



BOARD OF EDUCATION SD NO. 40 (NEW WESTMINSTER)

Operations Policy and Planning Committee

Tuesday, September 19, 2017– 7:30 pm

School Board Office

Location: 811 Ontario Street, New Westminster

AGENDA

Item	Action	Info	Presenter	Attachment
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The New Westminster School District recognizes and acknowledges the Qayqayt First Nations, as well as all Coast Salish peoples, on whose traditional and unceded territories we live, we learn, we play and we do our work.

- | | | | | |
|---------------------------|---|---|-----------|-----------|
| 1. Approval of the Agenda | X | | J. Janzen | |
| 2. Correspondence | | | | |
| 3. Operations Update | | X | K. Lorenz | Encl Pg 1 |
| a) Financial Statement | | | | |

Recommendation: THAT the Operations Policy and Planning Committee refer the Consolidated Audited Financial Statements for the fiscal year ending June 30, 2017 to the Board of Education with a recommendation for acceptance.

- b) 5 Year Capital Plan

Recommendation: THAT the Operations Policy and Planning Committee refer the 5 Year Capital Plan for the fiscal year ending June 30, 2018 to the Board of Education with a recommendation for acceptance.

- | |
|--------------------------|
| 4. General Announcements |
| 5. New Business |
| a) Motions for BCSTA |
| 6. Adjournment |

Budget and Finance

2016/2017 Year End.

The Consolidated Audited financial Statements for the 2016/2017 fiscal year have been prepared for the Board's approval and a draft is attached as Appendix A. The District ended the year with an unrestricted operating Surplus of \$1,619,557. This is an increase over the prior year, which had an unrestricted surplus of \$1,365,020. The Operating revenues for 2016/2017 had a variance of 2.38% from budget. This was largely due to additional revenues from increased enrollment, and one time funding announcements like the Student Learning Grant. Total expenses for the 2016/2017 year were under budget by 0.95% this variance is largely attributable to the timing of purchases as the District recorded outstanding commitments at year-end of \$1,270,347.

2017/2018 Startup.

The Monthly revenue and expenses summaries for the period ended August 31, 2017 are attached as Appendix B. Our expenditures and revenues recorded to date are tracking to roughly within a 2-3% variance of the budget after adjusting for anticipated activities and timing of expenses.

Executive Compensation Report

The Executive compensation report is attached, for the information of the committee, as Appendix C. The compensation as reflected in the report is consistent with the salary grid established by Western Compensation and approved by the Public Sector Employees Council.

Procurement

The High school request for proposal is proceeding and all technical and financial submissions will be received and evaluated by November of this year. We expect to award the contract some time in December. We will proceed with design and development in January of 2018. The successful proponent should be in a position to commence work as early as February.

No other significant capital procurement is anticipated until a funding announcement is made by the Ministry of Education.

Capital projects

Five-Year Capital Plan

The Ministry of Education – Capital Division’s Call for projects (Five-Year Capital Plan Submission) is attached as [Appendix D](#). The priorities listed in this year’s submission have not changed from prior years. Seismic Mitigation at Richard McBride remains the districts first priority. A recommended resolution to forward the Five-Year Plan to the Board is included in your agenda

School site Acquisition

The School Site acquisition charge that is levied on development within the municipality is collected by the City on behalf of the district and remitted to the district annually. The rates for the acquisition charge are set by the school board according to the formula set out in the Local government Act and the School Site Acquisition Charge Regulation regulations. The Districts Capital Fund for school site acquisition is reflected in the land capital Fund reported on Schedule 4D of the financial statements. Currently the District has \$3,313,505 reserved for site acquisitions. In instances where an identified need for a school site acquisition is reflected in the Five-Year capital plan and the District funds are not sufficient to purchase the required property additional funds can be requested from the ministry as part of the normal capital funding process. The District Set the charge rates according to the following table by by-law in 2008. These rates reflect the maximum allowable under the current regulations.

<i>Low density</i>	<i>\$1000</i>
<i>Medium low density</i>	<i>\$900</i>
<i>Medium density</i>	<i>\$800</i>
<i>Medium high density</i>	<i>\$700</i>
<i>High density</i>	<i>\$600</i>

FW Howay Seismic

Seismic remediation work at FW Howay is complete. Additional finishing work on the new daycare and multipurpose room located downstairs will be completed by the middle of September.

Leed Gold certification

A copy of the Leed Gold certification for Qayqayt Elementary is attached as [Appendix E](#). Yellowridge continues to pursue Leed Gold certification for Fraser River Middle school and Leed gold or equivalent is a requirement of the High school Request for Proposal.

Respectfully,

Kevin Lorenz
Secretary-Treasurer

APPENDIX A

Consolidated Audited Financial Statements of

School District No. 40 (New Westminster)

June 30, 2017

School District No. 40 (New Westminster)

June 30, 2017

Table of Contents

Management Report	1
Independent Auditors' Report	2-3
Consolidated Statement of Financial Position - Statement 1	4
Consolidated Statement of Operations - Statement 2	5
Consolidated Statement of Changes in Net Financial Assets (Debt) - Statement 4	6
Consolidated Statement of Cash Flows - Statement 5	7
Notes to the Consolidated Financial Statements	8-21
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1	22
Schedule of Operating Operations - Schedule 2	23
Schedule 2A - Schedule of Operating Revenue by Source	24
Schedule 2B - Schedule of Operating Expense by Object	25
Schedule 2C - Operating Expense by Function, Program and Object	26
Schedule of Special Purpose Operations - Schedule 3	28
Schedule 3A - Changes in Special Purpose Funds and Expense by Object	29
Schedule of Capital Operations - Schedule 4	31
Schedule 4A - Tangible Capital Assets	32
Schedule 4B - Tangible Capital Assets - Work in Progress	33
Schedule 4C - Deferred Capital Revenue	34
Schedule 4D - Changes in Unspent Deferred Capital Revenue	35

School District No. 40 (New Westminster)

MANAGEMENT REPORT

DRAFT

Management's Responsibility for the Consolidated Financial Statements.

The accompanying consolidated financial statements of School District No. 40 (New Westminster) 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. 40 (New Westminster) (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 LLP, 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. 40 (New Westminster) 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. 40 (New Westminster)

DRAFT	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 AUDITORS' REPORT

To the Board of Education of the School District No. 40 (New Westminster)

To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 40 (New Westminster), which comprise the statement of financial position as at June 30, 2017, the statement of operations, changes in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of School District No. 40 (New Westminster) as at and for the year ended June 30, 2017 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, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

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.

