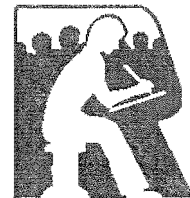


# 2017

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## Financial Statements And Auditors' Report

Fiscal Year Ending  
June 30, 2017



School District No. 38  
(Richmond)

# School District No. 38 (Richmond)

June 30, 2017

## Table of Contents

Management Report .....	1
Independent Auditors' Report .....	2-3
Statement of Financial Position - Statement 1 .....	4
Statement of Operations - Statement 2 .....	5
Statement of Changes in Net Financial Assets (Debt) - Statement 4 .....	6
Statement of Cash Flows - Statement 5 .....	7
Notes to the Financial Statements .....	8-31
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 .....	32
Schedule of Operating Operations - Schedule 2 .....	33
Schedule 2A - Schedule of Operating Revenue by Source .....	34
Schedule 2B - Schedule of Operating Expense by Object .....	35
Schedule 2C - Operating Expense by Function, Program and Object .....	36
Schedule of Special Purpose Operations - Schedule 3 .....	38
Schedule 3A - Changes in Special Purpose Funds and Expense by Object .....	39
Schedule of Capital Operations - Schedule 4 .....	42
Schedule 4A - Tangible Capital Assets .....	43
Schedule 4C - Deferred Capital Revenue .....	44
Schedule 4D - Changes in Unspent Deferred Capital Revenue .....	45

# School District No. 38 (Richmond)

## MANAGEMENT REPORT

Version: 1998-1252-8270

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

The accompanying financial statements of School District No. 38 (Richmond) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.




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

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

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

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 38 (Richmond) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 38 (Richmond)

	<i>Sept 13, 2017</i>
Signature of the Chairperson of the Board of Education	Date Signed
	<i>Sept 13, 2017</i>
Signature of the Superintendent	Date Signed
	<i>Sept 13, 2017</i>
Signature of the Secretary Treasurer	Date Signed



KPMG LLP  
Metro Tower I  
4710 Kingsway, Suite 2400  
Burnaby BC V5H 4M2  
Canada  
Telephone (604) 527-3600  
Fax (604) 527-3636

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of School District No. 38 (Richmond), which comprise the statement of financial position as at June 30, 2017, the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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



*Opinion*

In our opinion, the financial statements of School District No. 38 (Richmond) as at and for the year ended June 30, 2017 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

*Emphasis of Matter*

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

*KPMG LLP*

Chartered Professional Accountants




September 13, 2017  
Burnaby, Canada

# School District No. 38 (Richmond)

Statement 1

## Statement of Financial Position

As at June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	112,295,364	117,762,207
Accounts Receivable		
Due from Province - Ministry of Education	114,139	235,318
Due from Province - Other	428	
Other (Note 4)	6,817,236	5,816,710
<b>Total Financial Assets</b>	<b>119,227,167</b>	<b>123,814,235</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	102,330	-
Due to Province - Other	-	1,227,014
Other (Note 5)	19,967,465	18,270,916
Unearned Revenue (Note 6)	16,175,834	17,859,454
Deferred Revenue (Note 7)	6,395,812	6,870,474
Deferred Capital Revenue (Note 8)	188,197,887	192,843,419
Employee Future Benefits (Note 9)	11,086,326	10,887,618
Capital Lease Obligations (Note 11)	2,680,206	4,226,639
<b>Total Liabilities</b>	<b>244,605,860</b>	<b>252,185,534</b>
<b>Net Financial Assets (Debt)</b>	<b>(125,378,693)</b>	<b>(128,371,299)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 12)	297,803,417	299,996,371
Prepaid Expenses	630,767	297,139
<b>Total Non-Financial Assets</b>	<b>298,434,184</b>	<b>300,293,510</b>
<b>Accumulated Surplus (Deficit) (Note 20)</b>	<b>173,055,491</b>	<b>171,922,211</b>
<b>Contractual Obligations and Contingencies (Note 17)</b>		
Approved by the Board		
		
Signature of the Chairperson of the Board of Education		Sept 13, 2017 Date Signed
		
Signature of the Superintendent		Sept 13, 2017 Date Signed
		
Signature of the Secretary Treasurer		Sept 13, 2017 Date Signed

# School District No. 38 (Richmond)

Statement 2

Statement of Operations  
Year Ended June 30, 2017

	2017 Budget (Note 16)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	179,396,611	183,594,288	182,960,105
Other		3,000	3,500
Federal Grants	1,604,298	1,604,407	1,648,419
Tuition	17,320,546	18,016,632	16,065,493
Other Revenue (Note 21)	9,159,149	12,207,702	7,685,893
Rentals and Leases	868,433	1,097,174	1,016,563
Investment Income	1,000,640	1,471,439	1,469,962
Amortization of Deferred Capital Revenue	8,109,863	8,156,926	8,083,724
<b>Total Revenue</b>	<b>217,459,540</b>	<b>226,151,568</b>	<b>218,933,659</b>
<b>Expenses (Note 19)</b>			
Instruction	177,293,908	177,705,991	178,034,959
District Administration	5,852,967	5,708,393	5,995,029
Operations and Maintenance	39,036,976	39,791,662	38,176,536
Transportation and Housing	1,559,285	1,630,534	1,498,158
Debt Services	175,630	181,708	157,400
<b>Total Expense</b>	<b>223,918,766</b>	<b>225,018,288</b>	<b>223,862,082</b>
<b>Surplus (Deficit) for the year</b>	<b>(6,459,226)</b>	<b>1,133,280</b>	<b>(4,928,423)</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>171,922,211</b>	<b>176,850,634</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>173,055,491</b>	<b>171,922,211</b>

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

Statement 4

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

Year Ended June 30, 2017

	2017 Budget (Note 16) \$	2017 Actual \$	2016 Actual \$
Surplus (Deficit) for the year	(6,459,226)	1,133,280	(4,928,423)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(16,729,568)	(11,826,982)	(12,267,271)
Amortization of Tangible Capital Assets	13,196,527	14,019,936	13,532,213
Total Effect of change in Tangible Capital Assets	(3,533,041)	2,192,954	1,264,942
Acquisition of Prepaid Expenses		(630,767)	(297,139)
Use of Prepaid Expenses		297,139	280,530
Total Effect of change in Other Non-Financial Assets	-	(333,628)	(16,609)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(9,992,267)	2,992,606	(3,680,090)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		2,992,606	(3,680,090)
Net Financial Assets (Debt), beginning of year		(128,371,299)	(124,691,209)
Net Financial Assets (Debt), end of year		(125,378,693)	(128,371,299)



