



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2018

School District No. 37 (Delta)

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Introduction

The following is a discussion and analysis of the School District’s financial performance for the fiscal year ending June 30, 2018. This report is a summary of the School District’s financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year and budget. This report should be read in conjunction with the School District’s financial statements for this same period.

Overview

The Delta School District is a leading district for innovative teaching and learner success. We are a District of 15.7 thousand student FTE and a headcount of approx. 2,600 staff. The District’s 31 schools, located in Ladner, North Delta, and Tsawwassen, nurture caring relationships, connections and a sense of belonging to our local and global communities. The District’s mission is to enable all learners to succeed and contribute their full potential to the future. We value Caring, Respect, Responsibility, Community and Excellence.

Our Vision



During the 2010/2011 school year, the Delta School District embarked on a journey to truly identify its future direction. All schools and school sites took part in a visioning process where they were asked to define their Big Bold Vision. Students, teachers, parents, and staff actively came together under the direction of a professional facilitator to brainstorm and narrow their focus. A graphic artist captured the ideas in drawings along the way. In the end, a concrete mission, vision and set of values were determined.

Vision

The Delta School District is a leading district for innovative teaching and learner success.

Vision Subthemes

1. Students are engaged through stimulating, relevant and inspiring educational experiences that ignite a lifelong passion for learning.
 1. Multiple pathways to learner success
 2. Sustainable, accessible technology supports innovative instruction
 3. Education takes place in all parts of the community
 4. Teachers work collegially to use best practices
2. Learners are fully prepared and empowered to contribute their personal best to society and become tomorrow's citizens and leaders.
 1. Engaged and inspired learners achieve success
 2. Delta graduation rates soar!
 3. Well-rounded global citizens emerge from our schools
3. Our schools nurture caring relationships, connections and a sense of belonging to our local and global communities.
 1. Safe and supportive learning community
 2. A culture of inclusion

Our Mission

To enable all learners to succeed and contribute their full potential to the future.

Our Values

Caring, Respect, Responsibility, Community, and Excellence

- **CARING:** Compassion, Empathy, Acceptance, Dedication
- **RESPECT:** Equality, Fairness, Dignity, Inclusion, Trust
- **RESPONSIBILITY:** Integrity, Accountability, Social Responsibility, Safety
- **COMMUNITY:** Teamwork, Partnership & Collaboration, Connectedness
- **EXCELLENCE:** Innovation, Creativity, Achievement, Engagement

Academic Achievements for the Year

In 2017, the District engaged schools in a planning process to identify key school and district goals under the Ministry of Education's new Framework for Enhancing Student Learning (FESL). Most of 2017 was an opportunity for school teams to work collaboratively to identify key student learning needs at the school that require further focus and improvement. In the fall of 2017, schools provided their school goals to the District for review and a scan of the school goals resulted in four key goal areas that formed the District FESL (See below).

Delta School District
Inspired Learning

District Framework for Enhancing Student Learning 2018 - 2021

GOAL ONE
Connectedness
All students will have at least two adults in their school who believe that they will be a success in life.

THE WHY
Extensive research suggests a direct relationship between students' sense of self-efficacy and their success in school. Those students who feel they have two or more significant adults in the school who genuinely believe they will be a success in life are more likely to graduate.

THE HOW
All students will be surveyed on an annual basis with the question, "Are there two or more adults in your school who believe that you will be a success in life?"

THE WHAT
The results of the survey will be shared with school staff and strategies implemented to support those students who are not feeling a sense of connectedness. Data will be tracked at the school and district level over time.

GOAL TWO
Reading
All students in the Delta School District will achieve grade level literacy by grade three, with the first three years of this goal focusing specifically on reading.

THE WHAT
On-going tracking of multiple data sources at both the school and district level will include: PM Benchmarks data, report card data, Levelled Literacy Intervention Kits.

THE HOW
An annual cycle of screening and assessment will be implemented across all schools in the district. Students demonstrating reading challenges will receive tiered intervention strategies.

THE WHY
A significant body of research indicates that the ability to read by grade three is a strong predictor of academic success and future graduation.

GOAL THREE
Assessment
All students will demonstrate an understanding of themselves as learners by being able to answer the "Big Three" questions: What am I learning? How is my learning going? Where to next?

THE WHY
To prepare students for post-secondary life, it is essential that we teach them to be self-regulated, life-long learners. Students who understand themselves as learners and can answer "what are you learning, how is it going, and where to next?", have a significantly higher likelihood of academic success.

THE HOW
Teachers will engage students in the "Big Three" questions and will use this feedback to monitor and adjust teaching strategies in response to student needs.

THE WHAT
Extensive school and district level professional learning and resourcing will support teachers in becoming assessment literate. All staff members will be aware of and understand the District's Procedure on Assessment, SD37 AFI. Website as a resource will continue to be developed.

GOAL FOUR
Graduation
All students will graduate with dignity, purpose, passion, and options.

THE WHAT
Implement a comprehensive set of interventions in response to students who are not experiencing success and/or appear to be at risk of not graduating.

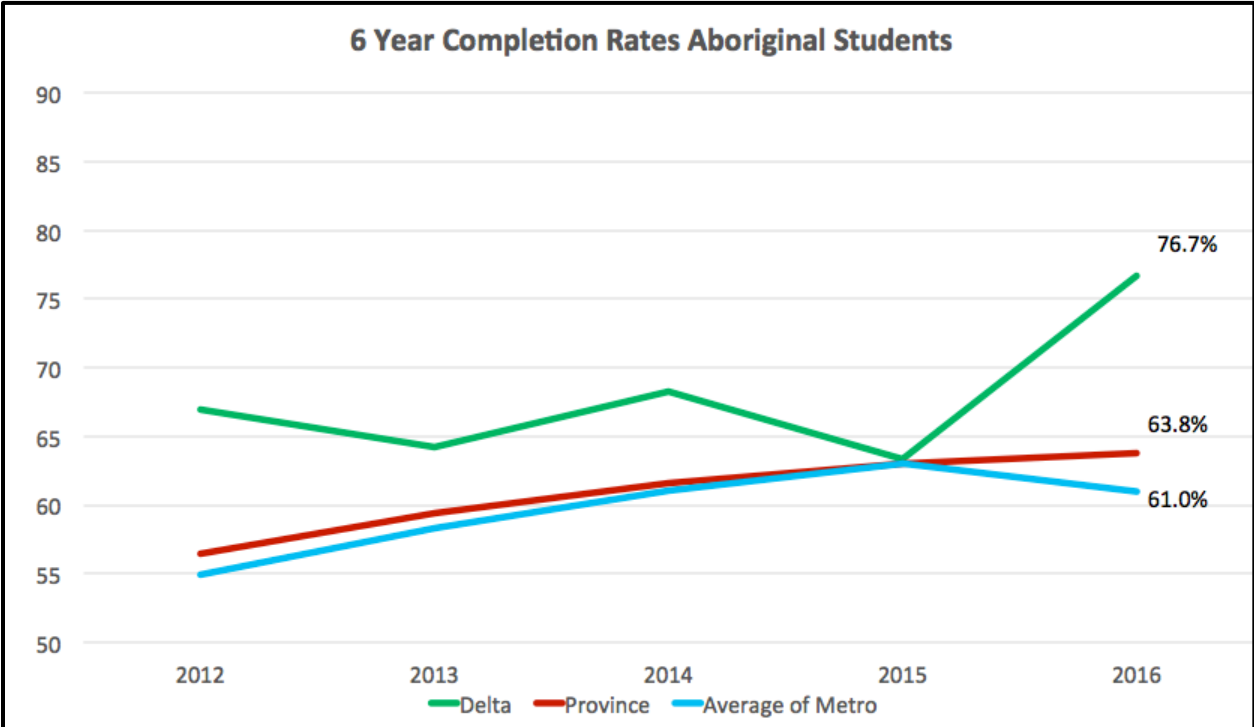
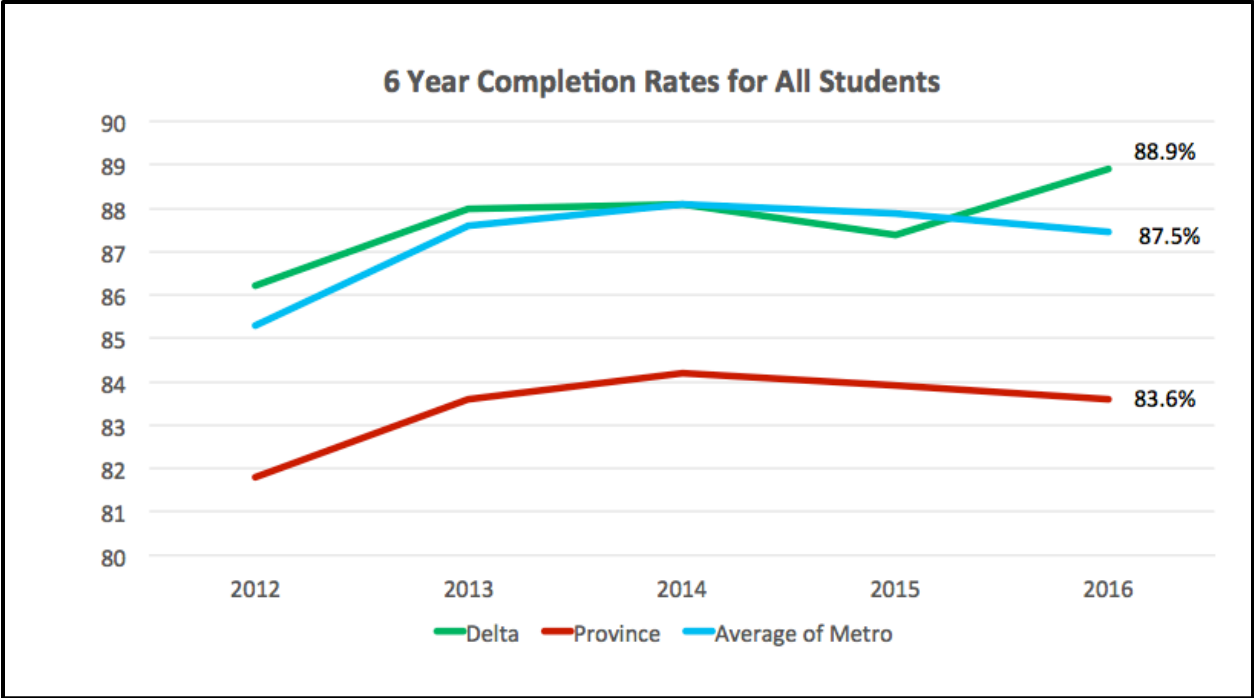
THE HOW
Intensive tracking of student success in grade-to-grade transitions in order to provide timely interventions to students.

