



Audited Financial Statements of
School District No. 36 (Surrey)
June 30, 2020

School District No. 36 (Surrey)

June 30, 2020

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School District No. 36 (Surrey)

MANAGEMENT REPORT

Version: 3551-2806-9823

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 36 (Surrey) 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. 36 (Surrey) (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, Grant Thornton 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. 36 (Surrey) 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. 36 (Surrey)

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

Grant Thornton LLP

Suite 1600
333 Seymour Street
Vancouver, BC
V6B 0A4

T +1 604 687 2711
F +1 604 685 6569
www.GrantThornton.ca

Independent Auditor's Report

To the Board of Education of School District No. 36 (Surrey) and
the Ministry of Education of the Province of British Columbia:

Opinion

We have audited the accompanying financial statements of School District No. 36 (Surrey) ("the School District"), which comprise the statement of financial position as at June 30, 2020, and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the School District for the year ended June 30, 2020 are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Other matter – supplementary information

We draw attention to the fact that the supplementary information included in Schedules 1 to 4 do not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the School District's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the School District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School District's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District'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 School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School District to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vancouver, Canada
September 16, 2020

Chartered Professional Accountants

DRAFT

School District No. 36 (Surrey)

Statement 1

Statement of Financial Position

As at June 30, 2020

	2020 Actual \$	2019 Actual \$
Financial Assets		
Cash and Cash Equivalents	171,111,445	158,493,646
Accounts Receivable		
Due from Province - Ministry of Education	14,741,301	14,091,232
Other (Note 4)	6,506,831	5,759,377
Portfolio Investments (Note 5)	-	18,016,429
Total Financial Assets	192,359,577	196,360,684
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	221,792	150,000
Other (Note 6)	27,551,332	22,011,309
Unearned Revenue (Note 7)	13,282,923	14,899,493
Deferred Revenue (Note 8)	9,901,353	8,599,789
Deferred Capital Revenue (Note 9)	669,406,618	576,071,176
Employee Future Benefits (Note 10)	13,498,302	13,931,407
Other Liabilities (Note 11)	68,600,687	63,458,318
Total Liabilities	802,463,007	699,121,492
Net Debt	(610,103,430)	(502,760,808)
Non-Financial Assets		
Tangible Capital Assets (Note 13)	1,232,313,450	1,060,111,753
Prepaid Expenses	1,864,969	1,433,903
Total Non-Financial Assets	1,234,178,419	1,061,545,656
Accumulated Surplus (Deficit)	624,074,989	558,784,848

Contractual Obligations (Note 16,17)

Contingent Liabilities (Note 18)

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. 36 (Surrey)

Statement 2

Statement of Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	785,664,117	808,335,483	723,776,188
Other	924,153	881,826	1,100,828
Municipal Grants Spent on Sites	1,500,000	1,979,783	2,450,813
Federal Grants	4,004,808	3,948,325	3,807,365
Tuition	16,828,107	17,033,280	15,813,747
Other Revenue	21,191,348	18,430,616	22,099,074
Rentals and Leases	3,140,000	2,485,588	3,249,067
Investment Income	3,013,700	2,870,914	3,614,674
Gain (Loss) on Disposal of Tangible Capital Assets	4,374,510	4,374,510	
Amortization of Deferred Capital Revenue	25,168,926	25,112,910	23,203,757
Total Revenue	865,809,669	885,453,235	799,115,513
Expenses			
Instruction	696,318,476	688,475,349	657,182,009
District Administration	18,176,634	14,967,372	15,336,206
Operations and Maintenance	118,948,584	111,531,230	113,034,545
Transportation and Housing	6,939,768	5,189,143	5,977,948
Total Expense	840,383,462	820,163,094	791,530,708
Surplus (Deficit) for the year	25,426,207	65,290,141	7,584,805
Accumulated Surplus (Deficit) from Operations, beginning of year		558,784,848	551,200,043
Accumulated Surplus (Deficit) from Operations, end of year		624,074,989	558,784,848

School District No. 36 (Surrey)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	25,426,207	65,290,141	7,584,805
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(200,821,437)	(210,511,547)	(73,809,055)
Amortization of Tangible Capital Assets	38,107,128	38,012,124	36,294,014
Net carrying value of Tangible Capital Assets disposed of	292,280	297,726	
Total Effect of change in Tangible Capital Assets	(162,422,029)	(172,201,697)	(37,515,041)
Acquisition of Prepaid Expenses		(1,864,969)	(1,433,903)
Use of Prepaid Expenses		1,433,903	2,126,931
Total Effect of change in Other Non-Financial Assets	-	(431,066)	693,028
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(136,995,822)	(107,342,622)	(29,237,208)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(107,342,622)	(29,237,208)
Net Debt, beginning of year		(502,760,808)	(473,523,600)
Net Debt, end of year		(610,103,430)	(502,760,808)

School District No. 36 (Surrey)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2020

	2020 Actual \$	2019 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	65,290,141	7,584,805
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,397,523)	(13,313,381)
Prepaid Expenses	(431,066)	693,028
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	5,611,815	7,152,315
Unearned Revenue	(1,616,570)	1,074,793
Deferred Revenue	1,301,564	294,235
Employee Future Benefits	(433,105)	(1,058,989)
Other Liabilities	5,142,369	5,707,032
Loss (Gain) on Disposal of Tangible Capital Assets	(4,374,510)	
Amortization of Tangible Capital Assets	38,012,124	36,294,014
Amortization of Deferred Capital Revenue	(25,112,910)	(23,203,757)
Recognition of Deferred Capital Revenue Spent on Sites	(45,862,990)	(8,335,853)
Total Operating Transactions	36,129,339	12,888,242
Capital Transactions		
Tangible Capital Assets Purchased	(98,466,322)	(35,785,968)
Tangible Capital Assets -WIP Purchased	(112,045,225)	(38,023,087)
District Portion of Proceeds on Disposal	4,672,236	
Total Capital Transactions	(205,839,311)	(73,809,055)
Financing Transactions		
Capital Revenue Received	164,311,342	56,704,601
Total Financing Transactions	164,311,342	56,704,601
Investing Transactions		
Investments in Portfolio Investments	18,016,429	6,565,505
Total Investing Transactions	18,016,429	6,565,505
Net Increase (Decrease) in Cash and Cash Equivalents	12,617,799	2,349,293
Cash and Cash Equivalents, beginning of year	158,493,646	156,144,353
Cash and Cash Equivalents, end of year	171,111,445	158,493,646
Cash and Cash Equivalents, end of year, is made up of:		
Cash	171,111,445	158,493,646
	171,111,445	158,493,646

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

The School District 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. 36 (Surrey)", and operates as "School District No. 36 (Surrey)". A board of education ("the Board") is elected for a four-year term and governs the School District. The School District provides educational programs to students enrolled in its schools in the cities of Surrey and White Rock, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 36 (Surrey) is exempt from federal and provincial corporate income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the School District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 with new health and safety guidelines. September school start up for elementary and secondary students is also scheduled to resume with most students in full time attendance and following implementation of new health and safety guidelines.