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

Statement 5

## Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	1,133,280	(4,928,423)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(879,775)	1,076,065
Prepaid Expenses	(333,628)	(16,609)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	571,865	674,043
Unearned Revenue	(1,683,620)	3,012,162
Deferred Revenue	(474,662)	(59,172)
Employee Future Benefits	198,708	655,332
Amortization of Tangible Capital Assets	14,019,936	13,532,213
Amortization of Deferred Capital Revenue	(8,156,926)	(8,083,724)
Insurance Claim Expenditures	-	(120,000)
<b>Total Operating Transactions</b>	<b>4,395,178</b>	<b>5,741,887</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(11,233,181)	(9,191,625)
<b>Total Capital Transactions</b>	<b>(11,233,181)</b>	<b>(9,191,625)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	3,511,394	10,654,360
Capital Lease Payment	(2,140,234)	(2,345,888)
<b>Total Financing Transactions</b>	<b>1,371,160</b>	<b>8,308,472</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(5,466,843)</b>	<b>4,858,734</b>
<b>Cash and Cash Equivalents, beginning of year (Note 3)</b>	<b>117,762,207</b>	<b>112,903,473</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>112,295,364</b>	<b>117,762,207</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash (Note 3)	27,683,396	34,529,149
Cash Equivalents (Note 3)	84,611,968	83,233,058
	<b>112,295,364</b>	<b>117,762,207</b>
<b>Supplementary Cash Flow Information</b>		

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 38 (Richmond)", and operates as "School District No. 38 (Richmond)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education ("MOE"). School District No. 38 (Richmond) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

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

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in Notes 2(e) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

SCHOOL DISTRICT NO. 38 (RICHMOND)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Unearned Revenue

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

e) Deferred Revenue and Deferred Capital Revenue

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

f) Employee Future Benefits

i) Post-Employment Benefits:

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

The School District accrues its obligations and related costs, including both vested and non-vested benefits, under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2017 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31, adjusted for transactions to June 30, was adopted for all periods subsequent to July 1, 2004.

ii) Pension Plans:

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

g) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standards;
- the School District:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

SCHOOL DISTRICT NO. 38 (RICHMOND)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017

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

g) Liability for Contaminated Sites (*Continued*)

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

h) Tangible Capital Assets

The following criteria apply:

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

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

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

i) Asset Retirement Obligations

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as a leased tangible capital asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

Prepaid fees and dues, licenses, and rent are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

m) Revenue Recognition

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

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

**m) Revenue Recognition (Continued)**

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

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

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

**n) Expenditures**

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

**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.

SCHOOL DISTRICT NO. 38 (RICHMOND)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017

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

n) Expenditures (Continued)

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

o) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and capital lease obligations.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.



**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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

o) Financial Instruments (Continued)

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

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

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2 (a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

**NOTE 3 CASH AND CASH EQUIVALENTS**

	2017	2016
Cash – Operating Fund	\$24,985,961	\$(33,186,113)
Cash – Special Purpose Fund	2,697,435	4,644,676
Cash – Capital Fund	-	63,070,586
Cash Equivalent	84,524,000	83,151,618
Investments held by Richmond Community Foundation	87,968	81,440
	<u>\$112,295,364</u>	<u>\$117,762,207</u>

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

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 4      ACCOUNTS RECEIVABLE - OTHER**

	2017	2016
Due from Federal Government	\$1,120,072	\$1,057,059
Due from Benefit Carrier - unrestricted deposit account	5,062,986	4,385,184
Other	634,178	374,467
	<u>\$6,817,236</u>	<u>\$5,816,710</u>

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

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

	2017	2016
Trade payables	\$4,315,174	\$2,927,788
Salaries and benefits payable	12,697,423	12,454,538
Accrued vacation pay	2,696,383	2,407,717
Other	258,485	480,873
	<u>\$19,967,465</u>	<u>\$18,270,916</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 6      UNEARNED REVENUE**

	2017	2016
Balance, beginning of year	\$17,859,454	\$14,847,292
Fees received	19,757,593	19,077,655
Fees recognized as revenue	(21,441,213)	(16,065,493)
Balance, end of year	<u>\$16,175,834</u>	<u>\$17,859,454</u>

**NOTE 7      DEFERRED REVENUE**

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

	2017	2016
Balance, beginning of year	\$6,870,474	\$6,929,646
Changes for the year:		
Increase:		
Provincial grants - MOE	8,716,482	7,004,857
Federal grants	1,615,154	1,748,692
Other revenue	7,827,972	7,269,486
Investment income	24,163	13,990
	<u>18,183,771</u>	<u>16,037,025</u>
Decrease:		
Transfers to revenue	(18,658,433)	(16,096,197)
Balance, end of year	<u>\$6,395,812</u>	<u>\$6,870,474</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 8 DEFERRED CAPITAL REVENUE**

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	2017	2016
Balance, beginning of year	\$192,843,419	\$190,392,783
Changes for the year:		
Increase:		
Transfer from DC - capital additions	7,019,067	5,944,479
Provincial grants - MOE	2,625,190	9,871,893
Provincial grants - Other	142,827	-
Other revenue	633,006	684,097
Investment income	110,371	98,370
	<u>10,530,461</u>	<u>16,598,839</u>
Decrease:		
Transfer to DCC - capital additions	(7,019,067)	(5,944,479)
Amortization	(8,156,926)	(8,083,724)
Insurance Claim Expenditures	-	(120,000)
	<u>(15,175,993)</u>	<u>(14,148,203)</u>
Balance, end of year	<u>\$188,197,887</u>	<u>\$192,843,419</u>

**NOTE 9 EMPLOYEE FUTURE BENEFITS**

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and disclosed in Note 10.

