

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

Version: 5552-4806-2824

### 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)

Signed copy on file Sept 26, 2017  
Signature of the Chairperson of the Board of Education Date Signed

Signed copy on file Sept 26, 2017  
Signature of the Superintendent Date Signed

Signed copy on file Sept 26/17  
Signature of the Secretary Treasurer Date Signed



KPMG LLP  
Metro Tower I  
4710 Kingsway, Suite 2400  
Burnaby BC V5H 4M2  
Canada  
Telephone (604) 527-3600  
Fax (604) 527-3636

## **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.

*KPMG LLP*

Chartered Professional Accountants

September 19, 2017

Burnaby, Canada

# School District No. 40 (New Westminster)

Consolidated Statement of Financial Position

As at June 30, 2017

	2017 Actual \$	2016 Actual \$
<b>Financial Assets</b>		
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
<b>Total Financial Assets</b>	<b>24,282,113</b>	<b>22,709,271</b>
<b>Liabilities</b>		
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
<b>Total Liabilities</b>	<b>93,193,617</b>	<b>85,602,961</b>
<b>Net Financial Assets (Debt)</b>	<b>(68,911,504)</b>	<b>(62,893,690)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	92,837,659	84,699,820
Prepaid Expenses	55,603	156,268
<b>Total Non-Financial Assets</b>	<b>92,893,262</b>	<b>84,856,088</b>
<b>Accumulated Surplus (Deficit)</b>	<b>23,981,758</b>	<b>21,962,398</b>

Contractual Obligations and Contingencies (Note 13)

Approved by the Board

<p style="color: blue; font-size: 1.2em; margin: 0;">Signed copy on file</p>	<p style="font-size: 1.2em; margin: 0;">Sept 26, 2017</p>
Signature of the <del>Chairperson</del> of the Board of Education	Date Signed
<p style="color: blue; font-size: 1.2em; margin: 0;">Signed copy on file</p>	<p style="font-size: 1.2em; margin: 0;">Sept 26, 2017</p>
Signature of the Superintendent	Date Signed
<p style="color: blue; font-size: 1.2em; margin: 0;">Signed copy on file</p>	<p style="font-size: 1.2em; margin: 0;">Sept 26/17</p>
Signature of the Secretary Treasurer	Date Signed

# School District No. 40 (New Westminster)

## Consolidated Statement of Operations

Year Ended June 30, 2017

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

**School District No. 40 (New Westminster)**  
 Consolidated Statement of Changes in Net Financial Assets (Debt)  
 Year Ended June 30, 2017

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

# School District No. 40 (New Westminster)

Statement 5

## Consolidated Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual \$	2016 Actual \$
<b>Operating Transactions</b>		
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)
<b>Total Operating Transactions</b>	<b>1,912,858</b>	<b>2,489,101</b>
<b>Capital Transactions</b>		
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)
<b>Total Capital Transactions</b>	<b>(10,167,414)</b>	<b>(9,809,804)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	9,723,125	9,286,978
<b>Total Financing Transactions</b>	<b>9,723,125</b>	<b>9,286,978</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,468,569</b>	<b>1,966,275</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>22,214,212</b>	<b>20,247,937</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>23,682,781</b>	<b>22,214,212</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	23,682,781	22,214,212
<b>Supplementary Cash Flow Information</b>	<b>23,682,781</b>	<b>22,214,212</b>

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

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**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**

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**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**

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**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**

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**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**

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**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**

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**NOTE 3      ACCOUNTS RECEIVABLE**

	<b>2017</b>	<b>2016</b>
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**

	<b>2017</b>	<b>2016</b>
Accounts Payable and Accrued Liabilities:		
Accounts Payable Other		
Trade payables	\$ 2,362,793	\$ 3,268,596
Employee Vacation Payable	455,878	289,355
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**

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

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

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**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.

