

Audited Financial Statements of

School District No. 93 (Conseil Scolaire Francophone)

June 30, 2019

School District No. 93 (Conseil Scolaire Francophone)

June 30, 2019

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School District No. 93 (Conseil Scolaire Francophone)

MANAGEMENT REPORT

Version: 5855-5109-3127

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 93 (Conseil Scolaire Francophone) 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.

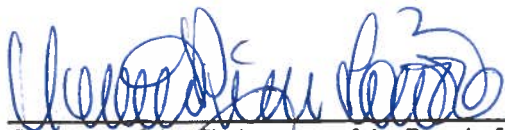
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 93 (Conseil Scolaire Francophone) (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 quarterly basis and externally audited financial statements yearly.

The external auditors, Office of the Auditor General of British Columbia, 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. 93 (Conseil Scolaire Francophone) 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.

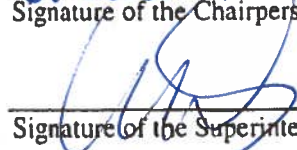
On behalf of School District No. 93 (Conseil Scolaire Francophone)



Signature of the Chairperson of the Board of Education



Date Signed



Signature of the Superintendent



Date Signed



Signature of the Secretary Treasurer



Date Signed



INDEPENDENT AUDITOR'S REPORT

*To the Board of Education of the School District No. 93 (Conseil scolaire francophone), and
To the Minister of Education, Province of British Columbia*

Qualified Opinion

I have audited the accompanying financial statements of School District No. 93 (Conseil scolaire francophone) ("the entity"), which comprise the statement of financial position as at June 30, 2019, and the statements of operations, changes in net financial assets (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2019, and the results of its operations, changes in its net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2 to the financial statements, the entity's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such the entity's method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had the entity made an adjustment for this departure in the current year, as at June 30, 2019, the liability for deferred revenue would have been lower by \$.3 million, deferred capital revenue would have been lower by \$125.6 million, revenue, annual

surplus and accumulated surplus would have been higher by \$125.9 million and net debt would have been lower by \$125.9 million.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Other Information

Management is responsible for the other information. The other information comprises the information in the unaudited schedules attached to the financial statements and the information in the Financial Statement Discussion and Analysis, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report I obtained the other information. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the unaudited schedules attached to the financial statements and the Financial Statement Discussion and Analysis affected by this departure from PSAS.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such

internal control as management determines is necessary to enable the preparation of the 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 entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the entity's 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 my 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.


As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 entity'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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Victoria, British Columbia, Canada
September 23, 2019


Carol Bellringer, FCPA, FCA
Auditor General



School District No. 93 (Conseil Scolaire Francophone)

Statement 1

Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	10,886,267	12,298,866
Accounts Receivable		
Due from Province - Ministry of Education	1,662,902	1,221,781
Due from Province - Other	-	-
Due from LEA Funding	117,952	-
Other (Note 3)	1,466,202	825,093
Prepaid licence	306,459	326,890
Total Financial Assets	14,439,782	14,672,630
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	9,956,743	7,178,060
Deferred Revenue (Note 5)	333,465	670,260
Deferred Capital Revenue (Note 6)	128,725,676	124,488,527
Employee Future Benefits (Note 7)	1,623,884	1,365,050
Capital Lease Obligations (Note 8)	2,787,469	3,020,165
Total Liabilities	143,427,237	136,722,062
Net Financial Assets (Debt)	(128,987,455)	(122,049,432)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	185,251,722	178,736,799
Restricted Assets (Endowments) (Note 11)	52,000	52,000
Prepaid Expenses	1,855,320	1,436,521
Total Non-Financial Assets	187,159,042	180,225,320
Accumulated Surplus (Deficit)	58,171,587	58,175,888

Contractual Obligations (Note 14)

Approved by the Board


Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed

School District No. 93 (Conseil Scolaire Francophone)

Statement 2

Statement of Operations
Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	100,051,669	99,487,767	108,662,926
Federal Grants	214,016	673,913	674,137
Other Revenue	1,293,865	2,019,177	1,342,736
Rentals and Leases	55,000	110,964	59,025
Investment Income	135,000	205,583	176,045
Amortization of Deferred Capital Revenue	4,060,000	4,180,105	3,712,240
Total Revenue	105,809,550	106,677,509	114,627,109
Expenses (Note 17)			
Instruction	71,436,810	72,163,554	67,911,205
District Administration	5,670,878	6,169,787	6,341,555
Operations and Maintenance	20,088,953	20,185,652	18,779,249
Transportation and Housing	8,234,159	8,051,696	7,778,611
Debt Services	157,000	90,690	141,463
Amortization prepaid licence	20,431	20,431	20,431
Total Expense	105,608,231	106,681,810	100,972,514
Surplus (Deficit) for the year	201,319	(4,301)	13,654,595
Accumulated Surplus (Deficit) from Operations, beginning of year		58,175,888	44,521,293
Accumulated Surplus (Deficit) from Operations, end of year		58,171,587	58,175,888