	2017	2016
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation - April 1	\$11,865,436	\$11,666,385
Service Cost	924,168	1,041,007
Interest Cost	297,515	271,123
Benefit Payments	(953,121)	(1,178,243)
Actuarial (Gain) Loss	(1,021,511)	65,164
Accrued Benefit Obligation - March 31	<u>\$11,112,487</u>	<u>\$11,865,436</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 9**      **EMPLOYEE FUTURE BENEFITS** *(Continued)*

	2017	2016
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$11,112,487	\$11,865,436
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(11,112,487)	(11,865,436)
Employer Contributions After Measurement Date	278,575	54,493
Benefit Expense After Measurement Date	(309,546)	(305,421)
Unamortized Net Actuarial Loss	57,132	1,228,746
Accrued Benefit Liability - June 30	<u>\$(11,086,326)</u>	<u>\$(10,887,618)</u>

<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	\$10,887,618	\$10,232,286
Net Expense for Fiscal Year	1,375,911	1,433,415
Employer Contributions	(1,177,203)	(778,083)
Accrued Benefit Liability - June 30	<u>\$11,086,326</u>	<u>\$10,887,618</u>

<b>Components of Net Benefit Expense</b>		
Service Cost	\$924,145	\$1,011,797
Interest Cost	301,663	277,722
Amortization of Net Actuarial Loss	150,103	143,896
Net Benefit Expense	<u>\$1,375,911</u>	<u>\$1,433,415</u>

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

	2017	2016
Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	2.75%	2.50%
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	10.5	10.5

**NOTE 10**      **UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS**

The initial unfunded liability for accrued employee future benefits upon adoption of accrual accounting and PSA standards has been eliminated (2016: 0.7 years).

Unfunded liability, as at July 1, 2016	\$147,795
Reductions during the year	(147,795)
Unfunded liability, as at June 30, 2017	<u>\$ -</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 11 CAPITAL LEASE OBLIGATIONS**

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

	2017	2016
IOS Financial Services, with interest at 3.21%, expires October 1, 2017	\$-	\$75,134
RFS Canada, with interest at 5.26%, expires December 1, 2016	-	96,982
Macquarie Financial, with interest at 4.86%, expires September 2, 2016	-	91,111
Macquarie Financial, with interest at 3.54%, expires January 22, 2017	-	276,171
Macquarie Financial, with interest at 3.03%, expires November 24, 2016	-	13,567
Macquarie Financial, with interest at 4.15%, expires June 2, 2017	-	143,447
Macquarie Financial, with interest at 4.98%, expires September 1, 2017	6,147	29,987
Macquarie Financial, with interest at 3.20%, expires October 1, 2018	182,187	360,068
Macquarie Financial, with interest at 3.17%, expires June 1, 2018	30,930	53,495
Macquarie Financial, with interest at 3.00%, expires June 1, 2018	123,725	284,500
Macquarie Financial, with interest at 3.45%, expires September 1, 2018	63,310	121,535
Macquarie Financial, with interest at 3.56%, expires June 1, 2018	5,576	12,366
Macquarie Financial, with interest at 3.45%, expires March 1, 2019	55,280	89,422
Macquarie Financial, with interest at 3.79%, expires May 31, 2020	363,691	486,854
Macquarie Financial, with interest at 3.19%, expires June 1, 2019	1,414,582	2,092,000
Macquarie Financial, with interest at 4.90%, expires June 2, 2020	120,806	-
Macquarie Financial, with interest at 3.49%, expires June 1, 2019	142,504	-
Macquarie Financial, with interest at 3.01%, expires June 1, 2019	77,348	-
Macquarie Financial, with interest at 3.10%, expires December 1, 2019	94,120	-
	<u>\$2,680,206</u>	<u>\$4,226,639</u>

Repayments are due as follows:

	2017
2018	\$1,534,400
2019	1,086,406
2020	168,137
Total minimum lease payments	\$2,788,943
Less amounts representing interest	108,737
Present value of net minimum capital lease payments	<u>\$2,680,206</u>

Total interest on leases for the year was \$181,708 (2016 - \$157,400).

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 12 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	Net Book Value 2017	Net Book Value 2016
Sites	\$55,169,613	\$55,169,613
Buildings	227,924,255	228,441,073
Furniture & Equipment	4,231,551	4,682,167
Vehicles	1,798,242	1,970,334
Computer Software	1,139,487	1,354,284
Computer Hardware	7,540,269	8,378,900
<b>Total</b>	<b>\$297,803,417</b>	<b>\$299,996,371</b>

**June 30, 2017**

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

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

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 12 TANGIBLE CAPITAL ASSETS** *(Continued)*

June 30, 2016

Cost:	Opening Cost	Additions	Disposals	Total 2016
Sites	\$55,169,613			
		\$ -	\$ -	\$55,169,613
Buildings	411,402,104	6,681,319	-	418,083,423
Furniture & Equipment	10,004,933	782,724	(609,582)	10,178,075
Vehicles	3,408,493	232,062	(175,925)	3,464,630
Computer Software	1,492,120	823,842	(193,032)	2,122,930
Computer Hardware	11,427,387	3,747,324	(1,131,484)	14,043,227
Total	\$492,904,650	\$12,267,271	\$(2,110,023)	\$503,061,898

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	180,128,039	9,514,311	-	189,642,350
Furniture & Equipment	5,111,702	993,788	(609,582)	5,495,908
Vehicles	1,323,390	346,831	(175,925)	1,494,296
Computer Software	592,774	368,904	(193,032)	768,646
Computer Hardware	4,487,432	2,308,379	(1,131,484)	5,664,327
Total	\$191,643,337	\$13,532,213	\$(2,110,023)	\$203,065,527

- Included in capital assets is equipment under capital lease with a cost of \$8,147,675 (2016 - \$8,727,364) and accumulated amortization of \$3,651,688 (2016 - \$3,163,583).



**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 13     EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 45,000 active members and approximately 36,000 retired members. As at December 31, 2015, the Municipal Pension Plan has about 189,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2017 with results available in 2018.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available in 2019.

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

School District #38 (Richmond) paid \$17,738,785 (2016 - \$19,432,173) for employer contributions to these plans in the year ended June 30, 2017.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 14 INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2017, were as follows:

	Operating Fund		Special Purpose Funds		Capital Fund	
	2017	2016	2017	2016	2017	2016
Funding Local Capital Reserve						
as permitted under School Act	\$(5,255,416)	\$(1,974,835)	-	-	\$5,255,416	\$1,974,835
Capital assets purchased	-	-	(640,267)	(334,009)	640,267	334,009
	<u>\$(5,255,416)</u>	<u>\$(1,974,835)</u>	<u>\$(640,267)</u>	<u>\$(334,009)</u>	<u>\$5,895,683</u>	<u>\$2,308,844</u>

**NOTE 15 RELATED PARTY TRANSACTIONS**

The School District is related through common control to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

During the year, the School District received \$240,000 (2016 - \$240,000) from School District #93, the Conseil Scolaire Francophone, for the rental of facilities.