	2017	2016
<b>Balance, beginning of year</b>	<b>\$ 2,007,797</b>	<b>\$ 1,374,220</b>
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
	<b>5,610,960</b>	<b>5,565,522</b>
Decreases:		
Allocated to Revenue	5,364,810	4,931,945
Net Change for the year	<b>246,150</b>	<b>633,577</b>
<b>Balance, end of year</b>	<b>\$ 2,253,947</b>	<b>\$ 2,007,797</b>

**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.

	2017	2016
<b>Deferred Capital Revenue</b>		
<b>Balance, beginning of year</b>	<b>\$ 70,563,404</b>	<b>\$ 62,883,743</b>
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
	<b>9,723,125</b>	<b>9,286,978</b>
Decreases:		
Amortization	1,633,389	1,607,317
Net Change for the year	<b>1,633,389</b>	<b>1,607,317</b>
<b>Balance, end of year</b>	<b>\$ 78,653,140</b>	<b>\$ 70,563,404</b>

**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.

	<b>2017</b>	<b>2016</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
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	(10,529)	(574,613)
	<b>\$ 2,891,033</b>	<b>\$ 2,893,269</b>
<b>Accrued Benefit Obligation – March 31</b>		
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 2,891,033	\$ 2,893,269
Market Value of Plan Assets – March 31	-	-
Funded Status – (Deficit)	2,891,033)	2,893,269)
Employer Contribution After Measurement Date	(85,698)	(216,956)
Employer Expense After Measurement Date	77,578	76,087
Unamortized Net Actuarial (Gain) Loss	300,517	317,771
	<b>\$ 3,183,430</b>	<b>\$ 3,070,171</b>
<b>Accrued Benefit Obligation – June 30</b>		
<b>Accrued Benefit Liability -July 1</b>		
Accrued Benefit Liability - July 1	3,070,171	3,091,685
Net expense for Fiscal Year	278,058	361,911
Employer Payments	(164,799)	(383,425)
	<b>\$ 3,183,430</b>	<b>\$ 3,070,171</b>
<b>Accrued Benefit Obligation – June 30</b>		
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 228,882	\$ 261,189
Interest Cost	76,960	77,654
Amortization of Net Actuarial Gain	(27,784)	23,068
	<b>\$ 278,058</b>	<b>\$ 361,911</b>
<b>Net Benefit Expense</b>		
<b>Assumptions</b>		
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	\$ 92,837,659	\$ 84,699,820

**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
<b>Total</b>	<b>\$ 117,539,769</b>	<b>\$ 10,167,414</b>	<b>\$ (83,349)</b>	<b>\$ -</b>	<b>\$ 127,623,834</b>

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
<b>Total</b>	<b>\$ 32,839,949</b>	<b>\$ 2,029,575</b>	<b>\$ (83,349)</b>	<b>\$ -</b>	<b>\$ 34,786,175</b>

**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
	<b>\$107,894,647</b>	<b>\$ 9,809,804</b>	<b>\$ (164,682)</b>	<b>\$ -</b>	<b>\$ 117,539,769</b>

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
	<b>\$ 31,169,684</b>	<b>\$ 1,834,947</b>	<b>\$ (164,682)</b>	<b>\$ -</b>	<b>\$ 32,839,949</b>

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

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**NOTE 10      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusted 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 Annual Budget	Adjustments	2017 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	<u>7,044.438</u>	<u>(188.438)</u>	<u>6,856.000</u>
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	<u>\$ 72,200,784</u>	<u>\$ (2,100,969)</u>	<u>\$ 70,099,815</u>
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	<u>72,588,741</u>	<u>(2,244,133)</u>	<u>70,344,608</u>
Net Revenue (Expense)	<u>(387,957)</u>	<u>143,164</u>	<u>(244,793)</u>
Budget Allocation (Retirement) of Surplus (Deficit)	1,038,487	787,667	250,820
Budget Surplus Deficit for the Year	<u>650,530</u>	<u>644,503</u>	<u>6,027</u>
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	<u>\$ 650,530</u>	<u>\$ 644,503</u>	<u>\$ 6,027</u>

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

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**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
<b>Totals</b>	<b>\$ 359,230</b>	<b>\$ 366,106</b>

**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	<b>\$ 61,069,640</b>	\$ 59,834,628
Services and supplies	<b>8,797,881</b>	8,642,724
Amortization	<b>2,029,575</b>	1,834,947
<b>Totals</b>	<b>\$ 71,897,096</b>	<b>\$ 70,312,299</b>

**NOTE 16 ACCUMULATED SURPLUS**

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

**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**

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

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

Accumulated Surplus (Deficit), end of year - Statement 2

# School District No. 40 (New Westminster)

Schedule of Operating Operations

Year Ended June 30, 2017

Schedule 2 (Unaudited)