Chartered Professional Accountants

MM/DD/YYYY

Burnaby, Canada

School District No. 40 (New Westminster)

Consolidated Statement of Financial Position
As at June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	23,682,781	22,214,212
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	164,763	44,773
Other	434,569	450,286
Total Financial Assets	<u>24,282,113</u>	<u>22,709,271</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,847,523	5,572,477
Unearned Revenue (Note 5)	4,255,577	4,389,112
Deferred Revenue (Note 6)	2,253,947	2,007,797
Deferred Capital Revenue (Note 7)	78,653,140	70,563,404
Employee Future Benefits (Note 8)	3,183,430	3,070,171
Total Liabilities	<u>93,193,617</u>	<u>85,602,961</u>
Net Financial Assets (Debt)	<u>(68,911,504)</u>	<u>(62,893,690)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 9)	92,837,659	84,699,820
Prepaid Expenses	55,603	156,268
Total Non-Financial Assets	<u>92,893,262</u>	<u>84,856,088</u>
Accumulated Surplus (Deficit)	<u>23,981,758</u>	<u>21,962,398</u>

Contractual Obligations and Contingencies (Note 13)

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. 40 (New Westminster)

Statement 2

Consolidated Statement of Operations

Year Ended June 30, 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	62,961,466	64,138,256	62,224,847
Other		136,782	95,400
Federal Grants	13,605		
Tuition	5,311,824	5,365,530	5,709,907
Other Revenue	1,914,500	2,110,879	2,267,236
Rentals and Leases	165,000	309,671	224,601
Investment Income	202,000	221,949	192,258
Amortization of Deferred Capital Revenue	1,632,389	1,633,389	1,607,317
Total Revenue	<u>72,200,784</u>	<u>73,916,456</u>	<u>72,321,566</u>
Expenses			
Instruction	60,353,281	60,093,302	59,302,272
District Administration	3,371,655	3,038,945	2,536,741
Operations and Maintenance	8,628,338	8,532,229	8,255,261
Transportation and Housing	235,467	232,620	218,025
Total Expense	<u>72,588,741</u>	<u>71,897,096</u>	<u>70,312,299</u>
Surplus (Deficit) for the year	<u>(387,957)</u>	<u>2,019,360</u>	<u>2,009,267</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		21,962,398	19,953,131
Accumulated Surplus (Deficit) from Operations, end of year		<u>23,981,758</u>	<u>21,962,398</u>

School District No. 40 (New Westminster)

Statement 4

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(387,957)</u>	<u>2,019,360</u>	<u>2,009,267</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 9)	(7,745,716)	(10,167,414)	(9,809,804)
Amortization of Tangible Capital Assets (Note 9)	2,029,575	2,029,575	1,834,947
Total Effect of change in Tangible Capital Assets	<u>(5,716,141)</u>	<u>(8,137,839)</u>	<u>(7,974,857)</u>
Acquisition of Prepaid Expenses		(55,603)	(156,268)
Use of Prepaid Expenses		156,268	207,757
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>100,665</u>	<u>51,489</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(6,104,098)</u>	<u>(6,017,814)</u>	<u>(5,914,101)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(6,017,814)</u>	<u>(5,914,101)</u>
Net Financial Assets (Debt), beginning of year		<u>(62,893,690)</u>	<u>(56,979,589)</u>
Net Financial Assets (Debt), end of year		<u><u>(68,911,504)</u></u>	<u><u>(62,893,690)</u></u>

School District No. 40 (New Westminster)

Statement 5

Consolidated Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,019,360	2,009,267
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(104,273)	103,032
Prepaid Expenses	100,665	51,489
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(724,954)	(145,240)
Unearned Revenue	(133,535)	(369,140)
Deferred Revenue	246,150	633,577
Employee Future Benefits	113,259	(21,514)
Amortization of Tangible Capital Assets	2,029,575	1,834,947
Amortization of Deferred Capital Revenue	(1,633,389)	(1,607,317)
Total Operating Transactions	1,912,858	2,489,101
Capital Transactions		
Tangible Capital Assets Purchased (Note 9)	(2,524,255)	(2,093,121)
Tangible Capital Assets -WIP Purchased (Note 9)	(7,643,159)	(7,716,683)
Total Capital Transactions	(10,167,414)	(9,809,804)
Financing Transactions		
Capital Revenue Received	9,723,125	9,286,978
Total Financing Transactions	9,723,125	9,286,978
Net Increase (Decrease) in Cash and Cash Equivalents	1,468,569	1,966,275
Cash and Cash Equivalents, beginning of year	22,214,212	20,247,937
Cash and Cash Equivalents, end of year	23,682,781	22,214,212
Cash and Cash Equivalents, end of year, is made up of:		
Cash	23,682,781	22,214,212
	23,682,781	22,214,212
Supplementary Cash Flow Information		

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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.40 (New Westminster)”, and operates as “School District No.40 (New Westminster)”. 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. The School District is a registered charity under the Income Tax Act and is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

b) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which includes all controlled entities of the School District. The New Westminster School District No. 40 Business Company and Open School of British Columbia Ltd are wholly owned by the School District. All inter-organizational transactions and balances are eliminated upon consolidation. As of June 30, 2015 these companies have ceased operations and any surplus or deficit has been transferred to the School Districts Operating fund.

c) Cash and cash equivalents

Cash and cash equivalents include cash and 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.

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 Consolidated 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) 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 non-vested benefits under employee future benefit plans. Benefits include accumulating non-vested sick leave, early retirement, retirement/severance, vacation 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, 2016 and projected to March 31, 2019. The next valuation will be performed for use at June 30, 2020. 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) Asset Retirement Obligations

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

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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.

j) 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.
- Donated tangible capital assets are recorded at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, 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 a transfer 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.
- Work 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

k) Prepaid Expenses

Amounts for insurance and other 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.

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Funds and Reserves

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

m) Revenue recognition

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

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

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 is recognized as revenue over the period that the liability is extinguished.

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

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

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Expenses

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

Allocation of Costs

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

o) Financial instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and other current 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.

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

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

p) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 3 ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Due from Province		
Ministry of Education (OLEP French)	\$ 44,773	\$ 44,773
Ministry of Education (Annual Facility Grant)	<u>119,990</u>	<u>-</u>
	<u>\$ 164,763</u>	<u>\$ 44,473</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2017</u>	<u>2016</u>
Accounts Payable and Accrued Liabilities:		
Accounts Payable Other		
Trade payables	\$ 2,362,793	\$ 3,268,596
Employee Vacation Payable	<u>455,878</u>	<u>289,355</u>
Salaries and Benefits Payable	<u>2,028,852</u>	<u>2,014,526</u>
	<u>\$ 4,847,523</u>	<u>\$ 5,572,477</u>

NOTE 5 UNEARNED REVENUE

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 4,389,112	\$ 4,758,252
Changes for the year:		
Increase:		
Tuition fees collected	<u>4,255,577</u>	<u>4,389,112</u>
	<u>8,644,689</u>	<u>9,147,364</u>
Decrease:		
Tuition fee revenue recognized	<u>4,389,112</u>	<u>4,758,252</u>
Balance, end of year	<u>\$ 4,255,577</u>	<u>\$ 4,389,112</u>

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 2,007,797	\$ 1,374,220
Increases:		
Provincial Grant - Ministry of Education	3,855,551	3,203,338
Other Revenue	1,755,409	1,885,449
Donation from Royal City Education Foundation Society	-	476,735
	<u>5,610,960</u>	<u>5,565,522</u>
Decreases:		
Allocated to Revenue	5,364,810	4,931,945
	<u>246,150</u>	<u>633,577</u>
Net Change for the year	<u>246,150</u>	<u>633,577</u>
Balance, end of year	<u>\$ 2,253,947</u>	<u>\$ 2,007,797</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.

	<u>2017</u>	<u>2016</u>
Deferred Capital Revenue		
Balance, beginning of year	\$ 70,563,404	\$ 62,883,743
Increases:		
Provincial Grant - Ministry of Education	8,914,960	8,404,259
Provincial Grants – Other	123,856	-
Other Revenue	643,393	861,955
Investment Income	40,916	20,764
	<u>9,723,125</u>	<u>9,286,978</u>
Decreases:		
Amortization	1,633,389	1,607,317
	<u>1,633,389</u>	<u>1,607,317</u>
Net Change for the year	<u>8,089,736</u>	<u>7,679,661</u>
Balance, end of year	<u>\$ 78,653,140</u>	<u>\$ 70,563,404</u>

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include accumulating non-vested sick leave, early retirement, retirement/severance, vacation and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets.

