

Audited Financial Statements of

**School District No. 37 (Delta)**

June 30, 2019

# School District No. 37 (Delta)

June 30, 2019

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# School District No. 37 (Delta)

## MANAGEMENT REPORT

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 37 (Delta) have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation 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. 37 (Delta) (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 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. 37 (Delta) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 37 (Delta)

Laura Dixon	Original Document Signed	September 24, 2019
Signature of the Chairperson of the Board of Education		Date Signed
Doug Sheppard	Original Document Signed	September 24, 2019
Signature of the Superintendent		Date Signed
Nicola Christ	Original Document Signed	September 24, 2019
Signature of the Secretary Treasurer		Date Signed



## *Independent auditor's report*

To the Board of Education of School District No. 37 (Delta) and  
the Minister of Education, Province of British Columbia

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### *Our opinion*

In our opinion, the accompanying financial statements of School District No. 37 (Delta) (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.

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### *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.

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*PricewaterhouseCoopers LLP*  
Central City Tower, 13450 102 Avenue, Suite 1400, Surrey, British Columbia, Canada V3T 5X3  
T: +1 604 806 7000, F: +1 604 806 7806



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### *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.

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### *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.

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### *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.

**(signed) PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Surrey, British Columbia  
September 24, 2019

# School District No. 37 (Delta)

## Statement of Financial Position

As at June 30, 2019

	2019 Actual \$	2018 Actual \$
<b>Financial Assets</b>		
Cash and Cash Equivalents	52,656,279	45,957,407
Accounts Receivable		
Due from Province - Ministry of Education	1,100,170	36,427
Due from Province - Other	59,415	390,479
Due from LEA Funding	271,643	310,394
Other (Note 3)	924,241	922,544
<b>Total Financial Assets</b>	<b>55,011,748</b>	<b>47,617,251</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	304	227
Other (Note 4)	19,268,387	11,143,599
Unearned Revenue (Note 5)	9,211,533	8,831,596
Deferred Revenue (Note 6)	4,294,565	4,266,845
Deferred Capital Revenue (Note 7)	108,175,846	107,395,074
Employee Future Benefits (Note 8)	4,286,735	4,214,775
Capital Lease Obligations (Note 9)	5,198,843	5,580,987
Other Liabilities	1,047,657	1,126,809
<b>Total Liabilities</b>	<b>151,483,870</b>	<b>142,559,912</b>
<b>Net Financial Assets (Debt)</b>	<b>(96,472,122)</b>	<b>(94,942,661)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	144,112,448	145,921,199
Prepaid Expenses	708,021	609,535
Supplies Inventory	22,298	29,099
<b>Total Non-Financial Assets</b>	<b>144,842,767</b>	<b>146,559,833</b>
<b>Accumulated Surplus (Deficit)</b>	<b>48,370,645</b>	<b>51,617,172</b>

Contractual Obligations (Note 14)

Contingent Liabilities (Note 15)

Approved by the Board

Laura Dixon Original Document Signed September 24, 2019

Signature of the Chairperson of the Board of Education Date Signed

Doug Sheppard Original Document Signed September 24, 2019

Signature of the Superintendent Date Signed

Nicola Christ Original Document Signed September 24, 2019

Signature of the Secretary Treasurer Date Signed

# School District No. 37 (Delta)

Statement of Operations  
Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	154,382,344	<b>157,930,321</b>	152,234,700
Other	877,139	<b>1,132,774</b>	906,760
Federal Grants	947,974	<b>980,006</b>	978,118
Tuition	11,620,625	<b>12,615,771</b>	12,528,509
Other Revenue	7,319,206	<b>8,801,498</b>	8,271,049
Rentals and Leases	695,375	<b>733,254</b>	774,732
Investment Income	819,700	<b>1,044,710</b>	673,969
Amortization of Deferred Capital Revenue	4,111,488	<b>4,196,213</b>	4,111,488
<b>Total Revenue</b>	<u>180,773,851</u>	<u><b>187,434,547</b></u>	<u>180,479,325</u>
<b>Expenses (Note 17)</b>			
Instruction	151,688,285	<b>154,923,598</b>	146,745,414
District Administration	4,877,746	<b>5,214,219</b>	4,717,320
Operations and Maintenance	24,331,415	<b>29,267,813</b>	23,279,029
Transportation and Housing	1,121,557	<b>1,044,317</b>	1,147,675
Debt Services	230,804	<b>231,127</b>	211,500
<b>Total Expense</b>	<u>182,249,807</u>	<u><b>190,681,074</b></u>	<u>176,100,938</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,475,956)</u>	<u><b>(3,246,527)</b></u>	<u>4,378,387</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>51,617,172</b>	47,238,785
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><b>48,370,645</b></u>	<u>51,617,172</u>



# School District No. 37 (Delta)

## Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<u>(1,475,956)</u>	<u>(3,246,527)</u>	4,378,387
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(6,648,310)	(5,755,335)	(6,875,738)
Amortization of Tangible Capital Assets	7,206,850	7,564,086	7,206,850
<b>Total Effect of change in Tangible Capital Assets</b>	<u>558,540</u>	<u>1,808,751</u>	331,112
Acquisition of Prepaid Expenses		(1,320,538)	(1,456,546)
Use of Prepaid Expenses		1,222,052	1,322,230
Acquisition of Supplies Inventory		(17,556)	(28,349)
Use of Supplies Inventory		24,357	22,758
<b>Total Effect of change in Other Non-Financial Assets</b>	<u>-</u>	<u>(91,685)</u>	(139,907)
<b>(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)</b>	<u>(917,416)</u>	<u>(1,529,461)</u>	4,569,592
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Financial Assets (Debt)</b>		<u>(1,529,461)</u>	4,569,592
<b>Net Financial Assets (Debt), beginning of year</b>		<u>(94,942,661)</u>	(99,512,253)
<b>Net Financial Assets (Debt), end of year</b>		<u>(96,472,122)</u>	(94,942,661)

# School District No. 37 (Delta)

Statement of Cash Flows  
Year Ended June 30, 2019

	2019 Actual \$	2018 Actual \$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(3,246,527)	4,378,387
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(695,625)	118,395
Supplies Inventories	6,801	(5,591)
Prepaid Expenses	(98,486)	(134,316)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	8,124,865	(159,994)
Unearned Revenue	379,937	54,191
Deferred Revenue	27,720	62,927
Employee Future Benefits	71,960	122,976
Other Liabilities	(79,152)	(58,860)
Amortization of Tangible Capital Assets	7,564,086	7,206,850
Amortization of Deferred Capital Revenue	(4,196,213)	(4,111,488)
<b>Total Operating Transactions</b>	<u>7,859,366</u>	<u>7,473,477</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(337,010)	(831,652)
Tangible Capital Assets -WIP Purchased	(5,418,325)	(5,242,572)
<b>Total Capital Transactions</b>	<u>(5,755,335)</u>	<u>(6,074,224)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	4,976,985	3,714,452
Capital Lease Principal Repayment	(382,144)	(412,366)
<b>Total Financing Transactions</b>	<u>4,594,841</u>	<u>3,302,086</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>6,698,872</u>	<u>4,701,339</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>45,957,407</u>	<u>41,256,068</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>52,656,279</u>	<u>45,957,407</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>52,656,279</u>	<u>45,957,407</u>
	<u>52,656,279</u>	<u>45,957,407</u>



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 37 (Delta)", and operates as "School District No. 37 (Delta)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 37 (Delta) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(f) and 2(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(f) 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.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2018 - decrease in annual surplus by \$397,036

June 30, 2018 - decrease in accumulated surplus and decrease in deferred contributions by \$107,395,074

Year-ended June 30, 2019 – increase in annual surplus by \$780,772

June 30, 2019 – increase in accumulated surplus and decrease in deferred contributions by \$108,175,846



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Portfolio Investments

The School District does not currently have investments in term deposits that have a maturity of greater than 3 months at the time of acquisition.

e) 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.

