



Audited Financial Statements of
School District No. 36 (Surrey)
June 30, 2021

School District No. 36 (Surrey)

June 30, 2021

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School District No. 36 (Surrey)

MANAGEMENT REPORT

Version: 9935-9189-7207

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

Independent Auditor's Report

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

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, 2021, 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, 2021 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.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Financial Report Discussion and Analysis for the year-ended June 30, 2021, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 15, 2021

Chartered Professional Accountants

DRAFT

School District No. 36 (Surrey)

Statement of Financial Position

As at June 30, 2021

	2021 Actual \$	2020 Actual \$
Financial Assets		
Cash and Cash Equivalents	170,209,473	171,111,445
Accounts Receivable		
Due from Province - Ministry of Education	11,548,075	14,741,301
Due from First Nations	84,483	122,892
Other (Note 4)	6,570,476	6,383,939
Land held for sale (Note 23)	2,200,000	
Total Financial Assets	190,612,507	192,359,577
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education		221,792
Other (Note 5)	25,880,003	27,551,332
Unearned Revenue (Note 6)	9,220,572	13,282,923
Deferred Revenue (Note 7)	9,766,334	9,901,353
Deferred Capital Revenue (Note 8)	732,557,868	669,406,618
Employee Future Benefits (Note 9)	13,074,455	13,498,302
Other Liabilities (Note 10)	72,719,711	68,600,687
Total Liabilities	863,218,943	802,463,007
Net Debt	(672,606,436)	(610,103,430)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	1,304,894,669	1,232,313,450
Prepaid Expenses	2,010,622	1,864,969
Total Non-Financial Assets	1,306,905,291	1,234,178,419
Accumulated Surplus (Deficit)	634,298,855	624,074,989

Contractual Obligations (Note 15,16)

Contractual Rights (Note 23)

Contingent Liabilities (Note 17)

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 of Operations
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	811,510,551	817,368,723	808,335,483
Other	724,653	1,131,668	881,826
Municipal Grants Spent on Sites		52	1,979,783
Federal Grants	3,013,396	2,886,515	3,948,325
Tuition	12,506,434	12,334,462	17,033,280
Other Revenue	11,297,754	10,677,684	18,430,616
Rentals and Leases	1,041,333	817,936	2,485,588
Investment Income	1,483,000	1,703,953	2,870,914
Gain (Loss) on Disposal of Tangible Capital Assets		63,500	4,374,510
Amortization of Deferred Capital Revenue	28,224,779	27,916,494	25,112,910
Total Revenue	869,801,900	874,900,987	885,453,235
Expenses			
Instruction	732,305,504	716,908,388	688,475,349
District Administration	18,608,129	15,336,142	14,967,372
Operations and Maintenance	131,914,116	125,789,164	111,531,230
Transportation and Housing	6,943,529	6,643,427	5,189,143
Total Expense	889,771,278	864,677,121	820,163,094
Surplus (Deficit) for the year	(19,969,378)	10,223,866	65,290,141
Accumulated Surplus (Deficit) from Operations, beginning of year		624,074,989	558,784,848
Accumulated Surplus (Deficit) from Operations, end of year		634,298,855	624,074,989

School District No. 36 (Surrey)

Statement of Changes in Net Debt

Year Ended June 30, 2021

Statement 4

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Surplus (Deficit) for the year	<u>(19,969,378)</u>	<u>10,223,866</u>	<u>65,290,141</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(123,733,182)	(116,262,059)	(210,511,547)
Amortization of Tangible Capital Assets	40,500,632	41,480,840	38,012,124
Net carrying value of Tangible Capital Assets disposed of			297,726
Reclassification of land held for sale (Note 23)		2,200,000	
Total Effect of change in Tangible Capital Assets	<u>(83,232,550)</u>	<u>(72,581,219)</u>	<u>(172,201,697)</u>
Acquisition of Prepaid Expenses		(2,010,622)	(1,864,969)
Use of Prepaid Expenses		1,864,969	1,433,903
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(145,653)</u>	<u>(431,066)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(103,201,928)</u>	<u>(62,503,006)</u>	<u>(107,342,622)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(62,503,006)</u>	<u>(107,342,622)</u>
Net Debt, beginning of year		<u>(610,103,430)</u>	<u>(502,760,808)</u>
Net Debt, end of year		<u>(672,606,436)</u>	<u>(610,103,430)</u>

School District No. 36 (Surrey)

Statement of Cash Flows
Year Ended June 30, 2021

	2021 Actual \$	2020 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	10,223,866	65,290,141
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	3,045,098	(1,397,523)
Prepaid Expenses	(145,653)	(431,066)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(1,893,121)	5,611,815
Unearned Revenue	(4,062,351)	(1,616,570)
Deferred Revenue	(135,019)	1,301,564
Employee Future Benefits	(423,847)	(433,105)
Other Liabilities	4,119,024	5,142,369
Loss (Gain) on Disposal of Tangible Capital Assets	(63,500)	(4,374,510)
Amortization of Tangible Capital Assets	41,480,840	38,012,124
Amortization of Deferred Capital Revenue	(27,916,494)	(25,112,910)
Recognition of Deferred Capital Revenue Spent on Sites	(3,444,525)	(45,862,990)
Total Operating Transactions	20,784,318	36,129,339
Capital Transactions		
Tangible Capital Assets Purchased	(76,780,660)	(98,466,322)
Tangible Capital Assets -WIP Purchased	(39,481,399)	(112,045,225)
District Portion of Proceeds on Disposal	63,500	4,672,236
Total Capital Transactions	(116,198,559)	(205,839,311)
Financing Transactions		
Capital Revenue Received	94,512,269	164,311,342
Total Financing Transactions	94,512,269	164,311,342
Investing Transactions		
Investments in Portfolio Investments	-	18,016,429
Total Investing Transactions	-	18,016,429
Net Increase (Decrease) in Cash and Cash Equivalents	(901,972)	12,617,799
Cash and Cash Equivalents, beginning of year	171,111,445	158,493,646
Cash and Cash Equivalents, end of year	170,209,473	171,111,445
Cash and Cash Equivalents, end of year, is made up of:		
Cash	170,209,473	171,111,445
	170,209,473	171,111,445

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

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, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines.