	<u>2017</u>	<u>2016</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 2,893,269	\$ 3,307,636
Service Cost	229,313	271,814
Interest Cost	75,037	78,527
Benefit Payments	(296,057)	(190,095)
Actuarial Gain	<u>(10,529)</u>	<u>(574,613)</u>
Accrued Benefit Obligation – March 31	<u>\$ 2,891,033</u>	<u>\$ 2,893,269</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 2,891,033	\$ 2,893,269
Market Value of Plan Assets – March 31	-	-
Funded Status – (Deficit)	<u>2,891,033</u>	<u>2,893,269</u>
Employer Contribution After Measurement Date	(85,698)	(216,956)
Employer Expense After Measurement Date	77,578	76,087
Unamortized Net Actuarial (Gain) Loss	<u>300,517</u>	<u>317,771</u>
Accrued Benefit Obligation – June 30	<u>\$ 3,183,430</u>	<u>\$ 3,070,171</u>
Accrued Benefit Liability - July 1		
Accrued Benefit Liability - July 1	3,070,171	3,091,685
Net expense for Fiscal Year	278,058	361,911
Employer Payments	<u>(164,799)</u>	<u>(383,425)</u>
Accrued Benefit Obligation – June 30	<u>\$ 3,183,430</u>	<u>\$ 3,070,171</u>
Components of Net Benefit Expense		
Service Cost	\$ 228,882	\$ 261,189
Interest Cost	76,960	77,654
Amortization of Net Actuarial Gain	<u>(27,784)</u>	<u>23,068</u>
Net Benefit Expense	<u>\$ 278,058</u>	<u>\$ 361,911</u>
Assumptions		
Discount Rate – April 1	2.50%	2.25%
Discount Rate – March 31	2.75%	2.50%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.3	11.3

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2017	Net Book Value 2016
Sites	\$ 13,308,712	\$ 13,308,712
Buildings	67,885,809	47,735,140
Buildings – work in progress	9,060,494	22,266,476
Furniture & Equipment	983,861	493,752
Vehicles	76,146	78,440
Computer Software	8,071	17,212
Computer Hardware	1,514,566	800,088
Total	<u>\$ 92,837,659</u>	<u>\$ 84,699,820</u>

June 30, 2017

Cost:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Sites	\$ 13,308,712	\$ -	\$ -	\$ -	\$ 13,308,712
Buildings	80,234,394	1,185,222	-	20,726,876	102,146,492
Buildings–work in progress	22,266,476	7,520,894	-	(20,726,876)	9,060,494
Furniture & Equipment	611,138	428,958	-	122,265	1,162,361
Furniture & Equipment - WIP	-	122,265	-	(122,265)	-
Vehicles	167,771	14,483	-	-	182,254
Computer Software	45,707	-	(18,717)	-	26,990
Computer Hardware	905,571	895,592	(64,632)	-	1,736,531
Total	\$ 117,539,769	\$ 10,167,414	\$ (83,349)	\$ -	\$ 127,623,834

Accumulated Amortization:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Buildings	\$ 32,499,254	\$ 1,761,429	\$ -	\$ -	\$ 34,260,683
Furniture & Equipment	117,386	61,114	-	-	178,500
Vehicles	89,331	16,777	-	-	106,108
Computer Software	28,495	9,141	(18,717)	-	18,919
Computer Hardware	105,483	181,114	(64,632)	-	221,965
Total	\$ 32,839,949	\$ 2,029,575	\$ (83,349)	\$ -	\$ 34,786,175

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2016

Cost:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Sites	\$ 13,308,712	\$ -	\$ -	\$ -	\$ 13,308,712
Buildings	76,896,773	1,168,136	-	2,169,485	80,234,394
Buildings—work in progress	16,719,278	7,716,683	-	(2,169,485)	22,266,476
Furniture & Equipment	283,892	327,246	-	-	611,138
Vehicles	167,771	-	-	-	167,771
Computer Software	103,370	-	(57,663)	-	45,707
Computer Hardware	414,851	597,739	(107,019)	-	905,571
	\$107,894,647	\$ 9,809,804	\$ (164,682)	\$ -	\$ 117,539,769

Accumulated Amortization:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Buildings	\$ 30,813,117	\$ 1,686,137	\$ -	\$ -	\$ 32,499,254
Furniture & Equipment	88,997	28,389	-	-	117,386
Vehicles	72,554	16,777	-	-	89,331
Computer Software	65,484	20,674	(57,663)	-	28,495
Computer Hardware	129,532	82,970	(107,019)	-	105,483
	\$ 31,169,684	\$ 1,834,947	\$ (164,682)	\$ -	\$ 32,839,949

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 10 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The board of trustees for these plans represents plan members and employers and is responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Teachers' Pension Plan has about 45,000 active members from school districts, and approximately 36,000 retired members from school districts. As of December 31, 2015, the Municipal Pension Plan has about 189,000 active members, of which approximately 24,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the 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. The rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

Employers participating in these 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 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 paid \$5,942,646 (2016: \$6,372,795) for employer contributions to these plans in the year ended June 30, 2017.

NOTE 11 RELATED PARTY TRANSACTIONS

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

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 12 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an Amended Annual Budget on February 28, 2017. The table below presents the Amended Annual Budget and the initial Annual Budget as submitted to the Ministry in June 2016.

	2017 Amended		2017
	Annual Budget	Adjustments	Annual Budget
Ministry Operating grant Funded FTE's			
School-Age	6,537.688	(168.688)	6,369.000
Adult	506.750	(19.750)	487.000
Other	-		
Total Ministry Operating Grant Funded FTE's	7,044.438	(188.438)	6,856.000
Revenues			
Provincial Grants			
Ministry of Education	\$ 62,961,466	\$ (1,527,117)	\$ 61,434,349
Other	0	0	0
Federal Grants	13,605	-13,605	0
Tuition	5,311,824	108,176	5,420,000
Other Revenues	1,914,500	-200,306	1,714,194
Rentals and Leases	165,000	-5,000	160,000
Investment Income	202,000	-65,000	137,000
Amortization of Deferred Capital Revenue	1,632,389	-398,117	1,234,272
Total Revenue	\$ 72,200,784	\$ (2,100,969)	\$ 70,099,815
Expenses			
Instructional	60,353,281	(1,735,312)	58,617,969
District Administration	3,311,421	(138,486)	3,172,935
Operations and Maintenance	8,688,572	(390,335)	8,298,237
Transportation and Housing	235,467	20,000	255,467
Total Expense	72,588,741	(2,244,133)	70,344,608
Net Revenue (Expense)	(387,957)	143,164	(244,793)
Budget Allocation (Retirement) of Surplus (Deficit)	1,038,487	787,667	250,820
Budget Surplus Deficit for the Year	650,530	644,503	6,027
Budgeted Surplus (Deficit), for the year comprised of			
Operating Fund Surplus (Deficit)	-	-	-
Capital Fund Surplus (Deficit)	650,530	644,503	6,027
Budget Surplus (Deficit), for the year	\$ 650,530	\$ 644,503	\$ 6,027

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 13 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multi-year contracts for the delivery of services. These contractual obligations will become liabilities in the future when the goods and services are received. The following information relates to the unperformed portion of the contracts.

	2018	2019
Columbia Square Plaza	218,490	225,366
Photocopier Leases	140,740	140,740
Totals	\$ 359,230	\$ 366,106

NOTE 14 ASSET RETIREMENT OBLIGATIONS

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it can be reasonably estimated. As at June 30, 2017, the liability is not reasonably determinable and therefore has not been accrued.

