



**BOARD OF EDUCATION
SD NO. 40 (NEW WESTMINSTER)
OPERATIONS POLICY AND PLANNING COMMITTEE
AGENDA**

Tuesday, September 15, 2020

6:15 pm

Via Webex

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

Pages

1. Approval of Agenda 6:15 PM

Recommendation:

THAT the agenda for the September 15, 2020 Operations Policy and Planning Committee meeting be adopted as distributed.

2. Presentation

- a. 2019-20 Audit Findings Report (Andrew Bordignon & Tim Holloway, KPMG) 6:20 PM 3

- i. 2019-20 Year-End Review (B. Ketcham) 35

Recommendation:

THAT the Operations Policy and Planning Committee recommend to the Board of Education of School District No. 40 (New Westminster) approval of the 2019-20 Financial Statements as presented.

3. Comment & Question Period from Visitors

Please note that we will answer questions during Question Period near the end of the meeting.

4. Reports from Senior Management

- | | | | |
|----|---|---------|-----|
| a. | Capital Projects Update | 7:00 PM | |
| | i. Richard McBride Elementary School (D. Crowe) | | 102 |
| | ii. New Westminster Secondary School (D. Crowe / G. Lachmuth) | | 106 |
| b. | Operations Update (B. Ketcham) | 7:20 PM | |
| | i. July-September 2020 Operations Update | | 116 |
| | ii. COVID-19 Special Purpose Funding Grants | | 119 |
| c. | Richard McBride Elementary School Re-naming Proposal (K. Hachlaf) | 7:40 PM | 122 |

Recommendation:

THAT the Operations Policy and Planning Committee recommend to the Board of Education of School District No. 40 (New Westminster) approval of the creation of the re-naming committee for Richard McBride Elementary School and the proposed timeline.

- | | | | |
|----|---|---------|-----|
| d. | 2020-21 Board and Committee Meeting Schedule (B. Ketcham) | 8:00 PM | 127 |
|----|---|---------|-----|

Recommendation:

THAT the Operations Policy and Planning Committee recommend to the Board of Education of School District No. 40 (New Westminster) approval of the revised 2020-21 Board and Committee Meeting Schedule.

5. General Announcements 8:20 PM

6. New Business

- | | | | |
|----|---|---------|--|
| a. | Motions to BCSTA Provincial Council (Oct.23-24, 2020 via Zoom) (Trustee Connelly) | 8:25 PM | |
|----|---|---------|--|

7. Old Business 8:35 PM

8. Question Period (15 Minutes) 8:40 PM

Questions to the Chair on matters that arose during the meeting.

9. Adjournment 8:55 PM



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INDEPENDENT AUDITORS' REPORT

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

To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 40 (New Westminster), (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2020
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

We obtained the unaudited schedules as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants

Vancouver, Canada

School District No. 40 (New Westminster)

Audit Findings Report
for the year ended
June 30, 2020

KPMG LLP

DATED SEPTEMBER 10, 2020 FOR PRESENTATION
TO THE OPERATIONS POLICY & PLANNING
COMMITTEE ON SEPTEMBER 15, 2020

kpmg.ca/audit



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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours**.

This Audit Findings Report should not be used for any other purpose or by anyone other than those charged with governance. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Executive summary



Purpose of this report

The purpose of this Audit Findings Report is to assist you, as a member of the Operations Policy & Planning Committee (the “Committee”), in your review of the results of our audit of the financial statements of School District No. 40 (New Westminster) (the “District”) as at and for the year ended June 30, 2020.

This Audit Findings Report builds on the Audit Planning Report dated May 20, 2020 that was previously communicated to you.



Changes from the Audit Plan

There have been no significant changes regarding our audit plan from the Audit Planning Report previously presented to you.



Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completion of subsequent event review procedures with management;
- Completing our discussions with the Committee;
- Obtaining evidence of the Board of Education’s (the “Board”) approval of the financial statements; and,
- Receipt of the signed management representation letter, to be dated upon approval of the financial statements.

We will update the Committee on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors’ report will be dated upon the completion of any remaining procedures.



Executive summary (continued)



Areas of audit focus

As part of the planning process, we did not identify any significant audit risks. However, we identified areas of audit focus which include:

- Audit response to COVID-19 Pandemic
- Non-capital deferred contributions
- Tangible capital assets and deferred capital contributions
- School generated funds
- Employee future benefits and salaries
- Auditors' Opinion – Compliance Framework

We are satisfied that our audit work has appropriately dealt with these areas of focus.

See pages 4 to 8 for more details.



Adjustments and differences

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

We did not identify adjustments that were communicated to management and subsequently corrected in the financial statements.

We identified differences that remain uncorrected. Professional standards require that we request of management and the Committee that all identified adjustments or differences be corrected. We have already made this request of management.

See page 10 and Appendix 3 for more details.

Executive summary (continued)

Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

The presentation and disclosure of the financial statements are, 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. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

Control and other observations

In accordance with professional standards, we are required to communicate to the Committee any control deficiencies that we determined, individually or in the aggregate, to be significant.

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

See page 11 for more details.

Independence

We confirm that we are independent with respect to the District within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from July 1, 2019 up to the date of this report.

Current developments

Significant updates to the current developments included in our Audit Planning Report previously provided to the Committee is included in Appendix 4. See Appendix 5 for COVID-19 resources.

Areas of audit focus and results

We highlight our significant findings in respect of our areas of audit focus, as well as any additional significant risks identified.

Area of audit focus	Background
Audit response to COVID-19 pandemic	On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant impact on the economy, governments, businesses, and communities. As such enhanced procedures are warranted.

Our audit approach

- We obtained an understanding of any changes to process activities and controls and noted no significant changes have been implemented by management with respect to financial reporting.
- We reviewed management's assessment of the implications of COVID-19 to operations and the financial effects, and assessed the appropriateness. Other than the disclosure adjustment related to the Accrued Benefit Obligation as discussed above, we noted no other impact resulting in adjustments to the fiscal 2020 financials.
- Management has included additional disclosure in the notes to the financial statements with respect to the COVID-19 event and nature of any potential impact to the District.
- See Appendix 5 for further details on KPMG COVID-19 resources available.



Areas of audit focus and results (continued)

Area of audit focus	Why is it significant?	Our response and significant findings
Non-capital deferred contributions	<p>The District receives restricted contributions. These amounts are received for specific purposes and are deferred until the associated stipulations have been fulfilled.</p>	<ul style="list-style-type: none"> - We updated our understanding of the activities with respect to contributions received to ensure that revenues are appropriately deferred in accordance with their stipulations. - We obtained documentation indicating that contributions received are for a specific purpose and considered the appropriateness of management’s accounting for these contributions in the financial statements. - We ensured that expenses recorded on the financial statements for which the revenue was recognized are related specifically to their intended purpose. - No issues were noted in our audit testing.
Tangible capital assets and deferred capital contributions	<p>The District has various capital projects ongoing through the year, most notably the construction of New Westminster Secondary School.</p> <p>The District defers restricted contributions received for the acquisition of capital assets. Once spent, the contributions are amortized into revenue over the life of the asset acquired.</p>	<ul style="list-style-type: none"> - We updated our understanding of the process over contributions received, the acquisitions made or construction of related tangible capital assets and amortization of the assets and deferred capital contributions. - We vouched a sample of asset additions to determine appropriate treatment as capital and performed test of details over contributions received to ensure that contributions are appropriately deferred in accordance with the stated accounting policy. - Due to the use of the Ministry of Education’s amortization tool, tangible capital assets have been historically overstated due to a delay in the commencement of amortization. As at June 30, 2020, the total overstatement of tangible capital assets for assets, which is offset by an overstatement in deferred capital contributions, remains as an uncorrected adjustment (See Appendix 3). - We reviewed the reasonableness of amortization expense and amortization of deferred capital revenue to ensure amortization is being recognized on the same basis as the amortization of the related tangible capital asset and performed a detailed analysis to determine the total departure from accounting standards due to the use of the amortization tool discussed above. - We reviewed agreements for contractual commitments and related disclosure requirements.



Areas of audit focus and results (continued)

Area of audit focus	Why is it significant?	Our response and significant findings
School generated funds	There is a substantial amount of money that flows through the schools, which is accounted for and reported by the administrative staff at each school.	<ul style="list-style-type: none"> - We updated our understanding of the cash handling and processing activities with respect to school generated funds. - We reviewed school bank reconciliations, agreed them to the related bank statements received directly from the bank and tested for any significant reconciling items with no issues noted. - We performed substantive analytical procedures over school generated funds revenue recognized in the year. - No issues were noted in our audit testing.
Employee future benefits and salaries	Employee future benefits and salaries are a significant portion of the District's operations.	<ul style="list-style-type: none"> - The Ministry of Education, on behalf of all School Districts in BC, engages an external actuary to determine the obligations and related costs for both vested and non-vested benefits, which include sick leave, retirement incentive, severance and vacation offered as part of the District's collective agreements. - We used the work of Mercer to provide audit evidence. As such, we reviewed the assumptions used by Mercer, and have concluded that the actuarial assumptions used were reasonable. - We reviewed the disclosures within the financial statements and agreed them to the actuarial report. - We updated our understanding of the activities over the initiation, authorization, and recording of the payroll process. - We performed analytical procedures to understand the change in payroll and benefits relative to the prior year. We corroborated all significant variances noted by reviewing supporting documentation. - We noted that the District's Accrued Benefit Obligation ("ABO") is calculated annually at March 31 (early measurement date) by Mercer, and is used as the basis for a roll forward and reconciliation of payments to June 30 to determine the employee future benefit liability as at June 30, 2020 for financial statement reporting. Canadian Public Sector Accounting Standards ("PSAS") requires that any significant changes in assumptions between the measurement date and the financial statement date should be evaluated to determine its impact on the actuarial valuation for retirement benefits. PSAS also require that any resulting change in actuarial gains and losses should be amortized in a systematic and rational manner over the expected average remaining service life of the related employee group commencing in the period following the determination of the adjustment.



Areas of audit focus and results (continued)

Area of audit focus	Why is it significant?	Our response and significant findings
Employee future benefits and salaries (continued)		<ul style="list-style-type: none"> - Subsequent to the March 31, 2020 ABO calculation, the COVID-19 outbreak was declared a pandemic and the collective agreements for teachers were ratified. As a result of these events, a change in the discount rate assumption and the salary assumption calculated by Mercer resulted in an immaterial potential increase in ABO. This increase would also be added to the unamortized (gain)/loss that would be amortized over the Expected Average Remaining Service Lifetime (“EARSL”) in subsequent years. As such there is no impact to the net employee future benefit liability presented on the statement of financial position as at June 30, 2020. However, the notes to the financial statements disclose the gross amount of ABO and unamortized (gain)/loss and have not been updated for the change in assumptions. The presentation difference is not considered material to the financial statements given it does not impact the accrued benefit obligation recognized on the statement of financial position, with the difference being confined to the unamortized (gain)/loss which is only presented in the notes to the financial statements. If the unamortized (gain)/loss is not adjusted, the annual amortization of net actuarial (gain)/loss in subsequent periods will be incorrect. As the annual amortization is calculated over the EARSL, the difference in subsequent periods would not be material. The presentation adopted by the District is consistent with many other Districts throughout the Province. - Aside from the uncorrected presentation difference noted above, no issues were noted in our audit testing.
Auditors’ Opinion - Compliance Framework	The District’s financial statements are prepared in accordance with a compliance framework.	<ul style="list-style-type: none"> - The financial statements are prepared under PSAS, supplemented by the requirements of Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. - These regulations direct the District to apply PSAS, except in regard to accounting for restricted contributions. Under the regulations, capital contributions are to be deferred and amortized on the same basis as the amortization of the related tangible capital assets, not in accordance with the underlying stipulations on the funding, as required under PSAS. - As a result, the District’s revenue recognized in the statement of operations and certain related deferred capital revenue would have been recorded differently under PSAS. - Due to the deviation from PSAS general purpose framework, the District’s financial statements are considered to be prepared under a compliance framework. As such, our audit opinion is modified to state that the District is in compliance with the disclosed framework. It is referred to as a compliance opinion, instead of a general-purpose fair presentation opinion.



Audit risks

Professional requirements

Fraud risk from management override of controls.

Why is it significant?

This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.

Our audit approach

Our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments;
- Performing a retrospective review of significant estimates; and
- Evaluating the business rationale of significant unusual transactions.

There were no significant issues noted in our testing.



Significant accounting policies and practices

The following items relate to the qualitative aspects of accounting practices of the District:



Significant accounting policies

- There were no changes to the critical accounting policies and practices.
- There were no changes in significant accounting policies.
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of the District's transactions in relation to the period in which they are recorded.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transitions.



Significant accounting estimates

- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.
- There were no significant factors affecting the District's asset and liability carrying values.



Significant disclosures

- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures and uncertainties.



Adjustment and differences



Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the audit committee that all identified adjustments or differences be corrected. We have already made this request of management.

Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

Uncorrected differences

The management representation letter includes the Summary of Uncorrected Audit Misstatements, which discloses the impact of all uncorrected misstatements considered to be other than clearly trivial.

Based on both qualitative and quantitative considerations, management have decided not to correct certain differences and represented to us that the differences—individually and in the aggregate—are, in their judgment, not material to the financial statements. We concur with management’s representation that the differences are not material to the financial statements. Accordingly, the differences have no effect on our auditors’ report.

Control and other observations



In accordance with professional standards, we are required to communicate to the Committee any control deficiencies that we identified during the audit and have determined to be material weaknesses or significant deficiencies in ICFR.

As your auditors, we are required to obtain an understanding of internal control over financial reporting (“ICFR”) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described in the preceding paragraph and was not designed to identify all control deficiencies that might be significant deficiencies and other control deficiencies have been identified. Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing and extent of audit procedures performed, as well as other factors.

In accordance with professional standards, we are required to communicate to the Committee any control deficiencies that we identified during the audit and have determined to be material weaknesses or significant deficiencies in internal control over financial reporting. **No significant deficiencies in ICFR have been identified.**



Appendices



Appendix 1: Required communications



Appendix 2: Audit quality and risk management



Appendix 3: Management representation letter



Appendix 4: Current developments



Appendix 5: Resources in response to COVID-19 pandemic



Appendix 1: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:



Auditors' Report

The conclusion of our audit is set out in our draft auditors' report attached to the financial statements.



Management representation letter

In accordance with professional standards, a copy of the management representation letter is provided to the Committee in Appendix 3.



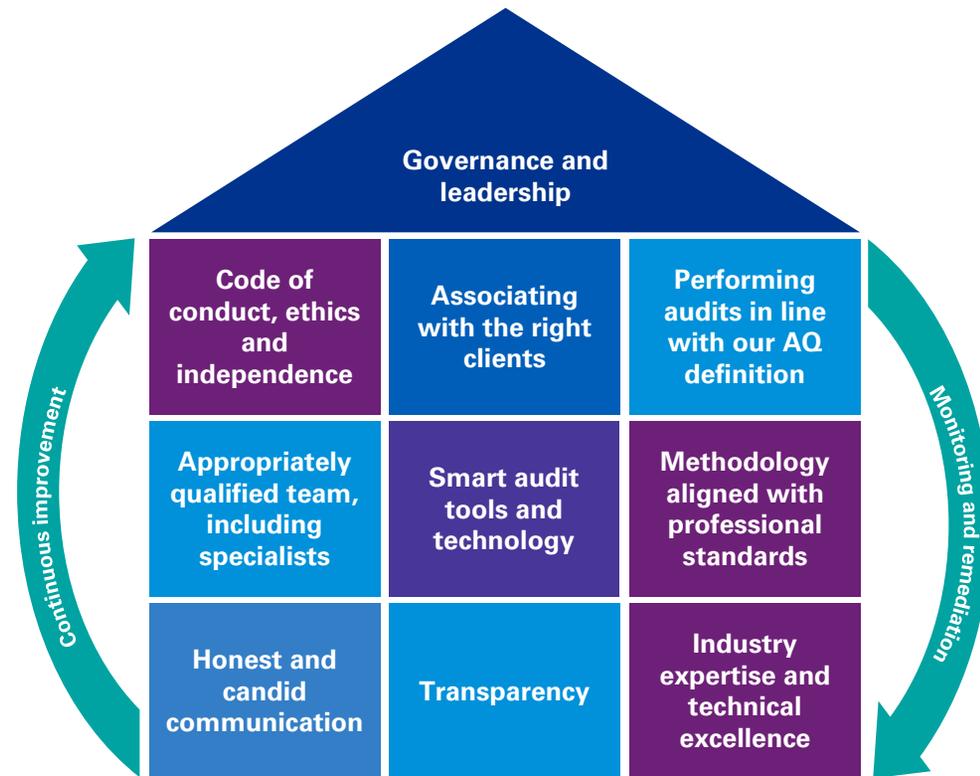
Independence

In accordance with professional standards, we have confirmed our independence on page 3.