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2(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. See Note 2(a) for the impact of this policy on these financial statements.



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

g) Employee Future 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 prorated 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 of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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.



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

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 market 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 life is as follows:

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



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

i) 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 leases are accounted for as an 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.

j) Prepaid Expenses

The following items are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from them.

- Insurance for fleet vehicles
- Annual software support agreements
- Prepaid memberships, subscriptions and registration fees
- Prepaid utility costs

k) Supplies Inventory

Supplies inventory held for consumption or use includes materials and supplies for facility use and are recorded at the lower of historical cost and replacement cost.

l) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 12 – Interfund Transfers and Note 18 – Internally Restricted Surplus).



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

m) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet 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 asset acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful 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. See Note 2(a) for the impact of this policy on these financial statements.

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.





**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

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 on capital leases.

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 and accrued liabilities and other liabilities.

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.



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

o) Financial Instruments *(Continued)*

Interest and dividends attributable to financial instruments are reported in the statement of operations.

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. Management has not identified any areas requiring significant estimates.

q) New Accounting Standards

In June 2015, PSAB issued PS 3430, Restructuring Transactions. PS 3430 defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction. The main features of PS 3430 are as follows:

- A restructuring transaction is a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities without consideration based primarily on the fair value of the individual assets and individual liabilities transferred;
- The net effect of a restructuring transaction should be recognized as revenue or as an expense by entities involved;
- A transferor should derecognize individual assets and liabilities transferred in a restructuring transaction at their carrying amount at the restructuring date;
- A recipient should recognize individual assets and liabilities received in a restructuring transaction at their carrying amount with applicable adjustments at the restructuring date;
- A transferor and a recipient should not restate their financial position or results of operations; and
- A transferor and a recipient should disclose sufficient information to enable users to assess the nature and financial effects of a restructuring transaction on their financial position and operations.



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

q) New Accounting Standards *(Continued)*

PS 3430 applies to restructuring transactions occurring in fiscal years beginning on or after April 1, 2018. There is no impact to the financial statements upon transition to this standard.

r) Future Accounting Standards

PS 3280 Asset Retirement Obligations

In March 2018, PSAB issued PS 3280, Asset Retirement Obligations. PS 3280 defines and establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets. The main features of PS 3280 are as follows:

- An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs associated with a tangible capital asset controlled by the entity increase the carrying amount of the related tangible capital asset (or a component thereof) and are expensed in a rational and systematic manner.
- Asset retirement costs associated with an asset no longer in productive use are expensed.
- Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset (or a component thereof), or an expense, depending on the nature of the re-measurement and whether the asset remains in productive use.
- Asset retirement obligations include post-retirement operation, maintenance and monitoring.
- A present value technique is often the best method with which to estimate the liability.

PS 3280 applies to fiscal years beginning on or after April 1, 2021. Management is in the process of assessing the impact of adoption of PS 3280 on the financial statements of the School District.

PS 2400 Revenue

In June 2018, PSAB issued PS 3400, Revenue. PS 3400 proposes a framework describing two categories of revenue – transactions with performance obligations and transactions with no performance obligations. PS 3400 applies to fiscal years beginning on or after April 1, 2022. Management is in the process of assessing the impact of adoption of PS 3400 on the financial statements of the School District.



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2019	2018
Due from Federal Government	\$ 488,038	\$ 476,304
Other	436,203	446,240
	\$ 924,241	\$ 922,544

**NOTE 4      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2019	2018
Trade payables	\$ 2,045,714	\$ 1,545,666
Wages payable	1,404,204	1,213,336
Payroll deductions payable	7,524,666	6,000,703
Other	8,293,803	2,383,894
	\$ 19,268,387	\$ 11,143,599

**NOTE 5      UNEARNED REVENUE**

	2019	2018
Balance, beginning of year	\$ 8,831,596	\$ 8,777,405
Changes for the year:		
Increase:		
Tuition fees	12,995,707	12,582,700
Rental/Lease of facilities	769,846	801,624
	13,765,553	13,384,324
Decrease:		
Tuition fees	(12,615,770)	(12,528,509)
Rental/Lease of facilities	( 769,846)	( 801,624)
Net changes for the year	379,937	54,191
Balance, end of year	\$ 9,211,533	\$ 8,831,596



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 6      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
Deferred Revenue, beginning of year	\$ 4,266,845	\$ 4,203,918
Changes for the year:		
Increase:		
Provincial Grants - Ministry of Education	13,439,040	12,417,222
Provincial Grants - Other	164,008	99,397
Other	5,992,047	5,685,968
Investment Income	27,180	15,158
	19,622,275	18,217,745
Decrease:		
Transfer to Revenue	(19,504,450)	(17,544,870)
Transfer re Capital Additions	(88,556)	(607,782)
Other	(1,549)	(2,166)
	(19,594,555)	(18,154,818)
Net changes for the year	27,720	62,927
Balance, end of year	\$ 4,294,565	\$ 4,266,845



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 7 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 (includes work in progress)	\$ 107,395,074	\$ 107,792,110
Changes for the year:		
Increase:		
Transfer to Deferred Capital Revenue	4,595,510	4,082,647
Provincial Grants	4,716,475	3,325,100
Provincial Grants - Other	152,831	138,463
Other Capital	78,538	227,624
Investment Income	29,141	23,265
	9,572,495	7,797,099
Decrease:		
Amortization of Deferred Capital Revenue	(4,196,213)	(4,111,488)
Transfer to Deferred Capital Revenue	(4,595,510)	(4,082,647)
Net changes for the year	780,772	(397,036)
Balance, end of year (includes work in progress)	\$ 108,175,846	\$ 107,395,074

**NOTE 8 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
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 3,598,327	\$ 3,611,610
Service Cost	317,172	309,435
Interest Cost	101,954	101,989
Benefit Payments	(281,027)	(307,185)
Actuarial (Gain) Loss	178,707	(117,522)
Accrued Benefit Obligation – March 31	\$ 3,915,133	\$ 3,598,327