School District No. 93 (Conseil Scolaire Francophone)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	201,319	(4,301)	13,654,595
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(9,075,179)	(12,324,283)	(27,919,342)
Amortization of Tangible Capital Assets	5,689,000	5,809,360	5,492,719
Total Effect of change in Tangible Capital Assets	(3,386,179)	(6,514,923)	(22,426,623)
Acquisition of Prepaid Expenses		(1,855,320)	(1,436,521)
Use of Prepaid Expenses		1,436,521	294,781
Total Effect of change in Other Non-Financial Assets	-	(418,799)	(1,141,740)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	(3,184,860)	(6,938,023)	(9,913,768)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(6,938,023)	(9,913,768)
Net Financial Assets (Debt), beginning of year		(122,049,432)	(112,135,664)
Net Financial Assets (Debt), end of year		(128,987,455)	(122,049,432)

School District No. 93 (Conseil Scolaire Francophone)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(4,301)	13,654,595
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,200,182)	1,095,445
Prepaid Expenses	(418,799)	(1,141,740)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,778,683	(2,709,337)
Deferred Revenue	(336,795)	(5,566)
Employee Future Benefits	258,834	(462,123)
Amortization of Tangible Capital Assets	5,809,360	5,492,719
Amortization of Deferred Capital Revenue	(4,180,105)	(3,712,240)
Recognition of Deferred Capital Revenue Spent on Sites	(378,047)	(13,574,766)
Prepaid licence and capital expenses	(3,821,347)	(3,696,322)
Total Operating Transactions	(1,492,699)	(5,059,335)
Capital Transactions		
Tangible Capital Assets Purchased	(11,130,342)	(26,385,244)
Tangible Capital Assets -WIP Purchased	(162,686)	(19,127)
Tangible Capital Assets purchased from lease financing	(1,031,255)	(1,514,971)
Total Capital Transactions	(12,324,283)	(27,919,342)
Financing Transactions		
Capital Revenue Received	12,637,032	31,581,291
Capital lease principal payment	(1,263,904)	(1,228,219)
Capital lease increase	1,031,255	1,514,971
Total Financing Transactions	12,404,383	31,868,043
Net Increase (Decrease) in Cash and Cash Equivalents	(1,412,599)	(1,110,634)
Cash and Cash Equivalents, beginning of year	12,298,866	13,409,500
Cash and Cash Equivalents, end of year	10,886,267	12,298,866
Cash and Cash Equivalents, end of year, is made up of:		
Cash Equivalents	10,886,267	12,298,866
	10,886,267	12,298,866

**SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on *January 3, 1996* 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. 93", and operates as "School District No. 93 (Conseil Scolaire Francophone de la Colombie-Britannique)." 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. 93 (Conseil Scolaire Francophone de la Colombie-Britannique) 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(d) and 2(j).

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(d) and 2(j), 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 - an increase in annual surplus by \$23,155,309

June 30, 2018 - an increase in opening accumulated surplus \$97,116,516 a decrease in deferred revenue of \$480,335 and a decrease in deferred capital revenue by \$119,791,490.

Year-ended June 30, 2019 - an increase in annual surplus by \$5,643,319

June 30, 2019 - an increase in accumulated surplus \$120,271,825 a decrease in deferred revenue of \$278,794 and a decrease in deferred capital revenue by \$125,636,350.

**SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased 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) 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 (j).

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 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

e) 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 pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

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

The most recent valuation of the obligation was performed at March 31, 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 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

f) 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 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

g) 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 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.

h) Prepaid Expenses

Annual software support agreements, memberships, subscriptions and registrations fees, services agreement and facilities rental are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

i) 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 Note 12 – Interfund Transfers and Note 18 – Internally Restricted Surplus).

j) 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 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(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
- 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 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 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

k) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

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.

l) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

m) 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. The School District does not have any derivatives.

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 financial assets and liabilities upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

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

n) 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.

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2019	2018
Due from Federal Government	\$839,259	\$464,515
Other	\$626,943	\$360,578
	<u>\$1,466,202</u>	<u>\$825,093</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2019	2018
Trade Payables	\$8,743,005	\$6,545,683
Salaries and Benefits Payable	\$750,312	\$275,951
Accrued Vacation Pay	\$463,426	\$356,426
	<u>\$9,956,743</u>	<u>\$7,178,060</u>

NOTE 5 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.

	June 30, 2019	June 30, 2018
Balance, beginning of year	\$670,261	\$675,827
Changes for the year:		
Increase:		
Provincial Grants – MOE	\$9,962,983	\$9,984,297
Other Revenue	\$1,639,809	\$2,286,892
	<u>\$11,602,792</u>	<u>\$12,271,189</u>
Decrease:		
Recovered-MOE	(\$180,911)	-
Allocated to revenue-MOE	(\$9,885,818)	(\$10,000,226)
Allocated to revenue -Other	(\$1,872,859)	(\$2,276,529)
	<u>(\$11,939,588)</u>	<u>(\$12,276,755)</u>
Net changes in the year	(\$336,796)	(\$5,566)
Balance end of the year	<u>\$333,465</u>	<u>\$670,261</u>

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 6 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.