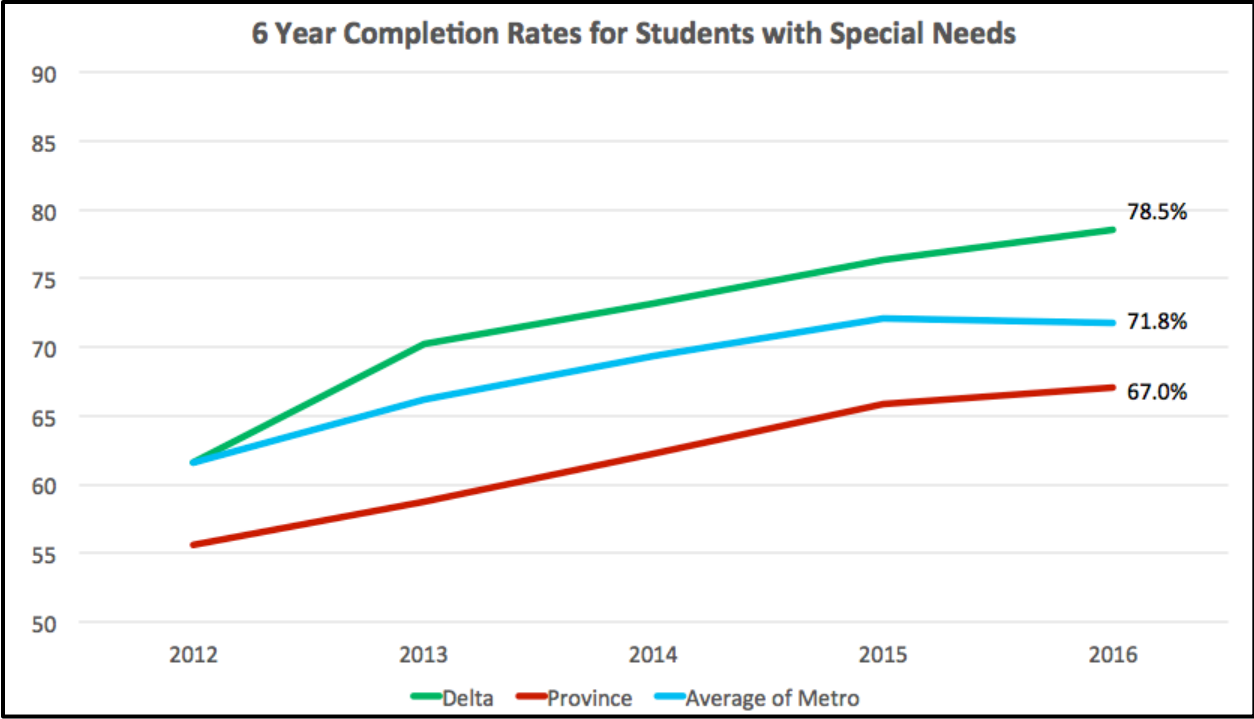
THE WHY
Students who graduate from high school have better life outcomes than those students who do not graduate. We believe that our current 6 year completion rate of 88.9% (2016) is not yet sufficient. We also believe that all students can learn and are able to graduate. Of particular concern are the significantly lower graduation rates for students with special needs, students in care, and students of Indigenous ancestry.

Delta School District
Inspired Learning

The first part of 2018 has been focused on the implementation of the FESL goals at the district and school level and we look forward to sharing our successes as we track our progress towards our goals through 2018/19.

A particular highlight for the 2017/18 school year was a significant increase in our Six Year Completion Rate (Graduation) for all students and for students of Indigenous ancestry as well as students with identified special needs. Please note that in 2017/18 we received the data for 2016. Thus, this reflects the most current information we have available, as shown below.





Financial Highlights

About BC School District Financial Statements

BC School District financial statements are prepared in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of BC which requires that financial statements are prepared in accordance with Canadian public sector accounting standards with some exceptions as explained in note 2 to the financial statements. Public sector accounting emphasizes accountability, not profitability. **School District Financial Statements have a prescribed common format** and they are consolidated into the Provincial Financial Statements.

Further, **Financial Statements of BC School Districts are reported as a consolidation of three separate funds: Operating, Special Purpose and Capital.** In the financial statements, these three separate funds are reported collectively in statements 1 through 5 and separately in schedules 2 (Operating Fund), 3 (Special Purpose Funds) and 4 (Capital Fund). To gain a full understanding of statements 1 through 5, it is important to also review each of the funds separately.

Change in Enrolment

It all starts with our Students

BC Education funding is largely enrolment driven. Enrolment related funding made up 95% of the District's 2017-18 Ministry Operating Grant and 74% of overall District revenue. Shifts in enrolment can have significant impacts on school district operations.

Student Enrolment

The Delta School District's FTE enrolment presently ranges upward of 15.7 thousand students of which 98% are school-aged K-12 students. The 2017-18 school-aged enrolment increased over budgeted projections by 5 FTE and over the prior year by 1.7 FTE. There was a decrease in Adult students of (11.5) FTE compared to the Amended Budget and by (18.5) FTE compared to the prior year, which is considered to be related to increasing challenges with housing affordability in the lower mainland area. There was a decrease of (9.625) FTE in Summer School students from the prior year, possibly being related to a reduction in the number of Provincial exams written. Overall, enrolment changes for 2017-18 did not have a significant impact on operations.

DELTA SCHOOL DISTRICT - #37							
Overall Student Enrolment							
AS AT JUNE 30, 2018							
	Total 2017-18	A. Budget 2017-18	Total 2016-17	\$ Variance from A.Budget	Variance from Prior Year		
School Age	15,442.4375	15,437.4375	15,440.7190	5.000	0.0%	1.719	0.0%
Adult	65.7500	77.2500	84.2500	(11.500)	-13.6%	(18.500)	-23.9%
Summer School	197.0000	197.0000	206.6250	-	0.0%	(9.625)	-4.9%
Total	15,705.1875	15,711.6875	15,731.5940	(6.500)		(26.406)	

...and the Students within our Students

Currently, BC's Ministry of Education provides additional supplemental funding for students with designations. The unique student needs of these students are categorized and the categories are grouped into 3 levels. Supplemental funding per student ranges from \$37,700 for a level 1 student to \$18,850 for a level 2 student to \$9,500 for a level 3 student. Students that arrive in September are funded fully and the students arriving in mid-year are captured in February. These students are funded at half of the full-year student amount. Supplemental funding is also provided for ELL designated students at \$1,395, for indigenous students at \$1,210, for newcomer refugees at \$3,651 and for adult students at \$4,618.