NOTE 15 EXPENSE BY OBJECT

	2017	2016
Salaries and benefits	\$ 61,069,640	\$ 59,834,628
Services and supplies	8,797,881	8,642,724
Amortization	2,029,575	1,834,947
Totals	\$ 71,897,096	\$ 70,312,299

NOTE 16 ACCUMULATED SURPLUS

	2017	2016
Local Capital	\$ 250,572	\$ 402,926
Invested in Tangible Capital Assets	\$ 19,696,283	\$ 18,401,688
Internally restricted:		
School Surplus	156,530	330,969
Playground Equipment	-	150,000
Surplus applied to 2017-2018 Budget	488,469	-
Fraser River Middle School Furniture and Fixtures	-	200,000
Commitments Outstanding	1,270,347	611,795
Board Internally Restricted	500,000	500,000
Total Internally Restricted	2,415,346	1,792,764
Unrestricted Operating Surplus	1,619,557	1,365,020
Total Accumulated Surplus, end of year	\$ 23,981,758	\$ 21,962,398

NOTE 17 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.

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 18 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, cash equivalents 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 and cash equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in placement of funds with institutions that have achieved the highest creditworthiness in the marketplace and earned a public reputation as a good credit risk.

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 cash equivalents. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in investments that are considered liquid (e.g. term deposits) 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.

NOTE 19 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

School District No. 40 (New Westminster)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2017

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	3,157,784		18,804,614	21,962,398	19,953,131
Changes for the year					
Surplus (Deficit) for the year	2,216,152	195,716	(392,508)	2,019,360	2,009,267
Interfund Transfers					
Tangible Capital Assets Purchased	(1,339,033)	(195,716)	1,534,749	-	
Net Changes for the year	877,119	-	1,142,241	2,019,360	2,009,267
Accumulated Surplus (Deficit), end of year - Statement 2	4,034,903	-	19,946,855	23,981,758	21,962,398

School District No. 40 (New Westminster)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	59,657,146	60,494,341	59,124,582
Other		136,782	95,400
Tuition	5,311,824	5,365,530	5,709,907
Other Revenue	355,500	389,984	435,556
Rentals and Leases	165,000	309,671	224,601
Investment Income	200,000	218,271	181,359
Total Revenue	<u>65,689,470</u>	<u>66,914,579</u>	<u>65,771,405</u>
Expenses			
Instruction	55,732,306	54,984,442	54,626,277
District Administration	3,311,421	2,978,711	2,280,791
Operations and Maintenance	6,615,540	6,519,431	6,437,091
Transportation and Housing	218,690	215,843	201,248
Total Expense	<u>65,877,957</u>	<u>64,698,427</u>	<u>63,545,407</u>
Operating Surplus (Deficit) for the year	<u>(188,487)</u>	<u>2,216,152</u>	<u>2,225,998</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,038,487</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(850,000)	(1,339,033)	(924,985)
Total Net Transfers	<u>(850,000)</u>	<u>(1,339,033)</u>	<u>(924,985)</u>
Total Operating Surplus (Deficit), for the year	<u><u>-</u></u>	<u>877,119</u>	<u>1,301,013</u>
Operating Surplus (Deficit), beginning of year		3,157,784	1,856,771
Operating Surplus (Deficit), end of year		<u><u>4,034,903</u></u>	<u><u>3,157,784</u></u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 16)		2,415,346	1,792,764
Unrestricted		1,619,557	1,365,020
Total Operating Surplus (Deficit), end of year		<u><u>4,034,903</u></u>	<u><u>3,157,784</u></u>

School District No. 40 (New Westminster)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	58,594,287	59,118,829	58,456,261
Other Ministry of Education Grants			
Pay Equity	521,853	521,853	521,853
Funding for Graduated Adults	33,096	56,497	63,918
Transportation Supplement	6,073	6,073	
Economic Stability Dividend	154,163	34,998	48,306
Return of Administrative Savings	295,560	295,560	
Carbon Tax Grant	43,927	88,722	-
Student Learning Grant		352,222	
FSA Exam Marking	8,187	8,187	8,696
My Education BC	-	500	998
Curriculum Implementation	-		10,500
Refugee Count	-		14,050
Other Miscellaneous		10,900	-
Total Provincial Grants - Ministry of Education	59,657,146	60,494,341	59,124,582
Provincial Grants - Other	-	136,782	95,400
Federal Grants	-		
Tuition			
Summer School Fees	121,824	121,824	114,628
Continuing Education	240,000	275,628	250,324
International and Out of Province Students	4,950,000	4,968,078	5,344,955
Total Tuition	5,311,824	5,365,530	5,709,907
Other Revenues			
Miscellaneous			
Instructional Cafeteria Revenue	130,000	134,448	128,538
Apprenticeship Program	45,500	7,500	26,335
Miscellaneous	180,000	248,036	280,683
Total Other Revenue	355,500	389,984	435,556
Rentals and Leases	165,000	309,671	224,601
Investment Income	200,000	218,271	181,359
Total Operating Revenue	65,689,470	66,914,579	65,771,405

School District No. 40 (New Westminster)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2017

	2017 Budget (Note 12)	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	29,971,793	28,730,204	28,791,055
Principals and Vice Principals	3,236,519	3,335,229	2,741,111
Educational Assistants	4,483,021	4,930,457	5,235,966
Support Staff	5,313,144	5,284,660	5,175,796
Other Professionals	2,143,082	2,347,146	1,982,898
Substitutes	1,717,118	1,755,604	1,321,710
Total Salaries	46,864,677	46,383,300	45,248,536
Employee Benefits	12,273,839	11,504,076	11,838,492
Total Salaries and Benefits	59,138,516	57,887,376	57,087,028
Services and Supplies			
Services	2,049,880	2,120,640	1,968,327
Student Transportation	100,000	112,820	114,509
Professional Development and Travel	471,400	508,202	466,003
Rentals and Leases	260,000	218,904	735,591
Dues and Fees	129,000	121,391	88,338
Insurance	111,000	151,882	118,966
Supplies	2,501,961	2,516,362	2,065,265
Utilities	1,116,200	1,060,850	895,047
Bad Debt			6,333
Total Services and Supplies	6,739,441	6,811,051	6,458,379
Total Operating Expense	65,877,957	64,698,427	63,545,407

School District No. 40 (New Westminster)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object
Year Ended June 30, 2017

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	24,438,420	751,177		196,804	122,109	1,192,995	26,701,505
1.03 Career Programs	605,833			127,186		14,698	747,717
1.07 Library Services	407,482			38,607		12,291	458,380
1.08 Counselling	667,328			43,065	47,800		758,193
1.10 Special Education	2,384,432	128,198	4,883,541			484,302	7,880,473
1.30 English Language Learning							-
1.31 Aboriginal Education	92,105		46,916	210,819		1,118	350,958
1.41 School Administration	10,911	2,330,129		1,467,972		16,136	3,825,148
1.60 Summer School	123,693	12,500		4,739			140,932
1.62 International and Out of Province Students				49,805	378,689	591	429,085
Total Function 1	28,730,204	3,222,004	4,930,457	2,138,997	548,598	1,722,131	41,292,391
4 District Administration							
4.11 Educational Administration		113,225		59,360	445,243		617,828
4.40 School District Governance					158,605		158,605
4.41 Business Administration				446,149	803,354	6,163	1,255,666
Total Function 4	-	113,225	-	505,509	1,407,202	6,163	2,032,099
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				94,071	278,706		372,777
5.50 Maintenance Operations				2,204,067	112,640	24,603	2,341,310
5.52 Maintenance of Grounds				227,343			227,343
5.56 Utilities							-
Total Function 5	-	-	-	2,525,481	391,346	24,603	2,941,430
7 Transportation and Housing							
7.70 Student Transportation				114,673		2,707	117,380
Total Function 7	-	-	-	114,673	-	2,707	117,380
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	28,730,204	3,335,229	4,930,457	5,284,660	2,347,146	1,755,604	46,383,300

