

Consolidated Audited Financial Statements of

School District No. 34 (Abbotsford)

June 30, 2019

School District No. 34 (Abbotsford)

June 30, 2019

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Management Report

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of School District No. 34 (Abbotsford) 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 consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated 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. 34 (Abbotsford) (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 consolidated financial statements on a monthly basis and externally audited consolidated financial statements yearly.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of School District No. 34 (Abbotsford) 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. 34 (Abbotsford):

Signature of the Chairperson of the Board of Education

Date Signed

Signed copies are available upon request at the Abbotsford School District Office, or by emailing the request to: finance@abbyschools.ca

Signature of the Superintendent

Date Signed

Signature of the Secretary-Treasurer

Date Signed



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Telephone (604) 854-2200
Fax (604) 853-2756

To the Board of Education of School District No. 34 (Abbotsford), and
To the Minister of Education, Province of British Columbia

Opinion

We have audited the consolidated financial statements of School District No. 34 (Abbotsford) (the "Entity"), which comprise:

- the consolidated statement of financial position as at June 30, 2019
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2019 are prepared, in all material respects, in accordance with the financial reporting provisions of 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 ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity 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 – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



Other Information

Management is responsible for the other information. Other information comprises:

- Unaudited Schedules 1-4 attached to the audited financial statements

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

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 the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

September 17, 2019

School District No. 34 (Abbotsford)

Statement 1

Consolidated Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	50,689,489	49,620,228
Accounts Receivable		
Due from Province - Ministry of Education	1,075,124	125,444
Due from LEA Funding		44,090
Other (Note 3)	867,882	882,262
Total Financial Assets	52,632,495	50,672,024
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	11,604,455	12,254,099
Unearned Revenue (Note 5)	6,066,766	5,713,505
Deferred Revenue (Note 6)	2,325,436	2,448,765
Deferred Capital Revenue (Note 7)	161,348,737	165,732,199
Employee Future Benefits (Note 8)	8,885,938	8,620,573
Other Liabilities (Note 9)	9,452,084	8,984,097
Total Liabilities	199,683,416	203,753,238
Net Financial Assets (Debt)	(147,050,921)	(153,081,214)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	210,127,625	215,494,906
Prepaid Expenses	1,111,164	1,280,066
Total Non-Financial Assets	211,238,789	216,774,972
Accumulated Surplus (Deficit)	64,187,868	63,693,758
Contractual Obligations (Note 15)		
Contingent Liabilities (Note 17)		
Approved by the Board		
Signature of the Chair	Signed copies are available upon request at the Abbotsford School District Office, or by emailing the request to: finance@abbyschools.ca	
Signature of the Superintendent		
Signature of the Secretary Treasurer		Date Signed

School District No. 34 (Abbotsford)

Statement 2

Consolidated Statement of Operations

Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	192,773,205	196,328,712	188,621,888
Other	290,000	337,762	323,260
Federal Grants		15,763	26,578
Tuition	5,805,000	6,273,370	5,822,609
Other Revenue	8,192,844	9,127,617	8,802,015
Rentals and Leases	390,000	375,567	384,492
Investment Income	375,000	787,738	586,140
Amortization of Deferred Capital Revenue	7,546,146	7,562,844	7,503,419
Total Revenue	<u>215,372,195</u>	<u>220,809,373</u>	<u>212,070,401</u>
Expenses			
Instruction	181,836,032	180,312,760	174,295,001
District Administration	5,007,430	6,198,532	5,698,948
Operations and Maintenance	30,347,083	29,682,943	30,706,367
Transportation and Housing	3,538,382	4,121,028	4,094,366
Total Expense	<u>220,728,927</u>	<u>220,315,263</u>	<u>214,794,682</u>
Surplus (Deficit) for the year	<u>(5,356,732)</u>	<u>494,110</u>	<u>(2,724,281)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		63,693,758	66,418,039
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>64,187,868</u></u>	<u><u>63,693,758</u></u>

School District No. 34 (Abbotsford)

Statement 4

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(5,356,732)	494,110	(2,724,281)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 11)		(4,229,010)	(6,369,307)
Amortization of Tangible Capital Assets (Note 11)	9,763,191	9,596,291	9,897,475
Total Effect of change in Tangible Capital Assets	9,763,191	5,367,281	3,528,168
Acquisition of Prepaid Expenses	(875,000)	(1,111,164)	(1,280,066)
Use of Prepaid Expenses	875,000	1,280,066	748,658
Use of Other Assets			369
Total Effect of change in Other Non-Financial Assets	-	168,902	(531,039)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>4,406,459</u>	6,030,293	272,848
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		6,030,293	272,848
Net Financial Assets (Debt), beginning of year		(153,081,214)	(153,354,062)
Net Financial Assets (Debt), end of year		(147,050,921)	(153,081,214)

School District No. 34 (Abbotsford)