- **Level 1 designations** include physically dependent (A) and deaf blind (B) students
- **Level 2 designations** include moderate to profound intellectual disability (C); physical disability/chronic health impairment (D); visual impairment (E); deaf or hard of hearing (F); autism spectrum disorder (G)
- **Level 3 designations** include students requiring intensive behavior interventions or students with serious mental illness (H)
- **Unfunded designations** include mild intellectual disability (K); students requiring moderate behavior support or students with mental illness (R); gifted (P); learning disabilities (Q); Existing funds are used to provide these students with needed specialist teacher and EA support.

Student enrolment varies from school year to school year; impacting both Ministry funding and the actual supports students require. The total number of students with Level 1, 2 and 3 Ministry special needs designations, and the variation in the amount of students within the three levels, determine the amount of Ministry funding acquired and the subsequent support services provided.

- **For example**, an increase in the number of students with Level 3 designations in a given school year relative to the number of students with Level 2 designations results in less Ministry funding than in a school year in which the number of students with Level 2 designations is higher than those with Level 3 designations.

Ministry funding levels do not reflect and do not provide for the full spectrum and associated cost of addressing actual student learning needs.

- **For example**, an increase in students with Level 3 Ministry designations is often associated with an increase in complex support needs requiring increased teacher, specialist and EA staffing levels.

Ministry funding levels do not reflect the actual cost of support needs.

- **For example**, a student with a Level 3 designation may require full time EA support at a cost of \$50,000 per school year, as compared to supplemental funding of \$9,610 for a Level 3 student.

The types and amounts of support services for individual students is driven by their individual Education Plans, not by the Ministry designation category.

Unique Student Need Enrolment

In 2017-18, enrolment for students with unique student needs increased by 117.125 FTE over the prior year. As a result, funding increased by \$1.046 million.

In the prior year's budget cycle, signs indicated that 2017-18 enrolment for students with unique student needs would be decreasing. An enrolment shift had taken place in 2016-17 which caused enrolment to be flat after many years of increases. 2017-18 enrolment was predicted to decline by 73 students with a funding loss of \$1.065 million compared to the prior year. This predicted decline resulted in an enrolment related Original Budget reduction of 23.22 EA FTE. EA additions made to the Amended Budget recognized the subsequent increase over the original projection.

The table below shows 2017-18 v. 2016-17 Enrolment for Designated Students:

Enrolment for Students with Unique Student Needs	2017-18			2016-17			2017-18 v. 2016-17	
	FTE	\$ / ea	Total Revenue	FTE	\$ / ea	Total Revenue	FTE	Revenue
Level 1 Students - Sep	10.000	38,140	381,400	9.000	37,700	339,300	1.000	42,100
Level 1 Students - Total	10.000		381,400	9.000		339,300	1.000	42,100
Level 2 Students - Sep	621.000	19,070	11,842,470	612.000	18,850	11,536,200	9.000	306,270
Level 2 Students - Feb	14.000	9,535	133,490	10.000	9,425	94,250	4.000	39,240
Level 2 Students - Total	635.000		11,975,960	622.000		11,630,450	13.000	345,510
Level 3 Students - Sep	418.000	9,610	4,016,980	391.000	9,500	3,714,500	27.000	302,480
Level 3 Students - Feb	56.000	4,805	269,080		4,750	-	56.000	269,080
Level 3 Students - Total	474.000		4,286,060	391.000		3,714,500	83.000	571,560
ELL	1,518.000	1,395	2,117,610	1,499.000	1,380	2,068,620	19.000	48,990
Indigenous	574.000	1,210	694,540	545.000	1,195	651,275	29.000	43,265
Newcomer Refugees	8.125	3,651	29,664	11.000	3,609	39,699	(2.875)	(10,035)
ELL Supplement for Refugees	6.000	698	4,188	-	690	-	6.000	4,188
Sub-total	3,225.125		19,489,422	3,077.000		18,443,844	148.125	1,045,578
Unfunded Students	1,058.000			1,089.000			(31.000)	
Total Enrolment & Funding	4,283.125		19,489,422	4,166.000		18,443,844	117.125	1,045,578

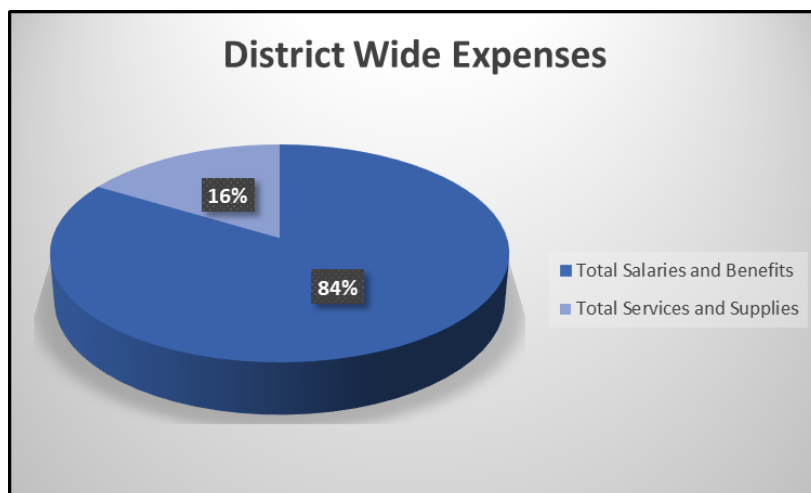
Why was actual enrolment for the 2017-2018 school year significantly higher than projections? What were the causes of this significant turn-around?

- Increased motivation for schools and caregivers to pursue designations as a result of reinstated contract language
- Improvements made to district processes for the assignment of designations
- Migration into the district - from out-of-district student waitlists

***Note:** while the increase in actual enrolment reflects the implementation of improved district processes and an increased district-wide focus on accurate student identification, the district, similarly to the Province and all metro districts, experienced challenges in hiring specialists, teachers and EAs and this resulted in a delay.*

Change in Staffing

The Majority of school district funding is expended on staffing costs. In 2017-18, 84% of total District expenditures were staffing related.



Teachers

In 2017-18, increases in teacher FTE positions were related to the rollout of the Supreme Court decision dated March 2017, which restored the substantive collective agreement language back to the levels established in 2002. Two Special Purpose Funds, named Classroom Enhancement Fund – Staffing (Teachers) and Classroom Enhancement Fund - Overhead, were provided by the Ministry of Education to fund cost increases resulting from the rollout.

The Delta School District qualified for 64.7 additional teachers as a result of the above mentioned initiative. However, the overall increase in teaching FTE was less than 64.7. The teacher related funding previously provided in the Learning Improvement (Special Purpose) Fund and the Priority Measures (Special Purpose) Fund were discontinued, thereby causing an offsetting decrease in teacher FTE. Overall teaching FTE increased by 41.18.

With the restored language causing significant demand increases for teachers all over BC, hiring challenges were experienced throughout the Province and many teachers changed positions and / or moved closer to home. This resulted repeatedly in vacant positions for short periods of time. An influx of entry level teachers resulted in a reduced average teacher salary.

The overall combination of vacant positions and reduced average salaries left the Amended Budget underspent by \$945 thousand for teachers in all funds.

Teachers Teaching on Call (TTOC's)

Restored class size and composition language provided teachers with relief where certain threshold class sizes or class compositions had been reached. This relief, referred to by the name of "remedy" could be chosen by teachers in a number of variations, the most common of which was TTOC release

time. With the newly increased Province-wide demand for TTOC's, shortages were experienced here too. These shortages created significant pressures on a system where TTOC's are also required to provide release time in the case of Teacher Illness and to cover during Teacher collaboration and professional development initiatives.

Underspending in TTOC budgets and funding for Pro-D initiatives can therefore be observed in the 2017-18 fiscal year. Overall, District-wide TTOC budgets were underspent by \$326 thousand.