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 8      EMPLOYEE FUTURE BENEFITS** *(Continued)*

<b>Reconciliation of Funded Status at End of Fiscal Year</b>	2019	2018
Accrued Benefit Obligation – March 31	\$ 3,915,133	\$ 3,598,327
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(3,915,133)	(3,598,327)
Employer Contributions After Measurement Date	82,880	23,145
Benefits Expense After Measurement Date	(114,535)	(104,782)
Unamortized Net Actuarial (Gain) Loss	(339,947)	(534,811)
Accrued Benefit Asset (Liability) – June 30	\$ (4,286,735)	\$ (4,214,775)

<b>Reconciliation of Change in Accrued Benefit Liability</b>	2019	2018
Accrued Benefit Liability – July 1	\$ 4,214,775	\$ 4,091,799
Net expense for Fiscal Year	412,723	409,434
Employer Contributions	(340,763)	(286,458)
Accrued Benefit Liability – June 30	\$ 4,286,735	\$ 4,214,775

<b>Components of Net Benefit Expense</b>	2019	2018
Service Cost	\$ 327,201	\$ 311,369
Interest Cost	101,679	101,980
Amortization of Net Actuarial (Gain)/Loss	(16,157)	(3,915)
Net Benefit Expense	\$ 412,723	\$ 409,434

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

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
EARSL – March 31	9.4	9.6



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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**NOTE 9      CAPITAL LEASE OBLIGATIONS**

The School District has two leases for equipment (with terms of forty-five months). The School District also has one lease (with a term of fourteen years) for a thermal energy plant. This lease has a buyout option based on the market value at the end of the agreement. The leases bear interest rates averaging 4.26% with average monthly principal and interest payments of \$57,730.

Repayments are due as follows:

2020	\$ 613,271
2021	613,271
2022	613,271
2023	569,297
2024	430,505
Thereafter	<u>3,874,541</u>
Total minimum lease payments	<u>\$ 6,714,156</u>
Less amounts representing interest	<u>(1,515,313)</u>
Present value of net minimum capital lease payments	<u><b>\$ 5,198,843</b></u>

Total interest on leases for the year was \$231,127 (2018: \$211,500).

The School District has been involved in a BC Utilities Commission (BCUC) regulatory process with the provider of its thermal energy plant over interpretational differences around the rate in the plant's contract. The provider applied to the Commission for a rate which would result in an increased cost of energy to the School District over the remaining term of the contract. The BCUC approved the provider's application on April 16, 2019 with an effective date of July 1, 2019, including a retroactive adjustment for the rate differential since the inception of the contract. The retroactive adjustment, estimated at \$5.46m, has been recognized as a liability as at June 30, 2019 and is payable by the School District on an annual basis over the remaining life of the contract.





**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 10 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2019	Net Book Value 2018
	\$	\$
Sites	10,714,525	10,714,525
Buildings	121,346,350	120,995,891
Buildings - Capital Lease	4,196,355	4,489,808
Buildings - Work in Progress	97,275	563,888
Furniture & Equipment	3,065,455	3,065,752
Furniture & Equipment - Capital Lease	417,144	621,182
Furniture & Equipment - Work in Progress	102,536	34,529
Vehicles	1,271,761	1,343,091
Vehicles - Capital Lease	51,655	92,047
Computer Software	204,106	306,473
Computer Software - Work in Progress	40,208	-
Computer Equipment	2,367,928	3,694,013
Computer Equipment - Work in Progress	237,150	-
<b>TOTAL</b>	<b>144,112,448</b>	<b>145,921,199</b>

**June 30, 2019**

COST	Balance at July 1, 2018	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2019
	\$	\$	\$	\$	\$
Sites	10,714,525				10,714,525
Buildings	226,523,000			5,029,672	231,552,672
Buildings - Capital Lease	5,869,062				5,869,062
Buildings - Work in Progress	563,888	4,563,059		(5,029,672)	97,275
Furniture & Equipment	4,356,773	219,555	(228,367)	143,720	4,491,681
Furniture & Equipment - Capital Lease	1,319,326				1,319,326
Furniture & Equipment - Work in Progress	34,529	211,727		(143,720)	102,536
Vehicles	1,709,394	117,455	(35,937)		1,790,912
Vehicles - Capital Lease	582,379				582,379
Computer Software	561,145		(171,561)	9,862	399,446
Computer Software - Work in Progress	-	50,070		(9,862)	40,208
Computer Hardware	8,412,018		(2,927,411)	356,319	5,840,926
Computer Hardware - Work in Progress	-	593,469		(356,319)	237,150
<b>TOTAL</b>	<b>260,646,039</b>	<b>5,755,335</b>	<b>(3,363,276)</b>	<b>-</b>	<b>263,038,098</b>

Amortization	Balance at July 1, 2018	Additions	Disposals	Balance at June 30, 2019
	\$	\$	\$	\$
Buildings	105,527,109	4,679,213		110,206,322
Buildings - Capital Lease	1,379,254	293,453		1,672,707
Furniture & Equipment	1,291,021	363,572	(228,367)	1,426,226
Furniture & Equipment - Capital Lease	698,144	204,038		902,182
Vehicles	366,303	188,785	(35,937)	519,151
Vehicles - Capital Lease	490,332	40,392		530,724
Computer Software	254,672	112,229	(171,561)	195,340
Computer Hardware	4,718,005	1,682,404	(2,927,411)	3,472,998
<b>TOTAL</b>	<b>114,724,840</b>	<b>7,564,086</b>	<b>(3,363,276)</b>	<b>118,925,650</b>



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2018**

<b>COST</b>	<b>Balance at July 1, 2017</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (WIP)</b>	<b>Balance at June 30, 2018</b>
	\$	\$	\$	\$	\$
Sites	10,714,525				10,714,525
Buildings	222,645,063			3,877,937	226,523,000
Buildings - Capital Lease	5,869,062				5,869,062
Buildings - Work in Progress	138,704	4,303,121		(3,877,937)	563,888
Furniture & Equipment	3,415,604	1,236,897	(295,728)		4,356,773
Furniture & Equipment - Capital Lease	1,319,326				1,319,326
Furniture & Equipment - Work in Progress	4,643	29,886			34,529
Vehicles	1,682,968	312,508	(286,082)		1,709,394
Vehicles - Capital Lease	582,379				582,379
Computer Software	541,329		(53,931)	73,747	561,145
Computer Software - Work in Progress	-	73,747		(73,747)	-
Computer Hardware	7,460,164	83,761	(24,196)	892,289	8,412,018
Computer Hardware - Work in Progress	56,471	835,818		(892,289)	-
<b>TOTAL</b>	<b>254,430,238</b>	<b>6,875,738</b>	<b>(659,937)</b>	<b>-</b>	<b>260,646,039</b>

<b>Amortization</b>	<b>Balance at July 1, 2017</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2018</b>
	\$	\$	\$	\$
Buildings	100,914,039	4,613,070		105,527,109
Buildings - Capital Lease	1,085,801	293,453		1,379,254
Furniture & Equipment	1,245,572	341,177	(295,728)	1,291,021
Furniture & Equipment - Capital Lease	565,828	132,316		698,144
Vehicles	484,088	168,297	(286,082)	366,303
Vehicles - Capital Lease	432,094	58,238		490,332
Computer Software	200,337	108,266	(53,931)	254,672
Computer Hardware	3,250,168	1,492,033	(24,196)	4,718,005
<b>TOTAL</b>	<b>108,177,927</b>	<b>7,206,850</b>	<b>(659,937)</b>	<b>114,724,840</b>

- Contributed tangible capital assets

Additions to buildings and furniture include the following contributed tangible capital assets:

	2019	2018
PAC & Municipality Funded Playgrounds	\$ 51,407	\$ 272,896

- Buildings – work in progress having a value of \$477,169 (2018: \$598,417) have not been amortized. Amortization of these assets will commence when the asset is put into service.