Appendix 2: Audit quality and risk management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the key elements of our quality control system.



Audit Quality Framework

What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity.**

Our AQ Framework summarises how we deliver AQ. Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency report](#).

Appendix 3: Management representation letter



MANAGEMENT REPRESENTATION LETTER

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3

September 15, 2020

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements of School District No. 40 (New Westminster) ("the Entity") as at and for the period ended June 30, 2020.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated July 4, 2018, including for:
 - a) the preparation of the financial statements and believe that these financial statements have been prepared in accordance with the relevant financial reporting framework.
Significant interpretations, if any, related to the financial provisions of the relevant financial reporting framework are appropriately disclosed in the financial information.
 - b) determining that the basis of accounting is an acceptable basis for the preparation of the financial information in the circumstances.
 - c) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of trustees and committees of the board of trustees that may affect the financial statements. All significant actions are included in such summaries.
 - d) providing you with unrestricted access to such relevant information.
 - e) providing you with complete responses to all enquiries made by you during the engagement.
 - f) providing you with additional information that you may request from us for the purpose of the engagement.
 - g) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
 - h) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also

acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

- i) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- j) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.

- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- 11) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Non-SEC registrants or non-reporting issuers:

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Post-Employment Benefits, Compensated Absences, Termination Benefits and Retirement Benefits:

- 14) The post-employment benefits, compensated absences, termination benefits and retirement benefit costs, assets and obligation have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- 15) We have no knowledge of arrangement (contractual or otherwise) by which programs have been established to provide post-employment benefits, except as disclosed to you.
- 16) The significant accounting policies the Entity has adopted in applying PS 3255, Postemployment benefits, compensated absences and termination benefits and PS 3250, Retirement Benefits (hereinafter referred to as "PS 3255" and "PS3250") are disclosed in note to the financial statements.
- 17) All arrangements (contractual or otherwise) by which programs have been established to provide post-employment benefits have been disclosed by you and included in the determination of pension and post-employment costs and obligations. This includes:
 - i) Pension and other retirement benefits expected to be provided after retirement to employees and their beneficiaries.
 - ii) Post-employment benefits expected to be provided after employment but before retirement to employees and their beneficiaries. These benefits include unused sick leave and severance benefits.
 - iii) Compensated absences for which it is expected employees will be paid. These benefits include accumulating sick days; and
 - iv) Termination benefits.
- 18) The post-employment benefit and retirement costs, assets and obligations have been determined, accounted for and disclosed in accordance with PS 3255 and PS3250. In particular:
 - i) each of the best estimate assumptions used reflects management's judgment of the most likely set of conditions affecting future events; and
 - ii) the best estimate assumptions used are, as a whole, consistent within themselves, and with the valuation method adopted for purposes of this evaluation.
- 19) The assumptions included in the actuarial valuation are those that were determined by Management and the Ministry of Education with Mercer (Canada) Limited ("Mercer") to use in computing amounts to be used by us in determining pension costs and obligations and in making required disclosures in the above-named financial statements, in accordance with PS 3255 and PS3250.
- 20) In arriving at these assumptions, Management and the Ministry of Education obtained the advice of Mercer, but management has reviewed the assumptions and has retained the final responsibility for them.

- 21) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.
- 22) All changes to plan provisions or events occurring subsequent to the date of the actuarial valuation and up to the date of this letter have been considered in the determination of pension and other post-employment benefit and retirement costs.
- 23) The information provided by us to Mercer ("the expert") and used in the work and findings of the expert are complete and accurate. We agree with the findings of the expert in evaluating the actuarial obligations and have adequately considered the qualifications of the expert in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give nor cause any instructions to be given to the expert with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence and objectivity of the expert.

Other:

- 24) There are no:
 - a) other liabilities that are required to be recognized and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with the relevant financial reporting framework, including liabilities or contingent liabilities arising from illegal acts or possible illegal acts, or possible violations of human rights legislation.
 - b) other environmental matters that may have an impact on the financial statements.

Yours very truly,

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)

Mr. Karim Hachlaf, Superintendent of Schools

Ms. Bettina Ketcham, Secretary-Treasurer

Mr. James Pocher, Assistant Secretary-Treasurer

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedules

School District No. 40 (New Westminster)
 Summary of Uncorrected Audit Misstatements
 June 30, 2020

ID	Description of misstatement	Type of misstatement	Accounts	Debit	(Credit)	Income Statement - Debit (Credit)			Balance Sheet Effect - Debit (Credit)				
						Income effect of correcting the balance sheet in prior period	Income effect of correcting current period balance sheet	Income effect according to Rollover method	Equity	Financial Assets	Non Financial Assets	Liabilities	
						B	C=A (Only Income Statement accounts)	D=C-B					
						A							
Uncorrected misstatements - Final													
1	To adjust for the net understatement of amortization due to the incorrect application of amortization in prior years.	Factual	Dr. Accumulated Surplus, Opening Dr. Deferred Capital Revenue Dr. Amort of DCC - Revenue Cr. Amortization Expense Cr. Accumulated Amortization	503,219 1,155,724 4,074		503,219		4,074 (31,413)	4,074 (31,413)	4,074 (31,413)			1,155,724
2	To record amortization for current year additions to TCA and Deferred Capital Revenue.	Factual	Dr. Amortization Expense Dr. Deferred Capital Revenue Cr. Accumulated Amortization - Buildings Cr. Accumulated Amortization - Furniture and Equipment Cr. Accumulated Amortization - Vehicles Cr. Accumulated Amortization - Computer Hardware Cr. Amortization of DCC - Revenue	227,024 123,645	(125,955) (9,005) (4,399) (87,665) (123,645)		227,024		227,024	227,024		(125,955) (9,005) (4,399) (87,665)	123,645
3	To record impact of benefit deposits exceeding required contributions over previous fiscal years, as well as the expense amount for the premium period.	Factual	Dr. Prepaid Expense Cr. Employee Future Benefits expense Cr. Accumulated Surplus, Opening	1,449,686	(346,760)	(1,102,926)	(1,102,926)	(346,760)	(346,760)	(346,760)			1,449,686
4	To record the difference in the financial statement budget presentation as required by PSAS.	Factual	Public Sector Accounting Standards ("PSAS") requires the statement of operations and statement of changes in net debt present a comparison of the results for the accounting period with those originally planned. Management presented the Amended Annual Budget as the basis for this comparison. The original annual budget has been included in the notes to the financial statements, which provides information related to the differences between the original and amended budget. It is expected that the budget figures may change significantly between the original and amended budget as enrollment figures and Ministry funding is confirmed. The presentation difference is not considered material to the financial statements given that the original annual budget information is provided in the notes to the financial statements. The presentation adopted by the School District is consistent with many other Districts throughout the Province.										
5	To update the note disclosure for the the change in assumptions as required by PSAS.	Factual	The District's Accrued Benefit Obligation ("ABO") is calculated annually at March 31 (early measurement date) by Mercer, and is used as the basis for a roll forward and reconciliation of payments to June 30 to determine the employee future benefit liability as at June 30, 2020 for financial statement reporting. PSAS requires that any significant changes in assumptions between the measurement date and the financial statement date should be evaluated to determine its impact on the actuarial valuation for retirement benefits. PSAS also require that any resulting change in actuarial gains and losses should be amortized in a systematic and rational manner over the expected average remaining service life of the related employee group commencing in the period following the determination of the adjustment. Subsequent to the March 31, 2020 ABO calculation, the COVID-19 outbreak was declared a pandemic and the collective agreements for teachers were ratified. As a result of these events, a change in the discount rate assumption and the salary assumption calculated by Mercer resulted in an immaterial potential increase in ABO. This increase would also be added to the unamortized (gain)/loss that would be amortized over the Expected Average Remaining Service Lifetime ("EARSL") in subsequent years. As such there is no impact to the net employee future benefit liability presented on the statement of financial position as at June 30, 2020. However, the notes to the financial statements disclose the gross amount of ABO and unamortized (gain)/loss and have not been updated for the change in assumptions. The presentation difference is not considered material to the financial statements given it does not impact the accrued benefit obligation recognized on the statement of financial position, with the difference being confined to the unamortized (gain)/loss which is only presented in the notes to the financial statements. If the unamortized (gain)/loss is not adjusted, the annual amortization of net actuarial (gain)/loss in subsequent periods will be incorrect. As the annual amortization is calculated over the EARSL, the difference in subsequent periods would not be material. The presentation adopted by the District is consistent with many other Districts throughout the Province.										

Aggregate effect of uncorrected audit misstatements: (599,707) (270,720) (270,720) (870,427) - (408,942) 1,279,369

Appendix 4: Current developments



As accounting standards evolve over time, it is important that those charged with governance be aware of their implications for the District’s financial reporting.

The following includes a summary of upcoming accounting standards and developments relevant to the District:

Public Sector Accounting Standards (“PSAS”)

Standard	Summary and implications
Impact of COVID-19	<ul style="list-style-type: none"> – In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19.
Asset Retirement Obligations	<ul style="list-style-type: none"> – The new standard is effective for fiscal years beginning on or after April 1, 2022. The effective date was deferred by one year due to COVID-19. – The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area. – The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets (“TCA”). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life. – As a result of the new standard, the public sector entity will have to: <ul style="list-style-type: none"> • consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; • carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; – begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.

Appendix 4: Current developments (continued)

Standard	Summary and implications
Revenue	<ul style="list-style-type: none"> – The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19. – The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. – The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. – The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Financial Instruments and Foreign Currency Translation	<ul style="list-style-type: none"> – The accounting standards, PS3450 <i>Financial Instruments</i>, PS2601 <i>Foreign Currency Translation</i>, PS1201 <i>Financial Statement Presentation</i> and PS3041 <i>Portfolio Investments</i> are effective for fiscal years commencing on or after April 1, 2022. The effective date was deferred by one year due to COVID-19. – Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. – Hedge accounting is not permitted. – A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations. – In July 2020, PSAB approved federal government narrow-scope amendments to PS3450 <i>Financial Instruments</i> which will be included in the Handbook in the fall of 2020. Based on stakeholder feedback, PSAB is considering other narrow-scope amendments related to the presentation and foreign currency requirements in PS3450 <i>Financial Instruments</i>. The exposure drafts will be released in summer 2020 with a 90-day comment period.
Employee Future Benefit Obligations	<ul style="list-style-type: none"> – PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. In July 2020, PSAB approved a revised project plan. – PSAB intends to use principles from International Public Sector Accounting Standard 39 <i>Employee Benefits</i> as a starting point to develop the Canadian standard. – Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.



Appendix 4: Current developments (continued)

Standard	Summary and implications
Public Private Partnerships (“P3”)	<ul style="list-style-type: none"> – PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. PSAB is in the process of reviewing feedback provided by stakeholders on the exposure draft. – The exposure draft proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends. – The exposure draft proposes that the public sector entity recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. <ul style="list-style-type: none"> • The infrastructure would be valued at cost, with a liability of the same amount if one exists. Cost would be measured by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> – PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards. – PSAB is in the process of developing exposure drafts for the proposed conceptual framework and proposed revised reporting model, and their related consequential amendments. – PSAB is proposing a revised, ten chapter conceptual framework intended to replace PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced. – In addition, PSAB is proposing: <ul style="list-style-type: none"> • Removal of the net debt indicator, except for on the statement of net debt where it would be calculated exclusive of financial assets and liabilities that are externally restricted and/or not available to settle the liabilities or financial assets. • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). • Restructuring the statement of financial position to present non-financial assets before liabilities. • Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities). • A new provision whereby an entity can use an amended budget in certain circumstances. – Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.



Appendix 4: Current developments (continued)

Standard	Summary and implications
International Strategy	– PSAB has reviewed all proposed options for its international strategy, and in accordance with its due process, approved the option to adapt International Public Sector Accounting Standards when developing future standards. PSAB noted that the decision will apply to all projects beginning on or after April 1, 2021.
Purchased Intangibles	– In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. Practitioners are expected to use the definition of an asset, the general recognition criteria and the GAAP hierarchy to account for purchased intangibles. – Based on stakeholder feedback, PSAB will develop a Public Sector Guideline to clarify the guidance in the exposure draft to PS1000 <i>Financial Statement Concepts</i> , PS1100 <i>Financial Statement Objectives</i> and PS1201 <i>Financial Statement Presentation</i> . The updates to the Handbook are expected to be released in fall 2020. The accounting for intangibles may be addressed through future PSAB projects.

Appendix 5: Resources in response to COVID-19 pandemic

Resources	Summary	Links
<p>Resources for management and the Committee</p>	<p>Please visit our COVID-19 website for resources regarding the topics below. This site is being <u>updated daily</u> based on information being released by Federal, Provincial and Municipal news releases.</p> <ul style="list-style-type: none"> — Business continuity guide — Immediate actions to take — Medium to long-term actions — Tax considerations and a summary of Federal and Provincial programs — Legal considerations — Financial reporting and audit considerations — Global perspectives 	<p>COVID-19 Alerts (Live Link)</p>
<p>Return to the workplace</p>	<p>As all levels of government begin to take steps toward re-opening the country and restarting our economy, planning for the return to a physical workplace is quickly becoming a top priority for many organizations. With the guidelines for the pandemic continuing to evolve daily, there are many considerations, stages and factors employers need to assess in order to properly develop a robust action plan which can ensure the health and safety of their workforce.</p> <p>We have put together a helpful KPMG Return to the Workplace guide to support an organization’s planning efforts in preparing to return to physical workplace. Our guide includes a list of considerations, stages and factors that can help establish a robust action plan for your organization to safely return to work. The guide is supported by a dynamic playbook, which our team has developed to outline a comprehensive list of actions an organization can take, based on their unique situation and immediate needs.</p>	<p>Website Link</p> <p>Link to guide</p>



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2019-20 Year-End Results

School District No. 40
September 15, 2020



New
Westminster
Schools



Recognition



Overview

Highlights (and “Lowlights”)

**OPERATING AS OF MARCH 15 TO JUNE 30 IN A STATE OF A GLOBAL PANDEMIC –
SIGNIFICANT IMPACT TO ASSUMPTIONS IN BUDGET**



SCHOOL AGE ENROLMENT IN 2019-20 6,601.6 V. 2018-19 6,714.8

- **DECREASE DUE TO CESSATION OF ISLAND DISCOVERY PROGRAM**

ADULT AGE ENROLMENT IN 2019-20 286.5 V. 2018-19 473.0

- **DECREASE DUE TO WAY IN WHICH WE CLAIM ADULT FUNDING
(MOE AUDIT)**

**PLANNED DECLINE FROM 2018-19 FOR INTERNATIONAL STUDENT ENROLMENT
(PLANNED DECLINE ALSO FOR 2019-20)**

Highlights

A NUMBER OF SURPLUS INITIATIVES APPROVED FOR OPERATIONALIZATION (ALL EXECUTED)

- **FINE ARTS (FACILITATOR AND EQUIPMENT), STRATEGIC PLAN CONSULTATION, ATTENDANCE MANAGEMENT CO-OP STUDENT, EARTHQUAKE EMERGENCY PROVISIONS, TEACHER MENTOR POSITION**

CAPITAL PROJECTS UNDERWAY

- **TWEEDSMUIR SEISMIC UPGRADE (COMPLETED DECEMBER 2019)**
- **NEW WEST SECONDARY SCHOOL (NEARING COMPLETION)**
- **RICHARD MCBRIDE (CONSTRUCTION)**
- **CONCEPT PLAN FOR QUEEN ELIZABETH ELEMENTARY**

Funds



OUR FINANCIAL STATEMENTS ARE COMPRISED OF 3 FUNDS:

- **OPERATING FUND**
- **SPECIAL PURPOSE FUND**
- **CAPITAL FUND**

WHILE THE BOARD APPROVES THE FINANCIAL STATEMENTS WHICH COMPRISE OF ALL 3 FUNDS, THE MOST FOCUS IS ON OPERATING.