The ongoing impact of the pandemic presents uncertainty over future cash flows and may have a significant impact on future operations including increased expenses, decreases in revenue, and timing and costs of capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the School District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

As noted in Notes 2 (f) and 2 (m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

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

Year-ended June 30, 2020 - increase in annual surplus by \$94,637,006.

June 30, 2020 - increase in accumulated surplus by \$664,879,333 a decrease in deferred revenue by \$4,594,262 and a decrease in deferred capital revenue by \$660,285,071.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (cont'd)

Year-ended June 30, 2019 - increase in annual surplus by \$25,459,226.

June 30, 2019 - increase in accumulated surplus by \$573,393,602 a decrease in deferred revenue by \$3,479,361 and a decrease in deferred capital revenue by \$569,914,241.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand balances on deposit in financial institutions 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 shown net of allowance for doubtful accounts.

d) Portfolio Investments

The School District has investments in GIC's, term deposits and bonds, that either have no maturity dates or have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits, bonds and other investments not quoted in an active market are reported at cost or amortized cost.

The School District did not include a statement of re-measurement gains and losses as there were no re-measurement transactions to report.

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

g) Employee Future Benefits

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

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

g) Employee Future Benefits (cont'd)

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.

h) Prepaid Expenses

Materials and supplies held in central stores for use within the School District are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit.

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 Notes 14 – Interfund Transfers and Note 21 – Internally Restricted – Operating Fund).

j) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a 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 standard;
- 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.

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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

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

k) 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

l) 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.

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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

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

m) Revenue Recognition (cont'd)

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

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

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

Donated tangible capital assets other than sites are recorded at fair 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 that are government transfers 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.

n) Expenditures

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

- 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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

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

o) 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.

p) 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, portfolio investments, accounts payable and accrued liabilities, and other liabilities. The School District does not have any derivatives.

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 and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

All financial assets 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.

q) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets. The effective date was previously July 1, 2021, but as a result of COVID-19 pandemic, PSAB has deferred the effective date by one year. A liability will be recognized when, as at the financial reporting date:

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

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Future Changes in Accounting Policies (Cont'd)

A modified retroactive application has been recommended by Government pending approval in the Fall of 2020. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the School District satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

NOTE 3 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 4 ACCOUNTS RECEIVABLE

	June 30, 2020	June 30, 2019
Due from Federal Government	\$ 4,533,599	\$ 3,355,305
Trade accounts receivable	644,534	365,480
Interest receivable	-	150,225
Payroll accounts receivable	77,769	106,972
Other accounts receivable	73,289	264,750
School site acquisition charges	1,177,640	1,516,645
	<u>\$ 6,506,831</u>	<u>\$ 5,759,377</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 5 PORTFOLIO INVESTMENTS

Investments consist of bank GIC, bank corporate, provincial and municipal bonds.

	June 30, 2020			June 30, 2019		
	Effective Fair Value Yield	Cost	Fair Value	Effective Fair Value Yield	Cost	Fair Value
Bank term investments	0.00%	-	-	2.80%	\$ 5,266,871	\$ 5,223,464
Fixed income securities						
Bank corporate	0.00%	-	-	2.81%	11,371,825	11,402,495
Provincial bonds	0.00%	-	-	0.00%	-	-
Municipal bonds	0.00%	-	-	3.05%	1,377,733	1,438,789
Total Portfolio Investments		\$ -	\$ -		\$ 18,016,429	\$ 18,064,748

NOTE 6 ACCOUNTS PAYABLE – OTHER

	June 30, 2020	June 30, 2019
Trade payables	\$ 16,945,837	\$ 19,935,660
Lien Holdbacks	10,518,395	1,924,816
Other	87,100	150,833
	\$ 27,551,332	\$ 22,011,309

NOTE 7 UNEARNED REVENUE

Unearned revenue as at June 30th, 2020

	Balance, June 30, 2019	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2020
	\$	\$	\$	\$
Tuition Fees	14,757,700	15,466,884	(17,033,280)	13,191,304
Rental/Lease of Facilities	141,793	2,435,414	(2,485,588)	91,619
Total	14,899,493	17,902,298	(19,518,868)	13,282,923

Unearned revenue as at June 30th, 2019

	Balance, June 30, 2018	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2019
	\$	\$	\$	\$
Tuition Fees	13,728,769	16,842,678	(15,813,747)	14,757,700
Rental/Lease of Facilities	95,931	3,294,929	(3,249,067)	141,793
Total	13,824,700	20,137,607	(19,062,814)	14,899,493

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 8 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.

Deferred Revenue as at June 30th, 2020

	Balance, June 30, 2019	Contributions received	Revenue recognized in the period	Balance, June 30, 2020
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	1,067,105	53,711,924	(52,998,910)	1,780,119
Provincial Grants - Other	568,088	678,153	(489,076)	757,165
Federal Grants	47,420	824,956	(800,302)	72,074
Other	6,917,176	15,996,346	(15,621,527)	7,291,995
Investment Income	-	18,848	(18,848)	-
Total	8,599,789	71,230,227	(69,928,663)	9,901,353

Deferred Revenue as at June 30th, 2019

	Balance, June 30, 2018	Contributions received	Revenue recognized in the period	Balance, June 30, 2019
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	1,515,867	48,916,911	(49,365,673)	1,067,105
Provincial Grants - Other	467,681	770,000	(669,593)	568,088
Federal Grants	63,461	964,795	(980,836)	47,420
Other	6,258,545	19,759,405	(19,100,774)	6,917,176
Investment Income	-	15,858	(15,858)	-
Total	8,305,554	70,426,969	(70,132,734)	8,599,789

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 9 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. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

	2020 \$	2019 \$
Deferred Capital Revenue, (includes Work in progress), beginning of year, July 1st.	576,071,176	550,906,185
Increases:		
Provincial Grants - MOE	159,153,297	53,484,815
Provincial Grants - Other	2,926,203	184,582
Local Government Site Fees	2,080,611	2,847,978
Investment Income	151,231	187,226
	<u>164,311,342</u>	<u>56,704,601</u>
Decreases:		
Transfers to revenue - site purchases	45,862,990	8,335,853
Amortization of Deferred Capital Revenue	25,112,910	23,203,757
	<u>70,975,900</u>	<u>31,539,610</u>
Net Change for the year	93,335,442	25,164,991
Deferred Capital Revenue (includes Work in Progress), end of year, June 30th.	<u>669,406,618</u>	<u>576,071,176</u>

Work in progress amount as of June 30, 2020 was \$138,546,267 (June 30, 2019: \$42,878,667).