The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing 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:

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

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

a) Basis of Accounting (cont'd)

Year-ended June 30, 2021 - increase in annual surplus by \$63,016,231.

June 30, 2021 - increase in accumulated surplus by \$725,667,772, a decrease in deferred revenue by \$4,322,529 and a decrease in deferred capital revenue by \$721,345,243.

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.

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

Investments in GIC's, term deposits, bonds and other investments held by the School District that are not quoted in an active market are reported at cost or amortized cost.

As at June 30, 2021, the School District did not hold any investments in portfolio investments.

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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

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

g) Employee Future Benefits

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

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method 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 13 – Interfund Transfers and Note 20 – 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, 2021

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, 2021

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, 2021

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 and is effective July 1, 2022. 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, 2021

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. 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 and is effective July 1, 2023. 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, 2021	June 30, 2020
Due from Federal Government	\$ 2,092,006	\$ 4,533,599
Trade accounts receivable	676,344	521,642
Payroll accounts receivable	19,774	77,769
Other accounts receivable	725,067	73,289
School site acquisition charges & Deposits	3,057,285	1,177,640
	<u><u>\$ 6,570,476</u></u>	<u><u>\$ 6,383,939</u></u>

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 5 ACCOUNTS PAYABLE – OTHER

	June 30, 2021	June 30, 2020
Trade payables	\$ 17,099,719	\$ 16,945,837
Lien Holdbacks	8,618,151	10,518,395
Other	162,133	87,100
	<u>\$ 25,880,003</u>	<u>\$ 27,551,332</u>

NOTE 6 UNEARNED REVENUE

Unearned revenue as at June 30th, 2021

	Balance, June 30, 2020	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2021
	\$	\$	\$	\$
Tuition Fees	13,191,304	8,303,587	(12,334,462)	9,160,429
Rental/Lease of Facilities	91,619	786,460	(817,936)	60,143
Total	<u>13,282,923</u>	<u>9,090,047</u>	<u>(13,152,398)</u>	<u>9,220,572</u>

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	<u>14,899,493</u>	<u>17,902,298</u>	<u>(19,518,868)</u>	<u>13,282,923</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

NOTE 7 DEFERRED REVENUE

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

Deferred Revenue as at June 30th, 2021

	Balance, June 30, 2020	Contributions received	Revenue recognized in the period	Balance, June 30, 2021
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	1,780,119	88,816,292	(88,958,822)	1,637,589
Provincial Grants - Other	757,165	707,868	(738,768)	726,265
Federal Grants	72,074	54,248	(29,910)	96,412
Other	7,291,995	9,022,819	(9,008,746)	7,306,068
Investment Income		7,371	(7,371)	-
Total	9,901,353	98,608,598	(98,743,617)	9,766,334

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

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 8 DEFERRED CAPITAL REVENUE

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

	2021	2020
	\$	\$
Deferred Capital Revenue, (includes Work in progress), beginning of year, July 1st.	669,406,618	576,071,176
Increases:		
Provincial Grants - MOE	90,335,574	159,153,297
Provincial Grants - Other	1,341,885	2,926,203
Local Government Site Fees	2,550,208	2,080,611
Investment Income	75,815	151,231
Sales of Capital Assets	190,500	
Other Revenue	18,287	
	<u>94,512,269</u>	<u>164,311,342</u>
Decreases:		
Transfers to revenue - site purchases	3,444,525	45,862,990
Amortization of Deferred Capital Revenue	27,916,494	25,112,910
	<u>31,361,019</u>	<u>70,975,900</u>
Net Change for the year	63,151,250	93,335,442
Deferred Capital Revenue (includes Work in Progress), end of year, June 30th.	<u>732,557,868</u>	<u>669,406,618</u>

Work in progress amount as of June 30, 2021 was \$51,556,231 (June 30, 2020: \$138,546,267).

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 9 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, 2021</u>	<u>June 30, 2020</u>
	\$	\$
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	13,110,227	14,424,654
Service Cost	762,994	724,634
Interest Cost	291,613	346,498
Benefit Payments	(1,490,638)	(1,817,292)
Increase (Decrease) in Obligation Due to Plan Amendment	-	-
Actuarial (Gain) Loss	(521,021)	(568,267)
Accrued Benefit Obligation – March 31	<u>12,153,175</u>	<u>13,110,227</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	12,153,175	13,110,227
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	<u>(12,153,175)</u>	<u>(13,110,227)</u>
Employer Contributions After Measurement Date	147,892	98,836
Benefits Expense After Measurement Date	(265,713)	(263,652)
Unamortized Net Actuarial (Gain) Loss	(803,459)	(223,259)
Accrued Benefit Asset (Liability) - June 30	<u>(13,074,455)</u>	<u>(13,498,302)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	13,498,302	13,931,407
Net Expense for Fiscal Year	1,115,847	1,192,257
Employer Contributions	(1,539,694)	(1,625,362)
Accrued Benefit Liability (Asset) - June 30	<u>13,074,455</u>	<u>13,498,302</u>
Components of Net Benefit Expense		
Service Cost	762,576	734,224
Interest Cost	294,093	332,777
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	59,178	125,256
Net Benefit Expense (Income)	<u>1,115,847</u>	<u>1,192,257</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

NOTE 9 EMPLOYEE FUTURE BENEFITS *(Continued)*

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

	<u>2021</u>	<u>2020</u>
Discount Rate – April 1	2.25%	2.50%
Discount Rate – March 31	2.50%	2.25%
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 10 OTHER LIABILITIES

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	\$	\$
Salaries and Benefits Payable	63,299,930	60,239,407
Accrued Vacation Payable	9,419,781	8,361,280
	<u>72,719,711</u>	<u>68,600,687</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

NOTE 11 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 plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the plans. The School District's employer contributions to these plans in the fiscal year ended June 30, 2021 were \$64,088,192, (2020: \$60,459,152).