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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**NOTE 11      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusted pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2017, the Teachers' Pension Plan has about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 active 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 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 School District paid \$13,658,421 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$14,470,443).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 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 NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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**NOTE 12 INTERFUND TRANSFERS**

Interfund transfers between the Operating, Special Purpose and Capital funds for the year ended June 30, 2019, were as follows:

- **Capital Lease Principal:** A transfer to the Capital Fund of \$382,144 consisting of \$380,917 from the Operating Fund and \$1,227 from Special Purpose Funds covered the 2018/19 short-term principal portion of the School District's capital leases.
- **Capital Lease Interest:** A transfer in the amount of \$231,127 consisting of \$230,805 from the Operating Fund and \$322 from Special Purpose Funds to the Capital Fund was made for the payment of capital lease interest.
- **Purchase of Capital Assets:** Transfers in the amount of \$259,591 from the Operating Fund were made to the Capital Fund for the purchase of capital items, including computer hardware, electronic equipment, furniture and equipment and vehicles.
- **Capital Projects:** Transfers in the amount of \$900,234 consisting of \$811,678 from the Operating Fund and \$88,556 from Special Purpose Funds were made to the Capital Fund. These funds paid for building, computer hardware, software, furniture and equipment.
- **Capital Expenses:** A transfer in the amount of \$13,970 from the Operating Fund was made to the Capital Fund for a capital project technology optimization review.

**NOTE 13 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.

**NOTE 14 CONTRACTUAL OBLIGATIONS**

The School District has a commitment of \$1.595 million for equipment and roofing projects over the next 12 months.

**NOTE 15 CONTINGENT LIABILITIES**

- (a) In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. 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.
- (b) As per a directive from the Ministry of Education, any funding for Remedy with the Classroom Enhancement Fund requires an agreement for payout with the School District's Teachers association. No agreement was in place at June 30, 2019 and the amount and likelihood of a payout are not measureable.



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 16 BUDGET FIGURES**

Budget figures included in the financial statements are audited. The figures reflect the amended annual budget were approved by the Board February 26, 2019. The School District elected to present the amended annual budget as it reflects a budget based on funding a result of final enrollment numbers versus estimated annual projects.

	<b>2019 ORIGINAL BUDGET</b>	<b>2019 AMENDED BUDGET</b>
<b>REVENUES</b>		
Provincial Grants		
Provincial Grants - Ministry of Education	\$ 151,785,058	\$ 154,382,344
Provincial Grants - Other	898,488	877,139
Federal Grants	923,149	947,974
Tuition	8,828,547	11,620,625
Other Revenue	6,820,506	7,319,206
Rentals and Leases	695,375	695,375
Investment Income	514,700	819,700
Amortization of Deferred Capital Revenue	4,224,657	4,111,488
<b>Total Revenue</b>	<b><u>174,690,480</u></b>	<b><u>180,773,851</u></b>
<b>EXPENSES</b>		
Instruction	147,281,694	151,688,285
District Administration	4,591,940	4,877,746
Operations and Maintenance	24,131,718	24,331,415
Transportation and Housing	1,139,121	1,121,557
Debt Services	229,198	230,804
<b>Total Expense</b>	<b><u>177,373,671</u></b>	<b><u>182,249,807</u></b>
<b>Deficit for the year</b>	<b><u>\$ (2,683,191)</u></b>	<b><u>\$ (1,475,956)</u></b>

**NOTE 17 EXPENSE BY OBJECT**

	2019	2018
Salaries and benefits	\$ 154,231,853	\$ 147,218,368
Services and supplies	28,654,008	21,464,220
Interest	231,127	211,500
Amortization	7,564,086	7,206,850
<b>Total</b>	<b><u>\$ 190,681,074</u></b>	<b><u>\$ 176,100,938</u></b>



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 18 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND**

Internally Restricted (appropriated) by Board:

Restrictions due to the nature of constraint, including contractual obligations, donated funds, and funds received for specific initiatives that do not meet the criteria of Special Purpose Fund.

• Contractual Obligations	\$ 118,770	
• Donor Named Funds	96,386	
• Ed Plan	109,391	
• Other	<u>326,439</u>	650,986

Restrictions due to Senior Management identified potential unusual expenses of a non-recurring nature.	4,583,795
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Restrictions due to operations spanning the school-year, including school budget balances, funds required to complete in-progress projects, year-end purchase order commitments, funding for technology, equipment replacement and capital projects.

• School & Dept. Surplus/Carry Forward	\$1,293,338	
• Operating Projects in Progress	2,673,872	
• Technology, Utilities, Equipment & Capital	4,720,876	
• Purchase Order Commitments	<u>71,445</u>	<u>8,759,531</u>
		\$ 13,994,312

Unrestricted Operating Surplus	<u>1,554,117</u>
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Total Available for Future Operations	<u>\$ 15,548,429</u>
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**NOTE 19 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.

**NOTE 20 RISK MANAGEMENT**

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in the Province's Central Deposit Program.

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 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 solely in the Province's Central Deposit Program.

b) Liquidity risk:

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



**SCHOOL DISTRICT NO. 37 (DELTA)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**NOTE 20 RISK MANAGEMENT** *(Continued)*

c) Liquidity risk *(Continued)*:

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.