TTOC's are included in the Substitute Labour category, which also covers casual EA's, clerical, maintenance and custodial labour.

Education Assistants (EA's)

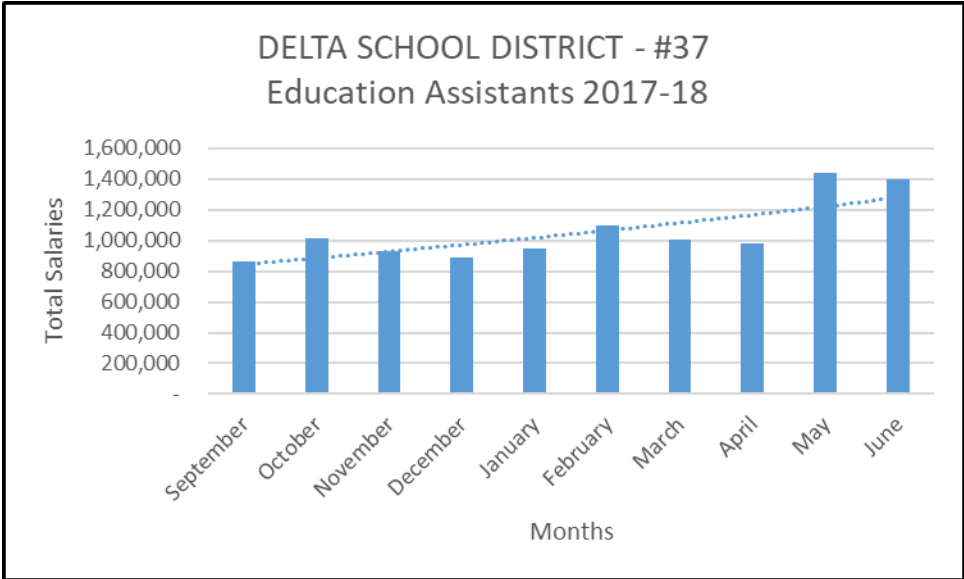
As already mentioned, 2017-18 enrolment numbers for students with unique student needs increased significantly compared to projections (please refer to pages 7, 8 and 9 for details). The swing from an *anticipated decrease* to an *actual increase* resulted in increased demand for teachers, specialists and EA staffing levels.

Simultaneously, restored substantive collective agreement language regarding school-based-teams took longer to establish itself than anticipated.

Additionally, the usual process of identifying student learning needs, developing Individual Education Plans (IEP's), and determining and putting in place the most suitable types and amounts of support services requires time. This, in turn, resulted in timing challenges as related to staffing and the re-allocation of services.

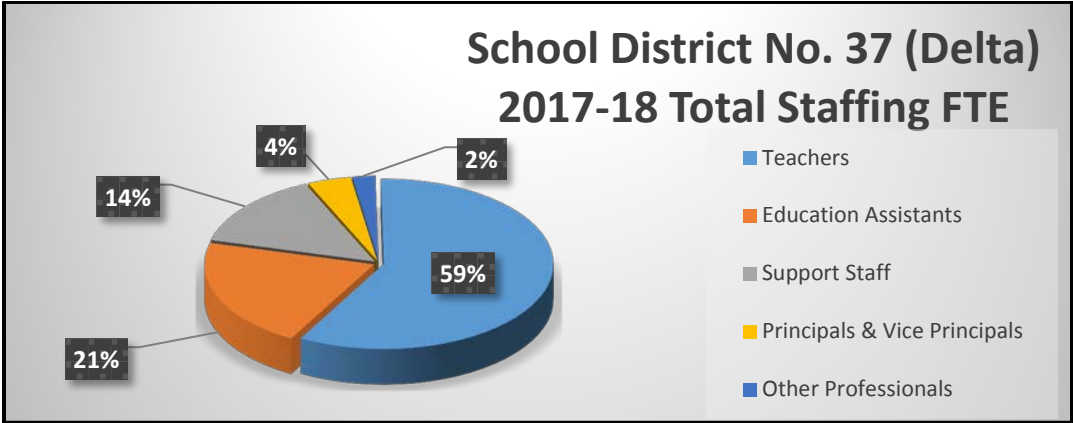
The combination of these factors resulted in EA underspending compared to budget.

The impact of the factors described above can be observed on the graph below, which indicates a gradual increase in EA services allocated over the year so available staffing could catch up with student needs.



Overall Staffing Composition

At 59%, the largest contingent of 2017-18 District staffing consists of teachers, followed by education assistants, who make up 21% of the District’s staffing FTE, and support staff at 14%. Principals and Vice Principals make up 4% of overall staffing and Other Professionals, who include management and trustees, make up 2% of the FTE distribution (please see below)



Operating Accounts

The circumstances of 2017-18 resulted in an operating surplus of \$5.035 million. The primary factors that contributed to the surplus included:

- Strong International Education enrolment;
- Province-wide unavailability of teachers and TTOCs due to restored teacher collective agreement language;
- Reduced average teacher salaries from Province-wide increase in entry level teachers;
- Unavailability of education assistants. A greater number of positions available, greater turnover, and more movement among positions translating into more frequent short-term vacant positions;
- Lower benefit costs due to reduced labour spending and legislation change related MSP savings;
- Increase in Ministry Funding for designated students;
- Increase in Investment income.

DELTA SCHOOL DISTRICT - #37						
Operating Fund Net Change						
AS AT JUNE 30, 2018						
	Total 2017-18	A. Budget 2017-18	Total 2016-17	\$ Variance from A.Budget	Variance from Prior Year	
Total Revenue	158,173,893	155,256,237	156,413,355	2,917,656	1,760,538	
Total Expenses	151,123,748	153,817,381	152,649,020	(2,693,633)	(1,525,272)	
Net Change	7,050,145	1,438,856	3,764,335	5,611,289	3,285,810	
Total Net Transfers	(2,014,950)	(1,601,033)	(1,599,311)	(413,917)	(415,639)	
Total Net Change	5,035,195	(162,177)	2,165,024	5,197,372	2,870,171	
Acc. Surplus Opening Balance	11,996,498	11,996,498	9,831,474	-	2,165,024	
Acc. Surplus Ending Balance	17,031,693	11,834,321	11,996,498	5,197,372	5,035,195	

Special Purpose Funds

Special Purpose Fund schedules provide information on “restricted contributions” where the term “restricted contributions” is defined as legislative or contractual stipulations, or restrictions, as to the use of funds. This, among other funds, includes funds that are designated to be Special Purpose Funds by the Ministry of Education (e.g.: Annual Facilities grant) and it includes Scholarship Funds.

At the beginning of the year, the District’s Special Purpose Funds had a combined opening balance of \$4.204 million. Receipts of \$18.218 million and spending of \$18.155 resulted in a \$63 thousand increase in the balance to be carried forward. The carry forward balance was \$4.267 million as at June 30, 2018. Of greatest significance in 2017-18 was, \$7.475 million in new, combined staffing and overhead related

Classroom Enhancement Funding (CEF) which was made available by the Ministry of Education. An amount of \$939 thousand remained at year-end. For further detail, please see page 26 of the Financial Analysis section.

Capital Accounts

Capital Fund schedules provide information on the District’s tangible capital acquisitions and the net book value of these acquisitions. Additionally, these schedules provide information on externally restricted capital revenues provided to the District for the acquisition of tangible capital assets, and on funds transferred in from the Operating or Special Purpose Funds for the purpose of acquiring tangible capital assets.

During the year ended June 30, 2018, the District invested \$6,875,738 in capital additions, as follows:

2017-18 Projects	Total Cost
Gibson Seismic Upgrade	\$ 805,498
DSS Seismic Upgrade	135,949
Multifunction Device Upgrades	801,514
Building Maintenance and Improvements	3,316,441
Technology Purchases	1,102,017
New Playground Structures	282,899
Vehicle and Equipment Additions	431,420
	<u>\$ 6,875,738</u>

Funding used to make these additions possible consisted of the following sources: \$3.732 million from the Ministry of Education, \$1.985 million from District Operating Funds, and \$1.159 million from Special Purpose Funds and other sources.

Financial Analysis of the School District

Statement of Financial Position

Definition: “An overarching statement that summarizes an entity’s financial position. It presents an entity’s financial assets and liabilities at a point in time. The statement layout provides two key performance measures of the entity’s ability to finance its operations and provide future services”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

The two financial measures are: 1) Net Financial Assets (Debt) and 2) Accumulated Surplus (Deficit).