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.

Teachers' Pension Plan

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. The next valuation will be as at December 31, 2020 with results available in the last quarter of 2021.

As of December 31, 2020, The Teachers' Pension Plan has about 49,000 active members from school districts, and approximately 40,000 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 2021 and 2020 fiscal years.

For 2021	Employer
Flat percent of salary	11.30%
For 2020	Employer
Flat percent of salary	11.30%

(YMPE for 2020 set at \$58,700)

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 on a going concern basis. The next valuation will be December 31, 2021 with results available in 2022.

As of December 31, 2020, The Municipal Pension Plan has about 220,000 active members, of which approximately 28,000 are from school districts.

Municipal Pension Plan is determined on a formula based on contribution rate of 9.69% of salary for 2021 (2020: 9.69%).

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 12 TANGIBLE CAPITAL ASSETS

June 30, 2021	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2021 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Beginning 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
Additions	5,222,344	96,009,206	10,603,139	245,778	-	4,181,592	116,262,059
Disposals	-	-	-	-	-	-	-
Deemed Disposals	-	-	(4,325,614)	(299,401)	(842,021)	(3,095,309)	(8,562,345)
Reclassification of land held for sale	(2,200,000)	-	-	-	-	-	(2,200,000)
Closing Balance	<u>399,572,799</u>	<u>1,426,963,404</u>	<u>59,442,570</u>	<u>9,795,085</u>	<u>1,440,791</u>	<u>21,976,281</u>	<u>1,919,190,930</u>
Accumulated Amortization							
Beginning Balance		545,328,682	21,235,191	3,490,529	1,487,803	9,835,561	581,377,766
Amortization		30,209,304	5,630,381	982,166	372,361	4,286,628	41,480,840
Disposals		-	-	-	-	-	-
Deemed Disposals		-	(4,325,614)	(299,401)	(842,021)	(3,095,309)	(8,562,345)
Closing Balance		<u>575,537,986</u>	<u>22,539,958</u>	<u>4,173,294</u>	<u>1,018,143</u>	<u>11,026,880</u>	<u>614,296,261</u>
Net Book Value	<u>399,572,799</u>	<u>851,425,418</u>	<u>36,902,612</u>	<u>5,621,791</u>	<u>422,648</u>	<u>10,949,401</u>	<u>1,304,894,669</u>

Cost at June 30th, 2021, includes work in progress on Buildings for \$60,162,761 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, 2021

NOTE 12 TANGIBLE CAPITAL ASSETS *(Continued)*

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	<u>396,550,455</u>	<u>1,330,954,198</u>	<u>53,165,045</u>	<u>9,848,708</u>	<u>2,282,812</u>	<u>20,889,998</u>	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		<u>545,328,682</u>	<u>21,235,191</u>	<u>3,490,529</u>	<u>1,487,803</u>	<u>9,835,561</u>	581,377,766
Net Book Value	<u>396,550,455</u>	<u>785,625,516</u>	<u>31,929,854</u>	<u>6,358,179</u>	<u>795,009</u>	<u>11,054,437</u>	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, 2021

NOTE 13 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 \$3,991,305 (2020: \$12,835,330) from the operating fund and \$4,874,330 (2020: \$2,599,222) from the special purpose fund, totalling \$8,865,635 (2020: \$15,434,552) to the capital fund, were made to purchase various capital assets;
- Transfers of \$5,000,000 were made to the operating fund from the capital fund's local capital (2020: transfer of \$6,445,237 from the operating fund to the capital fund's local capital). These transfers relate to the School District's use of and commitment to approved government capital projects, furniture and equipment, vehicles and other infrastructure upgrades.

NOTE 14 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 15 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:

2022	\$630,592
2023	\$578,043
2024	\$578,043
2025	\$461,034
2026	\$283,092

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has a total of \$69,479,265 (2020: \$96,325,338) 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:

Regent Road Elementary	\$ 11,830,509
Sullivan Heights Secondary	8,389,149
KB Woodward Elementary	8,012,285
Queen Elizabeth Secondary	6,676,450
Prince Charles Elementary	6,155,771
Grandview Heights Elementary	5,763,046
White Rock Elementary	4,348,870
Grandview Heights Secondary	3,163,577
George Greenaway Elementary	2,643,350
Holly Elementary	2,458,961
Jessie Lee Elementary	2,200,209
South Newton Elementary	1,840,720
Erma Stephenson Elementary	1,097,859
Ta'Talu Elementary	1,043,354
Douglas Elementary	587,415
Morgan Elementary	511,376
Sullivan Elementary	434,922
Brookside Elementary	363,299
AFG Functional Improvements	357,326
Maddaugh Elementary	306,837
Ocean Cliff Elementary	284,488
Coyote Creek Elementary	260,803
Cedar Hills Elementary	252,984
Edgewood Elementary	141,982
Sum of contractual commitments under \$100,000	353,724
Total Contractual Commitments	\$ 69,479,265

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2021

NOTE 17 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 18 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The value of the liability for asbestos removal or disposal will be recognized in the period in which a reasonable estimate of fair value can be made. As at June 30, 2021 the liability is not reasonably determinable.