Statement 5

Consolidated Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	494,110	(2,724,281)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(891,210)	340,823
Prepaid Expenses	168,902	(531,407)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(649,644)	2,058,781
Unearned Revenue	353,261	1,063,565
Deferred Revenue	(123,329)	(87,385)
Employee Future Benefits	265,365	119,839
Other Liabilities	467,987	883,908
Amortization of Tangible Capital Assets	9,596,291	9,897,475
Amortization of Deferred Capital Revenue	(7,562,844)	(7,503,419)
Recognition of Deferred Capital Revenue Spent on Sites	(790,669)	
AFG COA spent on non-capital	(1,697,610)	(2,887,308)
Other assets		369
Total Operating Transactions	(369,390)	630,960
Capital Transactions		
Tangible Capital Assets Purchased	(4,229,010)	(6,369,307)
Total Capital Transactions	(4,229,010)	(6,369,307)
Financing Transactions		
Capital Revenue Received	5,667,661	6,544,075
Total Financing Transactions	5,667,661	6,544,075
Net Increase (Decrease) in Cash and Cash Equivalents	1,069,261	805,728
Cash and Cash Equivalents, beginning of year	49,620,228	48,814,500
Cash and Cash Equivalents, end of year	50,689,489	49,620,228
Cash and Cash Equivalents, end of year, is made up of:		
Cash	50,689,489	49,620,228
	50,689,489	49,620,228

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

Note 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946, operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 34 (Abbotsford)", and operates as "School District No. 34 (Abbotsford)" and "Abbotsford School District". A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the District, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 34 (Abbotsford) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the school district are as follows:

a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The Budget Transparency and Accountability Act requires that the consolidated financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which require that:

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- 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.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

b) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. School District No. 34 Business Company was an other government organization which is 100% owned by the School District. It ceased operation in 2018. No adjustment is made for accounting policies of the enterprise that are different from those of the School District. Inter-organizational transactions and balances have been eliminated.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board.

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 (l).

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.

g) Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. The School District is directly responsible or accepts responsibility;
- iv. It is expected that future economic benefits will be given up; and
- v. 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.

h) 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 (EARS�) of active employees covered under the plan.

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** **(cont'd)**

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.

i) **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 Consolidated 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 consolidated 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

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) Prepaid Expenses

Various instructional supplies, subscriptions and contracted services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 – Interfund Transfers and Note 19 – Accumulated Surplus).

l) Revenue Recognition

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

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

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 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.

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

m) Expenditures

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

Categories of Salaries:

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs:

- Operating expenses are reported by function, program, and object. Whenever possible, expenses 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.

n) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

o) Measurement Uncertainty

Preparation of consolidated 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 consolidated 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, rates for amortization, contingent liabilities and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE - OTHER RECEIVABLES

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Due from federal government	\$ 92,264	\$ 174,808
Due from students and PAC	72,612	5,853
Due from investment and bank interest	25,375	25,364
Due from City of Abbotsford School Site Acquisition	216,827	168,620
Due from employees for benefits	46,070	40,017
Due from others	414,734	467,600
	<u><u>\$ 867,882</u></u>	<u><u>\$ 882,262</u></u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Trade Payables	\$ 3,956,857	\$ 5,788,645
Salaries and benefits payable	6,616,961	5,430,730
Accrued vacation pay	1,030,637	1,034,724
	<u><u>\$ 11,604,455</u></u>	<u><u>\$ 12,254,099</u></u>

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 5 UNEARNED REVENUE

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Balance, beginning of year	<u>\$ 5,713,505</u>	<u>\$ 4,649,940</u>
Changes for year		
Increase:		
Tuition fees	6,027,660	5,685,139
Rental/lease of facilities	39,106	28,366
	<u>\$ 6,066,766</u>	<u>\$ 5,713,505</u>
Decrease:		
Tuition fees	(5,685,139)	(4,648,347)
Rental/lease of facilities	(28,366)	(1,593)
	<u>\$ (5,713,505)</u>	<u>\$ (4,649,940)</u>
Net Changes for year	353,261	1,063,565
Balance, end of year	<u>\$ 6,066,766</u>	<u>\$ 5,713,505</u>

NOTE 6 DEFERRED REVENUE

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Balance, beginning of year	<u>\$ 2,448,765</u>	<u>\$ 2,536,150</u>
Changes for year		
Increases:		
Provincial Grants	14,948,597	13,659,020
Other revenue	6,235,240	5,839,070
	<u>\$ 21,183,837</u>	<u>\$ 19,498,090</u>
Decreases:		
Allocated to Revenue	(20,890,289)	(19,504,095)
Transfers	-	(60,473)
Recoveries	(416,877)	(20,907)
	<u>\$ (21,307,166)</u>	<u>\$ (19,585,475)</u>
Net Changes for year	(123,329)	(87,385)
Balance, end of year	<u>\$ 2,325,436</u>	<u>\$ 2,448,765</u>

NOTE 7 DEFERRED CAPITAL REVENUE

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

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 7 DEFERRED CAPITAL REVENUE

(cont'd)