School District No. 40 (New Westminster)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget (Note 12)	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	26,701,505	6,685,556	33,387,061	2,710,419	36,097,480	38,395,858	34,400,150
1.03 Career Programs	747,717	183,982	931,699	56,997	988,696	210,260	1,430,294
1.07 Library Services	458,380	111,409	569,789	34,683	604,472	349,983	621,406
1.08 Counselling	758,193	180,087	938,280	8,540	946,820	924,224	1,074,409
1.10 Special Education	7,880,473	2,040,785	9,921,258	64,393	9,985,651	9,518,309	9,937,633
1.30 English Language Learning	-	-	-	2,863	2,863	3,000	32,731
1.31 Aboriginal Education	350,958	87,873	438,831	12,859	451,690	370,556	495,087
1.41 School Administration	3,825,148	880,897	4,706,045	33,075	4,739,120	4,867,905	5,394,850
1.60 Summer School	140,932	26,725	167,657	14,985	182,642	-	159,327
1.62 International and Out of Province Students	429,085	97,969	527,054	457,954	985,008	1,092,211	1,080,390
Total Function 1	41,292,391	10,295,283	51,587,674	3,396,768	54,984,442	55,732,306	54,626,277
4 District Administration							
4.11 Educational Administration	617,828	132,681	750,509	115,339	865,848	944,445	678,537
4.40 School District Governance	158,605	3,471	162,076	93,494	255,570	253,057	283,711
4.41 Business Administration	1,255,666	250,962	1,506,628	350,665	1,857,293	2,113,919	1,318,543
Total Function 4	2,032,099	387,114	2,419,213	559,498	2,978,711	3,311,421	2,280,791
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	372,777	81,748	454,525	118,664	573,189	607,993	464,867
5.50 Maintenance Operations	2,341,310	655,399	2,996,709	1,569,982	4,566,691	4,613,442	4,802,827
5.52 Maintenance of Grounds	227,343	76,249	303,592	57,324	360,916	277,905	328,386
5.56 Utilities	-	-	-	1,018,635	1,018,635	1,116,200	841,011
Total Function 5	2,941,430	813,396	3,754,826	2,764,605	6,519,431	6,615,540	6,437,091
7 Transportation and Housing							
7.70 Student Transportation	117,380	8,283	125,663	90,180	215,843	218,690	201,248
Total Function 7	117,380	8,283	125,663	90,180	215,843	218,690	201,248
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	46,383,300	11,504,076	57,887,376	6,811,051	64,698,427	65,877,957	63,545,407

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School District No. 40 (New Westminster)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

Schedule 3 (Unaudited)

	2017 Budget (Note 12)	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	3,304,320	3,643,915	3,100,265
Federal Grants	13,605		-
Other Revenue	1,559,000	1,720,895	1,831,680
Total Revenue	<u>4,876,925</u>	<u>5,364,810</u>	<u>4,931,945</u>
Expenses			
Instruction	4,620,975	5,108,860	4,675,995
District Administration	60,234	60,234	255,950
Total Expense	<u>4,681,209</u>	<u>5,169,094</u>	<u>4,931,945</u>
Special Purpose Surplus (Deficit) for the year	<u>195,716</u>	<u>195,716</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(195,716)	(195,716)	
Total Net Transfers	<u>(195,716)</u>	<u>(195,716)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 40 (New Westminster)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	35,017	444,054	40,515	1,295,293	-	5,914	18,026
Add: Restricted Grants									
Provincial Grants - Ministry of Education	255,950	1,182,250					96,736	19,600	151,244
Other				132,885		1,433,333			
	255,950	1,182,250	-	132,885	-	1,433,333	96,736	19,600	151,244
Less: Allocated to Revenue	255,950	1,182,250	8,827	129,324	40,515	1,472,609	96,736	17,434	144,038
Deferred Revenue, end of year	-	-	26,190	447,615	-	1,256,017	-	8,080	25,232
Revenues									
Provincial Grants - Ministry of Education	255,950	1,182,250	8,827		40,515		96,736	17,434	144,038
Other Revenue				129,324		1,472,609			
	255,950	1,182,250	8,827	129,324	40,515	1,472,609	96,736	17,434	144,038
Expenses									
Salaries									
Teachers		722,895						200	55,954
Educational Assistants		224,096							
Support Staff							69,024	154	
Other Professionals									
Substitutes		21,372						3,688	5,734
	-	968,363	-	-	-	-	69,024	4,042	61,688
Employee Benefits		213,887					26,485	719	19,735
Services and Supplies	60,234		8,827	129,324	40,515	1,472,609	1,227	12,673	62,615
	60,234	1,182,250	8,827	129,324	40,515	1,472,609	96,736	17,434	144,038
Net Revenue (Expense) before Interfund Transfers	195,716	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(195,716)								
	(195,716)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 40 (New Westminster)

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

	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	Arts in Education	INAC	Textile Recycling	United Way	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	109,209			-	13,605	19,275	26,889	2,007,797
Add: Restricted Grants								
Provincial Grants - Ministry of Education	1,490,005	63,756	596,010					3,855,551
Other	75,187			4,650		8,888	100,466	1,755,409
	1,565,192	63,756	596,010	4,650	-	8,888	100,466	5,610,960
Less: Allocated to Revenue	1,507,295	1,658	375,607	3,065	13,605	13,718	102,179	5,364,810
Deferred Revenue, end of year	167,106	62,098	220,403	1,585	-	14,445	25,176	2,253,947
Revenues								
Provincial Grants - Ministry of Education	1,507,295	1,658	375,607		13,605			3,643,915
Other Revenue				3,065		13,718	102,179	1,720,895
	1,507,295	1,658	375,607	3,065	13,605	13,718	102,179	5,364,810
Expenses								
Salaries								
Teachers	513,127		294,828					1,587,004
Educational Assistants	437,912				10,972			672,980
Support Staff	78,160							147,338
Other Professionals	36,237						60,713	96,950
Substitutes	3,126		6,613					40,533
	1,068,562	-	301,441	-	10,972	-	60,713	2,544,805
Employee Benefits	282,888		74,166		2,633		16,946	637,459
Services and Supplies	155,845	1,658		3,065		13,718	24,520	1,986,830
	1,507,295	1,658	375,607	3,065	13,605	13,718	102,179	5,169,094
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	195,716
Interfund Transfers								
Tangible Capital Assets Purchased								(195,716)
	-	-	-	-	-	-	-	(195,716)
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 40 (New Westminster)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget (Note 12)	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	2,000		3,678	3,678	10,899
Amortization of Deferred Capital Revenue	1,632,389	1,633,389		1,633,389	1,607,317
Total Revenue	1,634,389	1,633,389	3,678	1,637,067	1,618,216
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,012,798	2,012,798		2,012,798	1,818,170
Transportation and Housing	16,777	16,777		16,777	16,777
Total Expense	2,029,575	2,029,575	-	2,029,575	1,834,947
Capital Surplus (Deficit) for the year	(395,186)	(396,186)	3,678	(392,508)	(216,731)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,045,716	1,534,749		1,534,749	924,985
Total Net Transfers	1,045,716	1,534,749	-	1,534,749	924,985
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		156,032	(156,032)	-	
Total Other Adjustments to Fund Balances		156,032	(156,032)	-	
Total Capital Surplus (Deficit) for the year	650,530	1,294,595	(152,354)	1,142,241	708,254
Capital Surplus (Deficit), beginning of year		18,401,688	402,926	18,804,614	18,096,360
Capital Surplus (Deficit), end of year		19,696,283	250,572	19,946,855	18,804,614