NOTE 19 EXPENSE BY OBJECT

	2021	2020
Salaries and Benefits	\$ 752,276,574	\$ 708,300,926
Services and Supplies	70,919,707	73,850,044
Amortization	41,499,590	38,012,124
Total	\$ 864,695,871	\$ 820,163,094

NOTE 20 INTERNALLY RESTRICTED – OPERATING FUND

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts for 2021: \$35,363,626 (2020: \$30,353,273). The detail of the internal restricted items are as follows:

2021-2022 Operating Budget	\$ 16,918,865
Addressing Learning Impacts	5,267,373
Transfer from Education Programs to ensure Future Capital Project Contribution	5,000,000
School Equity	2,234,844
Early Career Mentorship	1,384,652
Procurements Impacted by Global Supply Chain Shortages	1,189,843
Educational Assistants Contingency	1,053,008
Indigenous Learners Education Targeted Funds	773,057
Net School Operating Balance	547,989
Learning Resources Balance	443,995
Alternate Learning Structures	300,000
Research and Evaluation	250,000
Total Internally Restricted Items	\$ 35,363,626

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

NOTE 21 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 10th, 2021 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	784,691,792	811,510,551	26,818,759
Other	600,000	724,653	124,653
Municipal Grants Spent on Sites	-	-	-
Federal Grants	2,849,932	3,013,396	163,464
Tuition	13,155,277	12,506,434	(648,843)
Other Revenues	16,827,668	11,297,754	(5,529,914)
Rental and Leases	1,841,400	1,041,333	(800,067)
Investment Income	1,806,000	1,483,000	(323,000)
Gain on Disposal of Tangible Capital Assets	-	-	-
Amortization of Deferred Capital Revenue	27,729,215	28,224,779	495,564
Total Revenue	849,501,284	869,801,900	20,300,616
Expenses			
Instruction	721,494,740	732,305,504	10,810,764
District Administration	18,695,000	18,608,129	(86,871)
Operations and Maintenance	117,683,162	131,914,116	14,230,954
Transportation and Housing	6,962,342	6,943,529	(18,813)
Total Expense	864,835,244	889,771,278	24,936,034
Net Revenue (Expense)	(15,333,960)	(19,969,378)	(4,635,418)
Budgeted Allocation of Surplus (Deficit)	16,507,036	20,911,629	4,404,593
Budgeted Surplus (Deficit) for the Year	1,173,076	942,251	(230,825)
Statement 4			
Surplus (Deficit) for the year	(15,333,960)	(19,969,378)	(4,635,418)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(115,178,457)	(123,733,182)	(8,554,725)
Amortization of Tangible Capital Assets	38,771,490	40,500,632	1,729,142
Net Carrying Value of Tangible Capital Assets Disposed of	-	-	-
Total Effects of change in Tangible Assets	(76,406,967)	(83,232,550)	(6,825,583)
(Increase) Decrease in Net Financial Assets (Debt) before Net Remeasurement Gains (Losses)	(91,740,927)	(103,201,928)	(11,461,001)

Statement 2

The significant changes between the original budget and amended were:

Revenues:

- Ministry of Education – Amended to reflect actual Operating grant adjustments of (\$8.3) million due to lower student enrolment, Special Purpose of \$36.4 million, including Safe Return grants of \$33.5 million, and capital revenue (\$1.2) million.
- Other Revenue – Amended to reflect a decrease in Special Purpose, including School Generated funds of (\$5.0 million).

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2021

NOTE 21 BUDGET FIGURES *(Continued)*

Expenses:

- Instruction – Increase to Special Purpose, new Ministry of Education grants, Safe Return to School and Federal Safe Return.
- Operations and Maintenance – Increase in Special Purpose, new Ministry of Education grants, Safe Return to School and Federal Safe Return

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 22 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, 2021

NOTE 22 **RISK MANAGEMENT** *(Continued)*

d) Liquidity risk (cont'd)

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 2020 related to credit, market or liquidity risks.

NOTE 23 **CONTRACTUAL RIGHTS**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. In October 2021, the School District is expecting to receive funds of approximately \$30,600,000, less non-refundable deposits of \$2,000,000, for the sale of one of its properties.

NOTE 24 **COMPARATIVE FIGURES**

Certain comparative figures have been restated where necessary to conform with current period presentation.

School District No. 36 (Surrey)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2021

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	30,353,273		593,721,716	624,074,989	558,784,848
Changes for the year					
Surplus (Deficit) for the year	14,987,149	4,874,330	(9,637,613)	10,223,866	65,290,141
Interfund Transfers					
Tangible Capital Assets Purchased	(3,991,305)	(4,874,330)	8,865,635	-	
Local Capital	5,000,000		(5,000,000)	-	
Net Changes for the year	15,995,844	-	(5,771,978)	10,223,866	65,290,141
Accumulated Surplus (Deficit), end of year - Statement 2	46,349,117	-	587,949,738	634,298,855	624,074,989

School District No. 36 (Surrey)

Schedule of Operating Operations

Year Ended June 30, 2021

Schedule 2 (Unaudited)

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	720,429,894	724,965,428	711,453,365
Other	306,500	392,900	392,750
Federal Grants	2,913,396	2,856,605	3,148,023
Tuition	12,506,434	12,334,462	17,033,280
Other Revenue	1,252,322	1,433,443	2,246,162
Rentals and Leases	811,333	817,936	2,485,588
Investment Income	1,240,000	1,513,369	2,140,102
Total Revenue	739,459,879	744,314,143	738,899,270
Expenses			
Instruction	650,395,473	635,545,253	621,413,603
District Administration	18,608,129	15,336,142	14,967,372
Operations and Maintenance	78,429,902	71,844,305	73,252,023
Transportation and Housing	6,898,762	6,601,294	5,188,529
Total Expense	754,332,266	729,326,994	714,821,527
Operating Surplus (Deficit) for the year	(14,872,387)	14,987,149	24,077,743
Budgeted Appropriation (Retirement) of Surplus (Deficit)	20,911,629		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(6,039,242)	(3,991,305)	(12,835,330)
Local Capital	-	5,000,000	(6,445,237)
Total Net Transfers	(6,039,242)	1,008,695	(19,280,567)
Total Operating Surplus (Deficit), for the year	-	15,995,844	4,797,176
Operating Surplus (Deficit), beginning of year		30,353,273	25,556,097
Operating Surplus (Deficit), end of year		46,349,117	30,353,273
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 20)		35,363,626	30,353,273
Unrestricted		10,985,491	
Total Operating Surplus (Deficit), end of year		46,349,117	30,353,273