	June 30, 2019	June 30, 2018
Deferred capital revenue subject to amortization		
Balance, beginning of year	<u>\$ 162,062,655</u>	<u>\$ 166,089,056</u>
Changes for year		
Increases: Capital additions	2,724,577	3,477,018
Decreases: Amortization	(7,562,844)	(7,503,419)
Net Changes for year	<u>\$ (4,838,267)</u>	<u>\$ (4,026,401)</u>
Balance, end of year	<u>\$ 157,224,388</u>	<u>\$ 162,062,655</u>
Deferred capital revenue not subject to amortization		
Balance, beginning of year	<u>\$ 3,669,544</u>	<u>\$ 3,489,795</u>
Increases:		
Provincial Grants - Ministry of Education	5,055,198	6,032,755
Provincial Grants - Other	5,494	21,703
Other revenues	516,951	429,227
Investments Income	90,018	60,390
	<u>\$ 5,667,661</u>	<u>\$ 6,544,075</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	(2,724,577)	(3,477,018)
Transfer to revenue - sites	(790,669)	
AFG - COA spent on non capital items	(1,697,610)	(2,887,308)
	<u>\$ (5,212,856)</u>	<u>\$ (6,364,326)</u>
Net change for the year	<u>\$ 454,805</u>	<u>\$ 179,749</u>
Balance, end of year	<u>\$ 4,124,349</u>	<u>\$ 3,669,544</u>
Total deferred capital revenue balance, end of year	<u><u>\$ 161,348,737</u></u>	<u><u>\$ 165,732,199</u></u>

NOTE 8 EMPLOYEE FUTURE BENEFITS

	June 30, 2019	June 30, 2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 8,478,547	\$ 8,368,855
Service Cost	681,375	632,489
Interest Cost	241,679	236,651
Benefit Payments	(735,973)	(741,073)
Actuarial (Gain) Loss	(286,359)	(18,375)
Accrued Benefit Obligation – March 31	<u><u>\$ 8,379,269</u></u>	<u><u>\$ 8,478,547</u></u>

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 8 **EMPLOYEE FUTURE BENEFITS** (cont'd)

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 8,379,269	\$ 8,478,547
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(8,379,269)	(8,478,547)
Employer Contributions After Measurement Date	243,580	341,390
Benefits Expense After Measurement Date	(216,660)	(230,764)
Unamortized Net Actuarial (Gain) Loss	(533,589)	(252,652)
Accrued Benefit Asset (Liability) - June 30	<u><u>\$ (8,885,938)</u></u>	<u><u>\$ (8,620,573)</u></u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	8,620,573	8,500,734
Net Expense for Fiscal Year	903,528	878,715
Employer Contributions	(638,163)	(758,876)
Accrued Benefit Liability (Asset) - June 30	<u><u>\$ 8,885,938</u></u>	<u><u>\$ 8,620,573</u></u>
Components of Net Benefit Expense		
Service Cost	673,515	644,711
Interest Cost	235,435	237,908
Amortization of Net Actuarial (Gain)/Loss	(5,422)	(3,904)
Net Benefit Expense (Income)	<u><u>\$ 903,528</u></u>	<u><u>\$ 878,715</u></u>
Assumptions		
Discount Rate - April 1	2.75%	2.75%
Discount Rate - March 31	2.50%	2.75%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	12.1	12.1

NOTE 9 **OTHER LIABILITIES**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Teacher Summer Pay trust	\$ 6,455,463	\$ 6,016,628
Prepaid International homestay/medical	2,136,876	2,092,288
Other liabilities	859,745	875,181
	<u><u>\$ 9,452,084</u></u>	<u><u>\$ 8,984,097</u></u>

NOTE 10 **DEBT**

The School District has an approved line of credit of \$3,865,310 with interest at the banks' prime rate. As of June 30, 2019, the School District had nil borrowings (2018: nil) under this facility.

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS

	Net Book Value, June 30, 2019	Net Book Value, June 30, 2018
Sites	\$ 36,260,861	\$ 35,470,192
Buildings	165,555,621	170,343,182
Furniture & Equipment	2,906,968	2,935,190
Vehicles	2,887,179	3,377,205
Computer Software	75,399	164,497
Computer Hardware	2,441,597	3,204,640
Total	<u><u>\$ 210,127,625</u></u>	<u><u>\$ 215,494,906</u></u>

June 30, 2019

Cost	Opening Cost	Additions	Disposals	Total - 2019
Sites	\$ 35,470,192	\$ 790,669	\$ -	\$ 36,260,861
Buildings	327,528,960	2,611,600	-	330,140,560
Furniture & Equipment	6,312,988	592,400	811,897	6,093,491
Vehicles	6,190,395	110,907	473,037	5,828,265
Computer Software	631,874	-	372,766	259,108
Computer Hardware	4,417,495	123,434	93,654	4,447,275
Total	<u><u>\$ 380,551,904</u></u>	<u><u>\$ 4,229,010</u></u>	<u><u>\$ 1,751,354</u></u>	<u><u>\$ 383,029,560</u></u>