School District No. 40 (New Westminster)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	13,308,712	80,234,394	611,138	167,771	45,707	905,571	95,273,293
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		744,724					744,724
Deferred Capital Revenue - Other		88,750					88,750
Operating Fund			428,958	14,483		895,592	1,339,033
Special Purpose Funds		195,716					195,716
Local Capital		156,032					156,032
Transferred from Work in Progress		20,726,876	122,265				20,849,141
	-	21,912,098	551,223	14,483	-	895,592	23,373,396
Decrease:							
Deemed Disposals					18,717	64,632	83,349
	-	-	-	-	18,717	64,632	83,349
Cost, end of year	13,308,712	102,146,492	1,162,361	182,254	26,990	1,736,531	118,563,340
Work in Progress, end of year		9,060,494					9,060,494
Cost and Work in Progress, end of year	13,308,712	111,206,986	1,162,361	182,254	26,990	1,736,531	127,623,834
Accumulated Amortization, beginning of year		32,499,254	117,386	89,331	28,495	105,483	32,839,949
Changes for the Year							
Increase: Amortization for the Year		1,761,429	61,114	16,777	9,141	181,114	2,029,575
Decrease:							
Deemed Disposals					18,717	64,632	83,349
		-	-	-	18,717	64,632	83,349
Accumulated Amortization, end of year		34,260,683	178,500	106,108	18,919	221,965	34,786,175
Tangible Capital Assets - Net	13,308,712	76,946,303	983,861	76,146	8,071	1,514,566	92,837,659

School District No. 40 (New Westminster)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2017

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	22,266,476				22,266,476
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	7,520,894	122,265			7,643,159
	7,520,894	122,265	-	-	7,643,159
Decrease:					
Transferred to Tangible Capital Assets	20,726,876	122,265			20,849,141
	20,726,876	122,265	-	-	20,849,141
Net Changes for the Year	(13,205,982)	-	-	-	(13,205,982)
Work in Progress, end of year	9,060,494	-	-	-	9,060,494

School District No. 40 (New Westminster)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	43,991,829		46,225	44,038,054
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	744,724		88,750	833,474
Transferred from Work in Progress	20,849,141			20,849,141
	21,593,865	-	88,750	21,682,615
Decrease:				
Amortization of Deferred Capital Revenue	1,632,109		1,280	1,633,389
	1,632,109	-	1,280	1,633,389
Net Changes for the Year	19,961,756	-	87,470	20,049,226
Deferred Capital Revenue, end of year	63,953,585	-	133,695	64,087,280
Work in Progress, beginning of year	20,258,424	2,008,047		22,266,471
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	7,643,159			7,643,159
	7,643,159	-	-	7,643,159
Decrease				
Transferred to Deferred Capital Revenue	20,849,141			20,849,141
	20,849,141	-	-	20,849,141
Net Changes for the Year	(13,205,982)	-	-	(13,205,982)
Work in Progress, end of year	7,052,442	2,008,047	-	9,060,489
Total Deferred Capital Revenue, end of year	71,006,027	2,008,047	133,695	73,147,769

School District No. 40 (New Westminster)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,540,933			2,717,946		4,258,879
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	8,914,960					8,914,960
Provincial Grants - Other			123,856			123,856
Other				554,643	88,750	643,393
Investment Income				40,916		40,916
Transfer project surplus to MEd Restricted (from) Bylaw	(2,173)	2,173				-
	8,912,787	2,173	123,856	595,559	88,750	9,723,125
Decrease:						
Transferred to DCR - Capital Additions	744,724				88,750	833,474
Transferred to DCR - Work in Progress	7,643,159					7,643,159
	8,387,883	-	-	-	88,750	8,476,633
Net Changes for the Year	524,904	2,173	123,856	595,559	-	1,246,492
Balance, end of year	2,065,837	2,173	123,856	3,313,505	-	5,505,371

APPENDIX B

Date: 14-Sep-2017 14:50

New Westminster

Page: 1

Operating Fund - Year to Date Expense to Budget Summary

G.L. Period Selection: 201802 End Date: AUGUST 31, 2017

	Description	YTD Exp	YTD Com	YTD Exp + Com	Budget	Bud Remain \$	Bud Remain %
105	PRINCIPALS & VP SALARIES	566,611	0	566,611	3,021,732	2,455,121	81
110	TEACHERS SALARIES	113,018	0	113,018	31,682,876	31,569,858	100
120	SUPPORT STAFF SALARIES	621,127	0	621,127	5,539,026	4,917,899	89
123	EDUCATIONAL ASSISTANTS SALARIES	1,451	0	1,451	4,405,334	4,403,883	100
130	OTHER PROFESSIONAL SALARIES	433,429	0	433,429	2,118,648	1,685,219	80
140	SUBSTITUTE SALARIES	36,566	0	36,566	1,493,104	1,456,538	98
200	EMPLOYEE BENEFITS	621,621	0	621,621	12,346,103	11,724,482	95
310	SERVICES	366,247	158,287	524,534	1,541,880	1,017,346	66
312	LEGAL COSTS	384	0	384	30,000	29,616	99
330	STUDENT TRANSPORTATION	17,614	0	17,614	137,000	119,386	87
340	PROFESSIONAL DEVELOPMENT & TRAVEL	15,148	4,659	19,807	491,400	471,593	96
360	RENTALS & LEASES	57,290	50,499	107,789	260,000	152,211	59
370	DUES & FEES	54,124	13	54,137	129,000	74,863	58
390	INSURANCE	1,681	0	1,681	111,000	109,319	98
510	SUPPLIES	177,745	933,123	1,110,868	2,477,295	1,366,427	55
540	UTILITIES	54,776	8,274	63,050	466,100	403,050	86
551	GAS - HEAT	10,959	0	10,959	278,500	267,541	96
555	CARBON TAX EXP	0	0	0	50,000	50,000	100
560	WATER & SEWAGE	29,183	0	29,183	270,900	241,717	89
570	GARBAGE & RECYCLE	13,966	11,497	25,463	73,000	47,537	65
580	FURNITURE & EQUIPMENT REPLACEMENT	3,313	23,333	26,646	81,000	54,354	67
590	COMPUTER & EQUIPMENT REPLACEMENT	66,050	227,699	293,749	973,000	679,251	70
591	TANGIBLE CAPITAL ASSETS PURCHASED	51,496	24,167	75,663	0	-75,663	0
		-----	-----	-----	-----	-----	-----
	Grand Total	3,313,799	1,441,551	4,755,350	67,976,898	63,221,548	93

APPENDIX B

Date: 14-Sep-2017 14:51

New Westminster

Page: 1

Operating Fund - Year to Date Revenue to Budget Summary

G.L. Period Selection: 201802 End Date: AUGUST 31, 2017

	Description	Revenues	Original Budget	Revised Budget	Bud Remain \$	Bud Remain %
621	OPERATING GRANT MINISTRY OF EDUCAT	-3,637,358	-60,746,601	-60,746,601	-57,109,243	94
629	OTHER MINISTRY OF EDUCATION GRANTS	-6,600	-911,673	-911,673	-905,073	99
641	PROVINCIAL GRANTS OTHER	-5,000	0	0	5,000	0
643	SUMMER SCHOOL FEES	-140,056	-120,000	-120,000	20,056	-17
644	CONTINUING EDUCATION	-19,609	-240,000	-240,000	-220,391	92
645	INSTRUCTIONAL CAFETERIA REVENUE	0	-130,000	-130,000	-130,000	100
647	OFFSHORE TUITION FEES	-4,054,769	-4,800,000	-4,800,000	-745,231	16
649	MISCELLANEOUS REVENUE	-6,386	-230,000	-230,000	-223,614	97
651	COMMUNITY USE OF FACILITIES	-21,951	-170,000	-170,000	-148,049	87
661	INTEREST ON SHORT TERM INVESTMENT	-54,094	-100,000	-100,000	-45,906	46
		-----	-----	-----	-----	-----
	Grand Total	-7,945,823	-67,448,274	-67,448,274	-59,502,451	88



September 26, 2017

Christina Zacharuk
Interim President and CEO
Public Sector Employers' Council Secretariat
Suite 201, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Ms. Zacharuk:

This will confirm that the Board of Education of School District No. 40 (New Westminster) is aware of the total compensation paid to executive staff during the 2016-2017 fiscal year was within the compensation plan as approved by the Board and as reported in the Summary Compensation Table.