	June 30, 2019	June 30, 2018
Deferred Capital Revenue, beginning of year	\$124,488,527	\$113,854,664
Increase:		
Provincial Grants – MOE	\$12,637,032	\$31,156,126
Provincial grants – Other	-	\$425,165
	<u>\$12,637,032</u>	<u>\$31,581,291</u>
Decrease:		
Land Acquisition	\$378,047	\$13,574,766
Amortization Deferred Capital Revenue	\$4,180,105	\$3,712,240
Leases-Costs	\$3,834,121	\$3,652,962
By-law maintenance	\$7,610	\$7,460
	<u>\$8,399,883</u>	<u>\$20,947,928</u>
Net changes for the year	<u>\$4,237,149</u>	<u>\$10,633,863</u>
Deferred Capital Revenue, end of the year	<u><u>\$128,725,676</u></u>	<u><u>\$124,488,527</u></u>

NOTE 7 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.

	June 30, 2019	June 30, 2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$2,049,602	\$1,892,988
Service Cost	\$213,549	\$204,583
Interest Cost	\$59,884	\$56,199
Benefits Payments – April to March 31 Vested	(\$326,443)	(\$448,594)
Benefits Payments April 1 to March – Non-Vested	(\$24,977)	(\$15,756)
Increase (Decrease) in obligation due to plan amendment	(\$154,964)	-
Actuarial (Gain) Loss	\$172,767	\$360,182
Accrued Benefit Obligation – March 31	<u><u>\$1,989,418</u></u>	<u><u>\$2,049,602</u></u>

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 7 EMPLOYEE FUTURE BENEFITS (continued)

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31	\$1,989,418	\$2,049,602
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	(\$1,989,418)	(\$2,049,602)
Employer Contributions After Measurement Date	-	\$303,944
Benefit Expense after Measurement Date	(\$60,185)	(\$68,358)
Unamortized Net Actuarial (Gain) Loss	\$425,718	\$448,966
Accrued Benefit Asset (Liability) – June 30	(\$1,623,884)	(\$1,365,050)

	June 30, 2019	June 30, 2018
Components of Net Benefit Expense		
Service Cost - July 1 to March 31	\$160,162	\$153,438
Service Cost – April 1 to June 30	\$46,968	\$53,387
Interest Cost – July 1 to March 31	\$44,913	\$42,149
Interest Cost – April 1 to June 30	\$13,217	\$14,971
Immediate recognition of Plan Amendment	(\$154,964)	-
Amortization of Net Actuarial (Gain)/Loss	\$196,015	\$42,226
Net Benefit Expense (Income)	\$306,311	\$306,171

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability – July 1	\$1,365,050	\$1,827,173
Net expense for Fiscal Year	\$306,311	\$306,171
Employer Contributions – July 1 to March 31	(\$47,476)	(\$464,350)
Employer Contributions – April 1 to June 30	-	(\$303,944)
Accrued Benefit Liability (Asset) – June 30	\$1,623,884	\$1,365,050

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

	June 30, 2019	June 30, 2018
Discount Rate – April 1	2.75%	2.75%
Discount Rate – March 31	2.50%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.1	10.4

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 8 CAPITAL LEASE OBLIGATIONS

The District has fourteen leases with terms up to 6 years remaining for computer equipment. The interest rate on these leases range from 3.39% to 6.41%.

Payments are due as follows:

2020	\$1,234,238
2021	\$899,858
2022	\$472,834
2023	\$169,728
2024	\$81,517
Total minimum lease payments	\$2,858,175
Less amounts representing interest	(\$70,706)
Present value of net minimum capital lease payments	<u>\$ 2,787,469</u>

Total interest on leases for the year ended June 30, 2019 was \$90,690 (2018 \$141,463).

NOTE 9 TANGIBLE CAPITAL ASSETS

June 30, 2019

Cost:	Balance at July 1, 2018	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$48,838,070	\$464,669	-	-	\$49,302,739
Buildings	\$157,532,222	\$10,171,801	-	-	\$167,704,023
Buildings – WIP	\$377,122	\$162,686	-	-	\$539,808
Furniture & Equipment	\$4,812,457	\$493,872	(\$1,197,967)	-	\$4,108,362
Vehicles	\$16,368	-	-	-	\$16,368
Computer Software	\$121,320	-	-	-	\$121,320
Computer Hardware	\$374,769	-	(\$21,675)	-	\$353,094
Asset under capital lease	\$6,309,618	\$1,031,255	(\$2,040,797)	-	\$5,300,076
Total	<u>\$218,381,946</u>	<u>\$12,324,283</u>	<u>(\$3,260,439)</u>	<u>-</u>	<u>\$227,445,790</u>

Accumulated Amortization:	Balance at July 1, 2018	Additions	Disposals	Balance at June 30, 2019
Sites	-	-	-	-
Buildings	\$33,308,786	\$4,103,665	-	\$37,412,451
Furniture & Equipment	\$3,009,491	\$446,041	(\$1,197,967)	\$2,257,565
Vehicles	\$10,640	\$1,637	-	\$12,277
Computer Software	\$36,842	\$24,264	-	\$61,106
Computer Hardware	\$93,270	\$12,145	(\$21,675)	\$83,740
Asset under capital lease	\$3,186,118	\$1,221,608	(\$2,040,797)	\$2,366,929
Total	<u>\$39,645,147</u>	<u>\$5,809,360</u>	<u>(\$3,260,439)</u>	<u>\$42,194,068</u>