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 10 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance 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.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
	\$	\$
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	14,424,654	14,021,951
Service Cost	724,634	852,461
Interest Cost	346,498	381,090
Benefit Payments	(1,817,292)	(2,124,241)
Increase (Decrease) in Obligation Due to Plan Amendment	-	(50,290)
Actuarial (Gain) Loss	(568,267)	1,343,683
Accrued Benefit Obligation – March 31	<u>13,110,227</u>	<u>14,424,654</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	13,110,227	14,424,654
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(13,110,227)	(14,424,654)
Employer Contributions After Measurement Date	98,836	290,766
Benefits Expense After Measurement Date	(263,652)	(267,783)
Unamortized Net Actuarial (Gain) Loss	(223,259)	470,264
Accrued Benefit Asset (Liability) - June 30	<u>(13,498,302)</u>	<u>(13,931,407)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	13,931,407	14,990,396
Net Expense for Fiscal Year	1,192,257	1,111,670
Employer Contributions	(1,625,362)	(2,170,659)
Accrued Benefit Liability (Asset) - June 30	<u>13,498,302</u>	<u>13,931,407</u>
Components of Net Benefit Expense		
Service Cost	734,224	820,504
Interest Cost	332,777	372,442
Immediate Recognition of Plan Amendment	-	(50,290)
Amortization of Net Actuarial (Gain)/Loss	125,256	(30,986)
Net Benefit Expense (Income)	<u>1,192,257</u>	<u>1,111,670</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 10 EMPLOYEE FUTURE BENEFITS *(Continued)*

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

	2020	2019
Discount Rate – April 1	2.50%	2.75%
Discount Rate – March 31	2.25%	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	8.6 years	8.6 years

NOTE 11 OTHER LIABILITIES

Vacation pay and banked overtime are recognized as an expense at the time the entitlement is earned through service.

	June 30, 2020	June 30, 2019
	\$	\$
Salaries and Benefits Payable	60,239,407	55,897,189
Accrued Vacation Payable	8,361,280	7,561,129
	68,600,687	63,458,318

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans, representing plan members and employers, are responsible for administering the 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. Defined contribution plan accounting is applied to the plans as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan. The School District's employer contributions to these plans in the fiscal year ended June 30, 2020 were \$60,459,152, (2019: \$60,149,911).

Teachers' Pension Plan

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account. The next valuation will be as at December 31, 2020 with results available in 2021.

As of December 31, 2019, The Teachers' Pension Plan has about 49,000 active members from school districts, and approximately 39,000 retired members from school districts.

Teacher Pension Plan is determined on a formula based on contribution rates as a percentage of salary. The following rates were used for 2020 and 2019 fiscal years.

For 2020		Employer
Flat percent of salary		11.30%
For 2019		Employer
Flat percent of salary		11.30%

(YMPE for 2019 set at \$57,400)

Municipal Pension Plan

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits and a balance of \$2,485 million in the rate stabilization account. The next valuation will be December 31, 2021 with results available in 2022.

As of December 31, 2019, The Municipal Pension Plan has about 213,000 active members, of which approximately 27,000 are from school districts.

Municipal Pension Plan is determined on a formula based on contribution rate of 9.69% of salary for 2020 (2019: 9.96%).

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2020

NOTE 13 TANGIBLE CAPITAL ASSETS

June 30, 2020	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2020 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Beginning of year	330,101,120	1,202,072,143	46,568,570	8,688,402	3,228,752	18,568,187	1,609,227,174
Additions	66,747,061	128,882,055	9,814,086	1,523,024	-	3,545,321	210,511,547
Disposals	(297,726)	-	-	-	-	-	(297,726)
Deemed Disposals	-	-	(3,217,611)	(362,718)	(945,940)	(1,223,510)	(5,749,779)
Closing Balance	396,550,455	1,330,954,198	53,165,045	9,848,708	2,282,812	20,889,998	1,813,691,216
Accumulated Amortization							
Beginning Balance		517,727,045	19,466,121	2,926,416	1,882,586	7,113,253	549,115,421
Amortization		27,601,637	4,986,681	926,831	551,157	3,945,818	38,012,124
Disposals		-	-	-	-	-	-
Deemed Disposals		-	(3,217,611)	(362,718)	(945,940)	(1,223,510)	(5,749,779)
Closing Balance		545,328,682	21,235,191	3,490,529	1,487,803	9,835,561	581,377,766
Net Book Value	396,550,455	785,625,516	31,929,854	6,358,179	795,009	11,054,437	1,232,313,450

Cost at June 30th, 2020, includes work in progress on Buildings for \$155,340,168 that is not being amortized. Amortization of these assets will commence when the asset is put into service.

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2020

NOTE 13 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2019	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2019 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Beginning of year	321,765,267	1,152,096,806	41,895,089	8,025,443	2,659,827	14,021,033	1,540,463,465
Additions	8,335,853	49,975,337	7,465,140	1,706,011	481,975	5,844,739	73,809,055
Disposals	-	-	-	-	-	-	-
Deemed Disposals	-	-	(2,791,659)	(1,043,052)	86,950	(1,297,585)	(5,045,346)
Closing Balance	330,101,120	1,202,072,143	46,568,570	8,688,402	3,228,752	18,568,187	1,609,227,174
Accumulated Amortization							
Beginning Balance		490,539,687	17,834,597	3,133,775	1,206,778	5,151,916	517,866,753
Amortization		27,187,358	4,423,183	835,693	588,858	3,258,922	36,294,014
Disposals		-	-	-	-	-	-
Deemed Disposals		-	(2,791,659)	(1,043,052)	86,950	(1,297,585)	(5,045,346)
Closing Balance		517,727,045	19,466,121	2,926,416	1,882,586	7,113,253	549,115,421
Net Book Value	330,101,120	684,345,098	27,102,449	5,761,986	1,346,166	11,454,934	1,060,111,753

Cost at June 30th, 2019, includes work in progress on Buildings for \$47,747,132 that is not being amortized. Amortization of these assets will commence when the asset is put into service.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 14 INTERFUND TRANSFERS

The School District manages their accounts using three different funds – operating, special purpose and capital. Transfers between funds during the current year are as follows:

- Transfers of \$12,835,330 (2019: \$12,816,350) from the operating fund and \$2,599,222 (2019: \$239,713) from the special purpose fund, totalling \$15,434,552 (2019: \$13,056,063) to the capital fund, were made to purchase various capital assets;
- Transfers of \$6,445,237 (2019: \$nil) from the operating fund to the capital fund's local capital were made for the School District's commitment to approved government capital projects, furniture and equipment, vehicles and other infrastructure upgrades.

