total minimum lease payments	<u>\$4,247,575</u>
Less amounts representing interest	175,985
Present value of net minimum capital lease payments	<u>\$4,071,590</u>

Total interest on leases for the year was \$132,914 (2018 - \$138,226).

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2019	Net Book Value 2018
Sites	\$55,169,613	\$55,169,613
Buildings	232,021,316	226,105,810
Furniture & Equipment	4,615,275	4,183,697
Vehicles	1,829,081	1,581,782
Computer Software	514,675	790,971
Computer Hardware	8,724,887	8,363,466
Total	\$302,874,847	\$296,195,339

June 30, 2019

Cost:	Opening Cost	Additions	Disposals	Total 2019
Sites	\$55,169,613	\$ -	\$ -	\$55,169,613
Buildings	435,300,751	6,141,292	-	441,442,043
Buildings - WIP	-	9,786,807	-	9,786,807
Furniture & Equipment	8,165,659	1,290,228	(448,558)	9,007,329
Vehicles	3,196,876	588,313	(254,871)	3,530,318
Computer Software	1,881,551	92,463	(167,978)	1,806,036
Computer Hardware	15,549,357	3,534,947	(3,301,028)	15,783,276
Total	\$519,263,807	\$21,434,050	\$(4,172,435)	\$536,525,422

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2019
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	209,194,941	10,134,929	-	219,329,870
Furniture & Equipment	3,981,962	858,650	(448,558)	4,392,054
Vehicles	1,615,094	341,014	(254,871)	1,701,237
Computer Software	1,090,580	368,759	(167,978)	1,291,361
Computer Hardware	7,185,891	3,173,526	(3,301,028)	7,058,389
Total	\$223,068,468	\$14,876,878	\$(4,172,435)	\$233,772,911

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

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
Total	\$510,630,757	\$13,043,479	\$(4,410,429)	\$519,263,807

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
Total	\$212,827,340	\$14,300,085	\$(4,058,957)	\$223,068,468

- Included in capital assets is equipment under capital lease with a cost of \$10,138,897 (2018 - \$9,449,945) and accumulated amortization of \$4,541,846 (2018 - \$3,341,819).
- Buildings - work in progress (WIP) having a value of \$9,786,807 have not been amortized. Amortization of these assets will commence when the asset is put into service.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2017 indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account. The next valuation will be as at December 31, 2020 with results available in 2021.

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 \$18,232,914 (2018 - \$18,891,415) for employer contributions to these plans in the year ended June 30, 2019.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2019, were as follows:

	Operating Fund		Special Purpose Funds		Capital Fund	
	2019	2018	2019	2018	2019	2018
Funding Local Capital Reserve						
as permitted under School Act	\$(6,986,713)	\$(4,657,849)	\$(141,513)	\$(130,803)	\$7,128,226	\$4,788,652
Capital assets purchased	(545,320)	(474,957)	(758,555)	(801,691)	1,303,875	1,276,648
	<u>\$(7,532,033)</u>	<u>\$(5,132,806)</u>	<u>\$(900,068)</u>	<u>\$(932,494)</u>	<u>\$8,432,101</u>	<u>\$6,065,300</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 \$495,000 (2018 - \$240,000) from School District #93, the Conseil Scolaire Francophone, for the rental of facilities. This agreement continues until June 30, 2020.

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 27, 2019. Changes between the Annual Budget (approved by the Board on June 13, 2018) and the Amended Annual Budget are listed below:

	Annual Budget	Amended Budget	Change
Statement 2			
Total Revenue	\$252,764,253	\$259,298,198	\$6,533,945
Total Expense	255,734,030	259,376,489	3,642,459
Budgeted Deficit for the year	<u>\$(2,969,777)</u>	<u>\$(78,291)</u>	<u>\$2,891,486</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 15 BUDGET FIGURES (Continued)