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 TANGIBLE CAPITAL ASSETS (continued)

June 30, 2018

Cost:	Balance at July 1, 2017	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2018
Sites	\$35,138,511	\$13,699,559	-	-	\$48,838,070
Buildings	\$130,464,295	\$12,223,622	-	\$14,844,305	\$157,532,222
Buildings – WIP	\$15,202,300	\$19,127	-	(\$14,844,305)	\$377,122
Furniture & Equipment	\$4,910,748	\$405,229	(\$503,520)	-	\$4,812,457
Vehicles	\$16,368	-	-	-	\$16,368
Computer Software	\$102,932	\$18,388	-	-	\$121,320
Computer Hardware	\$378,816	\$38,446	(\$42,493)	-	\$374,769
Asset under capital lease	\$6,762,228	\$1,514,971	(\$1,967,581)	-	\$6,309,618
Total	\$192,976,198	\$27,919,342	(\$2,513,594)	-	\$218,381,946

Accumulated Amortization:	Balance at July 1, 2018	Additions Restated	Disposals	Balance at June 30, 2018
Sites	-	-	-	-
Buildings	\$29,708,830	\$3,599,956	-	\$33,308,786
Furniture & Equipment	\$3,026,851	\$486,160	(\$503,520)	\$3,009,491
Vehicles	\$9,003	\$1,637	-	\$10,640
Computer Software	\$14,417	\$22,425	-	\$36,842
Computer Hardware	\$108,977	\$26,786	(\$42,493)	\$93,270
Asset under capital lease	\$3,797,944	\$1,355,755	(\$1,967,581)	\$3,186,118
Total	\$36,666,022	\$5,492,719	(\$2,513,594)	\$39,645,147

Net Book Value:

	Net Book Value June 30, 2019	Net Book Value June 30, 2018
Sites	\$49,302,739	\$48,838,070
Buildings	\$130,291,572	\$124,223,436
Buildings – work in progress	\$539,808	\$377,122
Furniture & Equipment	\$1,850,797	\$1,802,966
Vehicles	\$4,091	\$5,728
Computer Software	\$60,214	\$84,478
Computer Hardware	\$269,354	\$281,499
Assets under capital lease	\$2,933,147	\$3,123,500
Total	\$185,251,722	\$178,736,799

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee 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 \$5,682,081 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$5,870,090)

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 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the school district. One restriction is that the original contribution should not be spent. Another potential restriction is that any investment income of the endowment fund that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	2018	Contributions	2019
Dr. Moreau	\$15,000	\$	\$15,000
Devencore	\$12,000	\$	\$12,000
Cadillac Fairview – Vanoc	\$25,000	\$	\$25,000
Total	\$52,000	\$	\$52,000

NOTE 12 INTERFUND TRANSFERS

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

- \$536,192 (2018: \$571,447) transferred from the Operating Fund to the Capital Fund for the purchase of capital equipment.
- \$191,138 (2018: \$168,770) transferred from the Special Purpose Fund to the Capital Fund for the purchase of capital assets.
- \$1,057,446 (2018: \$832,645) transferred from the Operating Fund to the Capital Fund for the payment (including interest and capital) of the capital lease obligations.
- \$297,148 (2018: \$537,069) transferred from the Special Purpose Funds to the Capital Fund for the payment (including interest and capital) of the capital lease obligations.

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.

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 14 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual obligations	2020	2021	2022	2023	2024	Thereafter
Office – Lease	\$705,598	\$742,272	\$754,496	\$754,496	\$754,496	\$188,624
Copiers – Lease	\$103,576	\$110,658	\$82,865	\$45,574	\$20,666	-
Vehicles – Lease	\$17,430	\$17,430	\$17,430	-	-	-
Prepaid Land License	\$7,762	\$7,917	\$8,078	\$8,237	\$8,401	\$35,320
School Lease	\$2,216,201	\$1,023,290	\$663,757	\$559,185	\$150,567	\$825,617
	<u>\$3,050,567</u>	<u>\$1,901,567</u>	<u>\$1,526,624</u>	<u>\$1,367,492</u>	<u>\$934,130</u>	<u>\$1,049,561</u>

Construction Related Commitments

In spring 2012, the Ministry of Education announced a capital project to build a school in the False Creek area in Vancouver. The certificate of approval amount is still unknown. As at June 30, 2019, \$435,873 (2018 \$377,873) has been spent.