1) Net Financial Assets (Debt)

“Net debt is a term that is unique to public sector financial reporting. It is the difference between an entity’s financial assets and liabilities at a point in time. This performance measure provides readers with important information regarding the entity’s requirement to generate future revenues to fund past services and transactions.” (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

School Districts will show a “net debt” position due to the funding provided, primarily by the Ministry of Education, for large capital projects and school acquisitions, but also by other external Ministries and organizations. These types of funding carry the term “Deferred Capital Revenue”. Differently from a debt, these contributions do not have to be repaid but are amortized over time. A net debt position therefore is not an indicator of insufficient financial assets to settle existing liabilities.

When District net debt is offset by non-financial assets, which include net capital assets, the resulting positive measure denotes a district’s Accumulated Surplus. Under the School Act, School Districts must not incur any Accumulated Deficits.

2) Accumulated Surplus (Deficit)

An accumulated surplus position means that a district has net positive resources for the provision of future services. District-wide “Accumulated Surplus” consists of “Accumulated Operating Surplus” and “Accumulated Capital Surplus”.

Conceptually, Special Purpose Funds do not incur surpluses because the deferred revenues remaining in these funds are liabilities that are owing back to the provider of the funds in the event that the stipulations attached to the funds are not met.

As an exception, when Special Purpose Funds make capital expenditures, they will create a surplus by recognizing more revenues than expenses. This surplus is then transferred to the Capital Fund in payment of the capital acquisition (see schedules 3 and 3a). The revenue recognized thus exactly covers operating and capital expenditures, leaving no surplus.

Accumulated Operating Surplus consists of accumulated surpluses and deficits over the years. The balance must always be positive, however, school districts can incur an annual deficit when they are in an accumulated surplus position. This accesses prior accumulated surplus balances.

The use of Accumulated Operating Surplus balances is guided by district policy and is authorized, monitored, and reviewed by the Board and the Audit Committee through the year.

SCHOOL DISTRICT No. 37 (DELTA)

Statement of Financial Position

AS AT JUNE 30, 2018

	Total Current Year	Total Prior Year	Variance from Prior Year	% of Change
FINANCIAL ASSETS				
Cash and Cash Equivalents	45,957,407	41,256,068	4,701,339	11%
Accounts Receivable				
Due from Province - Ministry of Education	36,427	41,577	- 5,149	-12%
Due from Province - Other	390,479	37,005	353,473	955%
Due from LEA/Direct Funding	310,394	296,030	14,364	5%
Other Receivables	922,544	1,403,627	- 481,083	-34%
TOTAL FINANCIAL ASSETS	47,617,251	43,034,307	4,582,943	11%
LIABILITIES				
Accounts Payable and Accrued Liabilities				
Due to Province - Other	227	318	- 91	-28%
Other	11,143,599	11,303,502	- 159,903	-1%
Unearned Revenue	8,831,596	8,777,405	54,192	1%
Deferred Revenue	4,266,845	4,203,918	62,927	1%
Deferred Capital Revenue	107,395,074	107,792,110	- 397,036	0%
Accrued Employee Future Benefits	4,214,775	4,091,799	122,976	3%
Capital Lease Obligations	5,580,987	5,191,839	389,148	7%
Other Liabilities	1,126,809	1,185,669	- 58,860	-5%
TOTAL LIABILITIES	142,559,912	142,546,560	13,352	0%
NET FINANCIAL ASSETS (DEBT)	- 94,942,661	- 99,512,253	4,569,592	-5%
NON-FINANCIAL ASSETS				
Tangible Capital Assets - Net	145,921,199	146,252,311	- 331,112	0%
Prepaid Expenses	609,535	475,219	134,316	28%
Supplies Inventory	29,099	23,508	5,591	24%
TOTAL NON-FINANCIAL ASSETS	146,559,833	146,751,038	- 191,205	0%
ACCUMULATED SURPLUS (DEFICIT)	51,617,172	47,238,785	4,378,387	9%
Accumulated Surplus (Deficit) is comprised of:				
Accumulated Surplus (Deficit)	51,617,172	47,238,785	4,378,387	9%
	51,617,172	47,238,785	4,378,387	9%

Financial Assets:

Definition: "Financial Assets are the financial resources an entity controls and can use to pay what it owes to others. These assets include cash, accounts receivable, investments and assets that are convertible to cash or that generate cash so that the entity can pay its liabilities as they come due". (Quoted from: "Understanding Canadian Public Sector Financial Statements" by the Office of the Auditor General of BC)

Cash & Investment Balance:

Cash and investments are required to settle the District's liabilities after deducting its receivables. The District's cash and investment balance is always sufficient to cover these costs and the initiatives that are fundable from Accumulated Operating Surplus.

The District's cash balance increased by \$4,701,339 (11.4%) over prior year. The reconciliation below provides details regarding the change in cash and cash equivalents from the prior year and shows how the cash balance will be used to meet District requirements.

2017-18 CASH RECONCILIATION				
CASH & INVESTMENT BALANCE AT JUNE 30, 2018	2017-18		2016-17	
CASH BALANCE FOR ALL FUNDS	14,873,324		10,709,122	
INVESTMENT WITH PROV. TREASURY	31,084,083	68%	30,546,946	
PORTFOLIO INVESTMENTS	-		-	
TOTAL CASH & INVESTMENTS	45,957,407		41,256,068	
FUNDS NEEDED FOR				
Accounts Payable	11,143,826		11,303,820	
<i>Includes: Wages, Payroll Deductions Amounts due to Vendors, Taxes</i>				
Tuition and Facility Rental Advance Payments	8,831,596		8,777,405	
Restricted Special Purpose Funds	4,266,845		4,203,924	
Unspent Deferred Contributions - Capital Funds	1,519,178		1,887,372	
Accrued Employee Benefits - Mercer	4,214,775		4,091,799	
Vacation and Overtime Banks	1,126,809		1,185,669	
Operating Reserve Initiatives	17,031,693		11,996,495	
Capital Reserves Initiatives	121,163	17,152,856	86,549	12,083,044
LESS: FUNDS TO BE RECEIVED FOR OR SAVED FROM				
Accounts Receivable	(1,659,844)		(1,778,239)	
<i>Includes: GST Refund, TFN & Other Billings Computer Plan, Interest Receivable Amounts receivable fr. PAC and SGF</i>				
Prepaid Expenses	(609,535)		(475,218)	
Maintenance Inventory	(29,099)		(23,506)	
TOTAL USES OF CASH & INVESTMENTS	45,957,407		41,256,068	

[Accounts Receivable](#) decreased overall by (\$118) thousand. Included in this amount are various timing related decreases totaling (\$492) thousand which were offset by claims amounts to be recovered from the District's insurance provider. Also included are increases in GST receivable from Revenue Canada.

Liabilities:

Definition: "Liabilities are existing financial obligations to outside parties at the date of the financial statements. They result from past transactions and events and will lead to the future sacrifice of economic benefits". (Quoted from: "Understanding Canadian Public Sector Financial Statements" by the Office of the Auditor General of BC)

[Accounts Payable](#) decreased by (\$160) thousand. This amount included trade payable decreases and an offsetting increase in Homestay payments received before year-end for 2018-19. These homestay amounts will be paid to International homestay families at the beginning of the 2018-19 school year.

Unearned Revenue consist of advance tuition fees received for the upcoming school year. The services have not yet been provided by the District and the fees have therefore not yet been earned. Unearned revenues increased by \$54 thousand from enrolment related increased International Student program fees.

Deferred Revenue is not yet revenue and consists of amounts received in advance of being earned. It includes Capital and Special Purpose funds that are restricted for a particular use. This funding is recorded as revenue when the deliverables have been provided. Deferred Revenue increased by \$63 thousand as a result of changes in the unspent carry-forward balances of various Special Purpose Funds, as follows: unspent Classroom Enhancement Funds of \$934 thousand, an increase in School Generated funds of \$100 thousand, a decrease in funding for the Provincial Outreach program of (\$360) thousand, a decrease in Priority Measures funding (\$399), and decreases in NOII (\$85) thousand and Coding & Curriculum Implementation of (\$100) thousand.