**NOTE 21 SUPPLEMENTARY CASH FLOW INFORMATION**

	2019				2018
	Operating Fund	Special Purpose Fund	Capital Fund	Total	Total
Interest Received	\$ 923,671	24,032	62,641	\$ 1,010,344	\$ 646,124
Interest Paid - Capital Lease			231,127	\$ 231,127	\$ 211,500



# School District No. 37 (Delta)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	17,031,693		34,585,479	<b>51,617,172</b>	47,238,785
<b>Changes for the year</b>					
Surplus (Deficit) for the year	213,697	90,105	(3,550,329)	<b>(3,246,527)</b>	4,378,387
Interfund Transfers					
Tangible Capital Assets Purchased	(259,591)		259,591	-	
Tangible Capital Assets - Work in Progress	(811,678)	(88,556)	900,234	-	
Local Capital	(13,970)		13,970	-	
Other	(611,722)	(1,549)	613,271	-	
<b>Net Changes for the year</b>	<b>(1,483,264)</b>	-	<b>(1,763,263)</b>	<b>(3,246,527)</b>	<b>4,378,387</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>15,548,429</b>	-	<b>32,822,216</b>	<b>48,370,645</b>	51,617,172

# School District No. 37 (Delta)

Schedule of Operating Operations

Year Ended June 30, 2019

Schedule 2 (Unaudited)

	2019 Budget \$	2019 Actual \$	2018 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	143,334,649	<b>144,618,032</b>	139,815,638
Other	696,139	<b>915,309</b>	723,150
Federal Grants	936,476	<b>980,006</b>	964,616
Tuition	11,620,625	<b>12,615,771</b>	12,528,509
Other Revenue	1,765,406	<b>2,761,027</b>	2,746,345
Rentals and Leases	695,375	<b>733,254</b>	774,732
Investment Income	779,000	<b>957,739</b>	620,903
<b>Total Revenue</b>	<b>159,827,670</b>	<b>163,581,138</b>	158,173,893
<b>Expenses</b>			
Instruction	136,144,923	<b>136,727,150</b>	130,330,968
District Administration	4,469,959	<b>4,649,773</b>	4,212,958
Operations and Maintenance	16,276,021	<b>20,946,201</b>	15,432,147
Transportation and Housing	1,121,557	<b>1,044,317</b>	1,147,675
<b>Total Expense</b>	<b>158,012,460</b>	<b>163,367,441</b>	151,123,748
<b>Operating Surplus (Deficit) for the year</b>	<b>1,815,210</b>	<b>213,697</b>	7,050,145
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>472,017</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(161,288)	<b>(259,591)</b>	(329,914)
Tangible Capital Assets - Work in Progress	(1,500,687)	<b>(811,678)</b>	(1,049,368)
Local Capital	(13,530)	<b>(13,970)</b>	(13,970)
Other	(611,722)	<b>(611,722)</b>	(621,698)
<b>Total Net Transfers</b>	<b>(2,287,227)</b>	<b>(1,696,961)</b>	(2,014,950)
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(1,483,264)</b>	5,035,195
<b>Operating Surplus (Deficit), beginning of year</b>		<b>17,031,693</b>	11,996,498
<b>Operating Surplus (Deficit), end of year</b>		<b>15,548,429</b>	17,031,693
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>13,994,312</b>	15,477,576
Unrestricted		<b>1,554,117</b>	1,554,117
<b>Total Operating Surplus (Deficit), end of year</b>		<b>15,548,429</b>	17,031,693

# School District No. 37 (Delta)

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	141,103,237	<b>141,580,749</b>	136,659,422
ISC/LEA Recovery	(413,859)	<b>(362,190)</b>	(413,859)
Other Ministry of Education Grants			
Pay Equity	2,171,545	<b>2,171,545</b>	2,171,545
Funding for Graduated Adults	230,400	<b>407,673</b>	400,035
Transportation Supplement	41,933	<b>41,933</b>	41,933
Economic Stability Dividend	125,000	<b>175,977</b>	93,780
Return of Administrative Savings			690,188
Carbon Tax Grant	60,700	<b>81,900</b>	75,017
Employer Health Tax Grant		<b>388,829</b>	
Strategic Priorities - Mental Health Grant		<b>31,000</b>	
Foundation Skills Assessment	15,693	<b>21,693</b>	15,693
Other Grants			5,000
Teacher Extended Health Plan		<b>77,423</b>	76,884
MyEd BC		<b>1,500</b>	
<b>Total Provincial Grants - Ministry of Education</b>	<b>143,334,649</b>	<b>144,618,032</b>	139,815,638
<b>Provincial Grants - Other</b>	<b>696,139</b>	<b>915,309</b>	723,150
<b>Federal Grants</b>	<b>936,476</b>	<b>980,006</b>	964,616
<b>Tuition</b>			
Summer School Fees	179,000	<b>243,563</b>	215,855
Continuing Education	751,430	<b>626,592</b>	738,865
International and Out of Province Students	9,971,288	<b>10,938,239</b>	10,851,092
Academy Tuition Fees	718,907	<b>807,377</b>	722,697
<b>Total Tuition</b>	<b>11,620,625</b>	<b>12,615,771</b>	12,528,509
<b>Other Revenues</b>			
Other School District/Education Authorities	40,000	<b>42,248</b>	57,801
LEA Funding from First Nations	413,859	<b>362,190</b>	413,859
Miscellaneous			
Instructional Cafeteria	330,000	<b>366,036</b>	363,461
Municipal Grant-Crossing Guards	102,412	<b>103,456</b>	102,412
Admin Fees	43,500	<b>56,325</b>	43,500
Teacher Training	192,630	<b>250,615</b>	233,039
Academies - Other	101,800	<b>114,872</b>	127,841
International - Other	285,306	<b>1,053,415</b>	1,016,033
Miscellaneous	255,899	<b>411,870</b>	388,399
<b>Total Other Revenue</b>	<b>1,765,406</b>	<b>2,761,027</b>	2,746,345
<b>Rentals and Leases</b>	<b>695,375</b>	<b>733,254</b>	774,732
<b>Investment Income</b>	<b>779,000</b>	<b>957,739</b>	620,903
<b>Total Operating Revenue</b>	<b>159,827,670</b>	<b>163,581,138</b>	158,173,893

**School District No. 37 (Delta)**

Schedule 2B (Unaudited)

## Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	75,262,003	<b>75,615,786</b>	71,830,537
Principals and Vice Principals	8,591,521	<b>8,714,211</b>	8,270,898
Educational Assistants	11,640,444	<b>11,813,047</b>	10,870,229
Support Staff	11,410,455	<b>11,412,764</b>	11,203,782
Other Professionals	3,283,432	<b>3,111,259</b>	2,983,372
Substitutes	4,254,184	<b>4,313,482</b>	4,296,142
<b>Total Salaries</b>	<b>114,442,039</b>	<b>114,980,549</b>	109,454,960
<b>Employee Benefits</b>	27,997,416	<b>28,276,572</b>	27,231,580
<b>Total Salaries and Benefits</b>	<b>142,439,455</b>	<b>143,257,121</b>	136,686,540
<b>Services and Supplies</b>			
Services	4,864,978	<b>5,504,353</b>	4,662,360
Student Transportation	1,377,839	<b>1,337,345</b>	1,354,738
Professional Development and Travel	705,702	<b>708,076</b>	724,426
Rentals and Leases	211,798	<b>43,479</b>	94,532
Dues and Fees	153,206	<b>196,266</b>	188,692
Insurance	340,001	<b>312,268</b>	321,259
Supplies	6,103,308	<b>4,712,741</b>	5,349,227
Utilities	1,816,173	<b>7,295,792</b>	1,741,974
<b>Total Services and Supplies</b>	<b>15,573,005</b>	<b>20,110,320</b>	14,437,208
<b>Total Operating Expense</b>	<b>158,012,460</b>	<b>163,367,441</b>	151,123,748