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
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
<b>Total Revenue</b>	<u>65,689,470</u>	<u>66,914,579</u>	<u>65,771,405</u>
<b>Expenses</b>			
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
<b>Total Expense</b>	<u>65,877,957</u>	<u>64,698,427</u>	<u>63,545,407</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(188,487)</u>	<u>2,216,152</u>	<u>2,225,998</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>1,038,487</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(850,000)	(1,339,033)	(924,985)
<b>Total Net Transfers</b>	<u>(850,000)</u>	<u>(1,339,033)</u>	<u>(924,985)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u>877,119</u>	<u>1,301,013</u>
<b>Operating Surplus (Deficit), beginning of year</b>		3,157,784	1,856,771
<b>Operating Surplus (Deficit), end of year</b>		<u>4,034,903</u>	<u>3,157,784</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted (Note 16)		2,415,346	1,792,764
Unrestricted		1,619,557	1,365,020
<b>Total Operating Surplus (Deficit), end of year</b>		<u>4,034,903</u>	<u>3,157,784</u>

# School District No. 40 (New Westminster)

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
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	-
<b>Total Provincial Grants - Ministry of Education</b>	<b>59,657,146</b>	<b>60,494,341</b>	<b>59,124,582</b>
<b>Provincial Grants - Other</b>	<b>-</b>	<b>136,782</b>	<b>95,400</b>
<b>Federal Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tuition</b>			
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
<b>Total Tuition</b>	<b>5,311,824</b>	<b>5,365,530</b>	<b>5,709,907</b>
<b>Other Revenues</b>			
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
<b>Total Other Revenue</b>	<b>355,500</b>	<b>389,984</b>	<b>435,556</b>
<b>Rentals and Leases</b>	<b>165,000</b>	<b>309,671</b>	<b>224,601</b>
<b>Investment Income</b>	<b>200,000</b>	<b>218,271</b>	<b>181,359</b>
<b>Total Operating Revenue</b>	<b>65,689,470</b>	<b>66,914,579</b>	<b>65,771,405</b>

# School District No. 40 (New Westminster)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Salaries</b>			
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
<b>Total Salaries</b>	<b>46,864,677</b>	<b>46,383,300</b>	<b>45,248,536</b>
<b>Employee Benefits</b>	<b>12,273,839</b>	<b>11,504,076</b>	<b>11,838,492</b>
<b>Total Salaries and Benefits</b>	<b>59,138,516</b>	<b>57,887,376</b>	<b>57,087,028</b>
<b>Services and Supplies</b>			
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
<b>Total Services and Supplies</b>	<b>6,739,441</b>	<b>6,811,051</b>	<b>6,458,379</b>
<b>Total Operating Expense</b>	<b>65,877,957</b>	<b>64,698,427</b>	<b>63,545,407</b>

# School District No. 40 (New Westminster)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
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
<b>Total Function 1</b>	<b>41,292,391</b>	<b>10,295,283</b>	<b>51,587,674</b>	<b>3,396,768</b>	<b>54,984,442</b>	<b>55,732,306</b>	<b>54,626,277</b>
<b>4 District Administration</b>							
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
<b>Total Function 4</b>	<b>2,032,099</b>	<b>387,114</b>	<b>2,419,213</b>	<b>559,498</b>	<b>2,978,711</b>	<b>3,311,421</b>	<b>2,280,791</b>
<b>5 Operations and Maintenance</b>							
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
<b>Total Function 5</b>	<b>2,941,430</b>	<b>813,396</b>	<b>3,754,826</b>	<b>2,764,605</b>	<b>6,519,431</b>	<b>6,615,540</b>	<b>6,437,091</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation	117,380	8,283	125,663	90,180	215,843	218,690	201,248
<b>Total Function 7</b>	<b>117,380</b>	<b>8,283</b>	<b>125,663</b>	<b>90,180</b>	<b>215,843</b>	<b>218,690</b>	<b>201,248</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>46,383,300</b>	<b>11,504,076</b>	<b>57,887,376</b>	<b>6,811,051</b>	<b>64,698,427</b>	<b>65,877,957</b>	<b>63,545,407</b>

# School District No. 40 (New Westminster)

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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
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
<b>Total Function 1</b>	<b>28,730,204</b>	<b>3,222,004</b>	<b>4,930,457</b>	<b>2,138,997</b>	<b>548,598</b>	<b>1,722,131</b>	<b>41,292,391</b>
<b>4 District Administration</b>							
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
<b>Total Function 4</b>	<b>-</b>	<b>113,225</b>	<b>-</b>	<b>505,509</b>	<b>1,407,202</b>	<b>6,163</b>	<b>2,032,099</b>
<b>5 Operations and Maintenance</b>							
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							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,525,481</b>	<b>391,346</b>	<b>24,603</b>	<b>2,941,430</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				114,673		2,707	117,380
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,673</b>	<b>-</b>	<b>2,707</b>	<b>117,380</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>28,730,204</b>	<b>3,335,229</b>	<b>4,930,457</b>	<b>5,284,660</b>	<b>2,347,146</b>	<b>1,755,604</b>	<b>46,383,300</b>