School District No. 36 (Surrey)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	690,149,421	694,134,946	685,270,252
ISC/LEA Recovery	(122,892)	(84,483)	(122,892)
Other Ministry of Education Grants			
Pay Equity	6,861,222	6,861,224	6,861,224
Funding for Graduated Adults	1,749,034	2,260,632	2,638,726
Student Transportation Fund	72,999	72,999	72,999
Carbon Tax Grant			489,466
Employer Health Tax Grant			5,605,276
Support Staff Benefits Grant	936,729	936,729	-
Support Staff Wage Increase Funding			2,805,458
Teachers' Labour Settlement Funding	19,190,731	19,190,731	7,923,672
Early Career Mentorship Funding	1,535,000	1,535,000	
Miscellaneous	57,650	45,719	59,650
Benefit Funding			620,777
Compliance Audit Recovery			(771,243)
Early Learning Framework		11,931	
Total Provincial Grants - Ministry of Education	720,429,894	724,965,428	711,453,365
Provincial Grants - Other	306,500	392,900	392,750
Federal Grants	2,913,396	2,856,605	3,148,023
Tuition			
Continuing Education	1,408,538	1,190,348	1,209,328
International and Out of Province Students	11,097,896	11,144,114	15,823,952
Total Tuition	12,506,434	12,334,462	17,033,280
Other Revenues			
Funding from First Nations	122,892	84,483	122,892
Miscellaneous			
Teaching Kitchen	641	78,642	526,407
Energy Management	120,000	94,764	127,500
Worksafe BC	675,000	727,318	651,221
Other Miscellaneous	333,789	448,236	818,142
Total Other Revenue	1,252,322	1,433,443	2,246,162
Rentals and Leases	811,333	817,936	2,485,588
Investment Income	1,240,000	1,513,369	2,140,102
Total Operating Revenue	739,459,879	744,314,143	738,899,270

School District No. 36 (Surrey)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Salaries			
Teachers	348,617,504	349,526,661	343,162,204
Principals and Vice Principals	34,510,738	34,425,161	32,413,584
Educational Assistants	77,067,664	71,603,413	70,845,590
Support Staff	60,626,897	58,502,429	58,302,305
Other Professionals	11,112,280	11,250,789	10,567,804
Substitutes	24,755,838	19,876,846	19,111,788
Total Salaries	556,690,921	545,185,299	534,403,275
Employee Benefits	132,649,218	128,472,543	123,960,643
Total Salaries and Benefits	689,340,139	673,657,842	658,363,918
Services and Supplies			
Services	21,538,975	17,849,267	18,658,733
Student Transportation	5,455,156	5,005,217	4,021,175
Professional Development and Travel	2,646,473	1,211,914	1,881,140
Rentals and Leases	886,270	824,344	860,145
Dues and Fees	1,247,086	1,245,316	1,130,697
Insurance	1,735,973	1,478,341	1,485,551
Supplies	21,119,694	17,660,841	18,397,897
Utilities	10,362,500	10,393,912	10,022,271
Total Services and Supplies	64,992,127	55,669,152	56,457,609
Total Operating Expense	754,332,266	729,326,994	714,821,527

School District No. 36 (Surrey)

Operating Expense by Function, Program and Object
Year Ended June 30, 2021

	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	266,717,084	7,893,810	(2,185)	5,677,639	956,463	9,077,519	290,320,330
1.03 Career Programs	3,658,537	128,990	-	1,384,844	-	191,849	5,364,220
1.07 Library Services	7,206,412	-	-	735,323	83,702	336,968	8,362,405
1.08 Counselling	9,104,353	-	-	-	-	403,003	9,507,356
1.10 Special Education	42,208,999	-	68,392,895	1,035,184	-	5,984,036	117,621,114
1.30 English Language Learning	13,756,500	-	445,296	-	-	607,193	14,808,989
1.31 Indigenous Education	1,199,692	146,431	1,461,034	82,478	174,945	147,626	3,212,206
1.41 School Administration	2,070	24,955,244	-	13,625,264	-	993,962	39,576,540
1.60 Summer School	1,567,433	178,324	20,832	82,747	-	-	1,849,336
1.61 Continuing Education	427,689	34,921	-	26,530	-	-	489,140
1.62 International and Out of Province Students	3,057,392	303,230	51,569	866,789	311,662	125,789	4,716,431
1.64 Other	325,480	147,048	1,224,143	100,893	106,660	-	1,904,224
Total Function 1	349,231,641	33,787,998	71,593,584	23,617,691	1,633,432	17,867,945	497,732,291
4 District Administration							
4.11 Educational Administration	192,122	139,653	-	197,816	1,969,920	-	2,499,511
4.40 School District Governance	-	-	-	247,757	440,303	-	688,060
4.41 Business Administration	27,745	497,510	-	3,213,723	3,904,162	7,269	7,650,409
Total Function 4	219,867	637,163	-	3,659,296	6,314,385	7,269	10,837,980
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	75,153	-	9,829	1,102,096	1,672,830	16,727	2,876,635
5.50 Maintenance Operations	-	-	-	26,897,130	1,328,245	1,905,511	30,130,886
5.52 Maintenance of Grounds	-	-	-	2,486,357	189,197	36,692	2,712,246
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	75,153	-	9,829	30,485,583	3,190,272	1,958,930	35,719,767
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	102,837	112,700	-	215,537
7.70 Student Transportation	-	-	-	637,022	-	42,702	679,724
7.73 Housing	-	-	-	-	-	-	-
Total Function 7	-	-	-	739,859	112,700	42,702	895,261
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	349,526,661	34,425,161	71,603,413	58,502,429	11,250,789	19,876,846	545,185,299

School District No. 36 (Surrey)