	Annual Budget	Amended Budget	Change
Statement 4			
Deficit for the year	\$(2,969,777)	\$(78,291)	\$2,891,486
Total Effect of change in Tangible Capital Assets	(2,717,767)	(7,390,704)	(4,672,937)
(Increase) Decrease in Net Financial Assets (Debt)	\$(5,687,544)	\$(7,468,995)	\$(1,781,451)

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

	2019	2018
Salaries and benefits	\$209,736,476	\$198,401,543
Services and supplies	29,206,649	26,013,322
Interest	132,914	138,226
Amortization	14,754,542	14,300,085
	\$253,830,581	\$238,853,176

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 18 ACCUMULATED SURPLUS

Accumulated surplus balances are comprised of:

	2019	2018
Invested in Tangible Capital Assets	\$114,864,072	\$115,236,224
Local Capital Internally Restricted by Board for:		
Restricted - Capital Leases	4,071,590	3,907,330
Restricted - Current Capital Projects	9,090,445	4,519,652
Restricted - Future Capital Projects	32,857,158	36,457,158
Restricted - Board Approved	4,192,000	3,878,000
Restricted - Under Review by Board	2,323,239	155,167
Restricted - Contingency Reserves	2,000,000	1,500,000
Subtotal Internally Restricted	54,534,432	50,417,307
Capital Surplus	\$169,398,504	\$165,653,531
Internally Restricted (Appropriated) by Board for:		
2019/20 Budget Appropriation	5,513,523	1,559,512
School/Staff Account Balances	4,273,398	5,361,065
Outstanding Purchase Orders	246,982	313,696
School Generated Funds	1,600,000	1,600,000
International Education Programs	-	500,000
Subtotal Internally Restricted	\$11,633,903	\$9,334,273
Unrestricted Operating Surplus	6,600,111	7,068,770
Total Operating Surplus, Restricted and Unrestricted	\$18,234,014	\$16,403,043
Total Accumulated Surplus	\$187,632,518	\$182,056,574

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 19 OTHER REVENUE

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

	2019	2018
Operating Fund:		
Other School District/Education Authorities	\$495,000	\$240,000
Miscellaneous:		
Cafeteria	342,588	346,356
Miscellaneous	16,562	37,624
	\$854,150	\$623,980
Special Purpose Funds:		
School Generated Funds	7,148,096	6,323,742
Educational Trust Funds	315,488	328,672
Strong Start	-	3,000
	\$7,463,584	\$6,655,414
Capital Fund:		
CSI Buyout	310,898	-
	\$310,898	-
 Total Other Revenue	 \$8,628,632	 \$7,279,394

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019	Total June 30, 2018
	\$	\$	\$	\$	\$
Financial Assets					
Cash and Cash Equivalents	135,330,911	4,832,122	-	140,163,033	124,699,285
Accounts Receivable					
Due from Province - Ministry of Education	1,348	92,598	-	93,946	107,606
Due from Province - Other	541	-	-	541	-
Other	2,356,419	536,195	-	2,892,614	5,868,743
Total Financial Assets	137,689,219	5,460,915	-	143,150,134	130,675,634
Liabilities					
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education	70,000	36,000	-	106,000	69,545
Other	22,248,940	388,864	1,935,302	24,573,106	20,141,643
Due To/From	70,807,731	(2,654,047)	(68,153,684)	-	-
Unearned Revenue	15,992,335	-	-	15,992,335	15,150,499
Deferred Revenue	-	7,690,098	-	7,690,098	7,165,597
Deferred Capital Revenue	-	-	195,623,135	195,623,135	187,846,036
Employee Future Benefits	11,346,552	-	-	11,346,552	11,250,885
Capital Lease Obligations	-	-	4,071,590	4,071,590	3,907,330
Total Liabilities	120,465,558	5,460,915	133,476,343	259,402,816	245,531,535
Net Financial Assets (Debt)	17,223,661	-	(133,476,343)	(116,252,682)	(114,855,901)
Non-Financial Assets					
Tangible Capital Assets	-	-	302,874,847	302,874,847	296,195,339
Prepaid Expenses	1,010,353	-	-	1,010,353	717,136
Total Non-Financial Assets	1,010,353	-	302,874,847	303,885,200	296,912,475
Accumulated Surplus (Deficit)	18,234,014	-	169,398,504	187,632,518	182,056,574