Accumulated Amortization	Opening Accumulated Amortization	Additions	Disposals	Total - 2019
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	157,185,778	7,399,161	-	164,584,939
Furniture & Equipment	3,377,798	620,622	811,897	3,186,523
Vehicles	2,813,190	600,933	473,037	2,941,086
Computer Software	467,377	89,098	372,766	183,709
Computer Hardware	1,212,855	886,477	93,654	2,005,678
Total	<u><u>\$ 165,056,998</u></u>	<u><u>\$ 9,596,291</u></u>	<u><u>\$ 1,751,354</u></u>	<u><u>\$ 172,901,935</u></u>

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS (cont'd)

June 30, 2018

Cost	Opening Cost	Additions	Disposals	Total - 2018
Sites	\$ 35,470,192	\$ -	\$ -	\$ 35,470,192
Buildings	324,695,934	2,833,026	-	327,528,960
Furniture & Equipment	6,689,996	480,720	857,728	6,312,988
Vehicles	5,550,568	860,010	220,183	6,190,395
Computer Software	638,582	-	6,708	631,874
Computer Hardware	4,320,131	2,195,551	2,098,187	4,417,495
Computer Hardware under capital lease	2,485,434	-	2,485,434	-
Total	\$ 379,850,837	\$ 6,369,307	\$ 5,668,240	\$ 380,551,904

Accumulated Amortization	Opening Accumulated Amortization	Additions	Disposals	Total - 2018
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	149,828,748	7,357,030	-	157,185,778
Furniture & Equipment	3,542,490	693,036	857,728	3,377,798
Vehicles	2,435,315	598,058	220,183	2,813,190
Computer Software	347,040	127,045	6,708	467,377
Computer Hardware	2,318,020	993,022	2,098,187	1,212,855
Computer Hardware under capital lease	2,356,150	129,284	2,485,434	-
Total	\$ 160,827,763	\$ 9,897,475	\$ 5,668,240	\$ 165,056,998

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 boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2017, the Teachers' Pension Plan has about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 24,000 from school districts.

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 12 **EMPLOYEE PENSION PLANS** **(cont'd)**

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The School District paid \$12,984,502 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$13,955,925)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

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

The School District's support staff participate in the Teamsters National Pension Plan. The School District contributes 100% of the pension premiums on behalf of its employees. The rate of contribution is determined through the collective bargaining process. The School District paid \$2,130,156 for contributions to the plan for the year ended June 30, 2019 (2018: \$2,052,368).

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 13 INTERFUND TRANSFERS

	Operating	Special Purpose	Capital
Tangible capital assets purchased:			
Furniture & Equipment	\$ (358,086)	\$ -	\$ 358,086
Vehicles	(36,826)	-	36,826
Hardware	(53,432)	-	53,432
Transfer to local capital:			
New school	(600,000)	-	600,000
Centralized Program/Service Centre	(1,500,000)	-	1,500,000
New portables	(250,000)	-	250,000
Total	\$ (2,798,344)	\$ -	\$ 2,798,344

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 CONTRACTUAL OBLIGATIONS

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

Year	Obligation
2020	\$ 1,072,582
2021	462,162
2022 & beyond	178,109
Total	\$ 1,712,853

NOTE 16 BUDGET FIGURES

Budget figures included in the consolidated financial statements were approved by the Board through the adoption of the annual budget on July 19, 2018.

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 17 CONTINGENT LIABILITIES

The School District issues letters of guarantee through its financial institutions to provide guarantees to certain parties. Outstanding letters of guarantee amount to \$939,858 (2018: \$954,857).

In the normal course of business, lawsuits and claims have been brought against the School District. The School District contests these lawsuits and claims. Management believes that the results of any pending legal proceeding will not have a material effect on the financial position of the School District.

NOTE 18 EXPENSE BY OBJECT

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Salaries and benefits	\$ 176,550,411	\$ 170,434,026
Services and supplies	34,168,561	34,463,181
Amortization	9,596,291	9,897,475
	<u>\$ 220,315,263</u>	<u>\$ 214,794,682</u>

NOTE 19 ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Invested in tangible capital assets	\$ 52,909,204	\$ 53,438,218
Local capital surplus	3,554,020	1,439,639
Total capital surplus	<u>\$ 56,463,224</u>	<u>\$ 54,877,857</u>
Operating surplus	7,724,644	8,815,901
	<u>\$ 64,187,868</u>	<u>\$ 63,693,758</u>

The operating surplus is further restricted as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Internally restricted (appropriated) by Board for:		
Appropriation to schools	\$ 1,435,464	\$ 1,427,367
Aboriginal education program	199,665	250,198
Other educational and targetted budgets	2,531,980	4,740,390
Utility cost reserves	-	425,000
Equipment reserve	-	375,000
	<u>\$ 4,167,109</u>	<u>\$ 7,217,955</u>
Unrestricted operating surplus	3,557,535	1,597,946
Total available for future operations	<u>\$ 7,724,644</u>	<u>\$ 8,815,901</u>

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 19 **ACCUMULATED SURPLUS** **(cont'd)**

The local capital fund surplus is comprised of a fund for capital additions, a fund for the consolidation of administrative and district services (created in the 2016-2017 fiscal year) and a fund for the District's contribution to the new school facility planned for Eagle Mountain.