Operating Expense by Function, Program and Object
Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	290,320,330	67,332,278	357,652,608	9,679,625	367,332,233	367,657,069	361,016,622
1.03 Career Programs	5,364,220	1,296,505	6,660,725	662,595	7,323,320	7,637,459	7,289,664
1.07 Library Services	8,362,405	1,953,697	10,316,102	4,500,804	14,816,906	16,654,681	13,551,065
1.08 Counselling	9,507,356	2,228,024	11,735,380	-	11,735,380	11,792,367	11,242,439
1.10 Special Education	117,621,114	30,274,470	147,895,584	2,209,799	150,105,383	159,656,499	143,199,151
1.30 English Language Learning	14,808,989	3,471,212	18,280,201	855	18,281,056	17,838,449	17,113,902
1.31 Indigenous Education	3,212,206	789,686	4,001,892	147,830	4,149,722	4,921,643	4,207,309
1.41 School Administration	39,576,540	8,692,365	48,268,905	1,302,183	49,571,088	51,034,771	46,860,439
1.60 Summer School	1,849,336	340,963	2,190,299	13,993	2,204,292	2,456,252	3,098,493
1.61 Continuing Education	489,140	50,135	539,275	133,134	672,409	687,404	621,751
1.62 International and Out of Province Students	4,716,431	1,085,985	5,802,416	1,095,768	6,898,184	7,535,004	10,653,933
1.64 Other	1,904,224	433,017	2,337,241	118,039	2,455,280	2,523,875	2,558,835
Total Function 1	497,732,291	117,948,337	615,680,628	19,864,625	635,545,253	650,395,473	621,413,603
4 District Administration							
4.11 Educational Administration	2,499,511	489,005	2,988,516	759,490	3,748,006	5,804,658	3,693,226
4.40 School District Governance	688,060	102,269	790,329	234,823	1,025,152	1,122,178	1,033,405
4.41 Business Administration	7,650,409	1,645,973	9,296,382	1,266,602	10,562,984	11,681,293	10,240,741
Total Function 4	10,837,980	2,237,247	13,075,227	2,260,915	15,336,142	18,608,129	14,967,372
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	2,876,635	580,238	3,456,873	1,724,456	5,181,329	6,155,987	6,526,928
5.50 Maintenance Operations	30,130,886	6,871,808	37,002,694	13,036,610	50,039,304	54,449,018	50,211,221
5.52 Maintenance of Grounds	2,712,246	629,753	3,341,999	1,173,020	4,515,019	5,253,334	4,789,946
5.56 Utilities	-	-	-	12,108,653	12,108,653	12,571,563	11,723,928
Total Function 5	35,719,767	8,081,799	43,801,566	28,042,739	71,844,305	78,429,902	73,252,023
7 Transportation and Housing							
7.41 Transportation and Housing Administration	215,537	44,890	260,427	1,226	261,653	319,432	313,009
7.70 Student Transportation	679,724	160,270	839,994	5,499,647	6,339,641	6,579,330	4,875,520
7.73 Housing	-	-	-	-	-	-	-
Total Function 7	895,261	205,160	1,100,421	5,500,873	6,601,294	6,898,762	5,188,529
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	545,185,299	128,472,543	673,657,842	55,669,152	729,326,994	754,332,266	714,821,527

School District No. 36 (Surrey)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

Schedule 3 (Unaudited)