Deferred Capital Revenue (DCR) consists of outside funding that has been employed for capital projects. Deferred capital revenue is taken into income via amortization. DCR decreased by (\$397) thousand due to a reduction in large capital projects (we are in the process of completing our last seismic project) and due to an increase in realized amortization from a prior year increase in larger capital projects, most recently the Delta Secondary seismic project.

Accrued Employee Future benefits include post-employment benefits, compensated absences (accrued sick, holiday and banked time leaves) and termination benefits. Liability balances are determined by an actuarial process and are reduced when entitlements are taken through leaves or payouts. The liability amount for 2017-18 increased by \$123 thousand from prior year.

Capital Lease Obligations the District entered into a new 5-year contract for multi-function devices, which increased the lease obligation by \$389 thousand.

Other Liabilities decreased by (\$58) thousand due to reductions of accruals for vacation and overtime banks.

Non-Financial Assets:

Definition: “Non-financial assets are assets that an entity will use up when providing future services to the public. These assets are not normally used by an entity to settle its liabilities with external parties. As a result, they are shown separately in the Statement of Financial Position”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

Tangible Capital Assets decreased by (\$331) thousand from prior year. This change consisted of capital asset additions of \$6.876 million, primarily in the areas of buildings, furniture and equipment, computer hardware less amortization for the year of (\$7.207) million.

Prepaid Expenses increased by \$134 thousand due to increases in licenses for software, prepaid conferences and timing of vehicle insurance payments.

Supplies Inventory - small variance in normal course of doing business.

Accumulated Surplus or Deficit:

Definition: “The accumulated surplus or deficit represents the net recognized economic resources (all assets and liabilities) of the entity at the date of the financial statements. This measure provides the net economic position of the entity from all years’ operations at a point in time. An accumulated surplus position means that the entity has net positive resources that could be used to provide future services. An accumulated deficit position means that the entity has borrowed to finance annual operating deficits”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

Accumulated Surplus totals \$51.617 million and consists of \$17.032 million in Accumulated Operating Surplus and \$34.585 million in Accumulated Capital Surplus balances.

Accumulated Operating Surplus of \$11.996 million at the beginning of the year, increased by \$5.035 million during the year as described on page 13. Financial Statement note 18 “Internally Restricted Surplus” on page 26 of the Financial Statement package provides details of the composition of these reserve funds.

Accumulated Capital Surplus of \$35.242 million at the beginning of the year, decreased during the year by \$657 thousand. It is composed of Investments in Capital Assets in the amount of \$34.464 million and of Local Capital Reserves of \$121 thousand. For greater detail on the activity in these areas throughout the year, please refer to Schedule 4 on page 39 of the Financial Statement package.

DELTA SCHOOL DISTRICT - #37					
District Wide Net Position - Summary					
AS AT JUNE 30, 2018					
	Total 2017-18	A. Budget 2017-18	Total 2016-17	\$ Variance from A.Budget	Variance from Prior Year
Total Revenue	180,479,325	178,784,107	173,935,951	1,695,218	6,543,374
Total Expenses	176,100,938	179,910,103	173,343,352	(3,809,165)	2,757,586
Change in Net Position	4,378,387	(1,125,996)	592,599	5,504,383	3,785,789
Opening Net Position	47,238,785	47,238,785	46,646,186	-	592,599
Ending Net Position	51,617,172	46,112,789	47,238,785	5,504,383	4,378,388

Statement of Operations

Definition: “The Statement of Operations explains the change in the accumulated surplus or deficit from the prior year. Financial elements of the Statement of Operations include revenues and expenses. The performance and accountability measures are the annual surplus or deficit and the comparison of budgeted to actual results”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

Revenues

DELTA SCHOOL DISTRICT - #37							
Operating Fund Revenues							
AS AT JUNE 30, 2018							
	Total 2017-18	A. Budget 2017-18	Total 2016-17	\$ Variance from A.Budget		Variance from Prior Year	
Ministry of Education	139,815,638	139,078,172	137,875,400	737,466	1%	1,940,238	1%
Provincial Revenue	723,150	674,589	873,064	48,561	7%	(149,914)	-17%
Federal Revenues	964,616	929,488	1,025,691	35,128	4%	(61,075)	-6%
Tuition	12,528,509	11,669,847	12,796,160	858,662	7%	(267,651)	-2%
Other Revenues	2,746,345	1,689,766	2,783,919	1,056,579	63%	(37,574)	-1%
Facility Rental	774,732	735,375	667,919	39,357	5%	106,813	16%
Interest Income	620,903	479,000	391,202	141,903	30%	229,701	59%
Total Operating Fund Revenues	158,173,893	155,256,237	156,413,355	2,917,656	2%	1,760,538	1%

Definition: “Revenues are increases in economic resources that result from the entity’s operations, transactions and events during the accounting period. Revenues result from decreases in liabilities or increases in assets”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

Ministry of Education Funding increased by \$737 thousand over the Amended Budget and by \$1.94 million over the prior year. Please see an explanation of the most significant items below.

- **Variance to the Amended Budget included:** Increased Inclusive Education funding for mid-year enrolment of \$436 thousand, increased funding over expectation for graduated adults by \$224 thousand and an unbudgeted benefit grant of \$77 thousand.
- **Variance to the Prior Year included:** Increased funding for regular students of \$2.102 million (enrolment increased by 20 student FTE, however the per pupil amount increased by \$258 from \$6,900 to \$7,158); increased funding for students with unique student needs by \$1.046 million, reduced enrolment related continuing education academic funding of (\$190) thousand, a salary differential increase for Delta compared to the Province of \$624 thousand and a variance created by the one-time receipt in the prior year of the Student Learning Grant in the amount of \$785 thousand.

Provincial Revenues decreased by (\$150) thousand compared to the prior year and increased by \$49 thousand in comparison to the Amended Budget in connection with funding changes to a number of grants including Life Skills, Language Challenge and the Provincial Outreach Program.

Federal Revenues decreased by (\$61) thousand compared to the prior year for the Federal Linc and SWIS programs. This was anticipated with actual revenues coming in \$35 thousand higher than the Amended Budget.

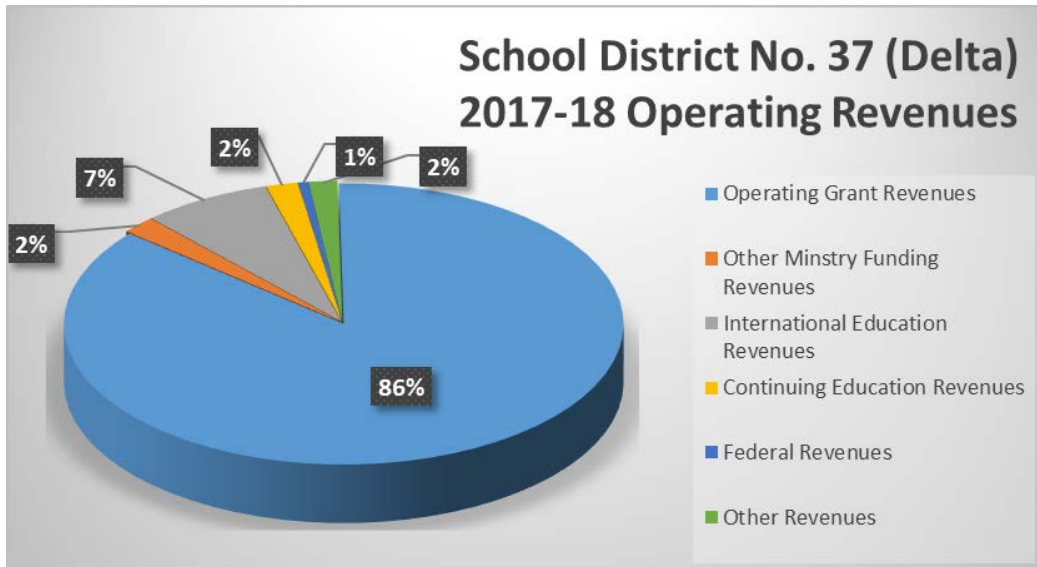
Tuition Revenues decreased by (\$268) thousand compared to the prior year but increased by \$859 thousand over the Amended Budget. The change over the Amended Budget is due to greater international student enrolment compared to expectation in the latter half of the year by \$839 thousand. The variance from the prior year is due to the Delta Wild hockey programs no longer being an integrated part of the Delta School District. The revenue reduction from Delta Wild is (\$1.897 million). These programs are now being independently operated with Delta students still in attendance. Revenue reductions are accompanied by offsetting expense savings.