NOTE 15 BUDGET FIGURES

The annual budget was originally approved by the Board on June 22, 2018. While Public Sector Accounting Standards require the presentation of the originally planned budget, an amended budget based on more accurate enrolment numbers was approved by the Board and filed with the Ministry of Education on February 23, 2019. Significant changes between the original and amended budget are as follows:

Revenues	Annual Budget	Amended Budget	Variances
Provincial Grants - Ministry of Education	\$99,557,374	\$100,051,669	(\$494,295)
Provincial Grants – Other	\$205,000	\$214,016	(\$9,016)
Other Revenue	\$1,134,385	\$1,293,865	(\$159,480)
Rentals and Leases	\$55,000	\$55,000	-
Investment Income	\$115,000	\$135,000	(\$20,000)
Amortization of Deferred Revenue	\$3,899,789	\$4,060,000	(\$160,211)
Total Revenue	<u>\$104,966,548</u>	<u>\$105,809,550</u>	<u>(\$843,002)</u>

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 15 (continued)

Expenses			
Instruction	\$71,837,305	\$71,436,810	\$400,495
District Administration	\$5,207,347	\$5,670,878	(\$463,531)
Operations and Maintenance	\$19,856,308	\$20,088,953	(\$232,645)
Transportation and Housing	\$8,116,506	\$8,234,159	(\$117,653)
Debt Services	\$157,000	\$157,000	-
Amortization of Prepaid Licence	\$20,431	\$20,431	-
Total Expenses	\$105,194,897	\$105,608,231	(\$413,334)

Budgeted revenues mainly increased due to the Classroom Enhancement Fund grant to cover the changes in budgeted expenses related to the resolution of the Supreme Court of Canada decision on class size and composition.

NOTE 16 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, 2019 the liability is not reasonably determinable.

NOTE 17 EXPENSE BY OBJECT

	June 30, 2019	June 30, 2018
Salaries and Benefits	\$67,416,274	\$63,298,179
Services and Supplies	\$33,338,264	\$32,018,779
Interest	\$117,912	\$162,837
Amortization	\$5,809,360	\$5,492,719
	<u>\$106,681,810</u>	<u>\$100,972,514</u>

The Service and Supplies balance includes interfund transfers. See note 12.

**SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 18 INTERNALLY RESTRICTED SURPLUS – OPERATING

Aboriginal projects	\$40,087
Professional Development	\$23,253
Schools Budget	\$69,030
Education Projects	\$87,518
School Generated funds	\$435,832
Subtotal Internally Restricted	<u>\$655,720</u>
Unrestricted Operating Surplus (Deficit)	<u>\$260,048</u>
Total Available for Future Operations	<u><u>\$915,768</u></u>

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 CREDIT FACILITIES

The School District has a credit facility with the Royal Bank of Canada comprising 2 components. Component 1 consists of a lease line of credit of \$5,000,000 and component 2 consists of a corporate visa with a limit of \$80,000. The School District has credit facility with Home Depot comprising of a corporate credit card with a limit of \$10,000. A Board of Director's resolution authorizing borrowings is required to maintain the credit facility. When used, the credit facility is repayable on demand and bears interest at the time each lease is entered.

SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 21 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 borrower. 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 guaranteed investment certificates.

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 solely in guaranteed investments certificates that have a maturity date of no more than three years.

**SCHOOL DISTRICT 93
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 21 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.

NOTE 22 COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified to conform to the current year financial statement presentation

School District No. 93 (Conseil Scolaire Francophone)

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

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,639,664	52,000	56,484,224	58,175,888	44,521,293
Changes for the year					
Surplus (Deficit) for the year	869,742	488,286	(1,362,329)	(4,301)	13,654,595
Interfund Transfers					
Tangible Capital Assets Purchased	(536,192)	(191,138)	727,330	-	-
Other	(1,057,446)	(297,148)	1,354,594	-	-
Net Changes for the year	(723,896)	-	719,595	(4,301)	13,654,595
Accumulated Surplus (Deficit), end of year - Statement 2	915,768	52,000	57,203,819	58,171,587	58,175,888

School District No. 93 (Conseil Scolaire Francophone)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	85,006,157	85,086,481	81,427,512
Federal Grants		424,955	380,901
Other Revenue	243,865	395,276	193,092
Rentals and Leases	55,000	110,964	59,025
Investment Income	135,000	205,583	176,045
Total Revenue	85,440,022	86,223,259	82,236,575
Expenses			
Instruction	60,673,876	60,979,839	57,282,950
District Administration	5,670,878	6,169,787	6,341,555
Operations and Maintenance	10,039,871	10,152,195	9,517,064
Transportation and Housing	8,234,159	8,051,696	7,778,611
Total Expense	84,618,784	85,353,517	80,920,180
Operating Surplus (Deficit) for the year	821,238	869,742	1,316,395
Budgeted Appropriation (Retirement) of Surplus (Deficit)	316,288		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(240,000)	(536,192)	(571,447)
Other	(897,526)	(1,057,446)	(832,645)
Total Net Transfers	(1,137,526)	(1,593,638)	(1,404,092)
Total Operating Surplus (Deficit), for the year	-	(723,896)	(87,697)
Operating Surplus (Deficit), beginning of year		1,639,664	1,727,361
Operating Surplus (Deficit), end of year		915,768	1,639,664
Operating Surplus (Deficit), end of year			
Internally Restricted		655,720	730,134
Unrestricted		260,048	909,530
Total Operating Surplus (Deficit), end of year		915,768	1,639,664