Surplus – what does it mean?

SURPLUS – WHEN REVENUES EXCEED EXPENSES

ACCUMULATED SURPLUS – NET POSITION OF THE DISTRICT FROM ALL YEARS OF OPERATION (CUMULATIVE IMPACT OF ALL SURPLUS AND DEFICITS OVER MANY YEARS)



Surplus – what does it mean?

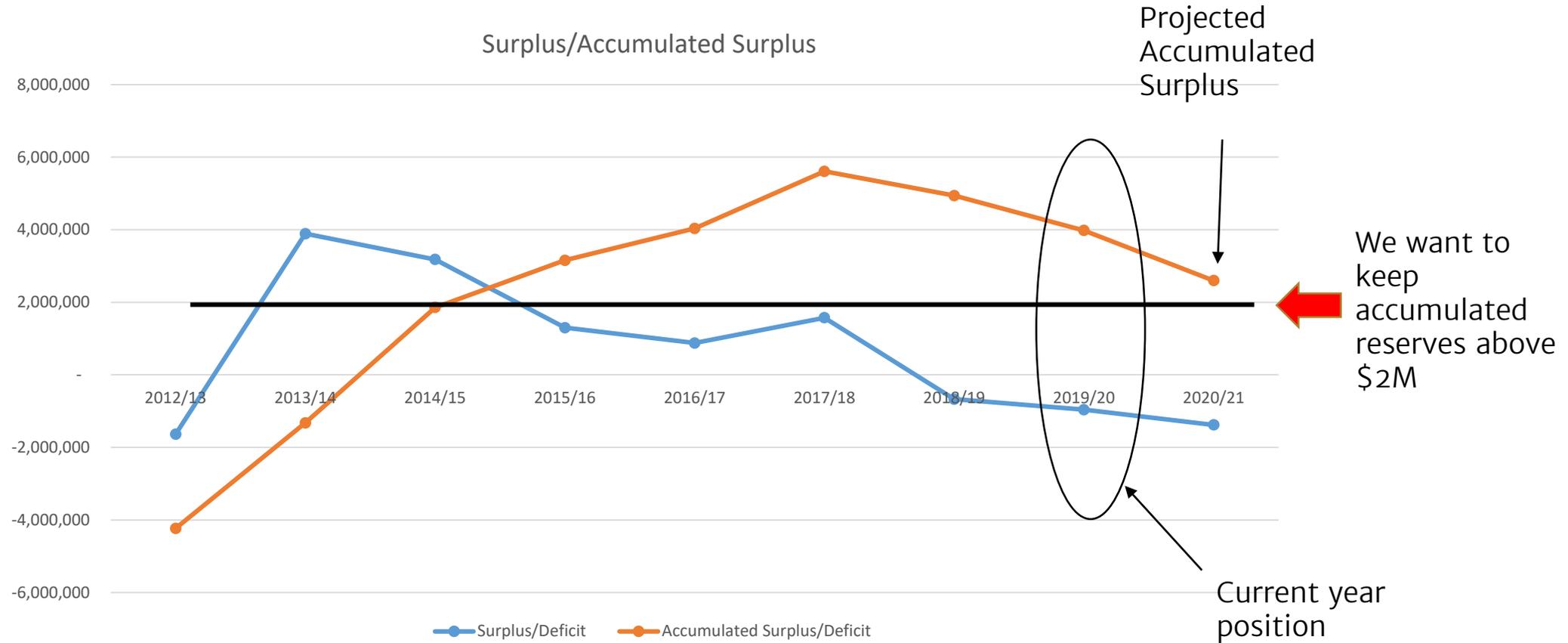
OVERALL CHANGE IN NET POSITION (ALL 3 FUNDS): INCREASE OF \$1,169,905

- OPERATING SURPLUS IS \$1,038,252 (BEFORE LOCAL CAPITAL ADJUSTMENT)

TAKE NOTE OF THE SURPLUSES IN DIFFERENT CATEGORIES AND WHAT WE CAN DO WITH THEM...

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,940,089		22,556,812	27,496,901	26,019,870
Changes for the year					
Surplus (Deficit) for the year	1,702,696	220,814	(753,605)	1,169,905	1,477,031
Interfund Transfers					
Tangible Capital Assets Purchased	(664,444)	(220,814)	885,258	-	
Local Capital	(2,000,000)		2,000,000	-	
Net Changes for the year	(961,748)	-	2,131,653	1,169,905	1,477,031
Accumulated Surplus (Deficit), end of year - Statement 2	3,978,341	-	24,688,465	28,666,806	27,496,901

Surplus/Accumulated Surplus over time (Operating)



2020-21 Budget

SURPLUS IN 2019-20 WHILE POSITIVE FOR THE DISTRICT, IS NO CAUSE FOR CELEBRATION AS WE HAVE A CHALLENGING FINANCIAL YEAR AHEAD OF US WITH MUCH UNCERTAINTY

- INTERNATIONAL STUDENT REVENUE DECLINES**
- DECREASES IN FUNDING DUE TO DISTRIBUTED LEARNING OR HOME SCHOOLING OPTIONS AVAILABLE (DISTRICT HAS TAKEN STEPS TO MITIGATE IMPACT)**
- OPERATING PRESSURES FOR ADDITIONAL COSTS DUE TO THE PANDEMIC**

ADDITIONAL \$45.6M FOR SAFE RETURN TO SCHOOLS GRANT AND \$24.2M ACROSS SECTOR FROM FEDERAL GOVERNMENT PROVIDES SOME RELIEF

2020-21 Budget

		2019-20 Amended Budget	2019-20 Actual	Change	Notes
Accumulated surplus - opening		4,940,089	4,940,089	-	
Net surplus (deficit)		- 546,205	1,038,252	1,584,457	Swing of \$1.5M mainly due to COVID but also underutilization of some budgets
Local Capital		- 1,000,000	- 2,000,000	- 1,000,000	2019-20 amended budget included McBride contribution only. An additional investment of \$1M for NWSS (approved after amended budget) is reflected in 2019-20 actual figures
Accumulated surplus - closing		3,393,884	3,978,341	584,457	
Expected deficit in 2020-21			- 1,381,970		Approved by Board of Education May 2020
Expected Closing accumulated surplus 2020-21			2,596,371		
Less: commitments			- 328,074		Purchase orders to vendors but not yet received (committed expense)
Less: Board Contingency			- 500,000		Annually recurring reserve
Less: COVID 19 contingency			- 1,736,830		Propose to internally restrict whole remaining balance
Less: school surpluses			- 31,467		
Unrestricted Operating Surplus			-		

Refer to Note 16 in the notes to financial statements



Statement of Financial Position

Statement of Financial Position

	2020 Actual	2019 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	28,007,468	25,994,954
Accounts Receivable		
Due from Province - Ministry of Education	4,909,628	2,825,308
Other	547,146	709,794
Total Financial Assets	33,464,242	29,530,056
Liabilities		
Accounts Payable and Accrued Liabilities		
Other	15,877,654	12,150,840
Unearned Revenue	1,651,089	2,863,174
Deferred Revenue	1,434,242	2,446,324
Deferred Capital Revenue	163,296,804	118,413,076
Employee Future Benefits	3,392,522	3,398,453
Total Liabilities	185,652,311	139,271,867
Net Debt	(152,188,069)	(109,741,811)

Statement of Financial Position

Net Debt	<u>(152,188,069)</u>	<u>(109,741,811)</u>
Non-Financial Assets		
Tangible Capital Assets	180,681,821	137,060,366
Prepaid Expenses	173,054	178,346
Other Assets		-
Total Non-Financial Assets	<u>180,854,875</u>	<u>137,238,712</u>
Accumulated Surplus (Deficit)	<u>28,666,806</u>	<u>27,496,901</u>

Financial Position Health Indicators

ACCUMULATED SURPLUS FROM OPERATIONS

2020: \$3,978,341 (\$2019: 4,940,890)

DISTRICT'S ABILITY TO REACT TO EMERGENT SITUATIONS AND THE ABILITY TO FUND SPECIAL INITIATIVES.

NET DEBT:

2020 Increase in net debt of \$42,446,258 or 41% (2019 Increase \$19,226,019 or 178%)

NET DEBT IS NOT INDICATIVE HERE OF FINANCIAL DIFFICULTY, ITS DUE TO THE ACQUISITION OF TANGIBLE CAPITAL ASSETS.

LIQUIDITY RATIO - CURRENT ASSETS OVER CURRENT LIABILITIES:

2020 Ratio 1.76:1 (2019 Ratio: 1:69:1)

A LIQUIDITY RATIO OF GREATER THAN ONE IS DESIRABLE. THIS MEANS THAT THE DISTRICT HAS THE ABILITY TO PAY CURRENT LIABILITIES AS THEY ARE DUE. LIQUIDITY = FLEXIBILITY.

Financial Health Indicators

WORKING CAPITAL PER STUDENT – FINANCIAL ASSETS LESS LIABILITIES OVER # OF STUDENTS:

2020: \$2,106 (2019 \$1,767)

WORKING CAPITAL ALLOWS THE DISTRICT TO MEET EMERGENT NEEDS AND NEW INITIATIVES. WORKING CAPITAL IS COMPARED TO STUDENT ENROLMENT TO DETERMINE THE AMOUNT OF FUNDS AVAILABLE PER STUDENT THAT COULD BE SPENT IN THE FUTURE.



Operating Fund

Operating Fund – Income Schedule

(Schedule 2 in the Financial Statements)

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	63,576,036	64,426,708	62,921,004
Other	162,000	206,780	153,896
Federal Grants			1,735
Tuition	3,588,290	3,597,541	4,425,875
Other Revenue	484,346	421,061	196,017
Rentals and Leases	255,000	207,144	216,373
Investment Income	500,000	362,525	516,776
Total Revenue	68,565,672	69,221,759	68,431,676
Expenses			
Instruction	57,809,157	57,182,594	57,823,720
District Administration	3,583,197	3,354,175	3,473,798
Operations and Maintenance	6,906,354	6,698,671	6,607,804
Transportation and Housing	312,169	283,623	234,028
Total Expense	68,610,877	67,519,063	68,139,350
Operating Surplus (Deficit) for the year	(45,205)	1,702,696	292,326
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,545,205		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(500,000)	(664,444)	(962,182)
Local Capital	(1,000,000)	(2,000,000)	
Total Net Transfers	(1,500,000)	(2,664,444)	(962,182)
Total Operating Surplus (Deficit), for the year	-	(961,748)	(669,856)

Includes teachers' labour settlement funding (unknown at amended budget)

Differences due to pandemic – interest rate decreases and cessation of external rentals

Savings due to suspension of in-class instruction

Anticipated deficit of \$545,205; actual surplus of \$1,038,252

\$1M of additional local capital approved for NWSS furniture and equipment after budget approval

Operating Fund – Expense Detail

(Schedule 2B in the Financial Statements)

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	29,583,811	30,060,862	30,312,898
Principals and Vice Principals	3,603,270	3,568,766	3,605,528
Educational Assistants	5,703,365	6,006,077	5,498,123
Support Staff	5,435,860	5,519,537	5,352,932
Other Professionals	2,750,203	2,709,636	2,615,219
Substitutes	2,082,175	1,683,758	1,868,375
Total Salaries	49,158,684	49,548,636	49,253,075
Employee Benefits	12,165,933	11,937,892	11,833,196
Total Salaries and Benefits	61,324,617	61,486,528	61,086,271
Services and Supplies			
Services	2,371,875	2,202,876	2,154,774
Student Transportation	196,534	111,815	139,437
Professional Development and Travel	517,965	396,269	572,232
Rentals and Leases	233,400	243,266	277,030
Dues and Fees	241,400	109,634	95,580
Insurance	111,000	108,972	104,506
Supplies	2,462,580	1,694,541	2,391,031
Utilities	1,151,506	1,108,437	1,316,336
Bad Debt	-	56,725	2,153
Total Services and Supplies	7,286,260	6,032,535	7,053,079
Total Operating Expense	68,610,877	67,519,063	68,139,350

Difference largely explained by Labour settlement funding offset by savings in TTOC/casual costs.

\$389,952 over budget (-0.79%)

Under budget by \$228,041 (1.87%)

Savings due to suspension of in-class instruction

Under budget by \$1,253,725 (17.2%)

Operating Expense by Function, Program and Object

(Schedule 2c in the Financial Statements)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual	2020 % OF SPEND	2019 % OF SPEND
	\$	\$	\$	\$	\$	\$	\$		
1 Instruction									
1.02 Regular Instruction	26,393,370	6,401,449	32,794,819	1,780,394	34,575,213	34,516,090	36,714,659		
1.03 Career Programs	526,215	126,386	652,601	48,642	701,243	661,789	324,904		
1.07 Library Services	193,286	48,649	241,935	24,457	266,392	278,414	384,845		
1.08 Counselling	441,709	104,317	546,026	7,800	553,826	753,668	626,191		
1.10 Special Education	8,698,600	2,250,055	10,948,655	228,941	11,177,596	11,404,878	10,253,366		
1.30 English Language Learning	797,679	185,459	983,138	5,561	988,699	958,261	1,359,937		
1.31 Indigenous Education	329,886	79,472	409,358	9,338	418,696	417,429	428,182		
1.41 School Administration	4,069,347	908,627	4,977,974	28,783	5,006,757	5,108,942	5,191,804		
1.60 Summer School	143,365	26,053	169,418	5,014	174,432	175,233	161,026		
1.61 Continuing Education	1,030,783	243,139	1,273,922	47,067	1,320,989	1,402,118			
1.62 International and Out of Province Students	1,320,310	292,760	1,613,070	383,035	1,996,105	2,127,785	2,378,806		
1.64 Other	-	-	-	2,646	2,646	4,550			
Total Function 1	43,944,550	10,666,366	54,610,916	2,571,678	57,182,594	57,809,157	57,823,720	84.7%	84.9%

Funded for \$6,459,075; exceeded funding by 73%

Targeted funding is \$391,500; exceeded funding by 6.9%

Operating Expense by Function, Program and Object

(Schedule 2c in the Financial Statements)

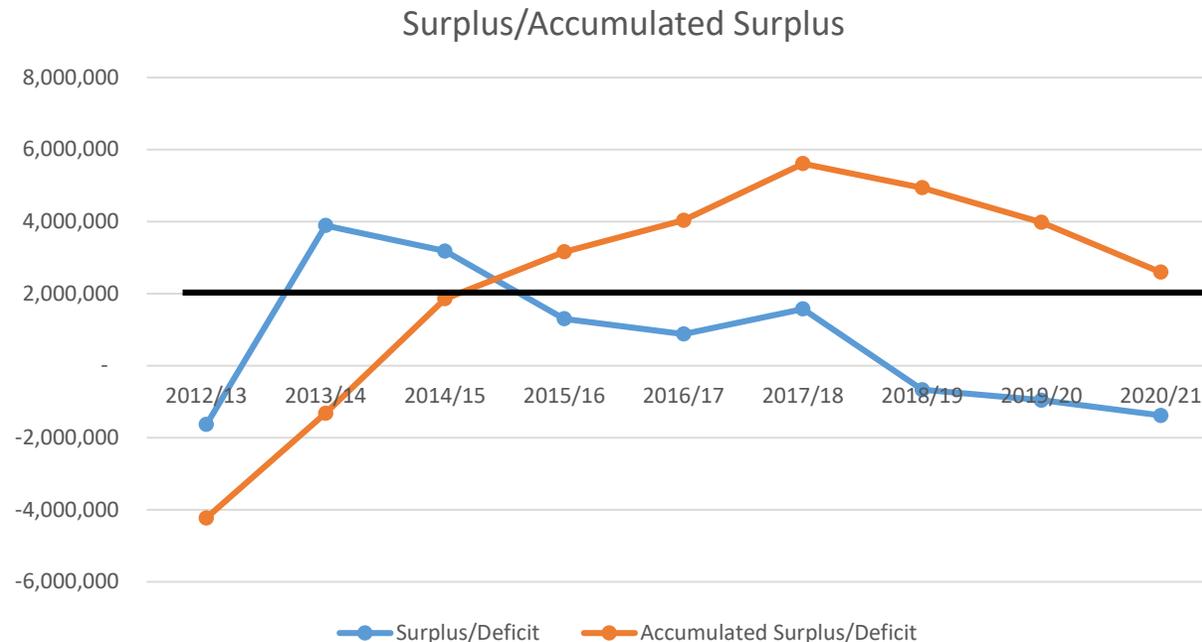
	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual	2020 % OF SPEND	2019 % OF SPEND
	\$	\$	\$	\$	\$	\$	\$		
4 District Administration									
4.11 Educational Administration	511,783	99,659	611,442	283,721	895,163	884,817	921,441		
4.40 School District Governance	242,230	25,187	267,417	62,936	330,353	354,770	344,752		
4.41 Business Administration	1,425,730	284,044	1,709,774	418,885	2,128,659	2,343,610	2,207,605		
Total Function 4	2,179,743	408,890	2,588,633	765,542	3,354,175	3,583,197	3,473,798	4.96%	5.10%
5 Operations and Maintenance									
5.41 Operations and Maintenance Administration	394,534	84,067	478,601	220,626	699,227	593,107	565,891		
5.50 Maintenance Operations	2,611,613	678,424	3,290,037	1,314,048	4,604,085	4,830,880	4,418,740		
5.52 Maintenance of Grounds	236,469	71,478	307,947	24,517	332,464	396,861	352,405		
5.56 Utilities	-	-	-	1,062,895	1,062,895	1,085,506	1,270,768		
Total Function 5	3,242,616	833,969	4,076,585	2,622,086	6,698,671	6,906,354	6,607,804	9.92%	9.69%
7 Transportation and Housing									
7.70 Student Transportation	181,727	28,667	210,394	73,229	283,623	312,169	234,028		
Total Function 7	181,727	28,667	210,394	73,229	283,623	312,169	234,028	0.42%	0.34%
9 Debt Services									
Total Function 9	-	-	-	-	-	-	-		
Total Functions 1 - 9	49,548,636	11,937,892	61,486,528	6,032,535	67,519,063	68,610,877	68,139,350		