NOTE 15 RELATED PARTY TRANSACTIONS

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

NOTE 16 OPERATING LEASE OBLIGATIONS

The School District has operating lease agreements for facilities that require payments over the next five fiscal years ending June 30 as follows:

2021	\$573,806
2022	\$237,123
2023	\$199,890
2024	\$199,890
2025	\$83,287

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 17 CONTRACTUAL OBLIGATIONS

The School District has a total of \$96,325,338 (2019: \$142,351,149) of contractual obligations at year end related to the construction or renovation of buildings, which are funded from deferred capital revenues of Ministry of Education Bylaw capital, Restricted Capital, Land Capital, Local Capital Reserve funds and operating funds. Disclosure relates to the unperformed portion of the contracts.

Contractual Commitments:

Grandview Heights Area Secondary	\$ 25,244,991
Regent Road Elementary	21,311,011
Sullivan Heights Secondary	19,458,244
Maddaugh Road Elementary	7,831,681
Edgewood Drive Elementary	5,553,893
Sullivan Elementary	5,285,766
Douglas Elementary	4,097,144
Coyote Creek Elementary	1,317,470
Portables	1,097,879
Frost Road Elementary	869,443
George Greenaway Elementary	761,543
Holly Elementary	675,442
Prince Charles Elementary	610,553
Grandview Heights Elementary	563,852
Pacific Heights Elementary	413,109
Latimer Road Elementary	360,733
Ta'Talu Elementary	352,024
Mary Jane Shannon Elementary	153,061
Erma Stephenson Elementary	132,080
Panorama Park Elementary	94,536
South Newton Elementary	49,389
McLeod Road Traditional Elementary	22,705
White Rock Elementary	19,314
Darts Hill Elementary	16,632
Redwoods Elementary	12,761
Elgin Park Secondary	12,680
Earl Marriott Secondary	7,402
Total Construction Commitments	\$ 96,325,338

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 18 CONTINGENT LIABILITIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District. The resulting loss on the District, if any, will be recorded in the period in which it is determinable.

NOTE 19 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, 2020 the liability is not reasonably determinable.

NOTE 20 EXPENSE BY OBJECT

	2020	2019
Salaries and Benefits	\$ 708,300,926	\$ 666,534,197
Services and Supplies	73,850,044	88,702,497
Amortization	38,012,124	36,294,014
Total	<u>\$ 820,163,094</u>	<u>\$ 791,530,708</u>

NOTE 21 INTERNALLY RESTRICTED – OPERATING FUND

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts for 2020: \$30,353,273 (2019: \$19,098,138). The detail of the internal restricted items are as follows:

2020-2021 Operating Budget	\$ 16,507,036
COVID Related Cleaning, Health & Safety, and Other Costs	9,107,285
Net School Operating Balances	2,710,194
Learning Resources Balance	1,588,715
Aboriginal Education Targeted Funds	440,043
Total Internally Restricted Items	<u>\$ 30,353,273</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 22 BUDGET FIGURES

Budget figures included in the financial statements are the School District's amended annual budget adopted by the Board of Education on February 13th, 2019 and reflect more current estimates on student full time equivalents, revenues and expenditures.

	Original Budget \$	Amended Budget \$	Change \$
Statement 2			
Revenue			
Provincial Grants			
Ministry of Education	742,959,056	785,664,117	42,705,061
Other	1,005,875	924,153	(81,722)
Municipal Grants Spent on Sites	-	1,500,000	1,500,000
Federal Grants	2,955,807	4,004,808	1,049,001
Tuition	16,757,667	16,828,107	70,440
Other Revenues	19,357,299	21,191,348	1,834,049
Rental and Leases	2,738,500	3,140,000	401,500
Investment Income	2,211,000	3,013,700	802,700
Gain on Disposal of Tangible Capital Assets	-	4,374,510	4,374,510
Amortization of Deferred Capital Revenue	24,650,000	25,168,926	518,926
Total Revenue	812,635,204	865,809,669	53,174,465
Expenses			
Instruction	680,202,605	696,318,476	16,115,871
District Administration	18,596,151	18,176,634	(419,517)
Operations and Maintenance	113,103,289	118,948,584	5,845,295
Transportation and Housing	7,077,520	6,939,768	(137,752)
Total Expense	818,979,565	840,383,462	21,403,897
Net Revenue (Expense)	(6,344,361)	25,426,207	31,770,568
Budgeted Allocation of Surplus (Deficit)	7,133,506	11,878,403	4,744,897
Budgeted Surplus (Deficit) for the Year	789,145	37,304,610	36,515,465
Statement 4			
Surplus (Deficit) for the year	(6,344,361)	25,426,207	31,770,568
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(94,007,568)	(200,821,437)	(106,813,869)
Amortization of Tangible Capital Assets	36,100,000	38,107,128	2,007,128
Net Carrying Value of Tangible Capital Assets Disposed of	-	292,280	292,280
Total Effects of change in Tangible Assets	(57,907,568)	(162,422,029)	(104,514,461)
(Increase) Decrease in Net Financial Assets (Debt)			
before Net Remeasurement Gains (Losses)	(64,251,929)	(136,995,822)	(72,743,893)

Statement 2

The significant changes between the original budget and amended were:

Revenues:

- Ministry Grants – Amended to reflect actual Operating grant adjustments of \$9.9 million, Special Purpose of \$4.2 million, including Classroom Enhancement funds of \$4.0 million, and anticipated capital revenue \$28.6 million.
- Federal Grants – Amended to reflect an increase in grants from the Government of Canada for Settlement Workers in Schools and for Youth Employment Strategy Skills Link.
- Other Revenue – Amended to reflect an increase in Special Purpose, including School Generated funds of \$1.0 million.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 22 BUDGET FIGURES *(Continued)*

Expenses:

- Instruction – Recognition of Board approved use of internally restricted funds from 2019 and increased teacher and education assistant staffing required to address additional student growth.
- Operations and Maintenance –higher projected Amortization of Tangible Capital Assets and Portable Move costs.