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	89,317,209	88,958,822	52,998,911
Other	418,153	738,768	489,076
Federal Grants	100,000	29,910	800,302
Other Revenue	9,978,432	9,008,746	15,621,528
Investment Income	3,000	7,371	18,848
Total Revenue	99,816,794	98,743,617	69,928,665
Expenses			
Instruction	81,910,031	81,363,135	67,061,746
Operations and Maintenance	12,983,582	12,464,019	267,083
Transportation and Housing	44,767	42,133	614
Total Expense	94,938,380	93,869,287	67,329,443
Special Purpose Surplus (Deficit) for the year	4,878,414	4,874,330	2,599,222
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(4,878,414)	(4,874,330)	(2,599,222)
Total Net Transfers	(4,878,414)	(4,874,330)	(2,599,222)
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)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		-	596,602	4,242,384	4,396	169,110	97,384	401,274	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	2,362,029	2,547,102			736,000	249,900	550,428	4,017,294	1,328,788
Provincial Grants - Other									
Federal Grants									
Other			467,694	5,950,536			6,181	92,989	
Investment Income	1,080		6,291						
	2,363,109	2,547,102	473,985	5,950,536	736,000	249,900	556,609	4,110,283	1,328,788
Less: Allocated to Revenue	2,363,109	2,547,099	369,848	6,604,399	703,052	246,437	557,213	3,918,889	1,328,788
Deferred Revenue, end of year	-	3	700,739	3,588,521	37,344	172,573	96,780	592,668	-
Revenues									
Provincial Grants - Ministry of Education	2,362,029	2,547,099			703,052	246,437	551,032	3,825,900	1,328,788
Provincial Grants - Other									
Federal Grants									
Other Revenue			363,557	6,604,399			6,181	92,989	
Investment Income	1,080		6,291						
	2,363,109	2,547,099	369,848	6,604,399	703,052	246,437	557,213	3,918,889	1,328,788
Expenses									
Salaries									
Teachers	-					25,877	166,838		17,389
Principals and Vice Principals	-					-			60,408
Educational Assistants	-	2,040,080				-		300,000	
Support Staff	560				494,389	59		1,842,537	45,085
Other Professionals	111,058				17,129	68,515		243,649	131,614
Substitutes		108,089			13,694	-		35,765	780,549
	111,618	2,148,169	-	-	525,212	94,451	166,838	2,421,951	1,035,045
Employee Benefits	19,751	398,930			165,975	15,308	29,588	612,007	181,340
Services and Supplies	175,929		369,848	6,604,399	11,865	136,678	360,787	884,931	112,403
	307,298	2,547,099	369,848	6,604,399	703,052	246,437	557,213	3,918,889	1,328,788
Net Revenue (Expense) before Interfund Transfers	2,055,811	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(2,055,811)								
	(2,055,811)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund	Adolescent Psychiatric Unit	Adolescent Day Treatment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	148,137	800,615	44,767	1,443	43,534			32,900	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	40,637,513	737,159	3,793	47,000	30,250	5,200,661	29,148,015	135,900	504,100
Provincial Grants - Other									
Federal Grants									
Other					1,150				
Investment Income									
	40,637,513	737,159	3,793	47,000	31,400	5,200,661	29,148,015	135,900	504,100
Less: Allocated to Revenue	40,762,216	988,406	42,133	44,928	34,369	5,200,661	29,148,015	124,625	449,514
Deferred Revenue, end of year	23,434	549,368	6,427	3,515	40,565	-	-	44,175	54,586
Revenues									
Provincial Grants - Ministry of Education	40,762,216	988,406	42,133	44,928	34,369	5,200,661	29,148,015	124,625	449,514
Provincial Grants - Other									
Federal Grants									
Other Revenue									
Investment Income									
	40,762,216	988,406	42,133	44,928	34,369	5,200,661	29,148,015	124,625	449,514
Expenses									
Salaries									
Teachers	32,987,146	988,406	-		9,439		9,952,967	53,934	242,167
Principals and Vice Principals			-				-		-
Educational Assistants			-				1,358,256	28,291	67,019
Support Staff			35,397		1,928	2,280,057	4,050,256		-
Other Professionals			-				260,279		-
Substitutes			118				4,189,481		770
	32,987,146	988,406	35,515	-	11,367	2,280,057	19,811,239	82,225	309,956
Employee Benefits	7,775,070		6,618		346	547,214	4,609,674	19,414	75,756
Services and Supplies				44,928	22,656	2,042,586	2,493,248	22,986	63,802
	40,762,216	988,406	42,133	44,928	34,369	4,869,857	26,914,161	124,625	449,514
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	330,804	2,233,854	-	-
Interfund Transfers									
Tangible Capital Assets Purchased						(330,804)	(2,233,854)		
	-	-	-	-	-	(330,804)	(2,233,854)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Am't	Daughters & Sisters P.L.E.A.	Waypoint	Donations	Surrey Wrap	Community Schools Other	New Safe Schools Civi Forfeiture -Pro	Literacy Innovation	Rapid Response Fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	24,353	-	-	1,219,905	401,035	1,134,231		7,766	
Add: Restricted Grants									
Provincial Grants - Ministry of Education	29,140	161,000	150,220						240,000
Provincial Grants - Other						118,500	74,368		
Federal Grants					82	-			
Other				1,355,002	30,000	533,572			
Investment Income									
	29,140	161,000	150,220	1,355,002	30,082	652,072	74,368	-	240,000
Less: Allocated to Revenue	38,939	160,970	149,112	942,701	24,220	597,271	-	7,766	240,000
Deferred Revenue, end of year	14,554	30	1,108	1,632,206	406,897	1,189,032	74,368	-	-
Revenues									
Provincial Grants - Ministry of Education	38,939	160,970	149,112					7,766	240,000
Provincial Grants - Other						118,500			
Federal Grants									
Other Revenue				942,701	24,220	478,771			
Investment Income									
	38,939	160,970	149,112	942,701	24,220	597,271	-	7,766	240,000
Expenses									
Salaries									
Teachers	25,679	101,900	101,027						
Principals and Vice Principals									
Educational Assistants		14,619	18,927			3,365			
Support Staff				3,749		197,927			31,694
Other Professionals									12,240
Substitutes									-
	25,679	116,519	119,954	3,749	-	201,292	-	-	43,934
Employee Benefits	6,979	26,316	10,250	672		48,934			5,882
Services and Supplies	6,281	18,135	18,908	912,214	24,220	347,045		7,766	190,184
	38,939	160,970	149,112	916,635	24,220	597,271	-	7,766	240,000
Net Revenue (Expense) before Interfund Transfers	-	-	-	26,066	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(26,066)					
	-	-	-	(26,066)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	PAC Contributions	Indigenous Ed Windspeaker	Safe Program	K transitions	Gang Prevention (BC)	Discover Trades	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	193,304	62,074	81,874	26,112	168,153		9,901,353
Add: Restricted Grants							
Provincial Grants - Ministry of Education							88,816,292
Provincial Grants - Other					500,000	15,000	707,868
Federal Grants		54,166					54,248
Other	537,991		47,704				9,022,819
Investment Income							7,371
	537,991	54,166	47,704	-	500,000	15,000	98,608,598
Less: Allocated to Revenue	378,246	29,910	117,682	2,831	605,417	14,851	98,743,617
Deferred Revenue, end of year	353,049	86,330	11,896	23,281	62,736	149	9,766,334
Revenues							
Provincial Grants - Ministry of Education				2,831			88,958,822
Provincial Grants - Other					605,417	14,851	738,768
Federal Grants		29,910					29,910
Other Revenue	378,246		117,682				9,008,746
Investment Income							7,371
	378,246	29,910	117,682	2,831	605,417	14,851	98,743,617
Expenses							
Salaries							
Teachers				-	56,667		44,729,436
Principals and Vice Principals				-			60,408
Educational Assistants				-			3,830,557
Support Staff			46,835	323	240,334		9,271,130
Other Professionals				-	98,540		943,024
Substitutes				-			5,128,466
	-	-	46,835	323	395,541	-	63,963,021
Employee Benefits			12,041	59	87,587		14,655,711
Services and Supplies	150,451	29,910	58,806	2,449	122,289	14,851	15,250,555
	150,451	29,910	117,682	2,831	605,417	14,851	93,869,287
Net Revenue (Expense) before Interfund Transfers	227,795	-	-	-	-	-	4,874,330
Interfund Transfers							
Tangible Capital Assets Purchased	(227,795)						(4,874,330)
	(227,795)	-	-	-	-	-	(4,874,330)
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual			2020 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	1,763,448	3,444,473		3,444,473	43,883,207
Municipal Grants Spent on Sites		52		52	1,979,783
Other Revenue	67,000		235,495	235,495	562,926
Rentals and Leases	230,000			-	
Investment Income	240,000		183,213	183,213	711,964
Gain (Loss) on Disposal of Tangible Capital Assets		63,500		63,500	4,374,510
Amortization of Deferred Capital Revenue	28,224,779	27,916,494		27,916,494	25,112,910
Total Revenue	30,525,227	31,424,519	418,708	31,843,227	76,625,300
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	40,500,632	41,480,840		41,480,840	38,012,124
Total Expense	40,500,632	41,480,840	-	41,480,840	38,012,124
Capital Surplus (Deficit) for the year	(9,975,405)	(10,056,321)	418,708	(9,637,613)	38,613,176
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	10,917,656	8,865,635		8,865,635	15,434,552
Local Capital			(5,000,000)	(5,000,000)	6,445,237
Total Net Transfers	10,917,656	8,865,635	(5,000,000)	3,865,635	21,879,789
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(63,500)	63,500	-	
Tangible Capital Assets Purchased from Local Capital		9,748,941	(9,748,941)	-	
Tangible Capital Assets WIP Purchased from Local Capital		5,226,292	(5,226,292)	-	
Total Other Adjustments to Fund Balances		14,911,733	(14,911,733)	-	
Total Capital Surplus (Deficit) for the year	942,251	13,721,047	(19,493,025)	(5,771,978)	60,492,965
Capital Surplus (Deficit), beginning of year		572,028,379	21,693,337	593,721,716	533,228,751
Capital Surplus (Deficit), end of year		585,749,426	2,200,312	587,949,738	593,721,716