Operating Fund Health Indicators

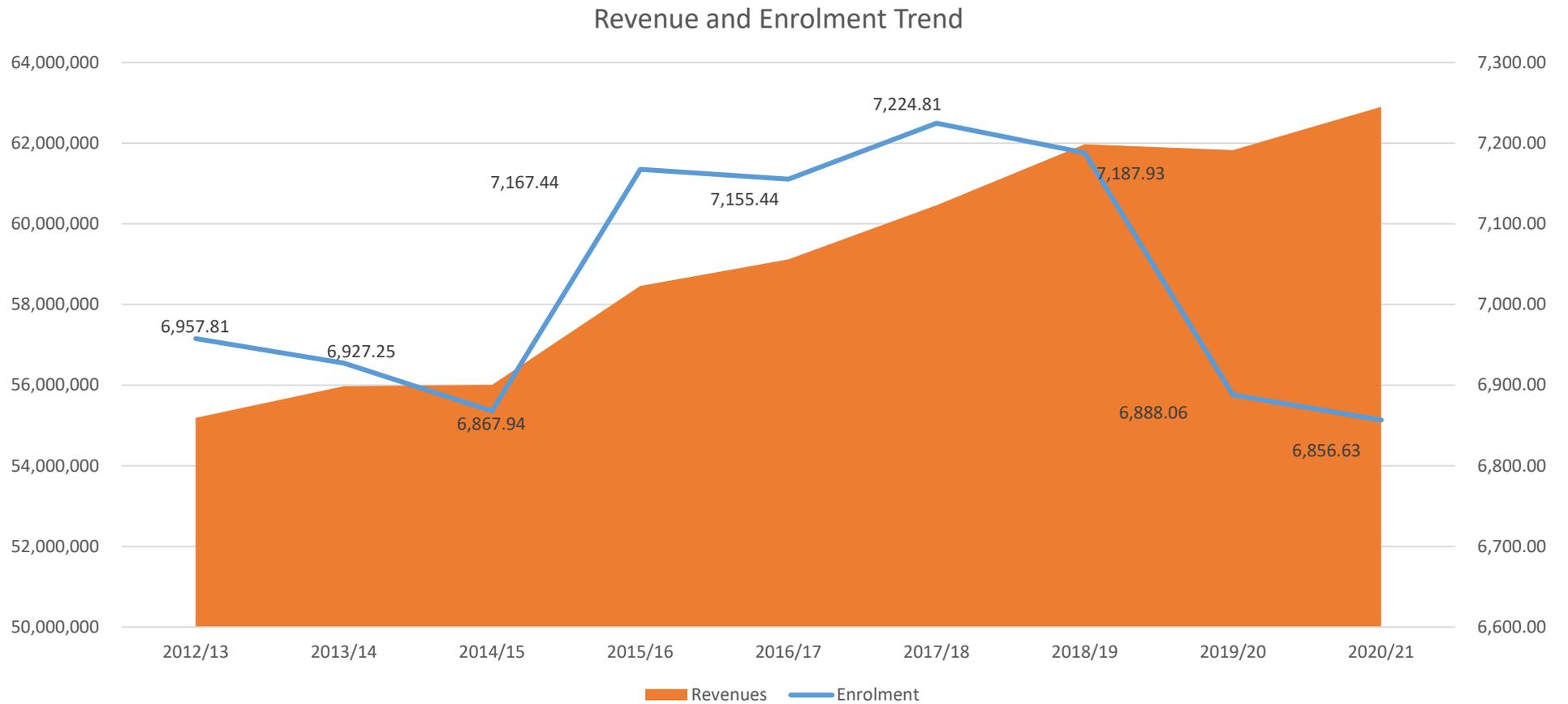
ACCUMULATED SURPLUS FROM OPERATIONS AND EXPENDITURES: 5.8%
(2019: 7.2%)

ACCUMULATED OPERATING RESERVES OVER AND ABOVE \$2M: \$1,978,341
(2019: \$2,940,089)

SURPLUS/DEFICIT FROM OPERATIONS OVER TIME (PREVIOUS SLIDE)



Operating Fund Health Indicators





Special Purpose Fund

What is a Special Purpose Fund?

SPECIAL PURPOSE FUNDS ARE MONIES FROM GRANTS AND CONTRIBUTIONS RECEIVED BY DISTRICTS FOR A SPECIFIC PURPOSE (I.E. STIPULATIONS/TARGETED) ASSOCIATED WITH RECEIVING THE GRANTS.

AMOUNTS THAT AREN'T SPENT ARE KEPT AS DEFERRED REVENUE UNTIL EXPENSES ARE INCURRED THAT MEET THE STIPULATION FOR EXPENDITURE.

RECENTLY:

- RENEWED MINISTRY FOCUS ON KEEPING UNUSED BALANCES LOW**
- INTEREST IN KEEPING SCHOOL GENERATED FUNDS LOW**
- OUR DISTRICT HAS REDUCED OUR SPECIAL PURPOSE DEFERRED BALANCES BY NEARLY \$1M**



Special Purpose Grants

(See Schedule 3A in Financial Statements)

	Opening balance	Revenue	Expense	Additional expenses funded by and reported in operations	Ending balance
Annual Facilities Grant	-	235,872	235,872	-	-
Learning Improvement Fund	-	237,653	308,464	70,811	-
Special Education Equipment	24,977	-	4,078	-	20,899
Scholarships and Bursaries	414,142	106,833	122,834	-	398,141
School Generated Funds	1,238,692	1,225,856	1,549,987	-	914,561
Strong Start	-	96,474	107,061	10,587	-
Ready Set Learn	12,007	19,892	10,594	-	21,305
OLEP	28,936	149,244	157,129	-	21,051
Community LINK	630,620	1,553,367	2,183,987	79,898	-
CEF - Overhead	-	418,499	418,499	10,736	-
CEF - Staffing	42,788	5,226,659	5,226,659	140,892	-
CEF - Remedies	26,986	378,566	366,815	-	38,737
Mental Health In Schools	-	28,500	24,210	-	4,290
United Way	27,176	75,000	86,918	-	15,258
	2,446,324	9,752,415	10,803,107	312,924	1,434,242



Capital Fund

Sources of Capital Funding

(Schedule 4D in financial statements)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,549,382	2,173	34,705	2,252,569		3,838,829
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	45,389,955					45,389,955
Provincial Grants - Other			1,260,246			1,260,246
Other				412,785	60,471	473,256
Investment Income	70,467			34,328		104,795
Transfer project surplus to MEd Restricted (from) Bylaw	(6,646)	6,646				-
	45,453,776	6,646	1,260,246	447,113	60,471	47,228,252
Decrease:						
Transferred to DCR - Capital Additions	1,698,348		12,317			1,710,665
Transferred to DCR - Work in Progress	44,282,947				60,471	44,343,418
	45,981,295	-	12,317	-	60,471	46,054,083
Net Changes for the Year	(527,519)	6,646	1,247,929	447,113	-	1,174,169
Balance, end of year	1,021,863	8,819	1,282,634	2,699,682	-	5,012,998

LOCAL CAPITAL BALANCE SITS AT \$2,284,057 FOR WHICH THE BOARD PUT IN \$2M IN 2019-20 FOR MCBRIDE CONTRIBUTION (\$1M) AND NWSS INVESTMENTS (\$1M). LOCAL CAPITAL IS CONTROLLED BY THE BOARD AND IS INTERNALLY RESTRICTED (RATHER THAN EXTERNALLY)

Capital Additions

(Schedule 4A in Financial Statements)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	15,057,921	109,403,037	1,547,886	280,615	-	3,344,161	129,633,620
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,554,238	24,952			119,158	1,698,348
Deferred Capital Revenue - Other			12,317				12,317
Operating Fund			129,860			534,584	664,444
Special Purpose Funds		220,814					220,814
Transferred from Work in Progress		6,997,779					6,997,779
	-	8,772,831	167,129	-	-	653,742	9,593,702
Decrease:							
Deemed Disposals			12,969	87,993		222,907	323,869
	-	-	12,969	87,993	-	222,907	323,869
Cost, end of year	15,057,921	118,175,868	1,702,046	192,622	-	3,774,996	138,903,453

\$9,593,702 IN ADDITIONS WITH THE MAJORITY OF THE ADDITIONS RELATING TO BUILDING ADDITIONS.

TRANSFERS FROM WORK IN PROGRESS MOSTLY RELATE TO TWEEDSMUIR SEISMIC RENOVATION (\$5,383,802) WITH REMAINDER OF TRANSFERS RELATED TO SEP PROJECTS THAT WERE COMPLETED.

THERE ARE ALSO \$37,345,289 IN WORK IN PROGRESS BUILDING ADDITIONS SUBSTANTIALLY RELATED TO NWSS, WITH SOME ADDITIONS FOR MCBRIDE AND SEP PROJECTS (WHICH ARE NOW SUBSTANTIALLY COMPLETE)



Questions?

Audited Financial Statements of

School District No. 40 (New Westminster)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 40 (New Westminster)

June 30, 2020

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School District No. 40 (New Westminster)

MANAGEMENT REPORT

Version: 7703-6958-4975

Management's Responsibility for the Financial Statements.

The accompanying 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 financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 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 financial statements on a monthly basis and externally audited 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 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)

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 of Financial Position

As at June 30, 2020

	2020 Actual \$	2019 Actual \$
Financial Assets		
Cash and Cash Equivalents	28,007,468	25,994,954
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	4,909,628	2,825,308
Other	547,146	709,794
Total Financial Assets	33,464,242	29,530,056
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	15,877,654	12,150,840
Unearned Revenue (Note 5)	1,651,089	2,863,174
Deferred Revenue (Note 6)	1,434,242	2,446,324
Deferred Capital Revenue (Note 7)	163,296,804	118,413,076
Employee Future Benefits (Note 8)	3,392,522	3,398,453
Total Liabilities	185,652,311	139,271,867
Net Debt	(152,188,069)	(109,741,811)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	180,681,821	137,060,366
Prepaid Expenses	173,054	178,346
Total Non-Financial Assets	180,854,875	137,238,712
Accumulated Surplus (Deficit) (Note 16)	28,666,806	27,496,901

Contractual Obligations (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 of Operations
Year Ended June 30, 2020

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	72,568,307	73,332,619	70,183,558
Other	162,000	206,780	153,896
Municipal Grants Spent on Sites			1,749,209
Federal Grants			1,735
Tuition	3,588,290	3,597,541	4,425,875
Other Revenue	2,634,962	2,413,239	2,399,658
Rentals and Leases	255,000	207,144	216,373
Investment Income	500,500	378,916	517,607
Amortization of Deferred Capital Revenue	2,344,524	2,344,524	2,315,150
Total Revenue	82,053,583	82,480,763	81,963,061
Expenses			
Instruction	68,717,172	67,641,445	67,054,043
District Administration	3,583,197	3,354,175	3,473,798
Operations and Maintenance	10,211,236	10,003,553	9,705,936
Transportation and Housing	340,231	311,685	252,253
Total Expense	82,851,836	81,310,858	80,486,030
Surplus (Deficit) for the year	(798,253)	1,169,905	1,477,031
Accumulated Surplus (Deficit) from Operations, beginning of year		27,496,901	26,019,870
Accumulated Surplus (Deficit) from Operations, end of year		28,666,806	27,496,901

School District No. 40 (New Westminster)

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(798,253)	1,169,905	1,477,031
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(41,934,900)	(46,939,341)	(34,623,861)
Amortization of Tangible Capital Assets	3,317,886	3,317,886	3,096,279
Total Effect of change in Tangible Capital Assets	(38,617,014)	(43,621,455)	(31,527,582)
Acquisition of Prepaid Expenses	180,000	(173,054)	(178,346)
Use of Prepaid Expenses	(178,346)	178,346	200,734
Total Effect of change in Other Non-Financial Assets	1,654	5,292	22,388
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(39,413,613)	(42,446,258)	(30,028,163)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(42,446,258)	(30,028,163)
Net Debt, beginning of year		(109,741,811)	(79,713,648)
Net Debt, end of year		(152,188,069)	(109,741,811)

School District No. 40 (New Westminster)

Statement of Cash Flows
Year Ended June 30, 2020

	2020 Actual \$	2019 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	1,169,905	1,477,031
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,921,672)	(2,505,978)
Prepaid Expenses	5,292	22,388
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	3,726,814	5,505,691
Unearned Revenue	(1,212,085)	(612,800)
Deferred Revenue	(1,012,082)	(692,146)
Employee Future Benefits	(5,931)	126,318
Amortization of Tangible Capital Assets	3,317,886	3,096,279
Amortization of Deferred Capital Revenue	(2,344,524)	(2,315,150)
Recognition of Deferred Capital Revenue Spent on Sites		(1,749,209)
Total Operating Transactions	<u>1,723,603</u>	<u>2,352,424</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,595,923)	(4,349,139)
Tangible Capital Assets -WIP Purchased	(44,343,418)	(30,274,722)
Total Capital Transactions	<u>(46,939,341)</u>	<u>(34,623,861)</u>
Financing Transactions		
Capital Revenue Received	47,228,252	32,209,228
Total Financing Transactions	<u>47,228,252</u>	<u>32,209,228</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,012,514	(62,209)
Cash and Cash Equivalents, beginning of year	<u>25,994,954</u>	26,057,163
Cash and Cash Equivalents, end of year	<u>28,007,468</u>	25,994,954
Cash and Cash Equivalents, end of year, is made up of:		
Cash	28,007,468	25,994,954
	<u>28,007,468</u>	<u>25,994,954</u>

School District No. 40 (New Westminster)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,940,089		22,556,812	27,496,901	26,019,870
Changes for the year					
Surplus (Deficit) for the year	1,702,696	220,814	(753,605)	1,169,905	1,477,031
Interfund Transfers					
Tangible Capital Assets Purchased	(664,444)	(220,814)	885,258	-	
Local Capital	(2,000,000)		2,000,000	-	
Net Changes for the year	(961,748)	-	2,131,653	1,169,905	1,477,031
Accumulated Surplus (Deficit), end of year - Statement 2	3,978,341	-	24,688,465	28,666,806	27,496,901