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Capital additions	\$ 724,277	\$ 727,234
Reserved for Centralized Program/Service Centre	2,229,743	712,405
Reserved for new school (Eagle Mountain)	600,000	-
	<u><u>\$ 3,554,020</u></u>	<u><u>\$ 1,439,639</u></u>

NOTE 20 **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 consolidated financial statements have been prepared on a going concern basis.

NOTE 21 **RISK MANAGEMENT**

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

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

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 as they are placed in recognized British Columbia institutions and the School District invests solely in the Province of British Columbia's Certificate of Deposit program.

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.

Abbotsford School District
Notes to the Consolidated Financial Statements
Year ended June 30, 2019

NOTE 21 RISK MANAGEMENT

(cont'd)

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

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

c) Liquidity risk:

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

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

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

School District No. 34 (Abbotsford)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	8,815,901		54,877,857	63,693,758	66,418,039
Changes for the year					
Surplus (Deficit) for the year	1,707,087		(1,212,977)	494,110	(2,724,281)
Interfund Transfers					
Tangible Capital Assets Purchased	(448,344)		448,344	-	
Local Capital	(2,350,000)		2,350,000	-	
Net Changes for the year	(1,091,257)	-	1,585,367	494,110	(2,724,281)
Accumulated Surplus (Deficit), end of year - Statement 2	7,724,644	-	56,463,224	64,187,868	63,693,758

School District No. 34 (Abbotsford)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	176,586,017	178,963,361	172,163,240
Other	225,000	263,113	273,182
Federal Grants		15,763	26,578
Tuition	5,805,000	6,273,370	5,822,609
Other Revenue	2,233,463	3,189,049	2,858,865
Rentals and Leases	390,000	375,567	384,492
Investment Income	375,000	757,937	561,308
Total Revenue	185,614,480	189,838,160	182,090,274
Expenses			
Instruction	163,025,947	160,114,444	155,454,442
District Administration	5,007,430	6,198,532	5,698,948
Operations and Maintenance	17,795,951	18,298,002	17,827,669
Transportation and Housing	2,924,839	3,520,095	3,496,308
Total Expense	188,754,167	188,131,073	182,477,367
Operating Surplus (Deficit) for the year	(3,139,687)	1,707,087	(387,093)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	3,139,687		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(448,344)	(2,376,739)
Local Capital		(2,350,000)	(316,323)
Other			15,557
Total Net Transfers	-	(2,798,344)	(2,677,505)
Total Operating Surplus (Deficit), for the year	-	(1,091,257)	(3,064,598)
Operating Surplus (Deficit), beginning of year		8,815,901	11,880,499
Operating Surplus (Deficit), end of year		7,724,644	8,815,901
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 19)		4,167,109	7,217,955
Unrestricted		3,557,535	1,597,946
Total Operating Surplus (Deficit), end of year		7,724,644	8,815,901

School District No. 34 (Abbotsford)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	176,564,135	177,985,768	170,942,501
ISC/LEA Recovery	(410,101)	(479,301)	(440,899)
Other Ministry of Education Grants			
Pay Equity	118,014	118,014	118,014
Funding for Graduated Adults		164,948	109,102
Transportation Supplement	313,969	313,969	313,969
Economic Stability Dividend		224,978	117,776
Return of Administrative Savings			846,484
Carbon Tax Grant		116,748	121,474
Employer Health Tax Grant		448,697	
Strategic Priorities - Mental Health Grant		30,300	
Other Ministry of Education Grants		39,240	34,819
Total Provincial Grants - Ministry of Education	<u>176,586,017</u>	<u>178,963,361</u>	<u>172,163,240</u>
Provincial Grants - Other	<u>225,000</u>	<u>263,113</u>	<u>273,182</u>
Federal Grants		<u>15,763</u>	<u>26,578</u>
Tuition			
Summer School Fees	5,000	35,450	36,650
International and Out of Province Students	5,800,000	6,237,920	5,785,959
Total Tuition	<u>5,805,000</u>	<u>6,273,370</u>	<u>5,822,609</u>
Other Revenues			
LEA Funding from First Nations	410,101	479,301	440,899
Miscellaneous			
School fees	1,100,000	1,714,428	1,414,374
School of choice/other busing	510,000	529,205	483,020
Donations		52,068	38,658
Other	213,362	414,047	481,914
Total Other Revenue	<u>2,233,463</u>	<u>3,189,049</u>	<u>2,858,865</u>
Rentals and Leases	<u>390,000</u>	<u>375,567</u>	<u>384,492</u>
Investment Income	<u>375,000</u>	<u>757,937</u>	<u>561,308</u>
Total Operating Revenue	<u><u>185,614,480</u></u>	<u><u>189,838,160</u></u>	<u><u>182,090,274</u></u>