Yours truly,

Kelly Slade-Kerr, Chair
Board of Education

/enclosure

Public Sector Executive Compensation Report

The Board of Education encourages and adopts practices that enable the district to attract, retain, incent, and reward qualified, high-performing employees who are critical to the delivery of quality public education programs to students in School District No. 40 (New Westminster).

A key component of this approach is the development and maintenance of a framework for executive and exempt staff compensation that is rational, defensible, competitive and able to be effectively administered.

Compensation Philosophy

The Board's compensation philosophy aligns with the statutory system of exempt staff compensation administration in the K-12 public education sector and the BC Public School Employers' Association (BCPSEA) exempt staff compensation management plan (BCPSEA Policy 95-06, *Compensation and Employment Standards for School District Employees Not Subject to a Collective Agreement*). Compensation mandates adopted by the Public Sector Employers' Council from time to time are the official policy of BCPSEA and any adjustments to exempt staff compensation levels are considered within the context of the applicable compensation mandate.

The Board's compensation philosophy is based upon a set of principles that guide development, maintenance, and decision-making with respect to salary structures and total compensation packages and programs.

At its core is an integrated view of compensation and rewards — not only traditional, quantifiable elements such as salary and benefits (compensation), but also more intangible elements such as career opportunities, learning and career development, work challenge, and supportive culture (rewards). The total rewards compensation program further integrates with plans that establish the board of education's overall education, business, and human resources strategies and objectives to facilitate the attraction and retention of qualified, experienced, motivated and high-potential employees who are committed to the board's overarching goal of delivering a high quality public education experience to BC students. Inherent in the Board's compensation philosophy are the following objectives:

Inherent in the compensation philosophy are the following core principles:

- **Performance:** The compensation structure and administration of the structure supports and promotes meaningful career growth and development opportunities, and a performance-based (merit) organizational culture.
- **Differentiation:** Differentiation of compensation is supported where there are differences in the scope of the position within an organization, and/or due to superior individual/team contributions.
- **Accountability:** Compensation decisions are objective and based upon a clear and well documented rationale that demonstrates the appropriate expenditure of public funds.
- **Transparency:** The compensation program is designed, managed, administered, and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.

Labour Market Comparators

Key to the compensation philosophy is the need to maintain a meaningful level of competitiveness with the external labour market. Consistent with industry standards, “labour market” is defined in the British Columbia Public School Employers’ Association (BCPSEA) sectoral exempt compensation management plan (Policy 95-06, *Compensation and Employment Standards for School District Employees Not Subject to a Collective Agreement*) as:

- The recruitment pool for these employees
- The destination sector for these employees.

The following considerations guide articulation of the relevant labour market:

- Degree of recruitment from these jurisdictions
- Size of the organization, as size drives the span of control and scope of accountability
- Geographic location
- Transferability of skills
- Comparability of qualifications and experience
- Comparability of authority and consequence of error.

For executive and exempt staff positions in the BC K-12 public education sector, the relevant labour market is:

1. Other BC school districts (primary labour market)
2. Other Canadian school districts (To the extent that BC school districts recruit from and lose employees to these jurisdictions, this segment of the labour market is weighted to Alberta and Ontario (and to a lesser extent, Saskatchewan) consistent with the industry-standard definition of labour market)
3. Other public sector organizations
4. Selected private sector organizations.

The Board’s approach includes:

- Consideration of all components of the total rewards model.
- Consideration of the relevant labour market for compensation comparison purposes.
- Linking pay ranges to neutral, relevant factors (e.g., required skill level, required competencies, job content, required qualifications).
- Ensuring appropriate relationships exist between positions in the district’s compensation hierarchy.
- Considering the ways in which appropriate organizational and individual performance measures may be linked to the administration of the compensation system.

In balancing external competitiveness with internal equity, the Board typically has determined that the reference point for executive and exempt total compensation is the median of the relevant comparator labour market.

The Board's total compensation package for executive staff is comprised of the following elements.

Cash compensation

Annual base salary is considered in the context of the total compensation package. Generally, base salary is targeted at the median of the comparator labour market. Historically the Board has strived to be competitive in terms of remuneration for its exempt staff with other districts in the Vancouver Metro area. The base salary is a single rate structure.

Non-cash compensation

The non-cash elements of the total compensation package include:

- **Health and welfare benefits**, such as basic medical, extended medical, dental, group life, short-term and long-term disability, employee and family assistance program, etc. consistent with such benefits as offered in the K-12 sector generally.
- **Pension benefits** — executive employees are enrolled in either the Teachers' Pension Plan or the Municipal Pension Plan.
- **Paid time off**, including an annual vacation entitlement of 42 days. Pursuant to the *Public Sector Employers Act*, carry forward of unused accumulated vacation is not permitted. If, however, the individual employment contract does allow for carry forward of unused accumulated vacation, then such vacation may be carried forward for one year only and at the end of that year, the unused accumulated vacation must be used in full, paid out, or a combination of the two.

Compensation Administration

The Board engages in consistent and ongoing administration of the compensation structure to ensure that reality matches philosophy and that equity is maintained. An ongoing system of compensation review conducted and managed through BCPSEA and the PSEC Secretariat ensures that total compensation levels are benchmarked externally against the appropriate labour market and internally against appropriate job evaluation criteria.

The Board works with BCPSEA to obtain information and advice relating to the executive and exempt compensation structures and to ensure alignment with the compensation mandates established by PSEC.

▪ Annual base salary administration

The salary structure for the position of Superintendent of Schools is based on placement at the appropriate salary range in the structure reflective of labour market competitiveness and internal equity. Placement and progression through the salary range is dependent upon competency growth and performance. The maximum of the salary range typically represents the job rate for the position, defined as the salary that should be paid to an incumbent who has established him/herself as meeting all the goals and expectations of the position in a fully satisfactory manner. New hires are generally not placed at the job rate on commencement of employment, although due to the key leadership roles and responsibilities, such individuals are generally recruited at a highly competent level and are often placed at the mid- to maximum point in the salary range reflective of the required competence, qualifications, and experience.

The decision whether to grant a salary increase to the position of Superintendent is at the sole discretion of the Board. In determining whether a salary increase is warranted, the Board considers such factors as performance, competence, external competitiveness, and internal equity including the maintenance of appropriate salary differentials through the organization. The Board typically utilizes market compensation data and salary/compensation structures developed by BCPSEA for this position as well as all other positions in the exempt staff structure. Potential increases are considered within the Board's overall compensation budget.