School District No. 40 (New Westminster)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	63,576,036	64,426,708	62,921,004
Other	162,000	206,780	153,896
Federal Grants			1,735
Tuition	3,588,290	3,597,541	4,425,875
Other Revenue	483,346	421,061	196,017
Rentals and Leases	255,000	207,144	216,373
Investment Income	500,000	362,525	516,776
Total Revenue	68,564,672	69,221,759	68,431,676
Expenses			
Instruction	57,809,157	57,182,594	57,823,720
District Administration	3,583,197	3,354,175	3,473,798
Operations and Maintenance	6,906,354	6,698,671	6,607,804
Transportation and Housing	312,169	283,623	234,028
Total Expense	68,610,877	67,519,063	68,139,350
Operating Surplus (Deficit) for the year	(46,205)	1,702,696	292,326
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,546,205		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(500,000)	(664,444)	(962,182)
Local Capital	(1,000,000)	(2,000,000)	
Total Net Transfers	(1,500,000)	(2,664,444)	(962,182)
Total Operating Surplus (Deficit), for the year	-	(961,748)	(669,856)
Operating Surplus (Deficit), beginning of year		4,940,089	5,609,945
Operating Surplus (Deficit), end of year		3,978,341	4,940,089
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 16)		3,978,341	1,419,386
Unrestricted		-	3,520,703
Total Operating Surplus (Deficit), end of year		3,978,341	4,940,089

School District No. 40 (New Westminster)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	61,938,097	61,810,061	61,823,816
Other Ministry of Education Grants			
Pay Equity	521,853	521,853	521,853
Funding for Graduated Adults	164,373	344,860	177,863
Transportation Supplement	6,073	6,073	6,073
Economic Stability Dividend			75,401
Carbon Tax Grant	50,000	53,833	53,833
Employer Health Tax Grant	546,018	546,018	165,924
Strategic Priorities - Mental Health Grant			33,000
Support Staff Benefits Grant	46,704	46,704	46,704
BCTEA - LEA Capacity Building Grant			6,850
Support Staff Wage Increase Funding	294,731	294,731	
Teachers' Labour Settlement Funding		786,453	
FSA Exam Marking	8,187	8,187	8,187
Early Learning Framework		2,318	
District Capacity Building		2,617	
Equity Scan		3,000	
My Education BC			1,500
Total Provincial Grants - Ministry of Education	63,576,036	64,426,708	62,921,004
Provincial Grants - Other	162,000	206,780	153,896
Federal Grants			1,735
Tuition			
Summer School Fees	36,190	45,802	90,827
Continuing Education	86,100	33,428	114,558
International and Out of Province Students	3,466,000	3,518,311	4,220,490
Total Tuition	3,588,290	3,597,541	4,425,875
Other Revenues			
Miscellaneous			
Instructional Cafeteria Revenue	130,000	88,575	129,659
Miscellaneous	353,346	332,486	66,358
Total Other Revenue	483,346	421,061	196,017
Rentals and Leases	255,000	207,144	216,373
Investment Income	500,000	362,525	516,776
Total Operating Revenue	68,564,672	69,221,759	68,431,676

School District No. 40 (New Westminster)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	29,583,811	30,060,862	30,312,898
Principals and Vice Principals	3,603,270	3,568,766	3,605,528
Educational Assistants	5,703,365	6,006,077	5,498,123
Support Staff	5,435,860	5,519,537	5,352,932
Other Professionals	2,750,203	2,709,636	2,615,219
Substitutes	2,082,175	1,683,758	1,868,375
Total Salaries	49,158,684	49,548,636	49,253,075
Employee Benefits	12,165,933	11,937,892	11,833,196
Total Salaries and Benefits	61,324,617	61,486,528	61,086,271
Services and Supplies			
Services	2,371,875	2,202,876	2,154,774
Student Transportation	196,534	111,815	139,437
Professional Development and Travel	517,965	396,269	572,232
Rentals and Leases	233,400	243,266	277,030
Dues and Fees	241,400	109,634	95,580
Insurance	111,000	108,972	104,506
Supplies	2,462,580	1,694,541	2,391,031
Utilities	1,151,506	1,108,437	1,316,336
Bad Debt	-	56,725	2,153
Total Services and Supplies	7,286,260	6,032,535	7,053,079
Total Operating Expense	68,610,877	67,519,063	68,139,350

School District No. 40 (New Westminster)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	24,410,039	959,464		184,344		839,523	26,393,370
1.03 Career Programs	373,020			141,728		11,467	526,215
1.07 Library Services	148,004			41,104		4,178	193,286
1.08 Counselling	389,650				50,154	1,905	441,709
1.10 Special Education	2,002,897		6,006,077	7,040	131,676	550,910	8,698,600
1.30 English Language Learning	787,720					9,959	797,679
1.31 Indigenous Education	119,415			210,019		452	329,886
1.41 School Administration		2,485,390		1,459,156	65,605	59,196	4,069,347
1.60 Summer School	123,078	14,813		2,677		2,797	143,365
1.61 Continuing Education	818,881	109,099		102,803			1,030,783
1.62 International and Out of Province Students	883,208			52,194	360,315	24,593	1,320,310
1.64 Other							-
Total Function 1	30,055,912	3,568,766	6,006,077	2,201,065	607,750	1,504,980	43,944,550
4 District Administration							
4.11 Educational Administration				2,354	505,304	4,125	511,783
4.40 School District Governance					242,230		242,230
4.41 Business Administration	4,950			445,068	908,063	67,649	1,425,730
Total Function 4	4,950	-	-	447,422	1,655,597	71,774	2,179,743
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				94,843	294,360	5,331	394,534
5.50 Maintenance Operations				2,362,664	151,929	97,020	2,611,613
5.52 Maintenance of Grounds				236,458		11	236,469
5.56 Utilities							-
Total Function 5	-	-	-	2,693,965	446,289	102,362	3,242,616
7 Transportation and Housing							
7.70 Student Transportation				177,085		4,642	181,727
Total Function 7	-	-	-	177,085	-	4,642	181,727
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	30,060,862	3,568,766	6,006,077	5,519,537	2,709,636	1,683,758	49,548,636

School District No. 40 (New Westminster)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	26,393,370	6,401,449	32,794,819	1,780,394	34,575,213	34,516,090	36,714,659
1.03 Career Programs	526,215	126,386	652,601	48,642	701,243	661,789	324,904
1.07 Library Services	193,286	48,649	241,935	24,457	266,392	278,414	384,845
1.08 Counselling	441,709	104,317	546,026	7,800	553,826	753,668	626,191
1.10 Special Education	8,698,600	2,250,055	10,948,655	228,941	11,177,596	11,404,878	10,253,366
1.30 English Language Learning	797,679	185,459	983,138	5,561	988,699	958,261	1,359,937
1.31 Indigenous Education	329,886	79,472	409,358	9,338	418,696	417,429	428,182
1.41 School Administration	4,069,347	908,627	4,977,974	28,783	5,006,757	5,108,942	5,191,804
1.60 Summer School	143,365	26,053	169,418	5,014	174,432	175,233	161,026
1.61 Continuing Education	1,030,783	243,139	1,273,922	47,067	1,320,989	1,402,118	
1.62 International and Out of Province Students	1,320,310	292,760	1,613,070	383,035	1,996,105	2,127,785	2,378,806
1.64 Other	-	-	-	2,646	2,646	4,550	
Total Function 1	43,944,550	10,666,366	54,610,916	2,571,678	57,182,594	57,809,157	57,823,720
4 District Administration							
4.11 Educational Administration	511,783	99,659	611,442	283,721	895,163	884,817	921,441
4.40 School District Governance	242,230	25,187	267,417	62,936	330,353	354,770	344,752
4.41 Business Administration	1,425,730	284,044	1,709,774	418,885	2,128,659	2,343,610	2,207,605
Total Function 4	2,179,743	408,890	2,588,633	765,542	3,354,175	3,583,197	3,473,798
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	394,534	84,067	478,601	220,626	699,227	593,107	565,891
5.50 Maintenance Operations	2,611,613	678,424	3,290,037	1,314,048	4,604,085	4,830,880	4,418,740
5.52 Maintenance of Grounds	236,469	71,478	307,947	24,517	332,464	396,861	352,405
5.56 Utilities	-	-	-	1,062,895	1,062,895	1,085,506	1,270,768
Total Function 5	3,242,616	833,969	4,076,585	2,622,086	6,698,671	6,906,354	6,607,804
7 Transportation and Housing							
7.70 Student Transportation	181,727	28,667	210,394	73,229	283,623	312,169	234,028
Total Function 7	181,727	28,667	210,394	73,229	283,623	312,169	234,028
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	49,548,636	11,937,892	61,486,528	6,032,535	67,519,063	68,610,877	68,139,350

School District No. 40 (New Westminster)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

Schedule 3 (Unaudited)

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	8,992,271	8,905,911	7,262,554
Other Revenue	2,151,616	1,788,812	2,203,641
Total Revenue	<u>11,143,887</u>	<u>10,694,723</u>	<u>9,466,195</u>
Expenses			
Instruction	10,908,015	10,458,851	9,230,323
Operations and Maintenance	15,058	15,058	20,078
Total Expense	<u>10,923,073</u>	<u>10,473,909</u>	<u>9,250,401</u>
Special Purpose Surplus (Deficit) for the year	<u>220,814</u>	<u>220,814</u>	<u>215,794</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(220,814)	(220,814)	(215,794)
Total Net Transfers	<u>(220,814)</u>	<u>(220,814)</u>	<u>(215,794)</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 40 (New Westminster)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	24,977	414,142	1,238,692	-	12,007	28,936	630,620
Add: Restricted Grants									
Provincial Grants - Ministry of Education	235,872	237,653				96,474	19,892	149,244	1,524,294
Other				106,833	1,225,856				29,073
	235,872	237,653	-	106,833	1,225,856	96,474	19,892	149,244	1,553,367
Less: Allocated to Revenue	235,872	237,653	4,078	122,834	1,549,987	96,474	10,594	157,129	2,183,987
Recovered									
Deferred Revenue, end of year	-	-	20,899	398,141	914,561	-	21,305	21,051	-
Revenues									
Provincial Grants - Ministry of Education	235,872	237,653	4,078			96,474	10,594	157,129	2,154,914
Other Revenue				122,834	1,549,987				29,073
	235,872	237,653	4,078	122,834	1,549,987	96,474	10,594	157,129	2,183,987
Expenses									
Salaries									
Teachers								54,466	989,685
Principals and Vice Principals									
Educational Assistants		186,601							457,938
Support Staff						69,741			55,611
Other Professionals									84,203
Substitutes							23	1,697	7,866
	-	186,601	-	-	-	69,741	23	56,163	1,595,303
Employee Benefits		51,052				23,919	124	15,177	396,897
Services and Supplies	15,058		4,078	122,834	1,549,987	2,814	10,447	85,789	191,787
	15,058	237,653	4,078	122,834	1,549,987	96,474	10,594	157,129	2,183,987
Net Revenue (Expense) before Interfund Transfers	220,814	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(220,814)								
	(220,814)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund		70,811				10,587			79,898

School District No. 40 (New Westminster)

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

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Mental Health in Schools	United Way	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	42,788	26,986		27,176	2,446,324
Add: Restricted Grants						
Provincial Grants - Ministry of Education	418,499	5,226,659	378,566	28,500		8,315,653
Other					75,000	1,436,762
	418,499	5,226,659	378,566	28,500	75,000	9,752,415
Less: Allocated to Revenue						
Recovered	418,499	5,226,659	339,829	24,210	86,918	10,694,723
		42,788	26,986			69,774
Deferred Revenue, end of year	-	-	38,737	4,290	15,258	1,434,242
Revenues						
Provincial Grants - Ministry of Education	418,499	5,226,659	339,829	24,210		8,905,911
Other Revenue					86,918	1,788,812
	418,499	5,226,659	339,829	24,210	86,918	10,694,723
Expenses						
Salaries						
Teachers		4,243,075				5,287,226
Principals and Vice Principals	24,000					24,000
Educational Assistants						644,539
Support Staff	151,216					276,568
Other Professionals					70,117	154,320
Substitutes	140,143		23,782	24,210		197,721
	315,359	4,243,075	23,782	24,210	70,117	6,584,374
Employee Benefits	64,699	983,584	2,434		16,801	1,554,687
Services and Supplies	38,441		313,613			2,334,848
	418,499	5,226,659	339,829	24,210	86,918	10,473,909
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	220,814
Interfund Transfers						
Tangible Capital Assets Purchased						(220,814)
	-	-	-	-	-	(220,814)
Net Revenue (Expense)	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund	10,736	140,892				312,924

School District No. 40 (New Westminster)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Municipal Grants Spent on Sites				-	1,749,209
Other Revenue			203,366	203,366	
Investment Income	500		16,391	16,391	831
Amortization of Deferred Capital Revenue	2,344,524	2,344,524		2,344,524	2,315,150
Total Revenue	2,345,024	2,344,524	219,757	2,564,281	4,065,190
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	3,289,824	3,289,824		3,289,824	3,078,054
Transportation and Housing	28,062	28,062		28,062	18,225
Total Expense	3,317,886	3,317,886	-	3,317,886	3,096,279
Capital Surplus (Deficit) for the year	(972,862)	(973,362)	219,757	(753,605)	968,911
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	720,814	885,258		885,258	1,177,976
Local Capital	1,000,000		2,000,000	2,000,000	
Total Net Transfers	1,720,814	885,258	2,000,000	2,885,258	1,177,976
Total Capital Surplus (Deficit) for the year	747,952	(88,104)	2,219,757	2,131,653	2,146,887
Capital Surplus (Deficit), beginning of year		22,492,512	64,300	22,556,812	20,409,925
Capital Surplus (Deficit), end of year		22,404,408	2,284,057	24,688,465	22,556,812

School District No. 40 (New Westminster)

Tangible Capital Assets
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	15,057,921	109,403,037	1,547,886	280,615	-	3,344,161	129,633,620
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,554,238	24,952			119,158	1,698,348
Deferred Capital Revenue - Other			12,317				12,317
Operating Fund			129,860			534,584	664,444
Special Purpose Funds		220,814					220,814
Transferred from Work in Progress		6,997,779					6,997,779
	-	8,772,831	167,129	-	-	653,742	9,593,702
Decrease:							
Deemed Disposals			12,969	87,993		222,907	323,869
	-	-	12,969	87,993	-	222,907	323,869
Cost, end of year	15,057,921	118,175,868	1,702,046	192,622	-	3,774,996	138,903,453
Work in Progress, end of year		85,395,455	350				85,395,805
Cost and Work in Progress, end of year	15,057,921	203,571,323	1,702,396	192,622	-	3,774,996	224,299,258
Accumulated Amortization, beginning of year		38,995,974	435,561	142,558		1,049,327	40,623,420
Changes for the Year							
Increase: Amortization for the Year		2,466,203	154,789	28,062		668,832	3,317,886
Decrease:							
Deemed Disposals			12,969	87,993		222,907	323,869
		-	12,969	87,993	-	222,907	323,869
Accumulated Amortization, end of year		41,462,177	577,381	82,627	-	1,495,252	43,617,437
Tangible Capital Assets - Net	15,057,921	162,109,146	1,125,015	109,995	-	2,279,744	180,681,821

School District No. 40 (New Westminster)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	48,050,166				48,050,166
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	44,282,597	350			44,282,947
Deferred Capital Revenue - Other	60,471				60,471
	44,343,068	350	-	-	44,343,418
Decrease:					
Transferred to Tangible Capital Assets	6,997,779				6,997,779
	6,997,779	-	-	-	6,997,779
Net Changes for the Year	37,345,289	350	-	-	37,345,639
Work in Progress, end of year	85,395,455	350	-	-	85,395,805

School District No. 40 (New Westminster)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	66,264,206	133,181	126,699	66,524,086
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,698,348	12,317		1,710,665
Transferred from Work in Progress	6,997,779			6,997,779
	<u>8,696,127</u>	<u>12,317</u>	<u>-</u>	<u>8,708,444</u>
Decrease:				
Amortization of Deferred Capital Revenue	2,326,247	14,779	3,498	2,344,524
	<u>2,326,247</u>	<u>14,779</u>	<u>3,498</u>	<u>2,344,524</u>
Net Changes for the Year	<u>6,369,880</u>	<u>(2,462)</u>	<u>(3,498)</u>	<u>6,363,920</u>
Deferred Capital Revenue, end of year	<u>72,634,086</u>	<u>130,719</u>	<u>123,201</u>	<u>72,888,006</u>
Work in Progress, beginning of year	46,042,114	2,008,047		48,050,161
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	44,282,947		60,471	44,343,418
	<u>44,282,947</u>	<u>-</u>	<u>60,471</u>	<u>44,343,418</u>
Decrease				
Transferred to Deferred Capital Revenue	6,997,779			6,997,779
	<u>6,997,779</u>	<u>-</u>	<u>-</u>	<u>6,997,779</u>
Net Changes for the Year	<u>37,285,168</u>	<u>-</u>	<u>60,471</u>	<u>37,345,639</u>
Work in Progress, end of year	<u>83,327,282</u>	<u>2,008,047</u>	<u>60,471</u>	<u>85,395,800</u>
Total Deferred Capital Revenue, end of year	<u>155,961,368</u>	<u>2,138,766</u>	<u>183,672</u>	<u>158,283,806</u>