**NOTE 16 BUDGET FIGURES**

Budget figures included in the financial statements, were approved by the Board through adoption of an Annual Budget on June 20, 2016.

While PSA financial reporting requires the District's Annual Budget be used as the comparator, an Amended Budget based upon revised enrolment is filed with the Ministry of Education by the end of February of each year. While the filing of the Amended Budget satisfies a legislative requirement, it also serves as the basis for the District's revised estimates to the end of the fiscal year. However, the Amended Budget, approved by the Board on February 20, 2017, is not reported in these financial statements.

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 17      CONTRACTUAL OBLIGATIONS AND CONTINGENCIES**

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

**NOTE 18      ASSET RETIREMENT OBLIGATION**

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The value of the liability for asbestos removal or disposal will be recognized in the period in which a reasonable estimate of fair value can be made. As at June 30, 2017, the liability is not reasonably determinable and hence no liability is recognized.

**NOTE 19      EXPENSE BY OBJECT**

	2017	2016
Salaries and benefits	\$183,729,931	\$185,073,133
Services and supplies	27,086,713	25,099,336
Interest	181,708	157,400
Amortization	14,019,936	13,532,213
	<u>\$225,018,288</u>	<u>\$223,862,082</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 20     ACCUMULATED SURPLUS**

Accumulated surplus balances are comprised of:

	2017	2016
Invested in Tangible Capital Assets	\$116,793,623	\$116,012,956
Local Capital Internally Restricted by Board for:		
Restricted - Capital Leases	2,680,206	4,226,839
Restricted - City Centre Elementary School	37,957,158	38,957,158
Restricted - Anderson Elementary - 8 Classroom		
Addition - Board Portion	403,870	2,167,842
Restricted - Cook Elementary - Board Portion	1,000,000	-
Restricted - Board Approved	1,045,963	855,892
Restricted - Under Review by Board	2,960,165	38,728
Annual Local Capital Expense	2,346,000	2,346,000
Subtotal Internally Restricted	48,393,362	48,592,459
Capital Surplus	\$165,186,985	\$164,605,415
Internally Restricted (Appropriated) by Board for:		
2016/17 Budget Appropriation	-	2,000,000
School/Staff Account Balances	5,390,631	3,521,581
Outstanding Purchase Orders	353,294	195,215
School Generated Funds	1,600,000	1,600,000
International Education Programs	500,000	-
Subtotal Internally Restricted	\$7,843,925	\$7,316,796
Unrestricted Operating Surplus	24,581	147,795
Unfunded Accrued Employee Future Benefits (Note 10)	-	(147,795)
Total Operating Surplus, Restricted and Unrestricted	\$7,868,506	\$7,316,796
Total Accumulated Surplus	\$173,055,491	\$171,922,211

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 21     OTHER REVENUE**

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

	2017	2016
Operating Fund:		
Other School District/Education Authorities	\$240,000	\$240,000
Miscellaneous:		
Cafeteria	351,708	348,533
Miscellaneous	42,753	11,874
International Education Programs and Services	3,424,581	-
	<u>\$4,059,042</u>	<u>\$600,407</u>
Special Purpose Funds:		
School Generated Funds	7,808,881	6,602,146
Educational Trust Funds	331,111	391,468
Scholarships and Bursaries	-	51
Strong Start	8,668	8,772
	<u>\$8,148,660</u>	<u>\$7,002,437</u>
Capital Fund:		
Fortis Rebate	-	50,000
BC Hydro Rebate	-	33,049
	<u>-</u>	<u>\$83,049</u>
 Total Other Revenue	 <u>\$12,207,702</u>	 <u>\$7,685,893</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 22 FINANCIAL STATEMENT PRESENTATION – BY FUND**

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

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

**i) Statement of Financial Position by Fund**

	Operating Fund	Special Purpose Funds	Capital Fund	Total June 30, 2017	Total June 30, 2016
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and Cash Equivalents	108,741,457	3,553,907	-	112,295,364	117,762,207
Accounts Receivable					
Due from Province - Ministry of Education	21,541	92,598	-	114,139	235,318
Due from Province - Other	428	-	-	428	-
Other	5,856,821	960,415	-	6,817,236	5,816,710
<b>Total Financial Assets</b>	<b>114,620,247</b>	<b>4,606,920</b>	<b>-</b>	<b>119,227,167</b>	<b>123,814,235</b>
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education	102,330	-	-	102,330	-
Due to Province - Other	-	-	-	-	1,227,014
Other	19,011,700	51,143	904,622	19,967,465	18,270,916
Due To/From	61,006,318	(1,840,035)	(59,166,283)	-	-
Unearned Revenue	16,175,834	-	-	16,175,834	17,859,454
Deferred Revenue	-	6,395,812	-	6,395,812	6,870,474
Deferred Capital Revenue	-	-	188,197,887	188,197,887	192,843,419
Employee Future Benefits	11,086,326	-	-	11,086,326	10,887,618
Capital Lease Obligations	-	-	2,680,206	2,680,206	4,226,639
<b>Total Liabilities</b>	<b>107,382,508</b>	<b>4,606,920</b>	<b>132,616,432</b>	<b>244,605,860</b>	<b>252,185,534</b>
<b>Net Financial Assets (Debt)</b>	<b>7,237,739</b>	<b>-</b>	<b>(132,616,432)</b>	<b>(125,378,693)</b>	<b>(128,371,299)</b>
<b>Non-Financial Assets</b>					
Tangible Capital Assets	-	-	297,803,417	297,803,417	299,996,371
Prepaid Expenses	630,767	-	-	630,767	297,139
<b>Total Non-Financial Assets</b>	<b>630,767</b>	<b>-</b>	<b>297,803,417</b>	<b>298,434,184</b>	<b>300,293,510</b>
<b>Accumulated Surplus (Deficit)</b>	<b>7,868,506</b>	<b>-</b>	<b>165,186,985</b>	<b>173,055,491</b>	<b>171,922,211</b>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