School District No. 34 (Abbotsford)**Schedule 2B (Unaudited)**

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	84,003,107	82,429,030	80,273,773
Principals and Vice Principals	10,460,163	10,629,687	10,102,573
Educational Assistants	15,066,330	14,830,099	14,294,640
Support Staff	14,018,780	13,801,705	13,154,567
Other Professionals	3,712,249	3,963,215	3,632,271
Substitutes	6,195,307	5,636,524	5,132,239
Total Salaries	133,455,936	131,290,260	126,590,063
Employee Benefits	33,854,132	32,729,423	32,503,487
Total Salaries and Benefits	167,310,068	164,019,683	159,093,550
Services and Supplies			
Services	4,265,629	6,664,880	6,494,701
Student Transportation	289,766	220,943	187,593
Professional Development and Travel	1,231,213	2,266,233	2,083,797
Rentals and Leases	11,900	1,475,448	1,271,273
Dues and Fees	405,743	244,981	269,368
Insurance	380,995	284,923	423,483
Supplies	12,593,853	10,384,109	10,298,411
Utilities	2,265,000	2,569,873	2,355,191
Total Services and Supplies	21,444,099	24,111,390	23,383,817
Total Operating Expense	188,754,167	188,131,073	182,477,367

School District No. 34 (Abbotsford)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	66,387,946	1,146,510	126,455	333,066		4,663,411	72,657,388
1.03 Career Programs	419,190	153,297	190,218	30,237		45,817	838,759
1.07 Library Services	1,985,135	2,953	308,448			317	2,296,853
1.08 Counselling	2,428,833						2,428,833
1.10 Special Education	7,703,571	577,257	12,809,727	250,644		146,753	21,487,952
1.30 English Language Learning	2,632,247	114,068	86,500			9,340	2,842,155
1.31 Aboriginal Education	477,795	180,982	930,345	27,637		169,088	1,785,847
1.41 School Administration	129,890	8,406,069		2,829,304		52,969	11,418,232
1.60 Summer School	247,236	48,551	54,739	16,507		2,030	369,063
1.62 International and Out of Province Students	17,187		323,667	107,466	302,778		751,098
Total Function 1	82,429,030	10,629,687	14,830,099	3,594,861	302,778	5,089,725	116,876,180
4 District Administration							
4.11 Educational Administration					994,643	261	994,904
4.40 School District Governance					176,130		176,130
4.41 Business Administration				779,617	1,368,605	63,463	2,211,685
Total Function 4	-	-	-	779,617	2,539,378	63,724	3,382,719
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				256,676	475,714	3,635	736,025
5.50 Maintenance Operations				6,833,449	557,884	381,694	7,773,027
5.52 Maintenance of Grounds				730,170			730,170
5.56 Utilities							-
Total Function 5	-	-	-	7,820,295	1,033,598	385,329	9,239,222
7 Transportation and Housing							
7.41 Transportation and Housing Administration				153,564	87,461		241,025
7.70 Student Transportation				1,453,368		97,746	1,551,114
Total Function 7	-	-	-	1,606,932	87,461	97,746	1,792,139
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	82,429,030	10,629,687	14,830,099	13,801,705	3,963,215	5,636,524	131,290,260

School District No. 34 (Abbotsford)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 16)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	72,657,388	18,240,398	90,897,786	9,988,843	100,886,629	108,050,662	95,422,660
1.03 Career Programs	838,759	204,023	1,042,782	514,536	1,557,318	574,429	1,572,463
1.07 Library Services	2,296,853	616,444	2,913,297	196,676	3,109,973	1,008,703	3,160,970
1.08 Counselling	2,428,833	555,334	2,984,167	7,118	2,991,285	2,057,586	3,095,271
1.10 Special Education	21,487,952	5,532,610	27,020,562	979,040	27,999,602	28,598,426	29,148,955
1.30 English Language Learning	2,842,155	722,056	3,564,211	91,644	3,655,855	2,810,740	4,331,733
1.31 Aboriginal Education	1,785,847	434,583	2,220,430	562,065	2,782,495	2,671,748	2,335,026
1.41 School Administration	11,418,232	2,739,002	14,157,234	856,331	15,013,565	15,479,997	14,251,364
1.60 Summer School	369,063	34,039	403,102	6,581	409,683	395,047	479,214
1.62 International and Out of Province Students	751,098	196,631	947,729	760,310	1,708,039	1,378,609	1,656,786
Total Function 1	116,876,180	29,275,120	146,151,300	13,963,144	160,114,444	163,025,947	155,454,442
4 District Administration							
4.11 Educational Administration	994,904	252,509	1,247,413	519,552	1,766,965	1,370,221	1,606,386
4.40 School District Governance	176,130	6,601	182,731	200,238	382,969	321,050	374,747
4.41 Business Administration	2,211,685	516,409	2,728,094	1,320,504	4,048,598	3,316,159	3,717,815
Total Function 4	3,382,719	775,519	4,158,238	2,040,294	6,198,532	5,007,430	5,698,948
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	736,025	140,348	876,373	278,776	1,155,149	1,147,582	1,283,247
5.50 Maintenance Operations	7,773,027	1,894,983	9,668,010	3,356,805	13,024,815	13,475,707	12,775,334
5.52 Maintenance of Grounds	730,170	171,074	901,244	646,921	1,548,165	907,662	1,413,897
5.56 Utilities	-	-	-	2,569,873	2,569,873	2,265,000	2,355,191
Total Function 5	9,239,222	2,206,405	11,445,627	6,852,375	18,298,002	17,795,951	17,827,669
7 Transportation and Housing							
7.41 Transportation and Housing Administration	241,025	60,210	301,235	112,165	413,400	417,726	433,132
7.70 Student Transportation	1,551,114	412,169	1,963,283	1,143,412	3,106,695	2,507,113	3,063,176
Total Function 7	1,792,139	472,379	2,264,518	1,255,577	3,520,095	2,924,839	3,496,308
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	131,290,260	32,729,423	164,019,683	24,111,390	188,131,073	188,754,167	182,477,367