School District No. 40 (New Westminster)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,549,382	2,173	34,705	2,252,569		3,838,829
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	45,389,955					45,389,955
Provincial Grants - Other			1,260,246			1,260,246
Other				412,785	60,471	473,256
Investment Income	70,467			34,328		104,795
Transfer project surplus to MEd Restricted (from) Bylaw	(6,646)	6,646				-
	<u>45,453,776</u>	<u>6,646</u>	<u>1,260,246</u>	<u>447,113</u>	<u>60,471</u>	<u>47,228,252</u>
Decrease:						
Transferred to DCR - Capital Additions	1,698,348		12,317			1,710,665
Transferred to DCR - Work in Progress	44,282,947				60,471	44,343,418
	<u>45,981,295</u>	<u>-</u>	<u>12,317</u>	<u>-</u>	<u>60,471</u>	<u>46,054,083</u>
Net Changes for the Year	<u>(527,519)</u>	<u>6,646</u>	<u>1,247,929</u>	<u>447,113</u>	<u>-</u>	<u>1,174,169</u>
Balance, end of year	<u>1,021,863</u>	<u>8,819</u>	<u>1,282,634</u>	<u>2,699,682</u>	<u>-</u>	<u>5,012,998</u>

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the School District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the School District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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(e) and 2(k), 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) Cash and cash equivalents

Cash and cash equivalents include deposits in the Provincial Ministry of Finance Central Deposit Program that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value. These cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) 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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) 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(k).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the Statement of Operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

f) 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, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) 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.

h) 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 Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management’s responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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.

j) 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.

k) 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 must 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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Expenses

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

Categories of Salaries

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

Allocation of Costs

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

m) 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.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Re-measurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Re-measurement Gains and Losses and recognized in the Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

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

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) 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.

o) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2021. A liability will be recognized when, as at the financial reporting date:

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

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

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

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

Revenue from transactions with performance obligations should be recognized when the school district satisfies a performance obligation by providing the promised goods or services to a payor.

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

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

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

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 3 ACCOUNTS RECEIVABLE

	2020	2019
Due from Province		
Ministry of Education (OLEP French)	\$ 44,774	\$ 44,774
Ministry of Education (Bylaw Projects)	4,406,937	2,780,534
Ministry of Education (Annual Facility Grant)	457,917	-
	\$ 4,909,628	\$ 2,825,308

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Accounts Payable Other		
Trade payables	\$ 13,099,765	\$ 7,825,180
Employee Vacation Payable	443,067	369,479
Salaries and Benefits Payable	2,334,822	3,956,181
	\$ 15,877,654	\$ 12,150,840

NOTE 5 UNEARNED REVENUE

	2020	2019
Balance, beginning of year	\$ 2,863,174	\$ 3,475,974
Changes for the year:		
Increase:		
Tuition fees collected	1,651,089	2,863,174
	4,514,263	6,339,148
Decrease:		
Tuition fee revenue recognized	2,863,174	3,475,974
	\$ 1,651,089	\$ 2,863,174

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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.

	2020	2019
Balance, beginning of year	\$ 2,446,324	\$ 3,138,470
Increases:		
Provincial Grant - Ministry of Education	8,315,653	7,444,782
Other Revenue	1,436,762	2,241,849
	9,752,415	9,686,631
Decreases:		
Allocated to Revenue	10,694,723	9,466,195
Recovered	69,774	912,582
Net Change for the year	(1,012,082)	(692,146)
Balance, end of year	\$ 1,434,242	\$ 2,446,324

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.

	2020	2019
Balance, beginning of year	\$ 118,413,076	\$ 90,268,207
Increases:		
Provincial Grant - Ministry of Education	45,389,955	31,808,478
Provincial Grants – Other	1,260,246	32,485
Other Revenue	473,256	290,508
Investment Income	104,795	77,757
	47,228,252	32,209,228
Decreases:		
Amortization	2,344,524	2,315,150
Site Purchase	-	1,749,209
	2,344,524	4,064,359
Net Change for the year	44,883,728	28,144,869
Balance, end of year	\$ 163,296,804	\$ 118,413,076

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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.

	2020	2019
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 2,871,430	\$ 2,996,163
Service Cost	234,792	249,035
Interest Cost	74,708	86,411
Benefit Payments	(242,570)	(190,337)
Actuarial (Gain) Loss	70,753	(269,842)
	\$ 3,009,113	\$ 2,871,430
Accrued Benefit Obligation – March 31		
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 3,009,113	\$ 2,871,430
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	3,009,113	2,871,430
Employer Contribution after Measurement Date	(46,359)	(20,060)
Employer Expense after Measurement Date	79,863	77,375
Unamortized Net Actuarial (Gain) Loss	349,905	469,708
	\$ 3,392,522	\$ 3,398,453
Accrued Benefit Obligation – June 30		
Accrued Benefit Liability -July 1		
Accrued Benefit Liability - July 1	3,398,453	3,272,135
Net expense for Fiscal Year	262,939	304,442
Employer Payments	(268,870)	(178,124)
	\$ 3,392,522	\$ 3,398,453
Accrued Benefit Obligation – June 30		
Components of Net Benefit Expense		
Service Cost	\$ 238,241	\$ 245,474
Interest Cost	73,748	83,487
Amortization of Net Actuarial Gain	(49,050)	(24,519)
	\$ 262,939	\$ 304,442
Net Benefit Expense		
Assumptions		
Discount Rate – April 1	2.50 %	2.75%
Discount Rate – March 31	2.25 %	2.50%
Long Term Salary Growth – April 1	2.50 % + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50 % + seniority	2.50% + seniority
EARSL – March 31	11.0	11.0

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2020	Net Book Value 2019
Sites	\$ 15,057,921	\$ 15,057,921
Buildings	76,713,691	70,407,063
Buildings – work in progress	85,395,455	48,050,166
Furniture & Equipment	1,125,015	1,112,325
Vehicles	109,995	138,057
Computer Hardware	2,279,744	2,294,834
Total	\$180,681,821	\$ 137,060,366

June 30, 2020

Cost:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Sites	\$ 15,057,921	\$ -	\$ -	\$ -	\$ 15,057,921
Buildings	109,403,037	1,775,052	-	6,997,779	118,175,868
Buildings–work in progress	48,050,166	44,343,068	-	(6,997,779)	85,395,455
Furniture & Equipment	1,547,886	167,479	(12,969)	-	1,702,396
Vehicles	280,615	-	(87,993)	-	192,622
Computer Hardware	3,344,161	653,742	(222,907)	-	3,774,996
Total	\$ 177,683,786	\$ 46,939,341	\$ (323,869)	\$ -	\$ 224,299,258

Accumulated Amortization:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Buildings	\$ 38,995,974	\$ 2,466,203	\$ -	\$ -	\$ 41,462,177
Furniture & Equipment	435,561	154,789	(12,969)	-	577,381
Vehicles	142,558	28,062	(87,993)	-	82,627
Computer Hardware	1,049,327	668,832	(222,907)	-	1,495,252
Total	\$ 40,623,420	\$ 3,317,886	\$ (323,869)	\$ -	\$ 43,617,437

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2019

Cost:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Sites	\$ 13,308,712	\$ 1,749,209	\$ -	\$ -	\$ 15,057,921
Buildings	107,797,418	1,504,609	-	101,010	109,403,037
Buildings—work in progress	17,876,454	30,274,722	-	(101,010)	48,050,166
Furniture & Equipment	1,408,251	139,635	-	-	1,547,886
Vehicles	182,254	98,361	-	-	280,615
Computer Software	13,364	-	(13,364)	-	-
Computer Hardware	2,501,746	857,325	(14,910)	-	3,344,161
Total	\$ 143,088,199	\$ 34,623,861	\$ (28,274)	\$ -	\$ 177,683,786

Accumulated Amortization:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Buildings	\$ 36,561,767	\$ 2,434,207	\$ -	\$ -	\$ 38,995,974
Furniture & Equipment	294,736	140,825	-	-	435,561
Vehicles	124,333	18,225	-	-	142,558
Computer Software	10,691	2,673	(13,364)	-	-
Computer Hardware	563,888	500,349	(14,910)	-	1,049,327
Total	\$ 37,555,415	\$ 3,096,279	\$ (28,274)	\$ -	\$ 40,623,420

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$6,199,613 (2019 - \$6,119,815) for employer contributions to these plans in the year ended June 30, 2020.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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

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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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 25, 2020. The table below presents the Amended Annual Budget and the initial Annual Budget as submitted to the Ministry in June 2019.

	2020 Amended Annual Budget	Adjustment	2020 Annual Budget
School Age	6,538,250	23,500	6,561,750
Adult	336,000	(117,750)	218,250
Other	0		0
Total Ministry Operating Grant Funded FTE's	6,874,250	(94,250)	6,780,000
Revenues			
Provincial Grants			
Ministry of Education	\$72,568,307	(573,533)	\$73,141,840
Other	162,000	162,000	0
Tuition	3,588,290	(177,810)	3,766,100
Other Revenues	2,634,962	928,462	1,706,500
Rentals and Leases	255,000	55,000	200,000
Investment Income	500,500	100,000	400,500
Amortization of Deferred Capital Revenue	2,344,524	(12,871)	2,357,395
Total Revenue	\$82,053,583.00	481,248	\$81,572,335.00
Expenses			
Instructional	\$ 68,717,172	(1,355,710)	\$ 67,361,462
District Administration	3,583,197	333,350	3,916,547
Operations and Maintenance	10,211,236	(34,974)	10,176,262
Transportation and Housing	340,231	(31,962)	308,269
Total Expenses	\$ 82,851,836	(1,089,296)	\$ 81,762,540
Net Revenue (Expense)	(798,253)	(608,048)	(190,205)
Budget Allocation (Retirement) of Surplus (Deficit)	\$1,546,205	\$1,120,710	\$425,495
Budget Surplus Deficit for year	747,952	512,662	235,290
Budget Surplus (Deficit) for the year comprised of			
Operating Surplus			
Capital Fund Surplus (Deficit)	747,952	512,662	235,290
Budget Surplus Deficit for the year	747,952	512,662	235,290

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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.

	<u>Expiry Date</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
Graham Construction	Dec 2020	\$ 14,828,425	\$ -	-
Heatherbrae-Builders	Sept 2022	9,408,000	9,408,000	1,568,000
Columbia Square Plaza	April 2021	232,091	-	-
Totals		<u>\$ 24,468,516</u>	<u>\$ 9,408,000</u>	<u>\$ 1,568,000</u>

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, 2020, the liability is not reasonably determinable and therefore has not been accrued.

NOTE 15 EXPENSE BY OBJECT

	<u>2020</u>	<u>2019</u>
Salaries and benefits	\$ 69,625,589	\$ 67,728,084
Services and supplies	8,367,383	9,661,667
Amortization	3,317,886	3,096,279
Totals	<u>\$ 81,310,858</u>	<u>\$ 80,486,030</u>

NOTE 16 ACCUMULATED SURPLUS

	<u>2020</u>	<u>2019</u>
Local Capital	\$ 2,284,057	\$ 64,300
Invested in Tangible Capital Assets	22,404,408	22,492,512
Internally restricted:		
School Surplus	28,832	27,183
Recap and Power Local Grants	2,635	-
Surplus Applied to 2020-2021 Budget	1,381,970	-
Surplus Applied to 2019-2020 Budget	-	425,495
District Initiative Program – Fine Arts	-	180,000
District Initiative Program – Innovation Grants	-	17,184
Commitments Outstanding	328,074	269,524
Board Internally Restricted – Covid Emerging Issues	1,736,830	-
Board Internally Restricted	500,000	500,000
Total Internally Restricted	<u>3,978,341</u>	<u>1,419,386</u>
Unrestricted Operating Surplus	-	3,520,703
Total Accumulated Surplus, end of year	<u>\$ 28,666,806</u>	<u>\$ 27,496,901</u>

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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 financial statements have been prepared on a going concern basis.

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.

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 18 RISK MANAGEMENT (Continued)

d) Fair value of financial instruments:

Public Sector Accounting Standards define the fair value of financial instrument as the amount at which the instrument could be exchanged in current transaction between willing parties. The School District uses the following methods and assumptions to estimate the fair value of each class of financial instrument for which the carrying amounts are included in the Statement of Financial Position under the following captions:

- (i) Cash and cash equivalents, accounts receivable, investments, accounts payables and accrued liabilities- the carrying amounts approximate fair value because of the short maturity of the instruments.

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- (iii) Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The School District's instruments are all considered to be level 1 financial instruments for which the fair value is determined based on quoted prices in active markets. Changes in financial instruments valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year there were no significant transfers of securities between different levels.

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

Project	Project Name McBride Replacement	Project Description	Construction of new building and demolition of existing	Project Dashboard		
Date	September 15, 2020	Year	2020	Scope	Budget	
Prepared By	Karen Hearn			Schedule	Issues	
<p style="text-align: right;">Green: As planned Yellow: Corrective Action Being Taken Red: Executive Attention Required</p>						

Project Status
<p>Brief paragraph describing the status of the project, milestones achieved and not reached. Major upcoming milestones.</p> <p><i>Project is in the construction stage.</i></p> <p><i>Since the June 2020 report the following major milestones were achieved:</i></p> <ul style="list-style-type: none"> ▪ <i>Building permit has been received from the City of New Westminster</i> ▪ <i>Excavation, shoring, micro piling, formwork for foundation are complete</i> ▪ <i>Trucking of soil off site has been completed</i> ▪ <i>Civil offsite work completed</i> ▪ <i>Relocation of the play structure from the northeast corner to the southeast area of on the existing school playground has been completed</i> <p>Upcoming major milestones</p> <ul style="list-style-type: none"> ▪ <i>Installation of below slab piping</i> ▪ <i>Pouring concrete slab</i> ▪ <i>Start of installation of the steel structure</i>
Project Scope
<p>Changes to the original scope or key assumptions which may have a material impact on schedule, budget, or project outcome.</p> <ol style="list-style-type: none"> 1. <i>Increase of building size to accommodate siting on the property. The school portion of the building is 3,765 m2. Total space for the Child Care is 435 m2 with the Childcare funding being provided from the Ministry of Children and Family Development and the City of New Westminster.</i>
Project Schedule
<p>Highlight any important changes or risks to the project timelines.</p> <p><i>The previously planned opening of the new school for September 2021 is no longer viable. The General Contractor has identified the potential for opening December 2021 or January 2022 though they are aiming to meet December 2021 with demolition of the existing school and full completion of the project changed from June to September 2022. The General Contractor has identified they are working to advance the schedule for an earlier completion if possible. COVID-19 creates additional caution as the availability of supplies and trades is being impacted by the pandemic. Currently, the impact of the pandemic has been beneficial rather than detrimental to the project.</i></p>

The table below provides further detail regarding the project schedule.

Task	Completed by	Status Sept. 15/20
Phase one – new school		
Excavation, shoring, micro piling, formwork for foundation	Last week August 2020	Complete
Slab on grade	Mid-September 2020	As planned
Steel structure including decking	1 st week of March 2021	As planned
Roof	2 nd week April 2021	As planned
Exterior windows and exterior building envelope	Last week August 2021	As planned
Interior finishes	2 nd week December 2021	As planned
Occupancy	Mid December 2021	As planned
Phase two – demolition & completion of landscaping		
Demolition	Mid-April 2022	As planned
Completion of Landscaping	End of August 2022	As planned

Project Budget

Changes to overall budget and approx. % over or under budget.

The project budget has been revised based upon the bid price. The revised project budget is \$34,984,643. Earlier in the project Change Orders were exceeding expectation for the point in the project. Work with the General Contractor and consultants has resulted in cost savings. The quantity and dollar value of subsequent Change Orders has been modest.

At this time, the project is projected to be within the revised project budget of \$34,984,643.