Statement 4

The significant changes between original budget and amended were:

- Revised forecast of Acquisition of Tangible Capital Assets
- Increase in anticipated Amortization of Capital assets

NOTE 23 RISK MANAGEMENT

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

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

a) Credit risk:

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

The School District is exposed to credit risk in the event of non-performance by a 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 Canadian and British Columbia financial institutions.

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. The investment objectives are on protecting investments rather than the potential for superior returns. The school district has very low tolerance for risk with investments and prefers a low degree of price volatility.

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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2020

NOTE 23 RISK MANAGEMENT *(Continued)*

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

Risk Management and insurance services for all school districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2019 related to credit, market or liquidity risks.

School District No. 36 (Surrey)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2020

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	25,556,097		533,228,751	558,784,848	551,200,043
Changes for the year					
Surplus (Deficit) for the year	24,077,743	2,599,222	38,613,176	65,290,141	7,584,805
Interfund Transfers					
Tangible Capital Assets Purchased	(12,835,330)	(2,599,222)	15,434,552	-	
Local Capital	(6,445,237)		6,445,237	-	
Net Changes for the year	4,797,176	-	60,492,965	65,290,141	7,584,805
Accumulated Surplus (Deficit), end of year - Statement 2	30,353,273	-	593,721,716	624,074,989	558,784,848

School District No. 36 (Surrey)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	702,349,453	711,453,365	668,525,475
Other	382,133	392,750	431,235
Federal Grants	3,082,789	3,148,023	2,826,529
Tuition	16,828,107	17,033,280	15,813,747
Other Revenue	2,594,330	2,246,162	2,890,247
Rentals and Leases	3,140,000	2,485,588	3,249,067
Investment Income	2,100,000	2,140,102	2,592,279
Total Revenue	730,476,812	738,899,270	696,328,579
Expenses			
Instruction	624,502,773	621,413,603	590,112,753
District Administration	18,176,634	14,967,372	14,879,579
Operations and Maintenance	78,409,977	73,252,023	74,373,393
Transportation and Housing	6,894,387	5,188,529	5,977,948
Total Expense	727,983,771	714,821,527	685,343,673
Operating Surplus (Deficit) for the year	2,493,041	24,077,743	10,984,906
Budgeted Appropriation (Retirement) of Surplus (Deficit)	11,878,403		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(14,303,578)	(12,835,330)	(12,816,350)
Local Capital	(67,866)	(6,445,237)	-
Total Net Transfers	(14,371,444)	(19,280,567)	(12,816,350)
Total Operating Surplus (Deficit), for the year	-	4,797,176	(1,831,444)
Operating Surplus (Deficit), beginning of year		25,556,097	27,387,541
Operating Surplus (Deficit), end of year		30,353,273	25,556,097
Operating Surplus (Deficit), end of year			
Internally Restricted		30,353,273	19,098,138
Unrestricted		-	6,457,959
Total Operating Surplus (Deficit), end of year		30,353,273	25,556,097

School District No. 36 (Surrey)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	683,840,866	685,270,252	656,826,581
ISC/LEA Recovery	(98,570)	(122,892)	(98,570)
Other Ministry of Education Grants			
Pay Equity	6,861,222	6,861,224	6,861,224
Funding for Graduated Adults	1,886,031	2,638,726	1,651,233
Transportation Supplement	72,999	72,999	72,999
Economic Stability Dividend			819,358
Carbon Tax Grant	490,000	489,466	489,466
Employer Health Tax Grant	5,605,276	5,605,276	1,703,330
Support Staff Wage Increase Funding	3,025,133	2,805,458	
Teachers' Labour Settlement Funding		7,923,672	
Benefit Funding	620,777	620,777	483,060
Other Miscellaneous	45,719	59,650	85,719
Compliance Audit Recovery		(771,243)	(368,925)
Total Provincial Grants - Ministry of Education	702,349,453	711,453,365	668,525,475
Provincial Grants - Other	382,133	392,750	431,235
Federal Grants	3,082,789	3,148,023	2,826,529
Tuition			
Continuing Education	1,150,000	1,209,328	1,052,420
International and Out of Province Students	15,678,107	15,823,952	14,761,327
Total Tuition	16,828,107	17,033,280	15,813,747
Other Revenues			
Funding from First Nations	98,570	122,892	98,570
Miscellaneous			
Teaching Kitchen	837,000	526,407	783,348
Energy Management	174,405	127,500	118,045
WorkSafe BC	600,000	651,221	523,174
Other Miscellaneous	884,355	818,142	1,367,110
Total Other Revenue	2,594,330	2,246,162	2,890,247
Rentals and Leases	3,140,000	2,485,588	3,249,067
Investment Income	2,100,000	2,140,102	2,592,279
Total Operating Revenue	730,476,812	738,899,270	696,328,579

School District No. 36 (Surrey)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	336,372,615	343,162,204	324,955,436
Principals and Vice Principals	32,457,502	32,413,584	30,743,477
Educational Assistants	71,972,638	70,845,590	64,570,137
Support Staff	59,430,996	58,302,305	54,734,038
Other Professionals	10,537,945	10,567,804	9,845,766
Substitutes	23,580,499	19,111,788	18,963,255
Total Salaries	534,352,195	534,403,275	503,812,109
Employee Benefits	125,258,781	123,960,643	116,226,446
Total Salaries and Benefits	659,610,976	658,363,918	620,038,555
Services and Supplies			
Services	23,747,117	18,658,733	20,251,535
Student Transportation	5,702,778	4,021,175	4,973,330
Professional Development and Travel	3,025,667	1,881,140	2,464,059
Rentals and Leases	900,571	860,145	900,408
Dues and Fees	1,187,480	1,130,697	1,522,377
Insurance	1,636,970	1,485,551	1,405,072
Supplies	21,479,677	18,397,897	22,397,086
Utilities	10,692,535	10,022,271	11,391,251
Total Services and Supplies	68,372,795	56,457,609	65,305,118
Total Operating Expense	727,983,771	714,821,527	685,343,673