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 20 FINANCIAL STATEMENT PRESENTATION – BY FUND (Continued)

ii) Statement of Operations by Fund

	2019 Budget (Total)	Operating Fund	Special Purpose Funds	Capital Fund	2019 Actual Total	2018 Actual Total
	\$	\$	\$	\$	\$	\$
Revenues						
Provincial Grants						
Ministry of Education	216,170,584	179,356,362	37,311,071	-	216,667,433	208,590,968
Other	144,000	108,098	-	-	108,098	6,000
Federal Grants	1,676,331	-	1,563,573	-	1,563,573	1,542,685
Tuition	20,202,634	19,992,817	-	-	19,992,817	19,515,922
Other Revenue	8,745,754	854,150	7,463,584	310,898	8,628,632	7,279,394
Rentals and Leases	1,094,978	1,048,311	-	-	1,048,311	1,135,747
Investment Income	2,824,651	1,492,401	15,830	1,602,274	3,110,505	1,994,555
Loss (Gain) on Disposal of Tangible Capital Assets	-	-	-	-	-	(351,472)
Amortization of Deferred Capital Revenue	8,439,266	-	-	8,287,156	8,287,156	8,140,460
Total Revenue	259,298,198	202,852,139	46,354,058	10,200,328	259,406,525	247,854,259
Expenses						
Instruction	207,405,607	159,130,703	43,914,131	-	203,044,834	189,894,425
District Administration	7,300,829	5,841,690	863,019	-	6,704,709	6,338,704
Operations and Maintenance	42,881,878	27,228,192	676,840	14,413,528	42,318,560	40,863,956
Transportation and Housing	1,631,245	1,288,550	-	341,014	1,629,564	1,617,865
Debt Services	156,930	-	-	132,914	132,914	138,226
Total Expense	259,376,489	193,489,135	45,453,990	14,887,456	253,830,581	238,853,176
Surplus (Deficit) for the year	(78,291)	9,363,004	900,068	(4,687,128)	5,575,944	9,001,083
Accumulated Surplus (Deficit) from Operations, beginning of year		16,403,043	-	165,653,531	182,056,574	173,055,491
Interfund Transfers (Note 13)		(7,532,033)	(900,068)	8,432,101	-	-
Accumulated Surplus (Deficit) from Operations, end of year		18,234,014	-	169,398,504	187,632,518	182,056,574

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, 2019

NOTE 22 SUPPLEMENTARY CASH FLOW INFORMATION

During the year, the School District had acquired tangible capital assets under capital leases of \$2,158,686 (2018 - \$3,356,446).

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, 2019

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, 2019

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	16,403,043		165,653,531	182,056,574	173,055,491
Changes for the year					
Surplus (Deficit) for the year	9,363,004	900,068	(4,687,128)	5,575,944	9,001,083
Interfund Transfers	(545,320)	(900,068)	1,445,388	-	-
Tangible Capital Assets Purchased	(6,986,713)		6,986,713	-	-
Local Capital	1,830,971	-	3,744,973	5,575,944	9,001,083
Net Changes for the year	18,234,014	-	169,398,504	187,632,518	182,056,574
Accumulated Surplus (Deficit), end of year - Statement 2					