Major Risks

Comments as of September 9, 2020 regarding Risks are included in red italics.

As identified in the Funding Agreement:

1. *Unexpected Soil & Ground Conditions – while there have been unexpected soil & ground conditions to date these have not resulted in significant impact to the project. For the Phase 1 (new school) portion of the project this risk is decreasing.*
2. *Hazmat - A small amount of abandoned asbestos containing underground pipe was discovered and removal and remediation completed at a cost of less than \$3,500.*
3. *Additional City Requirements - With the Building Permit in place this risk is decreased. There were some additional requirements.*
4. *Post Completion Audit*
5. *Escalation With the contract in place this risk has been eliminated.*

Additional major risks include:

- *Safety – construction vehicle access as well as construction site strategies to minimize danger to students and community*
- *Neighbours concerns regarding construction disruption - To date there have been few complaints and no substantive concerns.*
- *Quality – ensuring competent contractor, design team, project manager The General Contractor and consultants have been responsive in a timely manner and providing quality service including detailed field reviews by consultants and the project manager.*

- *Timing of approvals – ensuring adequate time in the project schedule for approvals balanced with timely response While the approval to award the tender and receipt of permits from the City was slower than anticipated these milestones have been achieved.*
- *COVID-19 and impact on availability and timing for supply deliveries and availability of trades personnel The General Contractor is anticipating long lead time items and ordering/stock piling in advance as able.*

A Risk Management Plan for the project has been prepared and reviewed with the Steering Committee. The committee regularly review the risks and strategies in place to manage the risks.

Issues

Significant issues or risks that should be brought to the attention of the Project Committee. These include issues being managed by the project team and issues which need to be escalated for Executive intervention.

- *There are no significant issues at this time.*





1. Project Summary

The existing school facility is approximately 70 years old and it has reached the end of its useful life as well as being classified as H1 high seismic risk. The existing school facility is built on an area that has history of burial usage.

The project consists of design and construction of a 19,837m² replacement facility on the existing SD owned property, decommissioning of the existing school, and restoration of the site with appropriate memorialization.

2. Project Structure

The Project Team are identified in Appendix 1.

3. Scope

The new school will accommodate more than 1,900 students with 76 teaching units and an allowable school area of 16,390m², plus Neighbourhood Learning Centre (NLC) space of 2,802m², and a SD Maintenance/IT facility of 645m², for a total gross area of 19,837m² per the CPFA.

There may be sufficient site area to accommodate two playfields and the Maintenance/IT facility is proposed as a stand-alone facility separate from the new school building.

4. Schedule

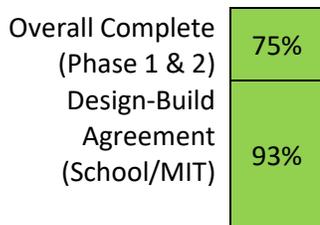
The following Table 1 sets out target milestone dates.

Table 1 – Tentative Timetable for Key Milestones

Milestone/Deliverable	Target Dates	Revised
RFQ issued	November 24, 2016	-/-
RFP issued	Early March 2017	Late March 2017
Technical submissions	July 2017	September 25, 2017
Financial submissions	August 2017	November 1, 2017
Contract award	September 2017	December 2017
Occupancy	September 2019	2020/21
Demo + Memorialization	2021-2023	-/-

5. Budget

Contract expenditures to date total to an aggregate value of approximately \$79,940,000



6. Communications**a) General**

- Communication has been circulated to public regarding Covid-19 impact to construction phase of NWSS Replacement Project and subsequent impact to opening schedule.
 - Staffing levels of workforce has reduced from +250 to approximately 150 - 170, and continues to fluctuate from week to week.
 - Significant interruption to materials supply chain, however, supply chains have been coming back online.
 - School will not be available for occupancy in early September 2020. Project team is working closely with Contractor to establish an updated schedule for completion based on availability of workers and re-establishment of materials supply chain.
- Communications with adjacent residents regarding implementation of 6th Street Pedestrian Activated signal crossing – potential impacts to on-street parking.

7. Work Completed or Underway**Mid- July/August Achievements:**

Past 6 Weeks:

- Start-up of various piece of mechanical equipment (IT room mechanical equipment, exhaust fans)
- Start-up of Air Handling Units (AHU 3 – Gym, AHU 2 – Grand Commons)
- Balancing of Air systems
- Commissioning of lighting controls on L2 and L3 (lights are under active control on those floors)
- Install of Wood doors on L2 and L3
- Install of Gym Equipment (scoreboards, basketball backstops)
- Install of folding panel partitions between classrooms on L2
- Install wood-slat ceilings on L1
- Install of stair railings
- Start of final paint
- Install of Black Box Pipe Grid and Motorized Lighting Rail
- Paving and U/G service for ped activated street crossing on 6th Street

8. September/mid-October planned construction activities:

Next 6 Weeks

- Start of wire tension-grid install in theatre (started Sept.2nd)
- Completion of millwork throughout school
- Millwork panels in the theatre
- Install of Gym Wood Flooring
- Install of wood doors on L1
- Install of flooring
- Install of kitchen equipment
- Commissioning of Fire Alarm system
- Completion of Cladding and Soffits
- Concrete sidewalks and final paving of roadways

- Start of Soft Landscaping (i.e. plants and trees)
- We anticipate the arrival of writeable surface for classrooms

Notes:

- *Work hours for Graham Design-Builders - Monday to Friday from 7:00 a.m. to 5:00 p.m.*
- **Traffic/Pedestrian/Cycling movements through and around worksite on Municipal streets are operating effectively and safely.**

Appendix 1 – Project Team

- **School District #40:**
 - Karim Hachlaf, Superintendent
 - Murray McLeod, NWSS Principal
 - Dave Crowe, Director, Capital Projects
 - Grant Lachmuth (Black Wolf Consulting Inc.), Project Officer

South Facing Frontage



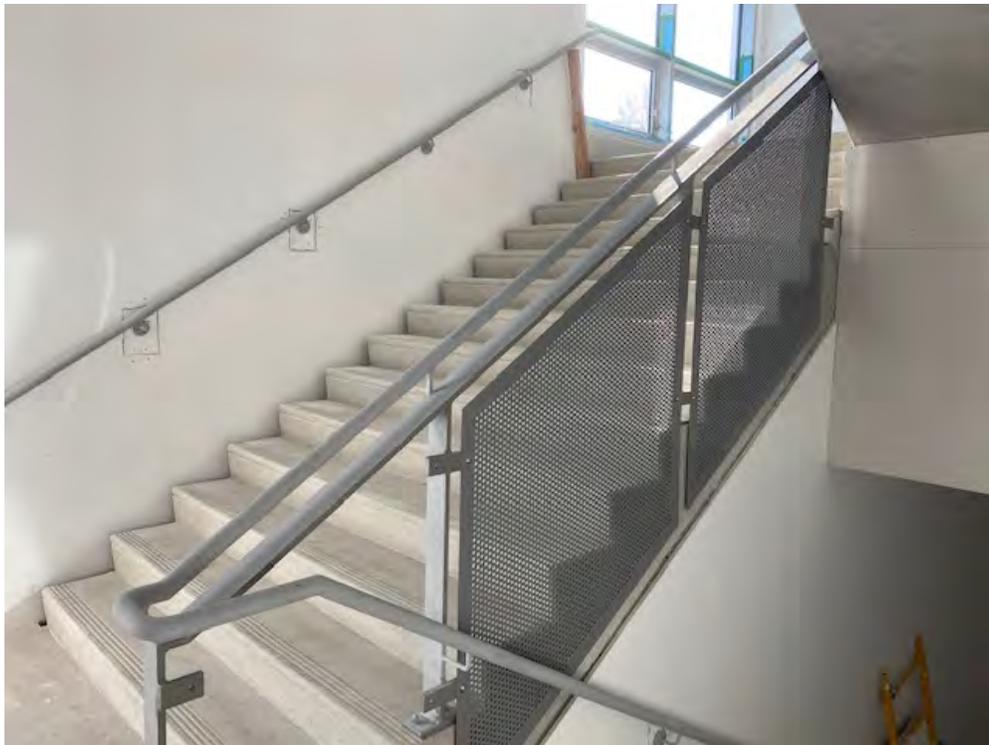
West Facing Wall of Gymnasium



Ceiling Treatment and Locker Area



Stairwell Treatment



Collaborative Learning Space



Typical Classroom



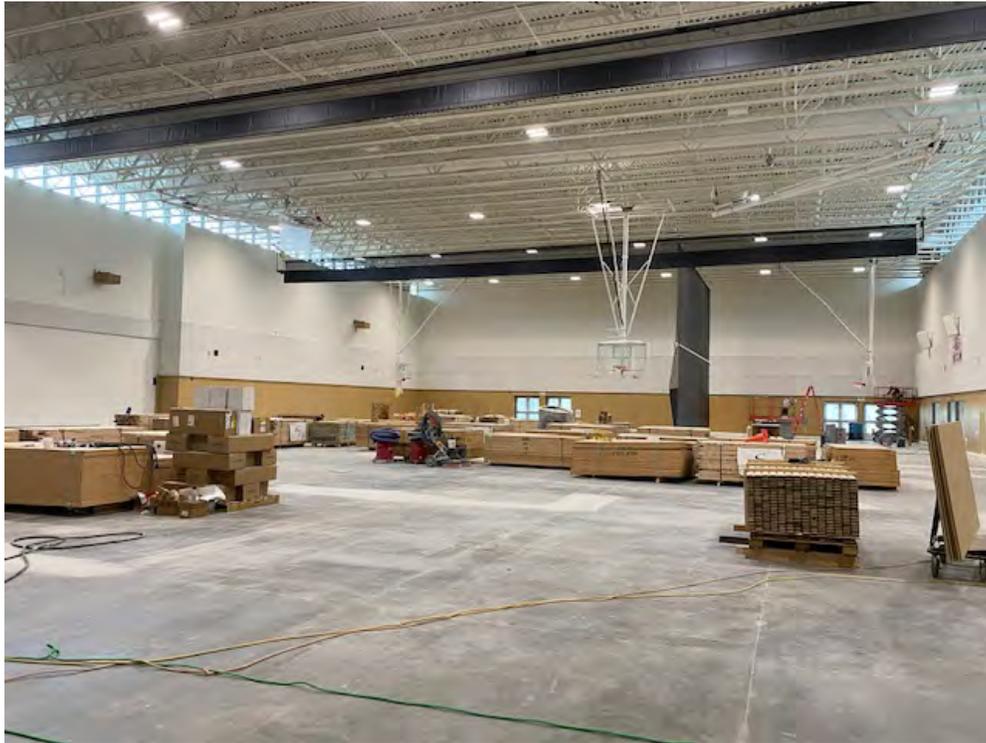
Science Lab



Science Lab



Gymnasium



Gymnasium



View Facing North



Capital Projects, Operations and Planning

School Enhancement Program Projects (SEP)

In March 2020, the district was approved for a number of SEP projects. Funding is received in April and is to be spent by March 2021. The bulk of the work for these projects happened over the course of the summer when school was not in session. Below is an update on the work completed under this funding envelope:

- Mechanical upgrades - air handler in the Gym and office have been completed at both Connaught Heights and F.W. Howay Elementary.
- Roof replacement and replacement of gutters, new flashing and new sky lights have been completed at Herbert Spencer Elementary.
- Roof and gutter replacement, new flashing, shingle roof and the flat roof and gutters were also completed at Glenbrook Middle. Flooring replacement at this site has also been completed.

Annual Facilities Grant (AFG)

The following work was completed under the AFG funding envelope:

- Connaught Heights: Repainted the outside of the school.
- F.W. Howay: Built new retaining wall and paved.
- Queen Elizabeth: We renovated the washrooms to put in new flooring, sinks, counter tops and new stalls. We also refinished the Gym and painted new lines.
- Fraser River Middle: Renovated the portables previously occupied by RCAP into 3 classrooms to accommodate enrolment growth.
- Lord Tweedsmuir: Installed new handicap ramp at the front of the school to further improve accessibility.
- Queensborough Middle: Site prep and Relocation of portable from Connaught to accommodate enrolment growth.
- Qayqayt: Site prep and install of new portable to accommodate enrolment growth.

All Sites:

- Installed new intrusion and fire alarms.
- ESC has updated programming and motion and CO2 sensors, which enhance the ventilation of our buildings to bring in continuous fresh air from outside. Buildings have been programmed to bring more fresh air intake as we head in to the school season.
- We are still in the process of installing the new VOIP phone system

Playground Equipment Program (PEP)

At Queen Elizabeth Elementary, students are enjoying the new playground funded by the PEP program. It is universally accessible. Consultation took place with the school and PAC.



Capital planning

Queen Elizabeth Elementary

The concept plan for the addition has been submitted to the Ministry to receive approval from the treasury board analyst on the preferred option. The preferred option is a 13 classroom addition to Queen Elizabeth Elementary and comes at an estimated cost of \$14.7M.

COVID-19

A significant focus this summer has been on preparing schools for restart on September 10th. In preparation, the following work has been completed:

- Built hand sanitizer station for each entrance of our schools.
- Installed portable hand wash stations in all of our portables.
- We are in the process of installing new sinks at Glenbrook and Queensborough Middle.
- Installation of plexi-glass at all our sites in administration offices, libraries and the NWSS cafeteria.
- We have changed almost all of our filters to MERV13 and we are going to do a 2-hour purge taking the outside air at 100% into the school before school starts.
- Procured and delivered PPE (masks, etc.), cleaning supplies to ensure a healthy supply of materials.
- Conducted training and Health and safety meetings for custodians.
- Custodial hours have been adjusted and 5 more custodians have been hired using provincial funding) to accommodate day schedules while staff and students are in the building to ensure constant cleaning and disinfection throughout the day. Custodial staff have had meetings and training to go over cleaning and disinfecting procedures.
- Signage and arrows have been installed at all sites.
- Preparation of new DL hub at NWSS to support teachers doing online teaching.

Finance

The Finance team has been busy over the summer closing our 2019-20 year end, working with our external auditors to complete our annual audit. The audit went well and results will be presented during the September 15 operations meeting.

Work has been done also to roll over the financial system for the start of the new-year. We have been working with HR to ensure proper placement of staff and ensuring position moves are updated in our systems.

Ministry & Other Submissions: July - September 2020

Submitted to:	Description	Date
Ministry of Education	Portable and Modular Inventory Report	September 30
Ministry of Education	Targeted Funding for Indigenous Education Program (2019-20)	September 30
Ministry of Education	2019-20 Financial Statements	September 30
Ministry of Education	2019-20 CEF preliminary reporting	July 15
Ministry of Education	2019-20 curriculum learning and support fund	July 31
Ministry of Education	2019-20 COVID-19 tracking template	July 15
Ministry of Education	Q1 2020-21 June GRE financial results	July 15

Supplement to: **OPERATIONS POLICY AND PLANNING MEETING**

Date: September 15, 2020

Submitted by: Bettina Ketcham, Secretary-Treasurer

Item: **Requiring Action** **Yes** **No** **For Information**

Subject: COVID-19 Special Purpose Funding Grants

Background:

In July 2020, the Ministry of Education announced a one-time funding allocation resulting from the COVID-19 pandemic in recognition of the additional costs resulting from keeping our sites and schools safe and healthy. It is a special purpose grant of \$45.6M province wide. School District 40's share of this funding is **\$488,210**.

In August 2020, the Federal government announced one-time funding of \$2 billion to the public education system nationwide. The BC share of this allocation was \$242 million. Of this, the District's allocation is **\$2,548,446**. The first ½ (\$1,274,223) is coming September with the remaining ½ in January

On September 2, 2020, the BC government announced additional \$2M in school-based wellness programs and supports. This is in addition to the mental health funding announced last year. This additional mental health funding specifically addresses the challenges of students/families worrying about the COVID-19 pandemic.

Safe Return to School Grant (Provincial)

SD 40's share of this funding is **\$488,210** and the amounts are targeted for specific use in the following categories:

Staffing: \$269,238

The staffing allocation is specifically for increased hiring or hours for custodial staff. The District has hired an additional 5 custodians (equating to a 20% increase) to ensure there is sufficient day cleaning to meet the cleaning requirements.