School District No. 36 (Surrey)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	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	262,994,256	7,577,662	125,146	5,741,597	769,299	9,399,752	286,607,712
1.03 Career Programs	3,512,845	123,317		1,393,020		155,777	5,184,959
1.07 Library Services	6,945,350			690,490	77,774	276,733	7,990,347
1.08 Counselling	8,811,386					315,667	9,127,053
1.10 Special Education	39,379,031		67,339,697	923,428		5,296,272	112,938,428
1.30 English Language Learning	12,940,644		482,140			461,673	13,884,457
1.31 Indigenous Education	1,040,748	127,553	1,526,117	78,402	169,857	213,100	3,155,777
1.41 School Administration	3,198	23,195,684		13,461,850	79,553	722,731	37,463,016
1.60 Summer School	1,948,319	233,290	66,188	195,602			2,443,399
1.61 Continuing Education	413,216	35,145		33			448,394
1.62 International and Out of Province Students	4,491,110	436,987	64,498	1,122,581	334,856	196,786	6,646,818
1.64 Other	283,580	52,584	1,235,236	137,796	105,291	7,322	1,821,809
Total Function 1	342,763,683	31,782,222	70,839,022	23,744,799	1,536,630	17,045,813	487,712,169
4 District Administration							
4.11 Educational Administration	306,104	140,577		145,288	1,875,759		2,467,728
4.40 School District Governance				252,122	411,292		663,414
4.41 Business Administration	8,801	490,785		3,175,904	3,613,347	3,639	7,292,476
Total Function 4	314,905	631,362	-	3,573,314	5,900,398	3,639	10,423,618
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	83,616		6,568	1,414,085	1,552,372	20,111	3,076,752
5.50 Maintenance Operations				26,413,289	1,249,776	1,927,813	29,590,878
5.52 Maintenance of Grounds				2,550,896	173,225	85,442	2,809,563
5.56 Utilities							-
Total Function 5	83,616	-	6,568	30,378,270	2,975,373	2,033,366	35,477,193
7 Transportation and Housing							
7.41 Transportation and Housing Administration				99,938	155,403		255,341
7.70 Student Transportation				505,984		28,970	534,954
Total Function 7	-	-	-	605,922	155,403	28,970	790,295
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	343,162,204	32,413,584	70,845,590	58,302,305	10,567,804	19,111,788	534,403,275

School District No. 36 (Surrey)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	286,607,712	65,275,665	351,883,377	9,133,245	361,016,622	356,012,764	344,254,806
1.03 Career Programs	5,184,959	1,233,126	6,418,085	871,579	7,289,664	7,820,394	7,293,457
1.07 Library Services	7,990,347	1,842,352	9,832,699	3,718,366	13,551,065	14,916,918	15,053,838
1.08 Counselling	9,127,053	2,115,386	11,242,439		11,242,439	11,278,505	10,481,750
1.10 Special Education	112,938,428	28,157,040	141,095,468	2,103,683	143,199,151	147,764,948	131,390,403
1.30 English Language Learning	13,884,457	3,221,885	17,106,342	7,560	17,113,902	16,766,363	16,314,087
1.31 Indigenous Education	3,155,777	744,937	3,900,714	306,595	4,207,309	4,644,512	4,083,897
1.41 School Administration	37,463,016	8,170,199	45,633,215	1,227,224	46,860,439	47,769,631	44,546,417
1.60 Summer School	2,443,399	452,439	2,895,838	202,655	3,098,493	3,079,341	2,876,314
1.61 Continuing Education	448,394	45,693	494,087	127,664	621,751	658,527	620,472
1.62 International and Out of Province Students	6,646,818	1,515,139	8,161,957	2,491,976	10,653,933	11,280,450	10,591,048
1.64 Other	1,821,809	409,386	2,231,195	327,640	2,558,835	2,510,420	2,606,264
Total Function 1	487,712,169	113,183,247	600,895,416	20,518,187	621,413,603	624,502,773	590,112,753
4 District Administration							
4.11 Educational Administration	2,467,728	493,081	2,960,809	732,417	3,693,226	5,532,036	4,355,376
4.40 School District Governance	663,414	102,076	765,490	267,915	1,033,405	1,232,752	972,036
4.41 Business Administration	7,292,476	1,576,594	8,869,070	1,371,671	10,240,741	11,411,846	9,552,167
Total Function 4	10,423,618	2,171,751	12,595,369	2,372,003	14,967,372	18,176,634	14,879,579
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	3,076,752	582,784	3,659,536	2,867,392	6,526,928	7,074,545	6,745,432
5.50 Maintenance Operations	29,590,878	7,177,932	36,768,810	13,442,411	50,211,221	52,650,211	49,678,155
5.52 Maintenance of Grounds	2,809,563	639,353	3,448,916	1,341,030	4,789,946	5,162,314	4,252,933
5.56 Utilities	-	-	-	11,723,928	11,723,928	13,522,907	13,696,873
Total Function 5	35,477,193	8,400,069	43,877,262	29,374,761	73,252,023	78,409,977	74,373,393
7 Transportation and Housing							
7.41 Transportation and Housing Administration	255,341	53,518	308,859	4,150	313,009	333,155	303,724
7.70 Student Transportation	534,954	152,058	687,012	4,188,508	4,875,520	6,561,232	5,674,224
Total Function 7	790,295	205,576	995,871	4,192,658	5,188,529	6,894,387	5,977,948
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	534,403,275	123,960,643	658,363,918	56,457,609	714,821,527	727,983,771	685,343,673

School District No. 36 (Surrey)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	54,717,806	52,998,911	49,365,673
Other	542,020	489,076	669,593
Federal Grants	922,019	800,302	980,836
Other Revenue	18,547,018	15,621,528	19,100,774
Investment Income	13,700	18,848	15,858
Total Revenue	74,742,563	69,928,665	70,132,734
Expenses			
Instruction	71,815,703	67,061,746	67,069,256
District Administration		-	456,627
Operations and Maintenance	2,431,479	267,083	2,367,138
Transportation and Housing	45,381	614	
Total Expense	74,292,563	67,329,443	69,893,021
Special Purpose Surplus (Deficit) for the year	450,000	2,599,222	239,713
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(450,000)	(2,599,222)	(239,713)
Total Net Transfers	(450,000)	(2,599,222)	(239,713)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			-
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 36 (Surrey)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2020