School District No. 38 (Richmond)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 15) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	178,013,937	179,356,362	174,437,649
Other	144,000	108,098	6,000
Tuition	20,202,634	19,992,817	19,515,922
Other Revenue	887,954	854,150	623,980
Rentals and Leases	1,094,978	1,048,311	1,135,747
Investment Income	1,490,223	1,492,401	907,116
Total Revenue	201,833,726	202,852,139	196,626,414
Expenses			
Instruction	162,187,238	159,130,703	150,066,950
District Administration	6,546,210	5,841,690	5,729,053
Operations and Maintenance	26,810,131	27,228,192	25,876,790
Transportation and Housing	1,290,147	1,288,550	1,286,278
Total Expense	196,833,726	193,489,135	182,959,071
Operating Surplus (Deficit) for the year	5,000,000	9,363,004	13,667,343
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	-	(545,320)	(474,957)
Local Capital	(5,000,000)	(6,986,713)	(4,657,849)
Total Net Transfers	(5,000,000)	(7,532,033)	(5,132,806)
Total Operating Surplus (Deficit), for the year	-	1,830,971	8,534,537
Operating Surplus (Deficit), beginning of year		16,403,043	7,868,506
Operating Surplus (Deficit), end of year		18,234,014	16,403,043
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 18)		11,633,903	9,334,273
Unrestricted		6,600,111	7,068,770
Total Operating Surplus (Deficit), end of year		18,234,014	16,403,043

School District No. 38 (Richmond)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	175,235,542	175,951,122	170,849,905
Other Ministry of Education Grants			
Pay Equity	2,215,706	2,215,706	2,215,706
Funding for Graduated Adults	71,616	96,858	71,578
Transportation Supplement	21,608	21,608	21,608
Economic Stability Dividend	194,294	222,505	-
Return of Administrative Savings			871,987
Carbon Tax Grant	162,505	144,720	158,754
Employer Health Tax Grant	-	476,672	-
Strategic Priorities - Mental Health Grant	30,300	30,300	-
Support Staff Benefits Grant	55,074	55,074	51,740
SRG3 Assessment Grant	-	114,504	152,000
Other Misc and One-Time Grants	27,292	27,293	44,371
Total Provincial Grants - Ministry of Education	178,013,937	179,356,362	174,437,649
Provincial Grants - Other	144,000	108,098	6,000
Tuition			
Summer School Fees	519,570	519,570	545,963
Continuing Education	989,064	987,762	703,008
International and Out of Province Students	18,694,000	18,485,485	18,266,951
Total Tuition	20,202,634	19,992,817	19,515,922
Other Revenues			
Other School District/Education Authorities	495,000	495,000	240,000
Miscellaneous			
Cafeteria	341,954	342,588	346,356
Miscellaneous	51,000	16,562	37,624
Total Other Revenue	887,954	854,150	623,980
Rentals and Leases	1,094,978	1,048,311	1,135,747
Investment Income	1,490,223	1,492,401	907,116
Total Operating Revenue	201,833,726	202,852,139	196,626,414

School District No. 38 (Richmond)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	84,116,652	82,818,767	80,408,087
Principals and Vice Principals	12,360,633	12,342,301	10,530,787
Educational Assistants	11,490,846	11,373,278	9,852,349
Support Staff	20,725,467	19,849,728	19,150,851
Other Professionals	5,288,131	5,318,183	4,878,753
Substitutes	7,295,947	6,839,107	6,754,162
Total Salaries	141,277,676	138,541,364	131,574,989
Employee Benefits	34,831,525	34,969,676	33,828,578
Total Salaries and Benefits	176,109,201	173,511,040	165,403,567
Services and Supplies			
Services	8,660,624	9,598,469	7,220,337
Student Transportation	10,300	5,300	24,455
Professional Development and Travel	907,814	1,028,190	746,983
Rentals and Leases	235,144	252,427	236,917
Dues and Fees	117,790	108,824	104,041
Insurance	525,664	444,774	463,788
Supplies	6,696,133	4,930,553	5,533,043
Utilities	3,571,056	3,609,558	3,225,940
Total Services and Supplies	20,724,525	19,978,095	17,555,504
Total Operating Expense	196,833,726	193,489,135	182,959,071

School District No. 38 (Richmond)