School District No. 34 (Abbotsford)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	13,477,677	14,877,072	13,571,340
Other	65,000	74,649	50,078
Other Revenue	5,959,381	5,938,568	5,943,150
Total Revenue	<u>19,502,058</u>	<u>20,890,289</u>	<u>19,564,568</u>
Expenses			
Instruction	18,810,085	20,198,316	18,840,559
Operations and Maintenance	691,973	691,973	691,973
Total Expense	<u>19,502,058</u>	<u>20,890,289</u>	<u>19,532,532</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>32,036</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(44,916)
Other			(15,557)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(60,473)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>(28,437)</u>
Special Purpose Surplus (Deficit), beginning of year			28,437
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 34 (Abbotsford)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	1,912,935	-	14,232	5,514	-	38,523	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	691,973	684,317		352,000	75,950	202,661	1,214,840		489,861
Provincial Grants - Other									
Other			5,881,886						
Investment Income									
	691,973	684,317	5,881,886	352,000	75,950	202,661	1,214,840	-	489,861
Less: Allocated to Revenue	691,973	684,317	5,779,068	352,000	76,683	202,661	1,214,840	38,523	489,861
Recovered						5,514			
Deferred Revenue, end of year	-	-	2,015,753	-	13,499	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education	691,973	684,317		352,000	76,683	202,661	1,214,840	38,523	489,861
Provincial Grants - Other									
Other Revenue			5,779,068						
	691,973	684,317	5,779,068	352,000	76,683	202,661	1,214,840	38,523	489,861
Expenses									
Salaries									
Teachers						3,724			
Principals and Vice Principals									137,775
Educational Assistants		544,953					538,468		
Support Staff				231,733	17,008		30,040		42,963
Other Professionals									104,416
Substitutes					6,904	18,195			77,248
	-	544,953	-	231,733	23,912	21,919	568,508	-	362,402
Employee Benefits		139,364		66,767	4,560	536	131,322		66,112
Services and Supplies	691,973		5,779,068	53,500	48,211	180,206	515,010	38,523	61,347
	691,973	684,317	5,779,068	352,000	76,683	202,661	1,214,840	38,523	489,861
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 34 (Abbotsford)

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

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	PRP ADT	IPALS	Early Years Centre	Early Years Outreach	Literacy Matters	Community Support	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	(3,375)	411,363	-	2,627	14,835	-	46,070	6,041	2,448,765
Add: Restricted Grants									
Provincial Grants - Ministry of Education	9,959,847	974,857	194,885						14,841,191
Provincial Grants - Other					40,751	66,655			107,406
Other				18,702			41,665	292,937	6,235,190
Investment Income								50	50
	9,959,847	974,857	194,885	18,702	40,751	66,655	41,665	292,987	21,183,837
Less: Allocated to Revenue	9,956,472	974,857	194,885	13,728	39,357	35,292	48,923	96,849	20,890,289
Recovered		411,363							416,877
Deferred Revenue, end of year	-	-	-	7,601	16,229	31,363	38,812	202,179	2,325,436
Revenues									
Provincial Grants - Ministry of Education	9,956,472	974,857	194,885						14,877,072
Provincial Grants - Other					39,357	35,292			74,649
Other Revenue				13,728			48,923	96,849	5,938,568
	9,956,472	974,857	194,885	13,728	39,357	35,292	48,923	96,849	20,890,289
Expenses									
Salaries									
Teachers	7,925,836		93,412					7,998	8,030,970
Principals and Vice Principals			14,103						151,878
Educational Assistants			42,126					13,686	1,139,233
Support Staff						14,905		4,568	341,217
Other Professionals									104,416
Substitutes		179,992	208	722					283,269
	7,925,836	179,992	149,849	722	-	14,905	-	26,252	10,050,983
Employee Benefits	2,030,636	443	31,130			2,493		6,382	2,479,745
Services and Supplies		794,422	13,906	13,006	39,357	17,894	48,923	64,215	8,359,561
	9,956,472	974,857	194,885	13,728	39,357	35,292	48,923	96,849	20,890,289
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 34 (Abbotsford)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019 Budget (Note 16)	2019 Actual			2018 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	2,709,511	2,488,279		2,488,279	2,887,308
Investment Income			29,801	29,801	24,832
Amortization of Deferred Capital Revenue	7,546,146	7,562,844		7,562,844	7,503,419
Total Revenue	<u>10,255,657</u>	<u>10,051,123</u>	<u>29,801</u>	<u>10,080,924</u>	10,415,559
Expenses					
Operations and Maintenance	2,709,511	1,697,610		1,697,610	2,887,308
Amortization of Tangible Capital Assets					
Operations and Maintenance	9,149,648	8,995,358		8,995,358	9,299,417
Transportation and Housing	613,543	600,933		600,933	598,058
Total Expense	<u>12,472,702</u>	<u>11,293,901</u>	<u>-</u>	<u>11,293,901</u>	12,784,783
Capital Surplus (Deficit) for the year	<u>(2,217,045)</u>	<u>(1,242,778)</u>	<u>29,801</u>	<u>(1,212,977)</u>	(2,369,224)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		448,344		448,344	2,421,655
Local Capital			2,350,000	2,350,000	316,323
Total Net Transfers	<u>-</u>	<u>448,344</u>	<u>2,350,000</u>	<u>2,798,344</u>	2,737,978
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		265,420	(265,420)	-	
Total Other Adjustments to Fund Balances		<u>265,420</u>	<u>(265,420)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(2,217,045)</u>	<u>(529,014)</u>	<u>2,114,381</u>	<u>1,585,367</u>	368,754
Capital Surplus (Deficit), beginning of year		53,438,218	1,439,639	54,877,857	54,509,103
Capital Surplus (Deficit), end of year		<u>52,909,204</u>	<u>3,554,020</u>	<u>56,463,224</u>	54,877,857