School District No. 93 (Conseil Scolaire Francophone)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	83,943,845	83,948,208	80,009,178
ISC/LEA Recovery		(117,952)	
Other Ministry of Education Grants			
Pay Equity	100,251	100,251	100,251
Transportation Supplement	750,415	750,415	750,415
Economic Stability Dividend	40,000	70,125	35,858
Return of Administrative Savings			386,076
Carbon Tax Grant	45,000	42,315	45,584
Employer Health Tax Grant		166,473	
Literacy and France EdPartnership	79,317	79,317	92,550
SRG3			7,600
FSA	14,329	14,329	
Strategic Priorities	33,000	33,000	
Total Provincial Grants - Ministry of Education	85,006,157	85,086,481	81,427,512
Federal Grants		424,955	380,901
Tuition			
Other Revenues			
LEA Funding from First Nations		117,952	
Miscellaneous			
Miscellaneous	243,865	277,324	193,092
Total Other Revenue	243,865	395,276	193,092
Rentals and Leases	55,000	110,964	59,025
Investment Income	135,000	205,583	176,045
Total Operating Revenue	85,440,022	86,223,259	82,236,575

School District No. 93 (Conseil Scolaire Francophone)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	27,928,697	27,816,189	25,925,719
Principals and Vice Principals	5,356,538	5,105,656	4,731,335
Educational Assistants	4,475,906	4,717,277	4,460,262
Support Staff	4,091,157	4,433,493	4,252,056
Other Professionals	2,806,840	2,658,822	2,370,034
Substitutes	2,874,200	3,967,369	3,610,605
Total Salaries	47,533,338	48,698,806	45,350,011
Employee Benefits	11,591,393	11,661,146	10,838,129
Total Salaries and Benefits	59,124,731	60,359,952	56,188,140
Services and Supplies			
Services	11,597,827	10,320,480	10,710,523
Student Transportation	8,186,659	8,002,719	7,687,067
Professional Development and Travel	2,312,645	1,762,167	1,480,510
Rentals and Leases	285,659	589,778	744,818
Dues and Fees	69,580	114,872	116,183
Insurance	100,005	95,039	117,940
Interest	10,500	27,222	21,374
Supplies	1,708,957	2,722,192	2,637,847
Utilities	1,222,221	1,359,096	1,215,778
Total Services and Supplies	25,494,053	24,993,565	24,732,040
Total Operating Expense	84,618,784	85,353,517	80,920,180

School District No. 93 (Conseil Scolaire Francophone)

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
1 Instruction							
1.02 Regular Instruction	22,587,115	501,475	637,609	737,256	50,484	2,723,954	27,237,893
1.03 Career Programs	198,708	16,779					215,487
1.07 Library Services	212,524	107,641		60,102		2,938	383,205
1.08 Counseling	1,044,748	120,013				10,973	1,175,734
1.10 Special Education	1,942,178	275,470	3,883,051	21,490	384,622	718,676	7,225,487
1.30 English Language Learning	1,729,081	147,435	3,105				1,879,621
1.31 Aboriginal Education	101,835	40,284	193,512	19,514		14,454	369,599
1.41 School Administration		3,896,559		2,319,170		372,784	6,588,513
Total Function 1	27,816,189	5,105,656	4,717,277	3,157,532	435,106	3,843,779	45,075,539
4 District Administration							
4.11 Educational Administration				156,180	611,232	19,317	786,729
4.40 School District Governance					107,606	1,340	108,946
4.41 Business Administration				416,987	927,173	100,069	1,444,229
Total Function 4	-	-	-	573,167	1,646,011	120,726	2,339,904
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				31,959	184,483		216,442
5.50 Maintenance Operations				670,835	393,222	2,864	1,066,921
5.52 Maintenance of Grounds							-
5.56 Utilities							-
Total Function 5	-	-	-	702,794	577,705	2,864	1,283,363
7 Transportation and Housing							
7.41 Transportation and Housing Administration							-
7.70 Student Transportation							-
Total Function 7	-	-	-	-	-	-	-
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	27,816,189	5,105,656	4,717,277	4,433,493	2,658,822	3,967,369	48,698,806

School District No. 93 (Conseil Scolaire Francophone)

Schedule 2C (Unaudited)