School District No. 36 (Surrey)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning 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
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	3,444,473	46,055,210	5,748,171	84,948		1,374,909	56,707,711
Deferred Capital Revenue - Other	52	1,458,321	-				1,458,373
Operating Fund	-	496	2,322,801	160,830		1,507,178	3,991,305
Special Purpose Funds	-	1,957,541	1,617,284	-		1,299,505	4,874,330
Local Capital	1,777,819	7,056,239	914,883	-		-	9,748,941
Transferred from Work in Progress		134,658,806					134,658,806
	5,222,344	191,186,613	10,603,139	245,778	-	4,181,592	211,439,466
Decrease:							
Deemed Disposals			4,325,614	299,401	842,021	3,095,309	8,562,345
Reclassification of land held for sale	2,200,000						2,200,000
	2,200,000	-	4,325,614	299,401	842,021	3,095,309	10,762,345
Cost, end of year	399,572,799	1,366,800,643	59,442,570	9,795,085	1,440,791	21,976,281	1,859,028,169
Work in Progress, end of year		60,162,761					60,162,761
Cost and Work in Progress, end of year	399,572,799	1,426,963,404	59,442,570	9,795,085	1,440,791	21,976,281	1,919,190,930
Accumulated Amortization, beginning of year		545,328,682	21,235,191	3,490,529	1,487,803	9,835,561	581,377,766
Changes for the Year							
Increase: Amortization for the Year		30,209,304	5,630,381	982,166	372,361	4,286,628	41,480,840
Decrease:							
Deemed Disposals			4,325,614	299,401	842,021	3,095,309	8,562,345
			4,325,614	299,401	842,021	3,095,309	8,562,345
Accumulated Amortization, end of year		575,537,986	22,539,958	4,173,294	1,018,143	11,026,880	614,296,261
Tangible Capital Assets - Net	399,572,799	851,425,418	36,902,612	5,621,791	422,648	10,949,401	1,304,894,669

School District No. 36 (Surrey)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	155,340,168				155,340,168
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	33,627,863				33,627,863
Deferred Capital Revenue - Other	627,244				627,244
Local Capital	5,226,292				5,226,292
	<u>39,481,399</u>	-	-	-	<u>39,481,399</u>
Decrease:					
Transferred to Tangible Capital Assets	134,658,806				134,658,806
	<u>134,658,806</u>	-	-	-	<u>134,658,806</u>
Net Changes for the Year	<u>(95,177,407)</u>	-	-	-	<u>(95,177,407)</u>
Work in Progress, end of year	<u>60,162,761</u>	-	-	-	<u>60,162,761</u>

School District No. 36 (Surrey)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	500,275,152	21,463,652		521,738,804
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	53,263,238	1,458,321		54,721,559
Transferred from Work in Progress	116,865,093	4,380,050		121,245,143
	<u>170,128,331</u>	<u>5,838,371</u>	-	<u>175,966,702</u>
Decrease:				
Amortization of Deferred Capital Revenue	27,128,148	788,346		27,916,494
	<u>27,128,148</u>	<u>788,346</u>	-	<u>27,916,494</u>
Net Changes for the Year	<u>143,000,183</u>	<u>5,050,025</u>	-	<u>148,050,208</u>
Deferred Capital Revenue, end of year	<u>643,275,335</u>	<u>26,513,677</u>	-	<u>669,789,012</u>
Work in Progress, beginning of year	134,166,218	4,380,049		138,546,267
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	33,627,863	627,244		34,255,107
	<u>33,627,863</u>	<u>627,244</u>	-	<u>34,255,107</u>
Decrease				
Transferred to Deferred Capital Revenue	116,865,093	4,380,050		121,245,143
	<u>116,865,093</u>	<u>4,380,050</u>	-	<u>121,245,143</u>
Net Changes for the Year	<u>(83,237,230)</u>	<u>(3,752,806)</u>	-	<u>(86,990,036)</u>
Work in Progress, end of year	<u>50,928,988</u>	<u>627,243</u>	-	<u>51,556,231</u>
Total Deferred Capital Revenue, end of year	<u>694,204,323</u>	<u>27,140,920</u>	-	<u>721,345,243</u>

School District No. 36 (Surrey)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2021

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	4,481,472	2,936,090	1,703,985		9,121,547
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	90,335,574					90,335,574
Provincial Grants - Other			1,341,885			1,341,885
Investment Income		42,529		33,286		75,815
Sale of Capital Assets		190,500				190,500
Other revenue		18,287				18,287
Local Government Site Fees				2,550,208		2,550,208
	90,335,574	251,316	1,341,885	2,583,494	-	94,512,269
Decrease:						
Transferred to DCR - Capital Additions	53,263,238	1,458,321				54,721,559
Transferred to DCR - Work in Progress	33,627,863		627,244			34,255,107
Transferred to Revenue - Site Purchases	3,444,473			52		3,444,525
	90,335,574	1,458,321	627,244	52	-	92,421,191
Net Changes for the Year	-	(1,207,005)	714,641	2,583,442	-	2,091,078
Balance, end of year	-	3,274,467	3,650,731	4,287,427	-	11,212,625