**NOTE 22 FINANCIAL STATEMENT PRESENTATION – BY FUND (Continued)**

ii) Statement of Operations by Fund

	2017 Budget (Total)	Operating Fund	Special Purpose Funds	Capital Fund	2017 Actual Total	2016 Actual Total
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Provincial Grants						
Ministry of Education	179,396,611	174,694,575	8,899,713	-	183,594,288	182,960,105
Other	-	3,000	-	-	3,000	3,500
Federal Grants	1,604,298	-	1,604,407	-	1,604,407	1,648,419
Tuition	17,320,546	18,016,632	-	-	18,016,632	16,065,493
Other Revenue	9,159,149	4,059,042	8,148,660	-	12,207,702	7,685,893
Rentals and Leases	868,433	1,097,174	-	-	1,097,174	1,016,563
Investment Income	1,000,640	735,181	5,653	730,605	1,471,439	1,469,962
Gain on Disposal of Tangible Capital Assets	-	-	-	-	-	-
Amortization of Deferred Capital Revenue	8,109,863	-	-	8,156,926	8,156,926	8,083,724
<b>Total Revenue</b>	<b>217,459,540</b>	<b>198,605,604</b>	<b>18,658,433</b>	<b>8,887,531</b>	<b>226,151,568</b>	<b>218,933,659</b>
<b>Expenses</b>						
Instruction	177,293,908	160,614,915	17,091,076	-	177,705,991	178,034,959
District Administration	5,852,967	5,207,749	500,644	-	5,708,393	5,995,029
Operations and Maintenance	39,036,976	25,690,255	426,446	13,674,961	39,791,662	38,176,536
Transportation and Housing	1,559,285	1,285,559	-	344,975	1,630,534	1,498,158
Debt Services	175,630	-	-	181,708	181,708	157,400
<b>Total Expense</b>	<b>223,918,766</b>	<b>192,798,478</b>	<b>18,018,166</b>	<b>14,201,644</b>	<b>225,018,288</b>	<b>223,862,082</b>
<b>Surplus (Deficit) for the year</b>	<b>(6,459,226)</b>	<b>5,807,126</b>	<b>640,267</b>	<b>(5,314,113)</b>	<b>1,133,280</b>	<b>(4,928,423)</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>7,316,796</b>	<b>-</b>	<b>164,605,415</b>	<b>171,922,211</b>	<b>176,850,634</b>
<b>Interfund Transfers (Note 14)</b>		<b>(5,255,416)</b>	<b>(640,267)</b>	<b>5,895,683</b>	<b>-</b>	<b>-</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>7,868,506</b>	<b>-</b>	<b>165,186,985</b>	<b>173,055,491</b>	<b>171,922,211</b>

**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 23      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 24      RISK MANAGEMENT**

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

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

a) Credit risk:

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

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

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

b) Market risk:

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

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

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



**SCHOOL DISTRICT NO. 38 (RICHMOND)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE 24     RISK MANAGEMENT** *(Continued)*

c) **Liquidity risk**

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

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

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

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

Schedule 1 (Unaudited)

## Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2017

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,316,796		164,605,415	171,922,211	176,850,634
Changes for the year					
Surplus (Deficit) for the year	5,807,126	640,267	(5,314,113)	1,133,280	(4,928,423)
Interfund Transfers					
Tangible Capital Assets Purchased		(640,267)	640,267	-	
Local Capital	(5,255,416)		5,255,416	-	
Net Changes for the year	551,710	-	581,570	1,133,280	(4,928,423)
Accumulated Surplus (Deficit), end of year - Statement 2	7,868,506	-	165,186,985	173,055,491	171,922,211

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

Schedule 2 (Unaudited)

## Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget (Note 16)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	172,296,082	174,694,575	175,408,754
Other		3,000	3,500
Tuition	17,320,546	18,016,632	16,065,493
Other Revenue	528,000	4,059,042	600,407
Rentals and Leases	868,433	1,097,174	1,016,563
Investment Income	656,000	735,181	696,246
<b>Total Revenue</b>	<b>191,669,061</b>	<b>198,605,604</b>	<b>193,790,963</b>
<b>Expenses</b>			
Instruction	161,281,880	160,614,915	163,276,011
District Administration	5,563,761	5,207,749	5,254,548
Operations and Maintenance	25,450,402	25,690,255	24,608,394
Transportation and Housing	1,225,222	1,285,559	1,151,328
<b>Total Expense</b>	<b>193,521,265</b>	<b>192,798,478</b>	<b>194,290,281</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(1,852,204)</b>	<b>5,807,126</b>	<b>(499,318)</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>2,000,000</b>		
<b>Budgeted Reduction of Unfunded Accrued Employee Future Benefits</b>	<b>(147,796)</b>		
<b>Net Transfers (to) from other funds</b>			
Local Capital		(5,255,416)	(1,974,835)
<b>Total Net Transfers</b>	<b>-</b>	<b>(5,255,416)</b>	<b>(1,974,835)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>551,710</b>	<b>(2,474,153)</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>7,316,796</b>	<b>9,790,949</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>7,868,506</b>	<b>7,316,796</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 20)		7,843,925	7,316,796
Unrestricted		24,581	147,795
Unfunded Accrued Employee Future Benefits (Note 10)		-	(147,795)
<b>Total Operating Surplus (Deficit), end of year</b>		<b>7,868,506</b>	<b>7,316,796</b>

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

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget (Note 16)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	169,881,388	170,185,089	172,770,305
Other Ministry of Education Grants			
Pay Equity	2,215,706	2,215,706	2,215,706
Funding for Graduated Adults	70,000	81,895	36,235
Transportation Supplement		21,608	
Economic Stability Dividend		107,004	151,470
Return of Administrative Savings		871,987	
Carbon Tax Grant	100,000	147,324	140,000
Student Learning Grant		1,009,169	
FSA Scorer	28,988	27,293	28,988
Outreach Learning Modernization		10,000	
ELL Tool Research, Planning and Implementation			10,500
Curriculum Implementation Support			25,550
Skills Training Shoulder Tappers/Access Support for School-Aged Secondary		17,500	30,000
<b>Total Provincial Grants - Ministry of Education</b>	<b>172,296,082</b>	<b>174,694,575</b>	<b>175,408,754</b>
<b>Provincial Grants - Other</b>		<b>3,000</b>	<b>3,500</b>
<b>Tuition</b>			
Summer School Fees	260,402	443,134	349,235
Continuing Education	553,100	486,770	721,603
International and Out of Province Students	16,507,044	17,086,728	14,994,655
<b>Total Tuition</b>	<b>17,320,546</b>	<b>18,016,632</b>	<b>16,065,493</b>
<b>Other Revenues</b>			
Other School District/Education Authorities	240,000	240,000	240,000
Miscellaneous			
Cafeteria	280,000	351,708	348,533
Miscellaneous	8,000	42,753	11,874
International Education Programs and Services	-	3,424,581	-
<b>Total Other Revenue</b>	<b>528,000</b>	<b>4,059,042</b>	<b>600,407</b>
<b>Rentals and Leases</b>	<b>868,433</b>	<b>1,097,174</b>	<b>1,016,563</b>
<b>Investment Income</b>	<b>656,000</b>	<b>735,181</b>	<b>696,246</b>
<b>Total Operating Revenue</b>	<b>191,669,061</b>	<b>198,605,604</b>	<b>193,790,963</b>