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 (Note 15)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	27,237,893	6,363,560	33,601,453	3,665,641	37,267,094	34,603,477	35,597,227
1.03 Career Programs	215,487	51,423	266,910		266,910	232,533	240,365
1.07 Library Services	383,205	93,224	476,429	90,129	566,558	946,002	209,066
1.08 Counseling	1,175,734	252,679	1,428,413	60,146	1,488,559	1,657,516	1,192,505
1.10 Special Education	7,225,487	1,718,520	8,944,007	319,595	9,263,602	9,469,349	8,582,654
1.30 English Language Learning	1,879,621	429,068	2,308,689	17,591	2,326,280	2,620,189	2,286,635
1.31 Aboriginal Education	369,599	94,135	463,734	165,206	628,940	669,027	625,643
1.41 School Administration	6,588,513	1,985,107	8,573,620	598,276	9,171,896	10,475,783	8,548,855
Total Function 1	45,075,539	10,987,716	56,063,255	4,916,584	60,979,839	60,673,876	57,282,950
4 District Administration							
4.11 Educational Administration	786,729	136,268	922,997	1,342,257	2,265,254	2,585,929	2,465,570
4.40 School District Governance	108,946	3,275	112,221	1,151,278	1,263,499	731,924	1,546,298
4.41 Business Administration	1,444,229	261,461	1,705,690	935,344	2,641,034	2,353,025	2,329,687
Total Function 4	2,339,904	401,004	2,740,908	3,428,879	6,169,787	5,670,878	6,341,555
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	216,442	43,118	259,560	259,012	518,572	459,407	464,606
5.50 Maintenance Operations	1,066,921	229,308	1,296,229	6,159,894	7,456,123	7,689,703	7,146,626
5.52 Maintenance of Grounds	-	-	-	818,404	818,404	668,540	690,052
5.56 Utilities	-	-	-	1,359,096	1,359,096	1,222,221	1,215,780
Total Function 5	1,283,363	272,426	1,555,789	8,596,406	10,152,195	10,039,871	9,517,064
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	48,977	48,977	47,500	91,544
7.70 Student Transportation	-	-	-	8,002,719	8,002,719	8,186,659	7,687,067
Total Function 7	-	-	-	8,051,696	8,051,696	8,234,159	7,778,611
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	48,698,806	11,661,146	60,359,952	24,993,565	85,353,517	84,618,784	80,920,180

School District No. 93 (Conseil Scolaire Francophone)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	10,221,430	9,885,818	10,000,226
Federal Grants	214,016	248,958	293,236
Other Revenue	1,050,000	1,623,901	1,149,644
Total Revenue	11,485,446	11,758,677	11,443,106
Expenses			
Instruction	10,762,934	11,183,715	10,628,255
Operations and Maintenance		86,676	109,044
Total Expense	10,762,934	11,270,391	10,737,299
Special Purpose Surplus (Deficit) for the year	722,512	488,286	705,807
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(185,909)	(191,138)	(168,770)
Other	(536,603)	(297,148)	(537,037)
Total Net Transfers	(722,512)	(488,286)	(705,807)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year		52,000	52,000
Special Purpose Surplus (Deficit), end of year		52,000	52,000
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		52,000	52,000
Total Special Purpose Surplus (Deficit), end of year		52,000	52,000

School District No. 93 (Conseil Scolaire Francophone)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			10,791	26,263	354,410		80,498		
Add:									
Restricted Grants									
Provincial Grants - Ministry of Education	277,814	325,350				304,000	75,950	4,433,400	129,674
Federal Grants									
Other					1,383,426				
Less:									
Allocated to Revenue	277,814	325,350	-	25,806	1,383,426	304,000	75,950	4,433,400	129,674
Recovered	277,814	325,350	-	25,806	1,623,901	224,899	81,939	4,405,190	129,674
Deferred Revenue, end of year	-	-	10,791	457	113,935	79,101	74,509	28,210	-
Revenues									
Provincial Grants - Ministry of Education	277,814	325,350		25,806		224,899	81,939	4,405,190	129,674
Federal Grants					1,623,901				
Other Revenue	277,814	325,350	-	25,806	1,623,901	224,899	81,939	4,405,190	129,674
Expenses									
Salaries									
Teachers								229,213	
Principals and Vice Principals								291,395	
Educational Assistants								218,073	45,451
Support Staff	51,884	245,977				85,239		354,837	
Other Professionals									
Substitutes									
Employee Benefits	51,884	245,977	-	-	-	3,869	6,031	524,879	17,065
Services and Supplies	11,144	79,373				22,236	1,821	306,681	62,516
	23,648	-		25,806	1,623,901	113,555	74,087	2,182,964	50,981
	86,676	325,350	-	25,806	1,623,901	224,899	81,939	4,108,042	129,674
Net Revenue (Expense) before Interfund Transfers	191,138	-	-	-	-	-	-	297,148	-
Interfund Transfers									
Tangible Capital Assets Purchased	(191,138)							(297,148)	
Other	(191,138)	-	-	-	-	-	-	(297,148)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 93 (Conseil Scolaire Francophone)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2019