Accountability

Underlying the Board's compensation philosophy and approach is the understanding that legal and regulatory mandates are considered a baseline for implementing any compensation plan or practice. Compensation administration in the K-12 public education sector currently operates within the following context:

- the *Public Sector Employers Act*, which establishes the legislative policy framework for exempt staff compensation administration in the public sector
- the BCPSEA exempt staff compensation management plan (Policy 95-06, *Compensation and Employment Standards for School District Employees Not Subject to a Collective Agreement*), which is an approved compensation plan under the *Public Sectors Employers Act*.
- Compensation mandates adopted by the Public Sector Employers' Council from time to time. Any adjustments to exempt staff compensation levels are considered within the context of the applicable compensation mandate.

Under the current compensation administration system in the K-12 sector:

- the Board of Education is solely responsible for the establishment and maintenance of compensation levels for the position of Superintendent of Schools. As elected school trustees, we are accountable to our public and therefore ensure that we adhere to proper human resources practices with respect to executive and exempt staff compensation.
- the Board must submit proposed compensation adjustments for all other executive and exempt positions in the district to BCPSEA for review and approval prior to implementation.

School District 40 (New Westminster)

Summary Compensation Table at 2017

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2016/2017 Total Compensation	Previous Two Years Totals Total Compensation	
							2015/2016	2014/2015
Patrick Duncan, Superintendent	\$ 175,000	-	\$ 10,665	\$ 24,218	-	\$ 209,883	\$ 191,057	
Janet Grant, Associate Superintendent	\$ 142,605	-	\$ 6,725	\$ 19,583	-	\$ 168,913	\$ 159,295	\$ 152,595
Kevin Lorenz, Secretary Treasurer	\$ 141,477	-	\$ 7,831	\$ 15,698	-	\$ 165,006	\$ 152,506	\$ 113,180

Summary Other Compensation Table at 2017

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Patrick Duncan, Superintendent	-	-	-	-	-	-	-
Janet Grant, Associate Superintendent	-	-	-	-	-	-	-
Kevin Lorenz, Secretary Treasurer	-	-	-	-	-	-	-

Notes

Patrick Duncan, Superintendent	
Janet Grant, Associate Superintendent	
Kevin Lorenz, Secretary Treasurer	

APPENDIX D

Ministry of Education - Capital Division



SEISMIC MITIGATION PROGRAM Projects - 2017/18 Call for

Primary Contact

Name
Dino Stiglich

Long Range Facility Plan

Is It Completed?	Date Completed (mm-yyyy)	Date Updated (mm-yyyy)
Yes	2016-Sept	

[illegible]

Phone
604-517-6314

[illegible]

EXPANSION Projects - 2017/18 Call for Projects (Five-Year Capital Plan Submission)

Primary Contact	Name	Phone
	Dino Stiglich	604-517-8

	Is it Completed?	Date Completed (mm-yyyy)	Date Updated (mm-yyyy)
Long Range Facility Plan	Yes	2016-Sept	

[illegible]

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[illegible]

BUILDING ENVELOPE PROGRAM Projects - 2017/18 Call for Projects (Five-Year C

Primary Contact	Name	Phone
	Dino Stiglich	604-517-6314

	Is it Completed?	Date Completed (mm-yyyy)	Date Updated (mm-yyyy)
Long Range Facility Plan	Yes	2016-sept	

[illegible]

--

[illegible]

Submission Date (yyyy-mm-dd): _____

Email

dstiglich@sd40.bc.ca

FACILITY INFORMATION

[illegible]

			PROJECT SCHEDULE			PROJECT COST			
Estimated Annual Operational/Maintenance Costs	Estimated Annual Savings (\$)	Savings Rationale	Start Date (mm-yyyy)	End Date (mm-yyyy)	Current Project Phase	School Enhancement Funding	SD Contribution	SD Contribution Funding Source	Total Project Cost
\$28,313.75	\$ 6,900.00	of life cycle of equiprr	Oct-16	Mar-18	Tender-Ready	\$ 1,100,000	\$ 200,000	AFG	#####
\$69,800.00	\$ 13,844.23	of life cycle of equiprr	Oct-16	Mar-17	Tender-Ready	\$ 175,000	\$ 30,000	AFG	#####
	\$ -	of life cycle of equiprr	Oct-16	Dec-16	Tender-Ready	\$ 110,000			#####
\$17,200.00	\$ 3,078.84	of life cycle of equiprr	Jun-17	Aug-17	Tender-Ready	\$ 150,000		AFG	#####
	\$ -	life cycle of roof	Jun-17	Aug-17	Tender-Ready	\$ 300,000	\$ 100,000	AFG	#####
	\$ -								\$ -
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	\$ -								\$ -
	\$ 23,823.07					\$ 1,838,000.00	\$ 330,000.00		#####

[illegible]

SCHOOL REPLACEMENT Projects - 2017/18 Call for Projects (Five-Year Capital Plan)

	Name	Phone
Primary Contact		

	Is It Completed?	Date Completed (mm-yyyy)	Date Updated (mm-yyyy)
Long Range Facility Plan			

[illegible]

Submission)

[illegible]

Submission Date (yyyy-mm-dd)

Email
dstiglich@sd40.bc.ca

	PROJECT COST				PROJECT SCHEDULE			ENERGY COST SAVINGS		
Project Benefits	CNCP Funding	SD Contribution	Other Funding	Total Project Cost	Start Date (month-year)	End Date (month-year)	Current Phase	Annual Fuel Cost Savings	Annual Electricity Cost Savings	Total Cost Savings
cost savings and reduce carbon offset	\$ 250,000	\$ 75,000		\$ 325,000	Jun-17	Sep-17	Tender Ready	\$ 3,800	\$ -	\$ 3,800
				\$ -						\$ -
				\$ -						\$ -
	\$ 250,000	\$ 75,000	\$ -	\$ 325,000						\$ 3,800

ENERGY AND EMISSION REDUCTIONS

2016 Smart Tool Emissions (TCO2e)	Fuel Type	Annual Fuel Usage Reduction (GJ)	Annual Avoided Emissions (TCO2e)	Electricity Supplier	Annual Electricity Usage Reduction (kWh)	Annual Avoided Emissions (TCO2e)	Total Annual Avoided Emissions (TCO2e)	Annual Emissions Reduction from 2016	Annual Avoided Carbon Offsets	Payback Period (years)
76.5	07. Natural Gas	379	19	03. BC Hydro	0	-	19	25%	\$ 471	76
			-			-	-	0%	\$ -	0
			-			-	-	0%	\$ -	0
77		379	19		-	-	19	25%	\$ 471	

SUPPLEMENTAL INFORMATION

Energy Study Attached	Energy Study (yyyy-mm-dd)	Mechanical Study Attached	Mechanical Study (yyyy-mm-dd)	VFA Requirement	VFA Priority	VFA 1-page report attached	Technology Industry Proven	Technology Previously Used by SD
Yes	1/15/2016	Yes	1/15/2016	Yes	Immediate	Yes	Yes	Yes

APPENDIX E



The Canada Green Building Council
hereby confers the rating of

Le Conseil du bâtiment durable du Canada
confère la certification

LEED® Canada Gold

LEED® Canada Or

to the au

Qayqayt Elementary School (New Westminster)

This certificate acknowledges the project has achieved
the required prerequisites and credits under the
Leadership in Energy and Environmental Design
(LEED®) Canada Rating System for
**New Construction and
Major Renovations (version 2009)**



Ce certificat atteste que le projet a respecté les conditions
préalables et a obtenu les crédits requis en vertu du Système
d'évaluation des bâtiments durables de « LEED® (Leadership
in Energy and Environmental Design) Canada » pour

**Les nouvelles constructions et
les rénovations majeures, version 2009**

July 21, 2017

AWARDED / EN DATE DU

THOMAS MUELLER, PRESIDENT / PRÉSIDENT