# School District No. 40 (New Westminster)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations  
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Revenues</b>			
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
<b>Total Revenue</b>	<u>4,876,925</u>	<u>5,364,810</u>	<u>4,931,945</u>
<b>Expenses</b>			
Instruction	4,620,975	5,108,860	4,675,995
District Administration	60,234	60,234	255,950
<b>Total Expense</b>	<u>4,681,209</u>	<u>5,169,094</u>	<u>4,931,945</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>195,716</u>	<u>195,716</u>	<u>-</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(195,716)	(195,716)	-
<b>Total Net Transfers</b>	<u>(195,716)</u>	<u>(195,716)</u>	<u>-</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	-	35,017	444,054	40,515	1,295,293	-	5,914	18,026
<b>Add: Restricted Grants</b>									
Provincial Grants - Ministry of Education	255,950	1,182,250	-	132,885	-	1,433,333	96,736	19,600	151,244
Other	-	-	-	-	-	-	-	-	-
<b>Less: Allocated to Revenue</b>	255,950	1,182,250	8,827	129,324	40,515	1,472,609	96,736	17,434	144,038
<b>Deferred Revenue, end of year</b>	-	-	26,190	447,615	-	1,256,017	-	8,080	25,232
<b>Revenues</b>									
Provincial Grants - Ministry of Education	255,950	1,182,250	8,827	129,324	40,515	1,472,609	96,736	17,434	144,038
Other Revenue	-	-	-	-	-	-	-	-	-
<b>Expenses</b>									
Salaries	-	-	-	-	-	-	-	-	-
Teachers	-	722,895	-	-	-	-	-	200	55,954
Educational Assistants	-	224,096	-	-	-	-	-	-	-
Support Staff	-	-	-	-	-	-	69,024	-	-
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	21,372	-	-	-	-	-	3,688	5,734
Employee Benefits	-	968,363	-	-	-	-	69,024	4,042	61,688
Services and Supplies	60,234	213,887	8,827	129,324	40,515	1,472,609	26,485	719	19,735
Tangible Capital Assets Purchased	60,234	1,182,250	8,827	129,324	40,515	1,472,609	1,227	12,673	62,615
<b>Net Revenue (Expense) before Interfund Transfers</b>	195,716	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(195,716)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

**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
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	109,209				13,605	19,275	26,889	2,007,797
<b>Add: Restricted Grants</b>								
Provincial Grants - Ministry of Education	1,490,005	63,756	596,010	4,650		8,888	100,466	3,855,551
Other	75,187							1,755,409
<b>Less: Allocated to Revenue</b>	1,565,192	63,756	596,010	4,650		8,888	100,466	5,610,960
<b>Deferred Revenue, end of year</b>	1,507,295	1,658	375,607	3,065	13,605	13,718	102,179	5,364,810
	<b>167,106</b>	<b>62,098</b>	<b>270,403</b>	<b>1,585</b>	<b>-</b>	<b>14,445</b>	<b>25,176</b>	<b>2,253,947</b>
<b>Revenues</b>								
Provincial Grants - Ministry of Education	1,507,295	1,658	375,607	3,065	13,605	13,718	102,179	3,643,915
Other Revenue	1,507,295	1,658	375,607	3,065	13,605	13,718	102,179	1,720,895
<b>Expenses</b>								
Salaries								
Teachers	513,127							1,587,004
Educational Assistants	437,912							672,980
Support Staff	78,160				10,972			147,338
Other Professionals	36,237						60,713	96,950
Substitutes	3,126		6,613					40,533
Employee Benefits	1,068,562		301,441		10,972		60,713	2,544,805
Services and Supplies	282,888		74,166		2,633		16,946	637,459
	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
<b>Net Revenue (Expense) before Interfund Transfers</b>								
	-	-	-	-	-	-	-	195,716
<b>Interfund Transfers</b>								
Tangible Capital Assets Purchased								(195,716)
<b>Net Revenue (Expense)</b>								
	-	-	-	-	-	-	-	(195,716)