# School District No. 37 (Delta)

Schedule 2C (Unaudited)

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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	53,438,353	1,092,137	406,740	56,756		2,585,891	57,579,877
1.03 Career Programs	532,122		216,671			17,492	766,285
1.07 Library Services	1,803,128	2,871		69,009		110,080	1,985,088
1.08 Counselling	2,646,678						2,646,678
1.10 Special Education	12,082,286	415,621	10,172,895	139,770	4,742	685,638	23,500,952
1.30 English Language Learning	1,937,144	218,143	197,529			54,998	2,407,814
1.31 Aboriginal Education	444,312	59,602	127,816	6,554		3,515	641,799
1.41 School Administration		6,047,335		2,619,007	13,178	118,387	8,797,907
1.60 Summer School	337,380					15,304	352,684
1.61 Continuing Education	377,811	256,076	13,781	204,754	94,430	13,258	960,110
1.62 International and Out of Province Students	1,437,966	503,222	227,947	512,062	78,259	38,359	2,797,815
1.64 Other	570,438	119,204	449,668	227,416	6,231	102,999	1,475,956
<b>Total Function 1</b>	<b>75,607,618</b>	<b>8,714,211</b>	<b>11,813,047</b>	<b>3,835,328</b>	<b>196,840</b>	<b>3,745,921</b>	<b>103,912,965</b>
<b>4 District Administration</b>							
4.11 Educational Administration				51,126	745,145		796,271
4.40 School District Governance					189,067		189,067
4.41 Business Administration				695,989	1,140,142	6,308	1,842,439
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>747,115</b>	<b>2,074,354</b>	<b>6,308</b>	<b>2,827,777</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				326,493	771,028	13,696	1,111,217
5.50 Maintenance Operations	8,168			6,122,128	52,544	312,555	6,495,395
5.52 Maintenance of Grounds				379,348		164,341	543,689
5.56 Utilities							-
<b>Total Function 5</b>	<b>8,168</b>	<b>-</b>	<b>-</b>	<b>6,827,969</b>	<b>823,572</b>	<b>490,592</b>	<b>8,150,301</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				2,352	16,493		18,845
7.70 Student Transportation						70,661	70,661
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,352</b>	<b>16,493</b>	<b>70,661</b>	<b>89,506</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>75,615,786</b>	<b>8,714,211</b>	<b>11,813,047</b>	<b>11,412,764</b>	<b>3,111,259</b>	<b>4,313,482</b>	<b>114,980,549</b>

# School District No. 37 (Delta)

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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	57,579,877	14,454,560	72,034,437	2,712,059	74,746,496	73,908,350	73,234,815
1.03 Career Programs	766,285	193,017	959,302	54,436	1,013,738	1,035,214	1,034,952
1.07 Library Services	1,985,088	465,933	2,451,021	71,195	2,522,216	2,629,059	2,493,128
1.08 Counselling	2,646,678	594,584	3,241,262	5,468	3,246,730	3,225,782	3,112,309
1.10 Special Education	23,500,952	5,756,746	29,257,698	1,110,209	30,367,907	30,252,064	27,094,422
1.30 English Language Learning	2,407,814	579,681	2,987,495	18,627	3,006,122	3,046,183	2,831,712
1.31 Aboriginal Education	641,799	137,555	779,354	100,256	879,610	931,242	735,612
1.41 School Administration	8,797,907	1,990,079	10,787,986	182,520	10,970,506	10,814,786	10,349,007
1.60 Summer School	352,684	56,194	408,878	13,141	422,019	386,030	448,526
1.61 Continuing Education	960,110	226,992	1,187,102	235,428	1,422,530	1,361,432	1,326,722
1.62 International and Out of Province Students	2,797,815	673,098	3,470,913	1,458,287	4,929,200	5,557,534	4,479,767
1.64 Other	1,475,956	316,883	1,792,839	1,407,237	3,200,076	2,997,247	3,189,996
<b>Total Function 1</b>	<b>103,912,965</b>	<b>25,445,322</b>	<b>129,358,287</b>	<b>7,368,863</b>	<b>136,727,150</b>	<b>136,144,923</b>	<b>130,330,968</b>
<b>4 District Administration</b>							
4.11 Educational Administration	796,271	163,708	959,979	190,694	1,150,673	1,101,911	1,098,173
4.40 School District Governance	189,067	7,855	196,922	98,876	295,798	297,033	282,770
4.41 Business Administration	1,842,439	431,017	2,273,456	929,846	3,203,302	3,071,015	2,832,015
<b>Total Function 4</b>	<b>2,827,777</b>	<b>602,580</b>	<b>3,430,357</b>	<b>1,219,416</b>	<b>4,649,773</b>	<b>4,469,959</b>	<b>4,212,958</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	1,111,217	269,871	1,381,088	470,094	1,851,182	1,913,555	1,779,861
5.50 Maintenance Operations	6,495,395	1,819,041	8,314,436	2,525,348	10,839,784	11,280,419	10,719,875
5.52 Maintenance of Grounds	543,689	131,845	675,534	126,753	802,287	1,034,565	997,768
5.56 Utilities	-	-	-	7,452,948	7,452,948	2,047,482	1,934,643
<b>Total Function 5</b>	<b>8,150,301</b>	<b>2,220,757</b>	<b>10,371,058</b>	<b>10,575,143</b>	<b>20,946,201</b>	<b>16,276,021</b>	<b>15,432,147</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	18,845	3,286	22,131	-	22,131	21,080	32,395
7.70 Student Transportation	70,661	4,627	75,288	946,898	1,022,186	1,100,477	1,115,280
<b>Total Function 7</b>	<b>89,506</b>	<b>7,913</b>	<b>97,419</b>	<b>946,898</b>	<b>1,044,317</b>	<b>1,121,557</b>	<b>1,147,675</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>114,980,549</b>	<b>28,276,572</b>	<b>143,257,121</b>	<b>20,110,320</b>	<b>163,367,441</b>	<b>158,012,460</b>	<b>151,123,748</b>

# School District No. 37 (Delta)

## Schedule of Special Purpose Operations

Year Ended June 30, 2019

Schedule 3 (Unaudited)