Operating Expense by Function, Program and Object
Year Ended June 30, 2019

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	63,611,318	2,051,544		1,020,377		4,764,631	71,447,870
1.03 Career Programs	113,244			429,897			543,141
1.07 Library Services	1,415,101			567,941			1,983,042
1.08 Counseling	2,186,881						2,186,881
1.10 Special Education	6,526,838	221,670	11,373,278			748,920	18,870,706
1.30 English Language Learning	3,183,824			121,862			3,305,686
1.31 Aboriginal Education	356,343			32,703			389,046
1.41 School Administration		9,450,508		4,224,789		351,437	14,026,734
1.60 Summer School	646,103	77,738				17,930	741,771
1.61 Continuing Education	472,116	377,259		126,630		403,815	1,379,820
1.62 International and Out of Province Students	4,306,999	21,261		244,964	536,979	5,617	5,115,820
1.64 Other							
Total Function 1	82,818,767	12,199,980	11,373,278	6,769,163	536,979	6,292,350	119,990,517
4 District Administration							
4.11 Educational Administration				214,289	1,785,097	5,779	2,005,165
4.40 School District Governance					180,808		180,808
4.41 Business Administration		142,321		844,809	1,296,960	859	2,284,949
Total Function 4	-	142,321	-	1,059,098	3,262,865	6,638	4,470,922
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				165,684	1,518,339	29,949	1,713,972
5.50 Maintenance Operations				10,555,975		498,408	11,054,383
5.52 Maintenance of Grounds				712,242			712,242
5.56 Utilities							
Total Function 5	-	-	-	11,433,901	1,518,339	528,357	13,480,597
7 Transportation and Housing							
7.70 Student Transportation				587,566		11,762	599,328
Total Function 7	-	-	-	587,566	-	11,762	599,328
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	82,818,767	12,342,301	11,373,278	19,849,728	5,318,183	6,839,107	138,541,364

School District No. 38 (Richmond)

Operating Expense by Function, Program and Object
Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$	\$	\$	(Note 15) \$	\$
1 Instruction							
1.02 Regular Instruction	71,447,870	18,860,539	90,308,409	2,580,426	92,888,835	95,327,594	90,211,502
1.03 Career Programs	543,141	140,311	683,452	391,472	1,074,924	1,144,651	1,052,030
1.07 Library Services	1,983,042	498,336	2,481,378	342,271	2,823,649	2,625,611	2,610,586
1.08 Counselling	2,186,881	507,624	2,694,505	5,749	2,700,254	3,333,557	3,185,105
1.10 Special Education	18,870,706	5,124,307	23,995,013	1,134,324	25,129,337	25,437,786	23,039,157
1.30 English Language Learning	3,305,686	839,663	4,145,349	21,964	4,167,313	3,886,408	3,187,607
1.31 Aboriginal Education	389,046	98,952	487,998	51,750	539,748	506,914	472,913
1.41 School Administration	14,026,734	3,099,847	17,126,581	256,378	17,382,959	16,609,911	15,168,988
1.60 Summer School	741,771	131,654	873,425	59,106	932,531	900,257	905,035
1.61 Continuing Education	1,379,820	232,546	1,612,366	276,727	1,889,093	2,117,492	1,829,362
1.62 International and Out of Province Students	5,115,820	1,174,472	6,290,292	3,302,511	9,592,803	10,287,525	8,395,416
1.64 Other	-	-	-	9,257	9,257	9,532	9,249
Total Function 1	119,990,517	30,708,251	150,698,768	8,431,935	159,130,703	162,187,238	150,066,950
4 District Administration							
4.11 Educational Administration	2,005,165	415,756	2,420,921	221,279	2,642,200	2,391,031	2,031,283
4.40 School District Governance	180,808	8,288	189,096	106,944	296,040	349,687	292,527
4.41 Business Administration	2,284,949	492,646	2,777,595	125,855	2,903,450	3,805,492	3,405,243
Total Function 4	4,470,922	916,690	5,387,612	454,078	5,841,690	6,546,210	5,729,053
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,713,972	354,717	2,068,689	1,093,503	3,162,192	3,188,350	2,645,962
5.50 Maintenance Operations	11,054,383	2,615,056	13,669,439	5,612,257	19,281,696	19,024,422	18,980,950
5.52 Maintenance of Grounds	712,242	166,414	878,656	296,090	1,174,746	1,026,303	1,023,938
5.56 Utilities	-	-	-	3,609,558	3,609,558	3,571,056	3,225,940
Total Function 5	13,480,597	3,136,187	16,616,784	10,611,408	27,228,192	26,810,131	25,876,790
7 Transportation and Housing							
7.70 Student Transportation	599,328	208,548	807,876	480,674	1,288,550	1,290,147	1,286,278
Total Function 7	599,328	208,548	807,876	480,674	1,288,550	1,290,147	1,286,278
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	138,541,364	34,969,676	173,511,040	19,978,095	193,489,135	196,833,726	182,959,071