Other Revenues decreased by (\$37) thousand compared to the prior year but increased by \$1.057 million over the Amended Budget. The increase was due to a \$760 thousand in miscellaneous international revenue and various other revenues, such as field maintenance (\$25 thousand), instructional cafeteria (\$33 thousand), Provincial Outreach Program for Autism Related Disorders (\$74 thousand).

Facility Rentals increased by \$107 thousand over the prior year and by \$39 thousand over the Amended Budget due to an increase in facility rentals and increase in Genesis theater revenue.

Interest Income increased by \$230 thousand over the prior year and by \$142 thousand over the Amended Budget due to an investment of increased cash balances.

Revenue distribution by source:



Expenses

Definition: “Expenses are decreases in economic resources that result from the entity’s operations, transactions and events during the accounting period. Expenses result from decreases in assets or increases in liabilities”. (Quoted from: “Understanding Canadian Public Sector Financial Statements” by the Office of the Auditor General of BC)

OPERATING SALARIES

DELTA SCHOOL DISTRICT - #37							
Operating Fund Salaries and Benefits							
AS AT JUNE 30, 2018							
	Total 2017-18	A. Budget 2017-18	Total 2016-17	\$ Variance from A.Budget		Variance from Prior Year	
Teachers	71,830,537	72,492,329	71,969,811	(661,792)	-1%	(139,274)	0%
Principals and Vice Principals	8,270,898	8,279,564	7,977,523	(8,666)	0%	293,375	4%
Educational Assistants	10,870,229	12,131,259	11,499,847	(1,261,030)	-10%	(629,618)	-5%
Support Staff	11,203,782	11,152,019	10,835,378	51,763	0%	368,404	3%
Other Professional	2,983,372	3,068,716	3,014,161	(85,344)	-3%	(30,789)	-1%
Substitutes	4,296,142	4,042,572	4,746,528	253,570	6%	(450,386)	-9%
Total Salaries	109,454,960	111,166,459	110,043,248	(1,711,499)	-2%	(588,288)	-1%
Benefits	27,231,580	28,064,423	27,343,400	(832,843)	-3%	(111,820)	0%
Total Salaries and Benefits	136,686,540	139,230,882	137,386,648	(2,544,342)	-2%	(700,108)	-1%

[Teacher Salaries](#) decreased by (\$662) thousand over the Amended Budget and decreased by (\$139) thousand over the prior year. For further details, please see page 10 of this document.

[Principals and Vice Principals](#) decreased by (\$9) thousand from the Amended Budget and increased by \$293 thousand over the prior year as a result of administrator salary increases authorized under the Provincial compensation framework.

[Education Assistants](#) decreased by (\$1.261) million from the Amended Budget and by (\$630) thousand compared to the prior year. For further details, please see page 11 of this document.

[Support Staff](#) increased by \$52 thousand from the Amended Budget and by \$368 thousand over the prior year. The variance to the Amended Budget is due to increased labour costs in Facilities. Increased spending compared to the prior year took place in Facilities and in Finance/Payroll due to added staffing needed to deal with increased Provincial reporting requirements. Additionally, costs rose as a result of 2 collective agreement increases: one of 0.5% of salaries starting July 1, 2017 and a second one of 1.0% salaries starting May 1, 2018 plus an Economic Stability Dividend of .4% beginning in May 1, 2018.

[Other Professionals](#) decreased by (\$85) thousand from the Amended Budget and decreased by (\$31) thousand compared to the prior year due to management turnover and illness.

[Substitute Labour](#) includes TTOCs, Casual EAs, Casual Maintenance and Facility Service workers, Casual Clerical, Cafeteria staff and Crossing Guards. Costs in this category increased by \$254 thousand over the Amended Budget and decreased by (\$450) thousand compared to the prior year.

- **Variance to the Amended Budget:** included illness related increases over budget by \$268 thousand, TTOC's and casual aides came in under budget by (\$143) thousand and (\$120)

thousand respectively due to unavailability of staff as discussed on page 11, casual maintenance showed an increase in costs to budget by \$180 thousand due to illness coverage and increased project work.

- **Variance to the Prior Year:** included lesser TTOC costs by (\$92) thousand, increased casual maintenance costs of \$123 thousand and a reduction in spending compared to the prior year for casual aides of (\$377) thousand. In 2017-18 the Inclusive Education budget was restructured based on a cost analysis study to better align budgets with changing student needs. This resulted in a reduction of the casual EA budget which was overspent in the prior year. The restructuring in this area resulted in more permanent, full-time positions.

Benefits decreased by (\$833) thousand from the Amended Budget and decreased by (\$112) thousand compared to the prior year, as follows:

- **Variance to the Amended Budget:** Decreased salaries impacted wage-sensitive pension costs, extended health, dental and MSP costs.
- **Variance to the Prior Year:** Year-over-year, the announced reduction of MSP to 50% beginning January 1, 2018 provided a savings buffer of (\$388) thousand on which all other benefit increases of \$276 thousand, primarily in the area of extended health and dental claims found a soft landing.

OPERATING SERVICES & SUPPLIES

DELTA SCHOOL DISTRICT - #37							
Operating Services and Supplies							
AS AT JUNE 30, 2018							
	Total 2017-18	A. Budget 2017- 18	Total 2016-17	\$ Variance from A.Budget		Variance from Prior Year	
Services Total	4,662,360	4,077,508	4,923,902	584,852	14%	(261,542)	-5%
Student Transportation Total	1,354,738	1,307,442	1,448,373	47,296	4%	(93,635)	-6%
Professional Development and Travel Total	724,426	688,089	1,185,414	36,337	5%	(460,988)	-39%
Rentals and Leases Total	94,532	94,875	230,048	(343)	0%	(135,516)	-59%
Dues and Fees Total	188,692	154,195	204,288	34,497	22%	(15,596)	-8%
Insurance Total	321,259	346,501	329,164	(25,242)	-7%	(7,905)	-2%
Supplies Total	5,349,227	6,095,180	5,073,011	(745,953)	-12%	276,216	5%
Utilities Total	1,741,974	1,822,709	1,868,172	(80,735)	-4%	(126,198)	-7%
Total Services and Supplies	14,437,208	14,586,499	15,262,372	(149,291)	-1%	(825,164)	-5%

Services Budget allocations and transfers from other budget areas after the Amended Budget date (end of February), for instance, from supplies, have not been captured in the Amended budget. These timing differences explain many of the variances in spending to the Amended budget. Services increased by \$585 thousand over the Amended Budget and decreased by (\$262) thousand compared to the prior year.

- **Variance to the Amended Budget:** Service costs increased over budget mainly in the areas of annual software maintenance costs, operation and maintenance costs, increased copier usage and agent commissions on international student short programs. Communication line costs came in below the Amended budget.
- **Variance to the Prior Year:** Service costs decreased compared to the prior year, primarily in connection with the absence of Delta Wild hockey programs in 2017-18. Offsetting this decrease were international program agent commissions that resulted from increased international program enrolment.

Student Transportation costs generally increase as a result of increasing fuel prices and changes in the need for student transportation. Costs increased by \$47 thousand over the Amended Budget in areas of to and from school transportation of students with unique student needs and to a lesser extent in other areas. Decreased costs compared to the prior year of (\$94) thousand were the result of the absence of Delta Wild academy.

Professional Development & Travel increased by \$36 thousand over the Amended Budget and decreased by (\$461) thousand compared to the prior year. The decrease pertained mainly to the areas of tournament related travel and accommodation. These costs were not incurred as a result of the absence of the Delta Wild academy program.

Rentals and Leases with reduced Academy activity due to the absence of Delta Wild hockey programs, there was no need for ice rink rentals and costs therefore decreased by (\$136) thousand compared to the prior year.

Dues and Fees increased by \$35 thousand over the Amended Budget and decreased by (\$16) thousand compared to the prior year due to variety of smaller impacts in a number of departments.

Insurance costs improved by (\$25) thousand compared to budgeted expectation and by (\$8) thousand compared to the prior year. Newly introduced shared services for fleet insurance in the prior year provided new savings that did not yet have an established trend to rely on at budget time.

Supplies Variances in spending to the Amended Budget are heavily influenced by the timing of the Amended Budget, which captures only the first half of the year. Budget dollars transferred to the Capital Fund after the completion of the Amended Budget (end of February), for instance, to fund capital asset acquisitions, are not considered in the Amended Budget.