	2019 Budget \$	2019 Actual \$	2018 Actual \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	11,047,695	<b>13,312,289</b>	12,419,062
Other	181,000	<b>217,465</b>	183,610
Federal Grants	11,498		13,502
Other Revenue	5,553,800	<b>6,040,471</b>	5,524,704
Investment Income	5,700	<b>24,330</b>	13,940
<b>Total Revenue</b>	<b>16,799,693</b>	<b>19,594,555</b>	<b>18,154,818</b>
<b>Expenses</b>			
Instruction	15,543,362	<b>18,196,448</b>	16,414,446
District Administration	407,787	<b>564,446</b>	504,362
Operations and Maintenance	848,544	<b>743,556</b>	626,062
<b>Total Expense</b>	<b>16,799,693</b>	<b>19,504,450</b>	<b>17,544,870</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>90,105</b>	<b>609,948</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased			(6,777)
Tangible Capital Assets - Work in Progress		<b>(88,556)</b>	(601,005)
Other		<b>(1,549)</b>	(2,166)
<b>Total Net Transfers</b>	<b>-</b>	<b>(90,105)</b>	<b>(609,948)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	<b>-</b>

**School District No. 37 (Delta)**

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		33,536	269,917	15,619	2,652,469	3,010			
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	614,944	541,099				224,000	58,800	263,526	561,998
Provincial Grants - Other									
Other			7,900		5,715,154				
Investment Income	13,353	1,662	5,716						1,528
	628,297	542,761	13,616	-	5,715,154	224,000	58,800	263,526	563,526
<b>Less:</b> Allocated to Revenue	547,039	546,332	37,263	1,245	5,812,001	227,010	58,800	263,526	563,526
Recovered									
<b>Deferred Revenue, end of year</b>	<b>81,258</b>	<b>29,965</b>	<b>246,270</b>	<b>14,374</b>	<b>2,555,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	533,686	544,670		1,245		227,010	58,800	263,526	561,998
Provincial Grants - Other									
Other Revenue			34,397		5,812,001				
Investment Income	13,353	1,662	2,866						1,528
	547,039	546,332	37,263	1,245	5,812,001	227,010	58,800	263,526	563,526
<b>Expenses</b>									
Salaries									
Teachers							12,824	88,363	
Principals and Vice Principals									
Educational Assistants		422,383				150,629			397,022
Support Staff	202,302								
Other Professionals									32,637
Substitutes						10,226	12,555	12,293	
	202,302	422,383	-	-	-	160,855	25,379	100,656	429,659
Employee Benefits	39,825	123,949				52,438	4,631	22,591	111,801
Services and Supplies	249,950		37,263	1,245	5,812,001	13,717	28,790	140,279	22,066
	492,077	546,332	37,263	1,245	5,812,001	227,010	58,800	263,526	563,526
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>54,962</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets - Work in Progress	(54,962)								
Other									
	(54,962)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**School District No. 37 (Delta)**

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

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Community Schools Partnership	New Horizons for Seniors	PRP Assessment Unit	Enh.Settlement Workers in Schls (ESWIS)	Youth Train in Trades	Ntwks Inq & Inv/ Aborig.Enh.Schls (NOII/AESN)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	96,849		842,582		11,498		117,681	75,082	148,602
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	861,798	6,004,187	2,144,252			3,078,867			25,000
Provincial Grants - Other								63,200	100,808
Other				50,000					218,993
Investment Income									4,921
	861,798	6,004,187	2,144,252	50,000	-	3,078,867	-	63,200	349,722
<b>Less:</b> Allocated to Revenue	861,798	6,004,187	1,159,792	50,000	-	3,071,335	18,168	79,366	293,167
Recovered	96,849		842,582						
<b>Deferred Revenue, end of year</b>	-	-	<b>984,460</b>	-	<b>11,498</b>	<b>7,532</b>	<b>99,513</b>	<b>58,916</b>	<b>205,157</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	861,798	6,004,187	1,159,792			3,071,335			24,242
Provincial Grants - Other							18,168	79,366	119,931
Other Revenue				50,000					144,073
Investment Income									4,921
	861,798	6,004,187	1,159,792	50,000	-	3,071,335	18,168	79,366	293,167
<b>Expenses</b>									
Salaries									
Teachers		4,881,632	248,260			1,098,436	2,190	11,279	
Principals and Vice Principals						335,465			
Educational Assistants	476,529						3,339		
Support Staff	73,520					222,622		32,424	
Other Professionals				40,857					
Substitutes	140,757							155	
	690,806	4,881,632	248,260	40,857	-	1,656,523	5,529	43,858	-
Employee Benefits	130,507	1,122,555	52,174	9,143		385,402	1,354	9,664	
Services and Supplies	40,485		859,358			994,267	11,285	25,844	293,167
	861,798	6,004,187	1,159,792	50,000	-	3,036,192	18,168	79,366	293,167
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	35,143	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets - Work in Progress						(33,594)			
Other						(1,549)			
	-	-	-	-	-	(35,143)	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**School District No. 37 (Delta)**

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

	<u>TOTAL</u>
	\$
<b>Deferred Revenue, beginning of year</b>	4,266,845
<b>Add:</b> Restricted Grants	
Provincial Grants - Ministry of Education	14,378,471
Provincial Grants - Other	164,008
Other	5,992,047
Investment Income	27,180
	<u>20,561,706</u>
<b>Less:</b> Allocated to Revenue	19,594,555
Recovered	939,431
<b>Deferred Revenue, end of year</b>	<u><u>4,294,565</u></u>
<b>Revenues</b>	
Provincial Grants - Ministry of Education	13,312,289
Provincial Grants - Other	217,465
Other Revenue	6,040,471
Investment Income	24,330
	<u>19,594,555</u>
<b>Expenses</b>	
Salaries	
Teachers	6,342,984
Principals and Vice Principals	335,465
Educational Assistants	1,449,902
Support Staff	530,868
Other Professionals	73,494
Substitutes	175,986
	<u>8,908,699</u>
Employee Benefits	2,066,034
Services and Supplies	8,529,717
	<u>19,504,450</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>90,105</u>
<b>Interfund Transfers</b>	
Tangible Capital Assets - Work in Progress	(88,556)
Other	(1,549)
	<u>(90,105)</u>
<b>Net Revenue (Expense)</b>	<u><u>-</u></u>

# School District No. 37 (Delta)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Investment Income	35,000		62,641	62,641	39,126
Amortization of Deferred Capital Revenue	4,111,488	4,196,213		4,196,213	4,111,488
<b>Total Revenue</b>	<b>4,146,488</b>	<b>4,196,213</b>	<b>62,641</b>	<b>4,258,854</b>	<b>4,150,614</b>
<b>Expenses</b>					
Operations and Maintenance			13,970	13,970	13,970
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,206,850	7,564,086		7,564,086	7,206,850
Debt Services					
Capital Lease Interest	230,804		231,127	231,127	211,500
<b>Total Expense</b>	<b>7,437,654</b>	<b>7,564,086</b>	<b>245,097</b>	<b>7,809,183</b>	<b>7,432,320</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(3,291,166)</b>	<b>(3,367,873)</b>	<b>(182,456)</b>	<b>(3,550,329)</b>	<b>(3,281,706)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	161,288	259,591		259,591	336,691
Tangible Capital Assets - Work in Progress	1,500,687	900,234		900,234	1,650,373
Local Capital	13,530		13,970	13,970	13,970
Capital Lease Payment	611,722		613,271	613,271	623,864
<b>Total Net Transfers</b>	<b>2,287,227</b>	<b>1,159,825</b>	<b>627,241</b>	<b>1,787,066</b>	<b>2,624,898</b>
<b>Other Adjustments to Fund Balances</b>					
Principal Payment					
Capital Lease		382,144	(382,144)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>382,144</b>	<b>(382,144)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(1,003,939)</b>	<b>(1,825,904)</b>	<b>62,641</b>	<b>(1,763,263)</b>	<b>(656,808)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>34,464,317</b>	<b>121,162</b>	<b>34,585,479</b>	<b>35,242,287</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>32,638,413</b>	<b>183,803</b>	<b>32,822,216</b>	<b>34,585,479</b>