School District No. 38 (Richmond)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	38,156,647	37,311,071	34,153,319
Federal Grants	1,676,331	1,563,573	1,542,685
Other Revenue	7,857,800	7,463,584	6,655,414
Investment Income	38,900	15,830	36,870
Total Revenue	<u>47,729,678</u>	<u>46,354,058</u>	<u>42,388,288</u>
Expenses			
Instruction	45,218,369	43,914,131	39,827,475
District Administration	754,619	863,019	609,651
Operations and Maintenance	1,491,396	676,840	1,018,668
Total Expense	<u>47,464,384</u>	<u>45,453,990</u>	<u>41,455,794</u>
Special Purpose Surplus (Deficit) for the year	<u>265,294</u>	<u>900,068</u>	<u>932,494</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(265,294)	(900,068)	(801,691)
Other	-	-	(130,803)
Total Net Transfers	<u>(265,294)</u>	<u>(900,068)</u>	<u>(932,494)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 38 (Richmond)

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

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	243,998	822	1,039,334	5,053,637	40,564	206,789	16,393	96,823
Add: Restricted Grants									
Provincial Grants - Ministry of Education	829,133	673,089	-	2,600	7,824,859	224,000	93,100	308,660	746,262
Federal Grants				23,129					
Other Investment Income				25,729					
Less: Allocated to Revenue Recovered	829,133	490,135	822	14,526	7,148,096	246,248	116,036	286,744	833,420
Deferred Revenue, end of year	-	426,952	-	1,050,537	5,730,400	18,316	183,853	27,815	9,665
Revenues									
Provincial Grants - Ministry of Education	829,133	490,135	822			246,248	116,036	286,744	833,420
Federal Grants									
Other Revenue				14,526	7,148,096				
Investment Income									
Expenses									
Salaries									
Teachers									
Principals and Vice Principals							44,910	89,831	
Educational Assistants									
Support Staff		414,666				181,887	19,874		331,808
Other Professionals									
Substitutes									
Employee Benefits		414,666							20,418
Services and Supplies	70,578	75,469							110,249
Net Revenue (Expense) before Interfund Transfers	70,578	490,135	822	14,526	7,148,096	246,248	116,036	286,744	833,420
Interfund Transfers									
Tangible Capital Assets Purchased	(758,555)								
Net Revenue (Expense)	(758,555)								

School District No. 38 (Richmond)

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

	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	AVID Program	Provincial Resource Program	Provincial Early Intervention	Community Literacy	Educational Trust Fund
Deferred Revenue, beginning of year	\$ 98,232	\$ -	\$ -	\$ 17,962	\$ 2,419	\$ 98,974	\$ 37,116	\$ 10,000	\$ 94,817
Add: Restricted Grants									
Provincial Grants - Ministry of Education	5,437,899	26,998,504	847,917			755,745	416,601		
Federal Grants									
Other									
Investment Income									
Less: Allocated to Revenue	5,437,899	26,998,504	847,917	847,917	-	755,745	416,601	-	301,493
Recovered	5,437,899	26,998,504	842,494	842,494	2,419	711,268	417,717	-	1,304
Deferred Revenue, end of year	-	-	-	17,962	-	96,005	36,000	-	316,792
				5,423		47,446		10,000	80,822
Revenues									
Provincial Grants - Ministry of Education	98,232	5,437,899	26,998,504	842,494	2,419	711,268	417,717		
Federal Grants									
Other Revenue									
Investment Income									
Expenses									
Salaries									
Teachers									
Principals and Vice Principals		225,091	21,745,620			351,376	191,556		
Educational Assistants		2,319,603							
Support Staff		447,734							
Other Professionals		205,281				18,830	41,174		
Substitutes	5,307	980,869		637,371					
Employee Benefits	5,307	4,178,578	21,745,620	637,371	-	370,206	232,730	-	-
Services and Supplies	727	1,044,414	5,252,884	86,663		88,508	51,096		
	92,198	73,394	118,460	118,460	2,419	252,554	133,891		
	98,232	5,296,386	26,998,504	842,494	2,419	711,268	417,717		316,792
									316,792
Net Revenue (Expense) before Interfund Transfers	-	141,513	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased		(141,513)							
		(141,513)							
Net Revenue (Expense)									