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	629,014	60,022	3,692,619	-	130,675	21,990	637,081
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,362,029	2,541,017				739,635	252,137	547,678	3,942,097
Provincial Grants - Other									
Federal Grants									
Other			370,382		13,197,423	5,084		21,465	110,114
Investment Income	8,293		10,555						
	2,370,322	2,541,017	380,937	-	13,197,423	744,719	252,137	569,143	4,052,211
Less: Allocated to Revenue	2,370,322	2,541,017	413,349	-	12,647,658	740,323	213,702	493,749	4,288,018
Recovered				60,022					
Deferred Revenue, end of year	-	-	596,602	-	4,242,384	4,396	169,110	97,384	401,274
Revenues									
Provincial Grants - Ministry of Education	2,362,029	2,541,017				735,239	213,702	472,284	4,177,904
Provincial Grants - Other									
Federal Grants									
Other Revenue			402,794		12,647,658	5,084		21,465	110,114
Investment Income	8,293		10,555						
	2,370,322	2,541,017	413,349	-	12,647,658	740,323	213,702	493,749	4,288,018
Expenses									
Salaries									
Teachers							21,738	207,504	
Principals and Vice Principals									
Educational Assistants		2,040,080					14,997		
Support Staff						525,530	13,624	27,646	1,778,227
Other Professionals	97,369					16,334	65,335		226,426
Substitutes		102,004				23,059			37,971
	97,369	2,142,084	-	-	-	564,923	115,694	235,150	2,042,624
Employee Benefits	18,918	398,933				156,251	20,290	32,690	504,684
Services and Supplies	150,796		413,349		12,647,658	19,149	77,718	225,909	1,740,710
	267,083	2,541,017	413,349	-	12,647,658	740,323	213,702	493,749	4,288,018
Net Revenue (Expense) before Interfund Transfers	2,103,239	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(2,103,239)								
	(2,103,239)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2020

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Coding and Curriculum Implementation	Adolescent Psychiatric Unit	Adolescent Day Treatment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-				-	29,816	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	1,490,636	39,498,486	1,401,934	45,381	21,833	61,314		152,690	344,956
Provincial Grants - Other									
Federal Grants									
Other									100
Investment Income									
	1,490,636	39,498,486	1,401,934	45,381	21,833	61,314	-	152,690	345,056
Less: Allocated to Revenue	1,490,636	39,350,349	601,319	614	20,390	17,780	-	149,606	345,056
Recovered									
Deferred Revenue, end of year	-	148,137	800,615	44,767	1,443	43,534	-	32,900	-
Revenues									
Provincial Grants - Ministry of Education	1,490,636	39,350,349	601,319	614	20,390	17,780		149,606	344,956
Provincial Grants - Other									
Federal Grants									
Other Revenue									100
Investment Income									
	1,490,636	39,350,349	601,319	614	20,390	17,780	-	149,606	345,056
Expenses									
Salaries									
Teachers	16,934	31,919,491	601,319			5,577		82,485	186,455
Principals and Vice Principals	56,586								
Educational Assistants								28,356	67,581
Support Staff	45,730					857			
Other Professionals	125,568								
Substitutes	932,747								539
	1,177,565	31,919,491	601,319	-	-	6,434	-	110,841	254,575
Employee Benefits	202,277	7,430,858				170		20,807	58,587
Services and Supplies	110,794			614	20,390	11,176		17,958	31,894
	1,490,636	39,350,349	601,319	614	20,390	17,780	-	149,606	345,056
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2020

	Am't	Daughters & Sisters P.L.E.A.	Waypoint	Donations	Surrey WRAP	Community Schools Other	Gang Prevention	Literacy Innovation	Coyote Creek BEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	37,981	30,412	-	1,525,104	446,693	765,208	-	173,258	30,875
Add: Restricted Grants									
Provincial Grants - Ministry of Education	41,642	117,010	151,450						
Provincial Grants - Other					176	238,000			
Federal Grants							774,956		
Other				1,153,303	20,500	607,536			
Investment Income									
	41,642	117,010	151,450	1,153,303	20,676	845,536	774,956	-	-
Less: Allocated to Revenue	55,270	147,422	151,450	1,458,502	66,334	476,513	774,956	165,492	30,875
Recovered									
Deferred Revenue, end of year	24,353	-	-	1,219,905	401,035	1,134,231	-	7,766	-
Revenues									
Provincial Grants - Ministry of Education	55,270	147,422	151,450					165,492	
Provincial Grants - Other					45,834				30,875
Federal Grants							774,956		
Other Revenue				1,458,502	20,500	476,513			
Investment Income									
	55,270	147,422	151,450	1,458,502	66,334	476,513	774,956	165,492	30,875
Expenses									
Salaries									
Teachers	33,853	89,189	122,068	996		800	65,415	153,414	
Principals and Vice Principals									
Educational Assistants		19,373	10,654			2,742			
Support Staff				6,661	17,614	327,897	178,303		
Other Professionals					6,658		205,364		
Substitutes									
	33,853	108,562	132,722	7,657	24,272	331,439	449,082	153,414	-
Employee Benefits	9,207	24,628	12,130	1,163	6,324	77,281	87,130		
Services and Supplies	12,210	14,232	6,598	1,281,640	35,738	67,793	238,744	12,078	
	55,270	147,422	151,450	1,290,460	66,334	476,513	774,956	165,492	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	168,042	-	-	-	-	30,875
Interfund Transfers									
Tangible Capital Assets Purchased				(168,042)					(30,875)
	-	-	-	(168,042)	-	-	-	-	(30,875)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2020

Schedule 3A (Unaudited)