# School District No. 37 (Delta)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	10,714,525	232,392,062	5,676,099	2,291,773	561,145	8,412,018	<b>260,047,622</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Other			77,419				<b>77,419</b>
Operating Fund			142,136	117,455			<b>259,591</b>
Transferred from Work in Progress		5,029,672	143,720		9,862	356,319	<b>5,539,573</b>
	-	5,029,672	363,275	117,455	9,862	356,319	<b>5,876,583</b>
Decrease:							
Deemed Disposals			228,367	35,937	171,561	2,927,411	<b>3,363,276</b>
	-	-	228,367	35,937	171,561	2,927,411	<b>3,363,276</b>
<b>Cost, end of year</b>	10,714,525	237,421,734	5,811,007	2,373,291	399,446	5,840,926	<b>262,560,929</b>
<b>Work in Progress, end of year</b>		97,275	102,536		40,208	237,150	<b>477,169</b>
<b>Cost and Work in Progress, end of year</b>	10,714,525	237,519,009	5,913,543	2,373,291	439,654	6,078,076	<b>263,038,098</b>
<b>Accumulated Amortization, beginning of year</b>		106,906,363	1,989,165	856,635	254,672	4,718,005	<b>114,724,840</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		4,972,666	567,610	229,177	112,229	1,682,404	<b>7,564,086</b>
Decrease:							
Deemed Disposals			228,367	35,937	171,561	2,927,411	<b>3,363,276</b>
		-	228,367	35,937	171,561	2,927,411	<b>3,363,276</b>
<b>Accumulated Amortization, end of year</b>		111,879,029	2,328,408	1,049,875	195,340	3,472,998	<b>118,925,650</b>
<b>Tangible Capital Assets - Net</b>	<b>10,714,525</b>	<b>125,639,980</b>	<b>3,585,135</b>	<b>1,323,416</b>	<b>244,314</b>	<b>2,605,078</b>	<b>144,112,448</b>

**School District No. 37 (Delta)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	563,888	34,529			<b>598,417</b>
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	4,364,953	126,007			<b>4,490,960</b>
Deferred Capital Revenue - Other		25,000		2,131	<b>27,131</b>
Operating Fund	141,917	60,720	40,208	568,833	<b>811,678</b>
Special Purpose Funds	56,189		9,862	22,505	<b>88,556</b>
	<u>4,563,059</u>	<u>211,727</u>	<u>50,070</u>	<u>593,469</u>	<u><b>5,418,325</b></u>
Decrease:					
Transferred to Tangible Capital Assets	5,029,672	143,720	9,862	356,319	<b>5,539,573</b>
	<u>5,029,672</u>	<u>143,720</u>	<u>9,862</u>	<u>356,319</u>	<u><b>5,539,573</b></u>
<b>Net Changes for the Year</b>	<u>(466,613)</u>	<u>68,007</u>	<u>40,208</u>	<u>237,150</u>	<u><b>(121,248)</b></u>
<b>Work in Progress, end of year</b>	<u><b>97,275</b></u>	<u><b>102,536</b></u>	<u><b>40,208</b></u>	<u><b>237,150</b></u>	<u><b>477,169</b></u>

# School District No. 37 (Delta)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	102,133,759	1,877,378	1,398,333	<b>105,409,470</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions		26,012	51,407	<b>77,419</b>
Transferred from Work in Progress	4,932,327		27,131	<b>4,959,458</b>
	<u>4,932,327</u>	<u>26,012</u>	<u>78,538</u>	<u><b>5,036,877</b></u>
Decrease:				
Amortization of Deferred Capital Revenue	3,971,008	59,132	166,073	<b>4,196,213</b>
	<u>3,971,008</u>	<u>59,132</u>	<u>166,073</u>	<u><b>4,196,213</b></u>
<b>Net Changes for the Year</b>	<u>961,319</u>	<u>(33,120)</u>	<u>(87,535)</u>	<u><b>840,664</b></u>
<b>Deferred Capital Revenue, end of year</b>	<u>103,095,078</u>	<u>1,844,258</u>	<u>1,310,798</u>	<u><b>106,250,134</b></u>
<b>Work in Progress, beginning of year</b>	466,426			<b>466,426</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	4,490,960		27,131	<b>4,518,091</b>
	<u>4,490,960</u>	<u>-</u>	<u>27,131</u>	<u><b>4,518,091</b></u>
Decrease				
Transferred to Deferred Capital Revenue	4,932,327		27,131	<b>4,959,458</b>
	<u>4,932,327</u>	<u>-</u>	<u>27,131</u>	<u><b>4,959,458</b></u>
<b>Net Changes for the Year</b>	<u>(441,367)</u>	<u>-</u>	<u>-</u>	<u><b>(441,367)</b></u>
<b>Work in Progress, end of year</b>	<u>25,059</u>	<u>-</u>	<u>-</u>	<u><b>25,059</b></u>
<b>Total Deferred Capital Revenue, end of year</b>	<u><b>103,120,137</b></u>	<u><b>1,844,258</b></u>	<u><b>1,310,798</b></u>	<u><b>106,275,193</b></u>

# School District No. 37 (Delta)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
<b>Balance, beginning of year</b>	\$ 235,574	\$ 1,148,530	\$ 134,670	\$ -	\$ 404	\$ 1,519,178
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	4,716,475					4,716,475
Provincial Grants - Other			152,831			152,831
Investment Income		29,141				29,141
Transfer project surplus to MEd Restricted (from) Bylaw	(256,789)	256,789				-
Capital Assets from PAC and other external Non-Provincial Organizations					51,407	51,407
Work in Progress Donated by other external Non-Provincial Organizations					27,131	27,131
	4,459,686	285,930	152,831	-	78,538	4,976,985
Decrease:						
Transferred to DCR - Capital Additions			26,012		51,407	77,419
Transferred to DCR - Work in Progress	4,490,960				27,131	4,518,091
	4,490,960	-	26,012	-	78,538	4,595,510
<b>Net Changes for the Year</b>	(31,274)	285,930	126,819	-	-	381,475
<b>Balance, end of year</b>	<b>204,300</b>	<b>1,434,460</b>	<b>261,489</b>	<b>-</b>	<b>404</b>	<b>1,900,653</b>