School District No. 38 (Richmond)

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

	LINC/ SWIS \$	TOTAL \$
Deferred Revenue, beginning of year	107,717	7,165,597
Add: Restricted Grants		
Provincial Grants - Ministry of Education	37,330,910	
Federal Grants	1,554,725	1,554,725
Other	8,128,952	8,128,952
Investment Income	24,433	24,433
Less: Allocated to Revenue		
Recovered	1,554,725	47,039,020
Deferred Revenue, end of year	1,563,573	46,354,058
	98,869	7,690,098
Revenues		
Provincial Grants - Ministry of Education	37,311,071	
Federal Grants	1,563,573	1,563,573
Other Revenue	7,463,584	7,463,584
Investment Income	15,830	15,830
	1,563,573	46,354,058
Expenses		
Salaries		
Teachers	22,423,293	
Principals and Vice Principals	15,033	240,124
Educational Assistants	3,267,838	3,267,838
Support Staff	538,128	1,045,866
Other Professionals	82,104	287,385
Substitutes	333,792	1,977,757
Employee Benefits	969,057	29,242,263
Services and Supplies	216,042	6,983,173
	378,474	9,228,554
	1,563,573	45,453,990
Net Revenue (Expense) before Interfund Transfers	-	900,068
Interfund Transfers		
Tangible Capital Assets Purchased	-	(900,068)
	-	(900,068)
Net Revenue (Expense)	-	-

School District No. 38 (Richmond)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Other Revenue	-		310,898	310,898	-
Investment Income	1,295,528		1,602,274	1,602,274	1,050,569
Gain (Loss) on Disposal of Tangible Capital Assets	-			-	(351,472)
Amortization of Deferred Capital Revenue	8,439,266	8,287,156		8,287,156	8,140,460
Total Revenue	9,734,794	8,287,156	1,913,172	10,200,328	8,839,557
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	14,580,351	14,413,528		14,413,528	13,968,498
Transportation and Housing	341,098	341,014		341,014	331,587
Debt Services					
Capital Lease Interest	156,930		132,914	132,914	138,226
Total Expense	15,078,379	14,754,542	132,914	14,887,456	14,438,311
Capital Surplus (Deficit) for the year	(5,343,585)	(6,467,386)	1,780,258	(4,687,128)	(5,598,754)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	265,294	1,445,388		1,445,388	1,276,648
Local Capital	5,000,000		6,986,713	6,986,713	4,657,849
Capital Lease Payment				-	
Special Purpose Fund	-			-	130,803
Total Net Transfers	5,265,294	1,445,388	6,986,713	8,432,101	6,065,300
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,655,418	(2,655,418)	-	
Principal Payment					
Capital Lease		1,994,426	(1,994,426)	-	
Total Other Adjustments to Fund Balances		4,649,844	(4,649,844)	-	
Total Capital Surplus (Deficit) for the year	(78,291)	(372,154)	4,117,127	3,744,973	466,546
Capital Surplus (Deficit), beginning of year		115,236,226	50,417,305	165,653,531	165,186,985
Capital Surplus (Deficit), end of year		114,864,072	54,534,432	169,398,504	165,653,531