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

Schedule 2B (Unaudited)

## Schedule of Operating Expense by Object

Year Ended June 30, 2017

	2017 Budget (Note 16)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	89,317,467	88,599,685	89,370,852
Principals and Vice Principals	10,145,563	10,696,823	10,206,808
Educational Assistants	10,305,972	10,344,482	10,300,964
Support Staff	19,787,776	19,135,743	18,887,507
Other Professionals	4,142,480	4,363,348	3,978,028
Substitutes	5,946,397	6,930,341	6,391,672
<b>Total Salaries</b>	<b>139,645,655</b>	<b>140,070,422</b>	<b>139,135,831</b>
<b>Employee Benefits</b>	<b>37,085,705</b>	<b>35,551,342</b>	<b>39,050,509</b>
<b>Total Salaries and Benefits</b>	<b>176,731,360</b>	<b>175,621,764</b>	<b>178,186,340</b>
<b>Services and Supplies</b>			
Services	5,625,938	7,767,892	7,364,380
Student Transportation	10,300	4,933	4,865
Professional Development and Travel	861,263	631,629	736,288
Rentals and Leases	176,750	205,726	198,759
Dues and Fees	118,600	117,744	109,408
Insurance	503,500	417,134	397,445
Supplies	6,248,456	4,820,484	4,300,883
Utilities	3,245,098	3,211,172	2,991,913
<b>Total Services and Supplies</b>	<b>16,789,905</b>	<b>17,176,714</b>	<b>16,103,941</b>
<b>Total Operating Expense</b>	<b>193,521,265</b>	<b>192,798,478</b>	<b>194,290,281</b>

# School District No. 38 (Richmond)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	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	65,551,724	1,337,338		995,786		4,935,735	72,820,583
1.03 Career Programs	150,703			409,087			559,790
1.07 Library Services	2,246,895			529,302			2,776,197
1.08 Counselling	2,722,227						2,722,227
1.10 Special Education	8,061,482	130,647	10,344,482			718,724	19,255,335
1.30 English Language Learning	4,118,841	338,304		143,430			4,600,575
1.31 Aboriginal Education	284,043	33,415		23,951			341,409
1.41 School Administration		8,152,783		3,927,293		278,871	12,358,947
1.60 Summer School	655,449	72,301				27,763	755,513
1.61 Continuing Education	406,398	270,068		92,836		351,470	1,120,772
1.62 International and Out of Province Students	4,401,923	243,871		130,032	524,282	82,183	5,382,291
1.64 Other							-
<b>Total Function 1</b>	<b>88,599,685</b>	<b>10,578,727</b>	<b>10,344,482</b>	<b>6,251,717</b>	<b>524,282</b>	<b>6,394,746</b>	<b>122,693,639</b>
<b>4 District Administration</b>							
4.11 Educational Administration				260,447	1,363,786	944	1,625,177
4.40 School District Governance					163,604		163,604
4.41 Business Administration		118,096		955,224	1,130,032	3,533	2,206,885
<b>Total Function 4</b>	<b>-</b>	<b>118,096</b>	<b>-</b>	<b>1,215,671</b>	<b>2,657,422</b>	<b>4,477</b>	<b>3,995,666</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				167,959	1,181,644	1,250	1,350,853
5.50 Maintenance Operations				10,255,703		474,186	10,729,889
5.52 Maintenance of Grounds				667,669			667,669
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,091,331</b>	<b>1,181,644</b>	<b>475,436</b>	<b>12,748,411</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				577,024		55,682	632,706
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577,024</b>	<b>-</b>	<b>55,682</b>	<b>632,706</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>88,599,685</b>	<b>10,696,823</b>	<b>10,344,482</b>	<b>19,135,743</b>	<b>4,363,348</b>	<b>6,930,341</b>	<b>140,070,422</b>

# School District No. 38 (Richmond)

Schedule 2C (Unaudited)

## Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget (Note 16)	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	72,820,583	18,791,185	91,611,768	2,648,996	94,260,764	93,130,393	94,835,149
1.03 Career Programs	559,790	165,054	724,844	320,580	1,045,424	971,011	1,056,542
1.07 Library Services	2,776,197	710,488	3,486,685	317,486	3,804,171	3,364,070	3,457,726
1.08 Counselling	2,722,227	603,781	3,326,008	5,305	3,331,313	4,047,252	3,961,473
1.10 Special Education	19,255,335	5,367,670	24,623,005	734,768	25,357,773	25,846,298	26,097,480
1.30 English Language Learning	4,600,575	1,097,696	5,698,271	23,099	5,721,370	7,416,254	7,342,922
1.31 Aboriginal Education	341,409	75,482	416,891	41,524	458,415	481,504	485,171
1.41 School Administration	12,358,947	2,895,449	15,254,396	255,730	15,510,126	14,962,268	14,808,139
1.60 Summer School	755,513	133,020	888,533	65,145	953,678	962,563	937,563
1.61 Continuing Education	1,120,772	187,741	1,308,513	228,472	1,536,985	1,620,953	1,436,657
1.62 International and Out of Province Students	5,382,291	1,260,437	6,642,728	1,983,427	8,626,155	8,456,509	8,830,746
1.64 Other	-	-	-	8,741	8,741	22,805	26,443
<b>Total Function 1</b>	<b>122,693,639</b>	<b>31,288,003</b>	<b>153,981,642</b>	<b>6,633,273</b>	<b>160,614,915</b>	<b>161,281,880</b>	<b>163,276,011</b>
<b>4 District Administration</b>							
4.11 Educational Administration	1,625,177	381,996	2,007,173	144,127	2,151,300	2,180,670	1,979,385
4.40 School District Governance	163,604	4,145	167,749	127,659	295,408	304,950	301,947
4.41 Business Administration	2,206,885	509,320	2,716,205	44,836	2,761,041	3,078,141	2,973,216
<b>Total Function 4</b>	<b>3,995,666</b>	<b>895,461</b>	<b>4,891,127</b>	<b>316,622</b>	<b>5,207,749</b>	<b>5,563,761</b>	<b>5,254,548</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	1,350,853	279,023	1,629,876	634,087	2,263,963	2,436,632	2,202,159
5.50 Maintenance Operations	10,729,889	2,690,747	13,420,636	5,743,381	19,164,017	18,616,378	18,510,905
5.52 Maintenance of Grounds	667,669	169,007	836,676	214,427	1,051,103	1,152,294	903,417
5.56 Utilities	-	-	-	3,211,172	3,211,172	3,245,098	2,991,913
<b>Total Function 5</b>	<b>12,748,411</b>	<b>3,138,777</b>	<b>15,887,188</b>	<b>9,803,067</b>	<b>25,690,255</b>	<b>25,450,402</b>	<b>24,608,394</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation	632,706	229,101	861,807	423,752	1,285,559	1,225,222	1,151,328
<b>Total Function 7</b>	<b>632,706</b>	<b>229,101</b>	<b>861,807</b>	<b>423,752</b>	<b>1,285,559</b>	<b>1,225,222</b>	<b>1,151,328</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>140,070,422</b>	<b>35,551,342</b>	<b>175,621,764</b>	<b>17,176,714</b>	<b>192,798,478</b>	<b>193,521,265</b>	<b>194,290,281</b>

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

Schedule 3 (Unaudited)

## Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget (Note 16)	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	7,100,529	8,899,713	7,431,351
Federal Grants	1,604,298	1,604,407	1,648,419
Other Revenue	8,631,149	8,148,660	7,002,437
Investment Income	14,240	5,653	13,990
<b>Total Revenue</b>	<b>17,350,216</b>	<b>18,658,433</b>	<b>16,096,197</b>
<b>Expenses</b>			
Instruction	16,012,028	17,091,076	14,758,948
District Administration	289,206	500,644	740,481
Operations and Maintenance	724,110	426,446	262,759
<b>Total Expense</b>	<b>17,025,344</b>	<b>18,018,166</b>	<b>15,762,188</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>324,872</b>	<b>640,267</b>	<b>334,009</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(324,872)	(640,267)	(334,009)
<b>Total Net Transfers</b>	<b>(324,872)</b>	<b>(640,267)</b>	<b>(334,009)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			<b>-</b>
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	<b>-</b>



# School District No. 38 (Richmond)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2017

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
Deferred Revenue, beginning of year	\$ -	\$ 493,354	\$ 11,958	\$ 928,476	\$ 130,078	\$ 4,317,314	\$ 140,504	\$ 216,670	\$ 202,528
Add: Restricted Grants									
Provincial Grants - Ministry of Education	899,711	3,488,586					225,718	93,100	308,660
Federal Grants				27,350		7,513,704	8,668		
Other				23,337					
Investment Income	899,711	3,488,586	-	50,687	-	7,513,704	234,386	93,100	308,660
Less: Allocated to Revenue	899,711	3,676,659	7,635	4,827	60,398	7,808,881	293,051	109,814	502,412
Deferred Revenue, end of year	-	305,281	4,323	974,336	69,680	4,022,137	81,839	199,956	8,776
Revenues									
Provincial Grants - Ministry of Education	899,711	3,676,659	7,635		60,398		284,383	109,814	502,412
Provincial Grants - Other									
Federal Grants						7,808,881	8,668		
Other Revenue				4,827					
Investment Income	899,711	3,676,659	7,635	4,827	60,398	7,808,881	293,051	109,814	502,412
Expenses									
Salaries									
Teachers		2,225,595						43,576	79,154
Principals and Vice Principals									
Educational Assistants		755,603					170,498	16,580	
Support Staff									
Other Professionals					37,832				30,467
Substitutes	-	2,981,198	-	-	37,832	-	170,498	60,156	109,621
Employee Benefits		695,461			9,350		36,790	15,046	19,820
Services and Supplies	277,020		7,635	4,827	13,216	7,808,881	85,763	34,612	362,285
	277,020	3,676,659	7,635	4,827	60,398	7,808,881	293,051	109,814	491,726
Net Revenue (Expense) before Interfund Transfers	622,691	-	-	-	-	-	-	-	10,686
Interfund Transfers									
Tangible Capital Assets Purchased	(622,691)								(10,686)
	(622,691)	-	-	-	-	-	-	-	(10,686)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

# School District No. 38 (Richmond)

Schedule 3A (Unaudited)

## Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2017

	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Provincial Resource Program	AVID Program	Community Literacy	Provincial Early Intervention	Educational Trust Fund	LINC/SWIS
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	-	11,246	10,000	34,125	273,948	100,273
Add: Restricted Grants									
Provincial Grants - Ministry of Education	734,478	140,394	1,726,646	703,530			395,659		
Federal Grants									1,615,154
Other								278,250	
Investment Income								826	
	734,478	140,394	1,726,646	703,530	-	-	395,659	279,076	1,615,154
Less: Allocated to Revenue	717,482	7,806	1,532,264	694,022	8,827	-	398,300	331,937	1,604,407
Deferred Revenue, end of year	16,996	132,588	194,382	9,508	2,419	10,000	31,484	221,087	111,020
Revenues									
Provincial Grants - Ministry of Education	717,482	7,806	1,532,264	694,022	8,827		398,300		
Provincial Grants - Other									1,604,407
Federal Grants								331,111	
Other Revenue								826	
Investment Income									
	717,482	7,806	1,532,264	694,022	8,827	-	398,300	331,937	1,604,407
Expenses									
Salaries									
Teachers	22,095		1,221,124	403,345			166,687		86,047
Principals and Vice Principals									23,619
Educational Assistants	338,967								
Support Staff				17,574			38,758		430,841
Other Professionals									88,476
Substitutes		2,783							349,033
	361,062	2,783	1,221,124	420,919	-	-	205,445	-	978,016
Employee Benefits	105,871		302,179	103,145			51,715		220,136
Services and Supplies	250,549	5,023	8,961	163,068	8,827		141,140	331,937	406,255
	717,482	7,806	1,532,264	687,132	8,827	-	398,300	331,937	1,604,407
Net Revenue (Expense) before Interfund Transfers	-	-	-	6,890	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(6,890)					
	-	-	-	(6,890)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