School District No. 34 (Abbotsford)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	35,470,192	327,528,960	6,312,988	6,190,395	631,874	4,417,495	380,551,904
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	790,669	2,463,164	89,751	14,004			3,357,588
Deferred Capital Revenue - Other		13,095	144,563				157,658
Operating Fund			358,086	36,826		53,432	448,344
Local Capital		135,341		60,077		70,002	265,420
	790,669	2,611,600	592,400	110,907	-	123,434	4,229,010
Decrease:							
Deemed Disposals			811,897	473,037	372,766	93,654	1,751,354
	-	-	811,897	473,037	372,766	93,654	1,751,354
Cost, end of year	36,260,861	330,140,560	6,093,491	5,828,265	259,108	4,447,275	383,029,560
Work in Progress, end of year							-
Cost and Work in Progress, end of year	36,260,861	330,140,560	6,093,491	5,828,265	259,108	4,447,275	383,029,560
Accumulated Amortization, beginning of year		157,185,778	3,377,798	2,813,190	467,377	1,212,855	165,056,998
Changes for the Year							
Increase: Amortization for the Year		7,399,161	620,622	600,933	89,098	886,477	9,596,291
Decrease:							
Deemed Disposals			811,897	473,037	372,766	93,654	1,751,354
		-	811,897	473,037	372,766	93,654	1,751,354
Accumulated Amortization, end of year		164,584,939	3,186,523	2,941,086	183,709	2,005,678	172,901,935
Tangible Capital Assets - Net	36,260,861	165,555,621	2,906,968	2,887,179	75,399	2,441,597	210,127,625

School District No. 34 (Abbotsford)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	155,947,870	2,900,488	3,214,297	162,062,655
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,566,919	18,589	139,069	2,724,577
	<u>2,566,919</u>	<u>18,589</u>	<u>139,069</u>	<u>2,724,577</u>
Decrease:				
Amortization of Deferred Capital Revenue	7,353,720	98,149	110,975	7,562,844
	<u>7,353,720</u>	<u>98,149</u>	<u>110,975</u>	<u>7,562,844</u>
Net Changes for the Year	<u>(4,786,801)</u>	<u>(79,560)</u>	<u>28,094</u>	<u>(4,838,267)</u>
Deferred Capital Revenue, end of year	<u>151,161,069</u>	<u>2,820,928</u>	<u>3,242,391</u>	<u>157,224,388</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>151,161,069</u>	<u>2,820,928</u>	<u>3,242,391</u>	<u>157,224,388</u>

School District No. 34 (Abbotsford)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ -	\$ 108,933	\$ -	\$ 3,517,896	\$ 42,715	\$ 3,669,544
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	5,055,198					5,055,198
Provincial Grants - Other			5,494			5,494
Other				407,621	109,330	516,951
Investment Income		2,389		87,629		90,018
	<u>5,055,198</u>	<u>2,389</u>	<u>5,494</u>	<u>495,250</u>	<u>109,330</u>	<u>5,667,661</u>
Decrease:						
Transferred to DCR - Capital Additions	2,566,919	13,095	5,494		139,069	2,724,577
Transferred to Revenue - Site Purchases	790,669					790,669
AFG COA spent on non capital items	1,697,610					1,697,610
	<u>5,055,198</u>	<u>13,095</u>	<u>5,494</u>	<u>-</u>	<u>139,069</u>	<u>5,212,856</u>
Net Changes for the Year	<u>-</u>	<u>(10,706)</u>	<u>-</u>	<u>495,250</u>	<u>(29,739)</u>	<u>454,805</u>
Balance, end of year	<u>-</u>	<u>98,227</u>	<u>-</u>	<u>4,013,146</u>	<u>12,976</u>	<u>4,124,349</u>