School District No. 38 (Richmond)

Tangible Capital Assets

Year Ended June 30, 2019

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	55,169,613	435,300,751	8,165,659	3,196,876	1,881,551	15,549,357	519,263,807
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		5,263,693	87,170				5,350,863
Deferred Capital Revenue - Other			36,888				36,888
Operating Fund			308,098			237,222	545,320
Special Purpose Funds		758,555				141,513	900,068
Local Capital		119,044	858,072	588,313	92,463	997,526	2,655,418
Additions under Capital lease		6,141,292	1,290,228	588,313	92,463	2,158,686	2,158,686
Decrease:							
Deemed Disposals			448,558	254,871	167,978	3,301,028	4,172,435
Cost, end of year			448,558	254,871	167,978	3,301,028	4,172,435
Work in Progress, end of year	55,169,613	441,442,043	9,007,329	3,530,318	1,806,036	15,783,276	526,738,615
Cost and Work in Progress, end of year	55,169,613	451,228,850	9,007,329	3,530,318	1,806,036	15,783,276	9,786,807
Accumulated Amortization, beginning of year			3,981,962	1,615,094	1,090,580	7,185,891	223,068,468
Changes for the Year							
Increase: Amortization for the Year		10,012,593	858,650	341,014	368,759	3,173,526	14,754,542
Decrease:							
Deemed Disposals			448,558	254,871	167,978	3,301,028	4,172,435
Accumulated Amortization, end of year			448,558	254,871	167,978	3,301,028	4,172,435
Tangible Capital Assets - Net	55,169,613	232,021,316	4,615,275	1,829,081	514,675	8,724,887	302,874,847

School District No. 38 (Richmond)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year					-
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	9,786,807				9,786,807
	<u>9,786,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,786,807</u>
Net Changes for the Year	<u>9,786,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,786,807</u>
Work in Progress, end of year	<u>9,786,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,786,807</u>

School District No. 38 (Richmond)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	175,367,235	1,309,927	374,618	177,051,780
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	5,350,863	36,888	-	5,387,751
	<u>5,350,863</u>	<u>36,888</u>	<u>-</u>	<u>5,387,751</u>
Decrease:				
Amortization of Deferred Capital Revenue	8,207,551	61,902	17,703	8,287,156
	<u>8,207,551</u>	<u>61,902</u>	<u>17,703</u>	<u>8,287,156</u>
Net Changes for the Year	<u>(2,856,688)</u>	<u>(25,014)</u>	<u>(17,703)</u>	<u>(2,899,405)</u>
Deferred Capital Revenue, end of year	<u>172,510,547</u>	<u>1,284,913</u>	<u>356,915</u>	<u>174,152,375</u>
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	9,786,807			9,786,807
	<u>9,786,807</u>	<u>-</u>	<u>-</u>	<u>9,786,807</u>
Net Changes for the Year	<u>9,786,807</u>	<u>-</u>	<u>-</u>	<u>9,786,807</u>
Work in Progress, end of year	<u>9,786,807</u>	<u>-</u>	<u>-</u>	<u>9,786,807</u>
Total Deferred Capital Revenue, end of year	<u>182,297,354</u>	<u>1,284,913</u>	<u>356,915</u>	<u>183,939,182</u>

School District No. 38 (Richmond)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,414,935	99,434	50,703	9,229,184	-	10,794,256
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	14,664,077					14,664,077
Provincial Grants - Other			77,269			77,269
Other				1,062,909		1,062,909
Investment Income		2,578		257,422		260,000
	14,664,077	2,578	77,269	1,320,331	-	16,064,255
Decrease:						
Transferred to DCR - Capital Additions	5,350,863				36,888	5,387,751
Transferred to DCR - Work in Progress	9,786,807					9,786,807
	15,137,670	-	-	-	36,888	15,174,558
	(473,593)	2,578	40,381	1,320,331	-	889,697
Net Changes for the Year						
Balance, end of year	941,342	102,012	91,084	10,549,515	-	11,683,953