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

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2017

	<u>TOTAL</u>
	\$
Deferred Revenue, beginning of year	6,870,474
Add: Restricted Grants	
Provincial Grants - Ministry of Education	8,716,482
Federal Grants	1,615,154
Other	7,827,972
Investment Income	24,163
	<u>18,183,771</u>
Less: Allocated to Revenue	18,658,433
Deferred Revenue, end of year	<u>6,395,812</u>
Revenues	
Provincial Grants - Ministry of Education	8,899,713
Provincial Grants - Other	-
Federal Grants	1,604,407
Other Revenue	8,148,660
Investment Income	5,653
	<u>18,658,433</u>
Expenses	
Salaries	
Teachers	4,247,623
Principals and Vice Principals	23,619
Educational Assistants	1,281,648
Support Staff	487,173
Other Professionals	126,308
Substitutes	382,283
	<u>6,548,654</u>
Employee Benefits	1,559,513
Services and Supplies	9,909,999
	<u>18,018,166</u>
Net Revenue (Expense) before Interfund Transfers	<u>640,267</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(640,267)
	<u>(640,267)</u>
Net Revenue (Expense)	<u>-</u>

# School District No. 38 (Richmond)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget (Note 16)	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Provincial Grants					
Ministry of Education				-	120,000
Other Revenue				-	83,049
Investment Income	330,400		730,605	730,605	759,726
Amortization of Deferred Capital Revenue	8,109,863	8,156,926		8,156,926	8,083,724
<b>Total Revenue</b>	<b>8,440,263</b>	<b>8,156,926</b>	<b>730,605</b>	<b>8,887,531</b>	<b>9,046,499</b>
<b>Expenses</b>					
Operations and Maintenance				-	120,000
Amortization of Tangible Capital Assets					
Operations and Maintenance	12,862,464	13,674,961		13,674,961	13,185,383
Transportation and Housing	334,063	344,975		344,975	346,830
Debt Services					
Capital Lease Interest	175,630		181,708	181,708	157,400
<b>Total Expense</b>	<b>13,372,157</b>	<b>14,019,936</b>	<b>181,708</b>	<b>14,201,644</b>	<b>13,809,613</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(4,931,894)</b>	<b>(5,863,010)</b>	<b>548,897</b>	<b>(5,314,113)</b>	<b>(4,763,114)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	324,872	640,267		640,267	334,009
Local Capital			5,255,416	5,255,416	1,974,835
<b>Total Net Transfers</b>	<b>324,872</b>	<b>640,267</b>	<b>5,255,416</b>	<b>5,895,683</b>	<b>2,308,844</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		3,573,847	(3,573,847)	-	
Principal Payment					
Capital Lease		2,140,233	(2,140,233)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>5,714,080</b>	<b>(5,714,080)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(4,607,022)</b>	<b>491,337</b>	<b>90,233</b>	<b>581,570</b>	<b>(2,454,270)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>116,302,286</b>	<b>48,303,129</b>	<b>164,605,415</b>	<b>167,059,685</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>116,793,623</b>	<b>48,393,362</b>	<b>165,186,985</b>	<b>164,605,415</b>

# School District No. 38 (Richmond)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	55,169,613	418,083,423	10,178,075	3,464,630	2,122,930	14,043,227	503,061,898
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		6,860,421		158,646			7,019,067
Special Purpose Funds		622,691				17,576	640,267
Local Capital		1,684,988	488,088	14,237	208,641	1,177,893	3,573,847
Additions under Capital Lease						593,801	593,801
	-	9,168,100	488,088	172,883	208,641	1,789,270	11,826,982
Decrease:							
Deemed Disposals			2,070,157	295,730	236,048	1,656,188	4,258,123
	-	-	2,070,157	295,730	236,048	1,656,188	4,258,123
Cost, end of year	55,169,613	427,251,523	8,596,006	3,341,783	2,095,523	14,176,309	510,630,757
Work in Progress, end of year							-
Cost and Work in Progress, end of year	55,169,613	427,251,523	8,596,006	3,341,783	2,095,523	14,176,309	510,630,757
Accumulated Amortization, beginning of year		189,642,350	5,495,908	1,494,296	768,646	5,664,327	203,065,527
Changes for the Year							
Increase: Amortization for the Year		9,684,918	938,704	344,975	423,438	2,627,901	14,019,936
Decrease:							
Deemed Disposals			2,070,157	295,730	236,048	1,656,188	4,258,123
		-	2,070,157	295,730	236,048	1,656,188	4,258,123
Accumulated Amortization, end of year		199,327,268	4,364,455	1,543,541	956,036	6,636,040	212,827,340
Tangible Capital Assets - Net	55,169,613	227,924,255	4,231,551	1,798,242	1,139,487	7,540,269	297,803,417

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

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	177,820,853	1,240,733	405,859	179,467,445
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	7,019,067			7,019,067
	7,019,067	-	-	7,019,067
Decrease:				
Amortization of Deferred Capital Revenue	8,104,005	39,768	13,153	8,156,926
	8,104,005	39,768	13,153	8,156,926
Net Changes for the Year	(1,084,938)	(39,768)	(13,153)	(1,137,859)
Deferred Capital Revenue, end of year	176,735,915	1,200,965	392,706	178,329,586
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year				-
Total Deferred Capital Revenue, end of year	176,735,915	1,200,965	392,706	178,329,586

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

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	6,041,756	96,071		7,238,147		13,375,974
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,625,190					2,625,190
Provincial Grants - Other			142,827			142,827
Investment Income		1,402		108,969		110,371
Local Government Site Fees				633,006		633,006
	2,625,190	1,402	142,827	741,975	-	3,511,394
Decrease:						
Transferred to DCR - Capital Additions	7,019,067					7,019,067
	7,019,067	-	-	-	-	7,019,067
Net Changes for the Year	(4,393,877)	1,402	142,827	741,975	-	(3,507,673)
Balance, end of year	1,647,879	97,473	142,827	7,980,122	-	9,868,301