	PAC Contributions	Aboriginal Ed Windspeaker	Safe Program	K Transitions	Gang Prevention (BC)	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	241,547	37,420	1,990	27,564	80,520	8,599,789
Add: Restricted Grants						
Provincial Grants - Ministry of Education						53,711,925
Provincial Grants - Other					500,000	738,176
Federal Grants		50,000				824,956
Other	377,655		132,784			15,996,346
Investment Income						18,848
	377,655	50,000	132,784	-	500,000	71,290,251
Less: Allocated to Revenue	425,898	25,346	52,900	1,452	412,367	69,928,665
Recovered						60,022
Deferred Revenue, end of year	193,304	62,074	81,874	26,112	168,153	9,901,353
Revenues						
Provincial Grants - Ministry of Education				1,452		52,998,911
Provincial Grants - Other					412,367	489,076
Federal Grants		25,346				800,302
Other Revenue	425,898		52,900			15,621,528
Investment Income						18,848
	425,898	25,346	52,900	1,452	412,367	69,928,665
Expenses						
Salaries						
Teachers	10,296			1,014	29,098	33,547,646
Principals and Vice Principals						56,586
Educational Assistants						2,183,783
Support Staff			19,320	130	221,216	3,162,755
Other Professionals					19,167	762,221
Substitutes						1,096,320
	10,296	-	19,320	1,144	269,481	40,809,311
Employee Benefits			3,970	23	61,376	9,127,697
Services and Supplies	118,536	25,346	29,610	285	81,510	17,392,435
	128,832	25,346	52,900	1,452	412,367	67,329,443
Net Revenue (Expense) before Interfund Transfers	297,066	-	-	-	-	2,599,222
Interfund Transfers						
Tangible Capital Assets Purchased	(297,066)					(2,599,222)
	(297,066)	-	-	-	-	(2,599,222)
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 36 (Surrey)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020	2020 Actual			2019
	Budget	Invested in Tangible	Local	Fund	Actual
	\$	Capital Assets	Capital	Balance	\$
Revenues					
Provincial Grants					
Ministry of Education	28,596,858	43,883,207		43,883,207	5,885,040
Municipal Grants Spent on Sites	1,500,000	1,979,783		1,979,783	2,450,813
Other Revenue	50,000		562,926	562,926	108,053
Investment Income	900,000		711,964	711,964	1,006,537
Gain (Loss) on Disposal of Tangible Capital Assets	4,374,510	4,374,510		4,374,510	-
Amortization of Deferred Capital Revenue	25,168,926	25,112,910		25,112,910	23,203,757
Total Revenue	60,590,294	75,350,410	1,274,890	76,625,300	32,654,200
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	38,107,128	38,012,124		38,012,124	36,294,014
Total Expense	38,107,128	38,012,124	-	38,012,124	36,294,014
Capital Surplus (Deficit) for the year	22,483,166	37,338,286	1,274,890	38,613,176	(3,639,814)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	14,753,578	15,434,552		15,434,552	13,056,063
Local Capital	67,866		6,445,237	6,445,237	-
Total Net Transfers	14,821,444	15,434,552	6,445,237	21,879,789	13,056,063
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(4,672,237)	4,672,237	-	
Tangible Capital Assets Purchased from Local Capital		21,804,829	(21,804,829)	-	
Tangible Capital Assets WIP Purchased from Local Capital		11,925,436	(11,925,436)	-	
Total Other Adjustments to Fund Balances		29,058,028	(29,058,028)	-	
Total Capital Surplus (Deficit) for the year	37,304,610	81,830,866	(21,337,901)	60,492,965	9,416,249
Capital Surplus (Deficit), beginning of year		490,197,513	43,031,238	533,228,751	523,812,502
Capital Surplus (Deficit), end of year		572,028,379	21,693,337	593,721,716	533,228,751

School District No. 36 (Surrey)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	330,101,120	1,154,325,011	46,568,570	8,688,402	3,228,752	18,568,187	1,561,480,042
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	43,883,207	11,623,561	2,877,533	441,891	-	421,135	59,247,327
Deferred Capital Revenue - Other	1,979,783	(260)	91				1,979,614
Operating Fund		2,652,671	5,977,340	1,081,133	-	3,124,186	12,835,330
Special Purpose Funds		1,788,521	810,701				2,599,222
Local Capital	20,884,071	772,337	148,421				21,804,829
Transferred from Work in Progress		4,452,189					4,452,189
	66,747,061	21,289,019	9,814,086	1,523,024	-	3,545,321	102,918,511
Decrease:							
Disposed of	297,726						297,726
Deemed Disposals			3,217,611	362,718	945,940	1,223,510	5,749,779
	297,726	-	3,217,611	362,718	945,940	1,223,510	6,047,505
Cost, end of year	396,550,455	1,175,614,030	53,165,045	9,848,708	2,282,812	20,889,998	1,658,351,048
Work in Progress, end of year		155,340,168					155,340,168
Cost and Work in Progress, end of year	396,550,455	1,330,954,198	53,165,045	9,848,708	2,282,812	20,889,998	1,813,691,216
Accumulated Amortization, beginning of year		517,727,045	19,466,121	2,926,416	1,882,586	7,113,253	549,115,421
Changes for the Year							
Increase: Amortization for the Year		27,601,637	4,986,681	926,831	551,157	3,945,818	38,012,124
Decrease:							
Deemed Disposals			3,217,611	362,718	945,940	1,223,510	5,749,779
			-	362,718	945,940	1,223,510	5,749,779
Accumulated Amortization, end of year		545,328,682	21,235,191	3,490,529	1,487,803	9,835,561	581,377,766
Tangible Capital Assets - Net	396,550,455	785,625,516	31,929,854	6,358,179	795,009	11,054,437	1,232,313,450

School District No. 36 (Surrey)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	47,747,132	-	-	-	47,747,132
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	99,249,806				99,249,806
Deferred Capital Revenue - Other	869,983				869,983
Local Capital	11,925,436				11,925,436
	112,045,225	-	-	-	112,045,225
Decrease:					
Transferred to Tangible Capital Assets	4,452,189				4,452,189
	4,452,189	-	-	-	4,452,189
Net Changes for the Year	107,593,036	-	-	-	107,593,036
Work in Progress, end of year	155,340,168	-	-	-	155,340,168

School District No. 36 (Surrey)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	504,856,386	22,179,188	-	527,035,574
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	15,364,120	(169)		15,363,951
Transferred from Work in Progress	4,452,189			4,452,189
	19,816,309	(169)	-	19,816,140
Decrease:				
Amortization of Deferred Capital Revenue	24,397,543	715,367		25,112,910
	24,397,543	715,367	-	25,112,910
Net Changes for the Year	(4,581,234)	(715,536)	-	(5,296,770)
Deferred Capital Revenue, end of year	500,275,152	21,463,652	-	521,738,804
Work in Progress, beginning of year	39,368,601	3,510,066	-	42,878,667
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	99,249,806	869,983		100,119,789
	99,249,806	869,983	-	100,119,789
Decrease				
Transferred to Deferred Capital Revenue	4,452,189			4,452,189
	4,452,189	-	-	4,452,189
Net Changes for the Year	94,797,617	869,983	-	95,667,600
Work in Progress, end of year	134,166,218	4,380,049	-	138,546,267
Total Deferred Capital Revenue, end of year	634,441,370	25,843,701	-	660,285,071

School District No. 36 (Surrey)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ -	\$ 4,590,169	\$ 9,978	\$ 1,556,788	\$ -	\$ 6,156,935
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	159,153,297					159,153,297
Provincial Grants - Other			2,926,203			2,926,203
Investment Income		104,862		46,369		151,231
Transfer project surplus to MEd Restricted (from) Bylaw	(656,164)	656,164				-
District Entered - Local Government Site Fees				2,080,611		2,080,611
	158,497,133	761,026	2,926,203	2,126,980	-	164,311,342
Decrease:						
Transferred to DCR - Capital Additions	15,364,120	(260)	91			15,363,951
Transferred to DCR - Work in Progress	99,249,806	869,983				100,119,789
Transferred to Revenue - Site Purchases	43,883,207			1,979,783		45,862,990
	158,497,133	869,723	91	1,979,783	-	161,346,730
Net Changes for the Year	-	(108,697)	2,926,112	147,197	-	2,964,612
Balance, end of year	-	4,481,472	2,936,090	1,703,985	-	9,121,547