Additionally, budget allocations and transfers to other budget areas after the Amended Budget date, for instance, for services, have not been captured in the Amended budget. These timing differences explain many of the variances in spending to the Amended Budget.

Finally, unspent school supply and service balances are traditionally carried forward at the District, for spending in the coming year.

Supply costs decreased by (\$746) thousand compared to the Amended Budget and increased by \$276 thousand over the prior year.

- **Variance to the Amended Budget:** This variance is mostly due to technology underspending to budget. This is an example of the phenomenon explained above, where technology spending

took place in the second half of the year. The spending was of a capital nature and was therefore recorded in the capital fund. Amended Budget dollars were transferred to the capital fund but this change cannot be shown here because it took place after the Amended Budget date.

- **Variance to the Prior Year:** A significant variation in spending between 2017-18 and 2016-17 was the result of 2017-18 Student Learning Grant spending over the prior year (\$766 thousand). The Student Learning Grant had been provided in March of the prior year, too close to the end of the school-year to be spent. This caused most of the spending for this 2-year grant to fall into year 2. This increase in spending over the prior year was offset by a reduction in Next Generation Network costs and an absence of costs for the Delta Wild hockey academies. Next Generation Network (NGN) costs are managed by the Ministry of Education and passed on to the Districts. This reduction was greatly appreciated.

Utilities Uncertain weather conditions and fluctuations in utility unit rates are a standard cause for variability in utility costs from budget and prior years. Green initiatives can help to control emissions and cost increases. For 2017-18 utility costs came in under the Amended Budget by (\$81) thousand or (-4%) and lower than in the prior year by (\$126) thousand or (7%). Water and gas and electricity decreased in comparison to the prior year, with these impacts not having been fully anticipated in the Amended Budget.

Special Purpose Funds

DELTA SCHOOL DISTRICT - #37					
Special Purpose Funds					
AS AT JUNE 30, 2018					
	Opening Balance	Receipts	Spent	Ending Balance	Change
Annual Facilities Grant	7,980	621,281	629,261	-	(7,980)
Learning Improvement Grant	6,636	542,709	515,809	33,536	26,900
Scholarships	197,645	106,892	34,620	269,917	72,272
Service Delivery Transformation	65,883	-	50,264	15,619	(50,264)
School Generated Funds	2,540,698	5,478,966	5,367,195	2,652,469	111,771
Strong Start	16,455	224,000	237,445	3,010	(13,445)
Ready, Set, Learn	-	58,800	58,800	-	-
Federal French Grant	1,485	262,933	264,418	-	(1,485)
Community Link	-	556,594	556,594	-	-
Coding & Curriculum Implementation	99,301	-	99,301	-	(99,301)
Priority Measures	399,021	-	399,021	-	(399,021)
Community Schools Partnership	2,127	50,000	52,127	-	(2,127)
New Horizons for Seniors	25,000	-	13,502	11,498	(13,502)
POPARD	360,000	2,683,252	3,043,252	-	(360,000)
CEF Staffing	-	6,705,403	5,862,821	842,582	842,582
CEF Overhead	-	769,739	672,890	96,849	96,849
ESWIS-Settlement Workers	29,829	-	2,181	27,648	(2,181)
EWSIS-Youth At Risk	94,210	-	4,179	90,031	(4,179)
AVID	14,949	-	14,949	-	(14,949)
Ace-It	108,115	44,600	77,634	75,082	(33,034)
Network of Inquiry and Innovation	234,581	112,576	198,555	148,603	(85,979)
GRAND TOTAL	4,203,918	18,217,745	18,154,818	4,266,845	62,927

Commentary on Special Purpose Funds:

Learning Improvement Grant	This grant used to include funding for teachers and for EA's; The teacher funding has been discontinued with the provision of the Classroom Enhancement Funding, however EA support continues;
Service Delivery Transformation	This grant was given for the study and implementation of wellness initiatives. The end date for the use of this grant was June 30, 2018
Coding & Curriculum Implementation	This was a one-time grant which had a spending deadline of June 30, 2018
Priority Measures	A one-time transition grant toward implementation of Classroom Enhancement Fund;
POPARD	The Provincial Outreach Program for Autism Related Disorders moved to the PAFN location in Richmond. The \$360 thousand available at the beginning of the year were provided to help with the move
CEF Staffing and Overhead Funds	Funding for costs related to the implementation and

	ongoing costs of the restored collective agreement language dating back to 2002. This fund was new in 2017-18. It replaced the Priority Measures transition grant.
ESWIS Settlement Workers and Youth At Risk grants	These grants date a number of years back. They are not being replenished. Once remaining funding is spent, they will be closed.

Capital Fund

DELTA SCHOOL DISTRICT - #37				
Capital Funds				
AS AT JUNE 30, 2018				
	Net Book Value 2017-18	Net Book Value 2016-17	Variance from Prior Year	
	\$	\$		
Sites	10,714,525	10,714,525	-	0%
Buildings	120,995,891	121,731,024	(735,133)	-1%
Buildings - Capital Lease	4,489,808	4,783,261	(293,453)	-6%
Buildings - Work in Progress	563,888	138,704	425,184	307%
Furniture & Equipment	3,065,752	2,170,032	895,720	41%
Furniture & Equipment - Capital Lease	621,182	753,498	(132,316)	-18%
Furniture & Equipment - Work in Progress	34,529	4,643	29,886	644%
Vehicles	1,343,091	1,198,880	144,211	12%
Vehicles - Capital Lease	92,047	150,285	(58,238)	-39%
Computer Software	306,473	340,992	(34,519)	-10%
Computer Equipment	3,694,013	4,209,996	(515,983)	-12%
Computer Equipment - Work in Progress	-	56,471	(56,471)	-100%
Total	145,921,199	146,252,311	(331,112)	

[Site](#) no additional sites were acquired or disposed of this year.

[Buildings](#) decreased in net book value from last year due to the completion of larger projects, including seismic upgrades in prior years creating a larger amortization expense for the current year.

[Furniture and Equipment](#) increased in net book value from last year due to addition of 3 new school playgrounds, new floor scrubbers and youth trade equipment, offset by amortization costs.

[Vehicles](#) increased in net book value from last year due to purchases of additional buses and maintenance vehicles in the current year offset by amortization expenses.

[Computer Software](#) decreased in net book value from last year due to new district website costs offset by amortization of prior year software assets.

[Computer Equipment](#) decreased in net book value from last year due to amortization for prior year equipment purchases offset by a smaller amount of new purchases for this year.

External and Internal Capital Funds – per schedules 4 and 4D of the Financial Statements:

DELTA SCHOOL DISTRICT - #37

Available Capital Funds

AS AT JUNE 30, 2018

	Total 2017-18	Total 2016-17	Variance from Prior Year	
Ministry of Education Restricted Funds				
Bylaw	235,574	691,150	(455,576)	-66%
Other	1,148,530	1,076,822	71,708	7%
Local Capital Restricted Funds	121,162	86,549	34,613	40%
Other Provincial Restricted Funds	135,074	119,401	15,673	13%
Total Available Funds	1,640,340	1,973,922	(333,582)	

The available Bylaw balances of \$235 thousand are funding remainders committed for the completion of various project remainders, including HVAC replacements, seismic upgrade and building envelope completions.

Ministry of Educations Restricted Capital consists of proceeds from land sales and funding remainders of completed projects and investment income on the restricted capital. This funding can be accessed with authorization from the Ministry.

Local capital restricted funds contain investment income and restrictions for technology projects.

External Restricted Funds are set aside for youth trade capital equipment.

Future Considerations

Some factors that are anticipated to impact the District during 2018-19 include:

- BC public sector starting to prepare for new rounds of bargaining as public servant collective agreements expire in 2019;
- MSP reduction by 50% in mid-2017-18 with a new Employer Health Tax (EHT) introduced for January 2019. An announcement made by BC's Finance of Minister, Carol James, is anticipated to compensate for the EHT on schools but details are yet unknown;
- An unknown outcome of the Funding Model Review undertaken by the Ministry of Education and unknown impact on the District's 2019-20 budget;
- Class size and composition restored language impact on 2018-19;
- October 20th 2018 Civic Election

Contacting Management

This financial report is designed to provide the School District's stakeholders with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Secretary Treasurer's office.