	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	BC settlement Program	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	8,372	23,044	132,697	25,169	9,016	670,260
Add: Restricted Grants						
Provincial Grants - Ministry of Education		377,836	3,998,793	40,166		9,962,983
Federal Grants					256,383	256,383
Other						1,383,426
Less: Allocated to Revenue	-	377,836	3,998,793	40,166	256,383	11,602,792
Recovered	8,372	377,836	3,998,793	30,145	248,958	11,758,677
Deferred Revenue, end of year	-	23,044	132,697	25,169		180,910
	-	-	-	10,021	16,441	333,465
Revenues						
Provincial Grants - Ministry of Education	8,372	377,836	3,998,793	30,145		9,885,818
Federal Grants					248,958	248,958
Other Revenue						1,623,901
Expenses						
Salaries						
Teachers						3,438,097
Principals and Vice Principals			3,208,884			291,395
Educational Assistants					169,351	764,091
Support Staff		19,583				426,304
Other Professionals		229,358				229,358
Substitutes				25,145	23,081	600,070
	-	248,941	3,208,884	25,145	192,432	5,749,315
Employee Benefits		38,090	789,909	5,000	36,576	1,307,007
Services and Supplies	8,372	90,805			19,950	4,214,069
	8,372	377,836	3,998,793	30,145	248,958	11,270,391
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	488,286
Interfund Transfers						
Tangible Capital Assets Purchased						(191,138)
Other	-	-	-	-	-	(297,148)
	-	-	-	-	-	(488,286)
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 93 (Conseil Scolaire Francophone)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget (Note 15)	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	4,824,082	4,515,468		4,515,468	17,235,188
Amortization of Deferred Capital Revenue	4,060,000	4,180,105		4,180,105	3,712,240
Total Revenue	8,884,082	8,695,573	-	8,695,573	20,947,428
Expenses					
Operations and Maintenance	4,360,082	4,137,421		4,137,421	3,660,422
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,689,000	5,809,360		5,809,360	5,492,719
Debt Services					
Capital Lease Interest	157,000		90,690	90,690	141,463
Amortization of prepaid licence	20,431	20,431		20,431	20,431
Total Expense	10,226,513	9,967,212	90,690	10,057,902	9,315,035
Capital Surplus (Deficit) for the year	(1,342,431)	(1,271,639)	(90,690)	(1,362,329)	11,632,393
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	425,909	727,330		727,330	740,217
Capital Lease Payment	1,434,129		1,354,594	1,354,594	1,369,682
Total Net Transfers	1,860,038	727,330	1,354,594	2,081,924	2,109,899
Other Adjustments to Fund Balances					
Principal Payment					
Capital Lease		1,263,904	(1,263,904)	-	
Total Other Adjustments to Fund Balances		1,263,904	(1,263,904)	-	
Total Capital Surplus (Deficit) for the year	517,607	719,595	-	719,595	13,742,292
Capital Surplus (Deficit), beginning of year		56,479,884	4,340	56,484,224	42,741,932
Capital Surplus (Deficit), end of year		57,199,479	4,340	57,203,819	56,484,224

School District No. 93 (Conseil Scolaire Francophone)

Tangible Capital Assets
Year Ended June 30, 2019

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	48,838,070	157,532,222	4,812,457	16,368	121,320	6,684,387	218,004,824
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	378,047	7,725,508	198,569				8,302,124
Deferred Capital Revenue - Other		2,100,888					2,100,888
Operating Fund	22,591	218,298	295,303				536,192
Special Purpose Funds	64,031	127,107					191,138
Capital lease funding						1,031,255	1,031,255
	464,669	10,171,801	493,872	-	-	1,031,255	12,161,597
Decrease:							
Deemed Disposals			1,197,967			2,062,472	3,260,439
	-	-	1,197,967	-	-	2,062,472	3,260,439
Cost, end of year	49,302,739	167,704,023	4,108,362	16,368	121,320	5,653,170	226,905,982
Work in Progress, end of year		539,808					539,808
Cost and Work in Progress, end of year	49,302,739	168,243,831	4,108,362	16,368	121,320	5,653,170	227,445,790
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals			1,197,967			2,062,472	3,260,439
			1,197,967	-	-	2,062,472	3,260,439
Accumulated Amortization, end of year			2,257,565	12,277	61,106	2,450,669	42,194,068
Tangible Capital Assets - Net	49,302,739	130,831,380	1,850,797	4,091	60,214	3,202,501	185,251,722

School District No. 93 (Conseil Scolaire Francophone)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	377,122				377,122
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	162,686				162,686
	162,686	-	-	-	162,686
Net Changes for the Year	162,686	-	-	-	162,686
Work in Progress, end of year	539,808	-	-	-	539,808

School District No. 93 (Conseil Scolaire Francophone)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	114,241,880	5,549,610		119,791,490
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	7,924,077	2,100,888		10,024,965
	7,924,077	2,100,888	-	10,024,965
Decrease:				
Amortization of Deferred Capital Revenue	3,972,461	207,644		4,180,105
	3,972,461	207,644	-	4,180,105
Net Changes for the Year	3,951,616	1,893,244	-	5,844,860
Deferred Capital Revenue, end of year	118,193,496	7,442,854	-	125,636,350
Work in Progress, beginning of year	377,122			377,122
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	162,686			162,686
	162,686	-	-	162,686
Net Changes for the Year	162,686	-	-	162,686
Work in Progress, end of year	539,808	-	-	539,808
Total Deferred Capital Revenue, end of year	118,733,304	7,442,854	-	126,176,158

School District No. 93 (Conseil Scolaire Francophone)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2019

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	2,219,027	1,700,000	400,888			4,319,915
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	12,637,032					12,637,032
	12,637,032	-	-	-	-	12,637,032
Decrease:						
Transferred to DCR - Capital Additions	7,924,077	1,700,000	400,888			10,024,965
Transferred to DCR - Work in Progress	162,686					162,686
Transferred to Revenue - Site Purchases	378,047					378,047
Leases Costs	3,834,121					3,834,121
By-law maintenance expenses	7,610					7,610
	12,306,541	1,700,000	400,888	-	-	14,407,429
Net Changes for the Year	330,491	(1,700,000)	(400,888)	-	-	(1,770,397)
Balance, end of year	2,549,518	-	-	-	-	2,549,518