# School District No. 40 (New Westminster)

Schedule of Capital Operations  
Year Ended June 30, 2017

Schedule 4 (Unaudited)

	2017 Budget	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
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
<b>Total Revenue</b>	<u>1,634,389</u>	<u>1,633,389</u>	<u>3,678</u>	<u>1,637,067</u>	<u>1,618,216</u>
<b>Expenses</b>					
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
<b>Total Expense</b>	<u>2,029,575</u>	<u>2,029,575</u>	<u>-</u>	<u>2,029,575</u>	<u>1,834,947</u>
<b>Capital Surplus (Deficit) for the year</b>	<u>(395,186)</u>	<u>(396,186)</u>	<u>3,678</u>	<u>(392,508)</u>	<u>(216,731)</u>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	1,045,716	1,534,749		1,534,749	924,985
<b>Total Net Transfers</b>	<u>1,045,716</u>	<u>1,534,749</u>	<u>-</u>	<u>1,534,749</u>	<u>924,985</u>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		156,032	(156,032)	-	
<b>Total Other Adjustments to Fund Balances</b>		<u>156,032</u>	<u>(156,032)</u>	<u>-</u>	
<b>Total Capital Surplus (Deficit) for the year</b>	<u>650,530</u>	<u>1,294,595</u>	<u>(152,354)</u>	<u>1,142,241</u>	<u>708,254</u>
<b>Capital Surplus (Deficit), beginning of year</b>		<u>18,401,688</u>	<u>402,926</u>	<u>18,804,614</u>	<u>18,096,360</u>
<b>Capital Surplus (Deficit), end of year</b>		<u>19,696,283</u>	<u>250,572</u>	<u>19,946,855</u>	<u>18,804,614</u>

# School District No. 40 (New Westminster)

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
<b>Changes for the Year</b>							
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
Local Capital			122,265				156,032
Transferred from Work in Progress		20,726,876					20,849,141
Local Capital		21,912,098	551,223	14,483		895,592	23,373,396
Decrease:							
Deemed Disposals					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
<b>Accumulated Amortization, beginning of year</b>							
<b>Changes for the Year</b>							
Increase: Amortization for the Year		32,499,254	117,386	89,331	28,495	105,483	32,839,949
Decrease:							
Deemed Disposals		1,761,429	61,114	16,777	9,141	181,114	2,029,575
Accumulated Amortization, end of year		34,260,683	178,500	106,108	18,919	221,965	34,786,175
<b>Tangible Capital Assets - Net</b>	<b>13,308,712</b>	<b>76,946,303</b>	<b>983,861</b>	<b>76,146</b>	<b>8,071</b>	<b>1,514,566</b>	<b>92,837,659</b>

# 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
<b>Changes for the Year</b>					
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
<b>Net Changes for the Year</b>	(13,205,982)	-	-	-	(13,205,982)
<b>Work in Progress, end of year</b>	<b>9,060,494</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,060,494</b>

# 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
<b>Deferred Capital Revenue, beginning of year</b>	\$ 43,991,829	\$	\$ 46,225	\$ 44,038,054
<b>Changes for the Year</b>				
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
<b>Net Changes for the Year</b>	19,961,756	-	87,470	20,049,226
<b>Deferred Capital Revenue, end of year</b>	63,953,585	-	133,695	64,087,280
<b>Work in Progress, beginning of year</b>	20,258,424	2,008,047		22,266,471
<b>Changes for the Year</b>				
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
<b>Net Changes for the Year</b>	(13,205,982)	-	-	(13,205,982)
<b>Work in Progress, end of year</b>	7,052,442	2,008,047	-	9,060,489
<b>Total Deferred Capital Revenue, end of year</b>	71,006,027	2,008,047	133,695	73,147,769

# School District No. 40 (New Westminster)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2017

	Bylaw Capital	MEEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	1,540,933			2,717,946		4,258,879
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	8,914,960		123,856			8,914,960
Provincial Grants - Other				554,643	88,750	123,856
Other				40,916		643,393
Investment Income	(2,173)	2,173				40,916
Transfer project surplus to MEEd Restricted (from) Bylaw	8,912,787	2,173	123,856	595,559	88,750	-
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
<b>Net Changes for the Year</b>	524,904	2,173	123,856	595,559	-	1,246,492
<b>Balance, end of year</b>	<b>2,065,837</b>	<b>2,173</b>	<b>123,856</b>	<b>3,313,505</b>	<b>-</b>	<b>5,505,371</b>