Improving hand hygiene: \$107,344

The District has purchased and installed 30 portable pump wash stations. All portables will be outfitted with these hand washing stations and the remainder will go to supplement NWSS. All elementary schools have sinks in classes, as does Fraser River Middle, Queensborough Middle and Glenbrook Middle schools will have additional permanent sinks installed in the hallways. The maintenance team have taken stock of the sink to student ratio and have determined that once

the new sinks are installed, it is a 1:16 ratio for sinks to students. The ratios discussed above are only for student sinks, there are also additional staff-only sinks in staff-only washrooms and staff rooms. The remaining funds will be used to install a permanent wash-cart portable to service the grouping of portables on-site.

Cleaning Supplies: \$59,701

The District has ordered supplies to ensure a proper stock of cleaning supplies to last the year.

Reusable face masks and Face shields \$26,241

This fund is to be used to purchase the 2 reusable face masks for all employees and students in middle and secondary school. We have ordered 10,000 reusable masks to cover this need. We have also ordered 1,500 child-sized masks for students that are K-5. Presently the guidance does not recommend masks for very young students.

Technology: \$25,686

The technology allocation is to support students that cannot return to in-class instruction and includes items like loaned computers or software to support learning. The amounts are not infrastructure related. The Associate Superintendent and Director of IT are working together with the learning team to come up with a strategy on how best to apply these funds.

Safe Return to Class (Federal Funding)

School District 40's share of this funding is \$2,548,446. The main guideline for expenditure is that it aligns with the school District restart plans which are unique to each District. Districts have been given the flexibility to spend amounts but have been given some general direction.

The following represents a **DRAFT general plan of expenditure and may be subject to change:**

Learning Resources and Supports \$1,543,750

- Implementation of online and remote learning options including internet access
- Hiring additional teachers and staff
- Health and safety training for staff

Health and Safety \$978,696

- Costs related to meet health and safety guidelines in schools
- Installing plexiglass and other barriers
- providing outdoor learning spaces, and adapting classrooms and school buses to minimize physical contact
- Improving air systems in schools
- Purchasing additional cleaning supplies
- Purchasing additional masks, face shields or other personal protective equipment

The above plan is in addition to the \$488,210 from the provincial funding for safe return to schools. Nearly \$1.5M



Transportation

\$6,000

The District will continue to support our students with special needs who may have mobility challenges through the provision of school bus rides. There is a daily charge by our provider related to COVID-19 cleaning costs

Before and after school care

\$nil

Our partners in before and after school care in the District have sufficiently met the demand for before and after school care. The District already provides cleaning for these spaces and no additional resources are considered necessary at this time.

Mental health Supports for Schools

At the time of writing, school Districts had not yet received their allocations. However, the District expects to receive approximately \$23,000 (assuming it's based on FTE allocations) resulting from this initiative. Based on reports, school Districts will determine how funds are used based on their individual needs to help students adjust to this year's challenges. Funds may be used to enhance staff training, student workshops, family information nights or to develop new resource materials for educators and families. Once the allocation is known, we will work to identify the best use of these funds to support mental health in our schools.

Supplement to: **OPERATIONS POLICY & PLANNING COMMITTEE**

Date: September 15, 2020

Submitted by: Karim Hachlaf, Superintendent

Item: **Requiring Action** **Yes** **No** **For Information**

Subject: Richard McBride Elementary School Re-naming Proposal

Background:

On June 17, 2020, the school district received a letter, on behalf of the Richard McBride PAC, to initiate our re-naming process for Richard McBride Elementary School (Appendix A). In my response dated June 24th (Appendix B), and consistent with our [Administrative Procedure 542](#), the Board of Education has agreed to move forward with the activation of the re-naming committee.

Accordingly, the following timeline is proposed to create the re-naming committee and provide a plan to the Board for consulting students, parents, staff and community representatives.

September to mid-October: *Superintendent will coordinate invitation and confirmation of representatives for re-naming Committee.*

Mid-October to November 12: *Committee Chair sets meeting(s) to develop consultation plan and timeline.*

November 17: *Committee presents plan and timeline to Board of Education at its Operations Policy and Planning Meeting.*

Recommendation:

THAT the Operations Policy and Planning Committee recommend to the Board of Education of School District No. 40 (New Westminister) approval of the creation of the re-naming committee for Richard McBride Elementary School and the proposed timeline.

Appendix A

PROPOSAL TO INITIATE RE-NAMING RICHARD MCBRIDE ELEMENTARY SCHOOL

According to administrative procedure 542 Renaming School and District Facilities, a proposal to rename a school can be initiated by the school administration, staff or students, the Parent Advisory Council, District staff and community members.

I am requesting support from the PAC to initiate a procedure for re-naming Richard McBride Elementary School. Procedurally, I am bringing this matter to our June 2020 meeting for discussion, with the intention of bringing it for a vote at the September 2020 meeting.

WHO WAS RICHARD MCBRIDE?

Richard McBride was the sixteenth premier of British Columbia (1903-1915). His policies, actions, and stated views strongly demonstrated racism against Asian and Indigenous peoples, as well as sexism (e.g., opposing women's suffrage). While these views were not uncommon, they were not universal at the time. The historical record is clear that Richard McBride was on the forefront of racist, discriminatory policy and legislation.

During his time as premier of British Columbia, Richard McBride vocally advocated for a "a white BC" and sought to shut out the "Asiatic hordes." He worked hard to prevent "cheap" Japanese labour from competing in the fisheries and in "everything the white man has been used to call his own." He led the legislature in passing numerous anti-Asian measures (such as taxes on companies that hired Chinese labourers and legislation denying the vote to Asians and Indigenous people). After the Conservatives formed the federal government in 1911, he urged Prime Minister Borden to honour a promise to legislate against immigration from Asia.

McBride was also premier at the time of the *Komagata Maru* incident. The *Komagata Maru* was a Japanese steamship carrying hundreds of Sikhs who were traveling to Canada in hopes of settling and making a life here. Due to strong anti-Asian racism, the government did not allow the ship to dock and most of its passengers were barred from entering British Columbia. The ship was sent back to India where the Indian colonial government used the incident as an excuse to pass severe laws, attempting to arrest suspected Sikh radicals, and sparking a brutal riot that left 19 men dead. Richard McBride openly admitted to the racism behind the decision to bar the Sikh passengers from coming ashore in British Columbia, saying, "To admit Orientals in large numbers would mean the end, the extinction of the white people."

As premier, McBride pursued a policy of making way for economic development and the expansion of cities by dispossessing Indigenous nations of their reserve lands (Songheese in Victoria, Squamish in Vancouver, etc.).

Richard McBride was well-known to be a leading anti-suffrage politician at a time when (white) women were gaining the vote across Canada. He remained opposed to suffrage over the course of his career, stubbornly claiming that women did not truly want to vote and that extending the franchise to them would take too much power away from men.

WHY SHOULD THE PAC SUPPORT A PROPOSAL TO RE-NAME THE SCHOOL?

Administrative procedure 542 outlines the following exceptional circumstances for re-naming schools, both of which apply in this case:

- The current name does not service the needs of the school population of the community, and
- The current name is not in alignment with the District's core values and strategic priorities.

The name Richard McBride does not service the needs of the school population of the New West community, which is diverse.

- 33% of New Westminster's population were immigrants in 2011.
- 35% of New Westminster's residents have a non-English mother tongue.
- The top four languages spoken by New Westminster School District students at home are English (61%); Mandarin (5.8%); Tagalog/Phillipino (4.5%); and Punjabi (3.7%).

The name Richard McBride is not in alignment with the District's core values and strategic priorities. According to the current New West Strategic Plan, the District's core values and strategic priorities are as follows:

- Core values: collaboration, engagement, equity, inclusion, innovation, and integrity.
- Priorities:
 - Transform the student experience
 - Build meaningful relationships, including that "newcomers will be drawn into the social fabric of our schools" and "building bridges to families"
 - Lead into our future which talks about a commitment to Truth and Reconciliation and examining ourselves: growing, evolving, adapting
 - Ensure full participation in learning

WHY NOW?

The new school is an opportunity for a fresh start. We are also in a moment of reckoning, as a society, with the ongoing impact of racism and exclusion. The COVID-19 pandemic has unfortunately revealed the persistent and virulent nature of anti-Asian racism in British Columbia.

ISN'T THIS ERASING HISTORY AND TRADITION?

No. No one is suggesting that we not study our history, including the positive and negative things that Richard McBride did as premier. What we are suggesting is that the message sent to children by having his name on their place of learning is one of exclusion and marginalization for some of them. The reality is that most children who go to the school will not be able to tell you exactly who Richard McBride was or what he stood for. However, should they simply google his name, they will learn pretty quickly about his deep racism and discriminatory

actions. We want our children to identify positively with the name of their school. We want it to resonate with them and the values the District and the school are seeking to instil in them.

SOURCES:

Dictionary of Canadian Biography: McBride, Sir

Richard. http://biographi.ca/en/bio/mcbride_richard_14E.html

Emma Renaerts, "Oh No, My Street's Names After a Racist," The Tyee, 23 May 2019. <https://thetyee.ca/Opinion/2019/05/23/Racist-Street-Names/>

Danny Lewis, "The Story of the Komagata Maru Is a Sad Mark on Canada's Past," Smithsonian Magazine, 19 May 2016. <https://www.smithsonianmag.com/smart-news/story-komagata-maru-sad-mark-canadas-past-180959160/>

Patrica E. Roy, "McBride and the Indian Question in British Columbia," (2011-2012) 172 BC Studies 35.

United Way, New Westminster a city of contrasts: community profile published, 21 November 2016. <https://www.uwlm.ca/news/new-westminster-a-city-of-contrasts-community-profile-published/>

B.C.'s long-suffering suffragists, BC Book Look, 28 April 2020. <https://bcbooklook.com/2020/04/28/b-c-s-long-suffering-suffragists/>

Appendix B



School Board Office, District No 40
811 Ontario Street
New Westminster, BC V3m 0J7

604 517 6240
info@sd40.bc.ca
newwestschools.ca

June 24, 2020

SENT VIA EMAIL
PACMcBride@gmail.com

Jen Knight
Chair, Richard McBride Elementary Parent Advisory Council

Dear Jen,

I would like to formally acknowledge receipt of Cheryl Sluis letter dated June 22, sent on behalf of the Richard McBride Parent Advisory Council (PAC), outlining your request to activate our re-naming process for Richard McBride Elementary School. I have also noted the motion to support this request was passed by the PAC executive on June 17, 2020.

Within the letter, the reasons stated for re-naming include:

- The current name does not service the needs of the school population and the community and,
- The current name is not in alignment with the District's core values and strategic priorities.

As part of our [Administrative Procedure 542](#), the Board of Education reserves the right to change or remove a name in the event of exceptional circumstances. Further, if the proposal is deemed to qualify as an exceptional circumstance, where the existing name no longer serves the needs of the school population of the community and no longer aligns with District's core values and strategic priorities, the Superintendent will bring the proposal to the Board of Education to consider the activation of a District re-naming committee for further consultation. This consultation process includes providing a plan regarding the proposed re-naming.

In reviewing the proposal, the Board of Education has agreed to move forward with the activation of a re-naming committee. The school district is committed to reconciliation and decolonization including our physical structures within the public landscape of the traditional and unceded territories of the Qayqayt First Nation and Coast Salish peoples.

At our upcoming September Board Operations Committee meeting, tentatively scheduled for September 22, 2020, I will provide an update to the Board on facilitating the creation of a re-naming committee for Richard McBride, as per the parameters set out in our administrative procedure.

Once the committee participants have been finalized, the newly formed re-naming committee will meet to recommend a plan and timeline for consultation to the Board of Education. Upon Board approval, the committee will begin its work and present a summary report and provide a recommendation. The final decision will be made by the Board, in a closed meeting, and released to the public through a public board meeting. The Board is not bound by the recommendations of the committee.

I want to thank the Richard McBride Parent Advisory Council for initiating this request and we look forward to the work ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Hachlaf", written over a light blue horizontal line.

Karim Hachlaf
Superintendent of Schools / CEO

cc: Board of Education
Kathleen Chad, Principal

Supplement to: OPERATIONS POLICY & PLANNING COMMITTEE

Date: September 15, 2020

Submitted by: Bettina Ketcham, Secretary-Treasurer

Item: **Requiring Action** **Yes** **No** **For Information**

Subject: 2020-21 Board and Committee Meeting Schedule

Background:

Upon election of this group of Trustees, the operations and structure of how meetings have been ran were inherited from previous boards. This board has now had 2 school years under its belt and has gained a sense for what works and perhaps what could change. The COVID-19 environment has propelled many organizations to relook and rethink how business is conducted and this board is no exception. Attached is the proposed 2020-21 revised board and committee schedule which incorporates the changes outlined below.

One in-camera meeting per month

The board meets twice monthly for in-camera meetings - once before the operations committee meeting and another before the regular open board meeting. The recommendation being put forward is to reduce the in-camera meeting to once before the board meeting and call special in-camera board meetings on an as-needed basis.

Combination of committee meetings on one day

Combining the education and operations committee meetings on one day may be another way to create efficiencies in board operations. The meetings are proposed to be back-to-back with education starting at 5:00pm followed by the operations committee meeting at 6:15pm.

Since the meetings would be on the same date, this frees up days in the month for the board to meet for in-service. A number of dates have been earmarked in the calendar for such meetings, including one related to the budget process in early spring.

With the proposed change of combining the meetings, the committee day and board meetings will be staggered such that the trustees will be meeting every second week.

December and March committee meetings

December and March committee meetings are quite compressed as in each of those months we have winter and spring break respectively. It is proposed that the committee meetings not be held in the months of December and March and instead rely on the board meeting immediately preceding and succeeding these normally scheduled committee dates.





Since the pandemic was declared in March 2020, the Board of Education has been conducting its meetings virtually. Virtual meetings have been very successful and helped to engage a number of participants who otherwise would not normally participate. It has been refreshing taking real-time comments from parents or staff that have opted to participate. The Board may wish to continue with this format in future meetings but dialogue should take place to determine how we proceed in October and succeeding months given the current environment.

Recommendation:

THAT the Operations Policy and Planning Committee recommend to the Board of Education of School District No. 40 (New Westminister) approval of the revised 2020-21 Board and Committee Meeting Schedule.

BOARD MEETING SCHEDULE "DRAFT - SUBJECT TO CHANGE"

September 2020 to June 2021 (Hybrid Model)

Tues.	Sept	08	- no meeting - start of school	
Tues.	Sept	15	Education Policy/Planning Committee *	5:00 PM
Tues.	Sept	15	Operations Policy/Planning Committee	6:15 PM
Tues.	Sept	29	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	Oct	06	Placeholder- In-Service	tbd
Tues.	Oct	13	Education Policy/Planning Committee *	5:00 PM
Tues.	Oct	13	Operations Policy/Planning Committee	6:15 PM
Tues.	Oct	27	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	Nov	03	Placeholder- In-Service	tbd
Tues.	Nov	17	Education Policy/Planning Committee *	5:00 PM
Tues.	Nov	17	Operations Policy/Planning Committee	6:15 PM
Tues.	Nov	24	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	Dec	15	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	Dec	22	- winter break	
Tues.	Dec	29	- winter break	
Tues.	Jan	12	Education Policy/Planning Committee *	5:00 PM
Tues.	Jan	12	Operations Policy/Planning Committee	6:15 PM
Tues.	Jan	26	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	Feb	09	Education Policy/Planning Committee *	5:00 PM
Tues.	Feb	09	Operations Policy/Planning Committee	6:15 PM
Tues.	Feb	23	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	March	02	Budget 2021/22 In-Service	5:00 PM
Tues.	March	09	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	March	16	- spring break	
Tues.	March	23	- spring break	

BOARD MEETING SCHEDULE "DRAFT - SUBJECT TO CHANGE"

September 2020 to June 2021 (Hybrid Model)

Tues.	April	13	Education Policy/Planning Committee *	5:00 PM
Tues.	April	13	Operations Policy/Planning Committee	6:15 PM
Tues.	April	27	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	May	11	Education Policy/Planning Committee *	5:00 PM
Tues.	May	11	Operations Policy/Planning Committee	6:15 PM
Tues.	May	25	Board Meetings (In-Camera & Open)	6:00 PM
Tues.	June	08	Education Policy/Planning Committee *	5:00 PM
Tues.	June	08	Operations Policy/Planning Committee	6:15 PM
Tues.	June	15	Retirement Dinner	tbd
Tues.	June	22	Board Meetings (In-Camera & Open)	6:00 PM