

Audited Financial Statements of

School District No. 40 (New Westminster)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 40 (New Westminster)

June 30, 2021

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School District No. 40 (New Westminster)

MANAGEMENT REPORT

Version: 6375-5630-3647

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

09/29/21

Date Signed



Signature of the Superintendent

10/01/21

Date Signed



Signature of the Secretary Treasurer

09/29/2021

Date Signed



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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, 2021
- 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, 2021 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

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

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

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

Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.



Other Information

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

- Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document.
- 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 information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document and the unaudited schedules 1-4 attached to the audited financial statements as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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



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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
September 28, 2021


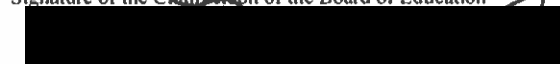

School District No. 40 (New Westminster)

Statement of Financial Position
As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	25,110,928	28,007,468
Accounts Receivable		
Due from Province - Ministry of Education (Note 3)	698,974	4,909,628
Other	275,665	547,146
Total Financial Assets	<u>26,085,567</u>	<u>33,464,242</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	8,297,628	15,877,654
Unearned Revenue (Note 5)	1,527,821	1,651,089
Deferred Revenue (Note 6)	1,300,084	1,434,242
Deferred Capital Revenue (Note 7)	184,512,396	163,296,804
Employee Future Benefits (Note 8)	3,568,459	3,392,522
Total Liabilities	<u>199,206,388</u>	<u>185,652,311</u>
Net Debt	<u>(173,120,821)</u>	<u>(152,188,069)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 9)	203,076,399	180,681,821
Prepaid Expenses	163,299	173,054
Total Non-Financial Assets	<u>203,239,698</u>	<u>180,854,875</u>
Accumulated Surplus (Deficit) (Note 15)	<u>30,118,877</u>	<u>28,666,806</u>

Contractual Obligations (Note 13)
Contingent Liabilities (Note 18)

Approved by the Board

	09/29/21
Signature of the Chairperson of the Board of Education	Date Signed
	10/01/21
Signature of the Superintendent	Date Signed
	09/29/2021
Signature of the Secretary/Treasurer	Date Signed

School District No. 40 (New Westminster)

Statement of Operations
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	78,751,344	78,345,646	73,332,619
Other	118,788	153,951	206,780
Tuition	1,758,240	1,859,214	3,597,541
Other Revenue	214,749	1,046,170	2,413,239
Rentals and Leases	169,667	251,367	207,144
Investment Income	245,000	219,193	378,916
Amortization of Deferred Capital Revenue	2,585,551	3,878,966	2,344,524
Total Revenue	83,843,339	85,754,507	82,480,763
Expenses			
Instruction	69,348,792	68,223,523	67,641,445
District Administration	3,317,825	3,289,794	3,354,175
Operations and Maintenance	10,526,437	12,532,709	10,003,553
Transportation and Housing	260,408	256,410	311,685
Total Expense	83,453,462	84,302,436	81,310,858
Surplus (Deficit) for the year	389,877	1,452,071	1,169,905
Accumulated Surplus (Deficit) from Operations, beginning of year		28,666,806	27,496,901
Accumulated Surplus (Deficit) from Operations, end of year		30,118,877	28,666,806

School District No. 40 (New Westminster)Statement of Changes in Net Debt
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>389,877</u>	<u>1,452,071</u>	<u>1,169,905</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(22,301,936)	(27,590,720)	(46,939,341)
Amortization of Tangible Capital Assets	3,621,842	5,196,142	3,317,886
Total Effect of change in Tangible Capital Assets	<u>(18,680,094)</u>	<u>(22,394,578)</u>	<u>(43,621,455)</u>
Acquisition of Prepaid Expenses	(160,000)	(163,299)	(173,054)
Use of Prepaid Expenses	160,000	173,054	178,346
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>9,755</u>	<u>5,292</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(18,290,217)</u>	<u>(20,932,752)</u>	<u>(42,446,258)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(20,932,752)</u>	<u>(42,446,258)</u>
Net Debt, beginning of year		<u>(152,188,069)</u>	<u>(109,741,811)</u>
Net Debt, end of year		<u>(173,120,821)</u>	<u>(152,188,069)</u>

School District No. 40 (New Westminster)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,452,071	1,169,905
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	4,482,135	(1,921,672)
Prepaid Expenses	9,755	5,292
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(7,580,026)	3,726,814
Unearned Revenue	(123,268)	(1,212,085)
Deferred Revenue	(134,158)	(1,012,082)
Employee Future Benefits	175,937	(5,931)
Amortization of Tangible Capital Assets	5,196,142	3,317,886
Amortization of Deferred Capital Revenue	(3,878,966)	(2,344,524)
Total Operating Transactions	<u>(400,378)</u>	<u>1,723,603</u>
Capital Transactions		
Tangible Capital Assets Purchased	(16,870,694)	(2,595,923)
Tangible Capital Assets - WIP Purchased	(10,720,026)	(44,343,418)
Total Capital Transactions	<u>(27,590,720)</u>	<u>(46,939,341)</u>
Financing Transactions		
Capital Revenue Received	25,094,558	47,228,252
Total Financing Transactions	<u>25,094,558</u>	<u>47,228,252</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,896,540)	2,012,514
Cash and Cash Equivalents, beginning of year	<u>28,007,468</u>	<u>25,994,954</u>
Cash and Cash Equivalents, end of year	<u>25,110,928</u>	<u>28,007,468</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	25,110,928	28,007,468
	<u>25,110,928</u>	<u>28,007,468</u>

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the School District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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. 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, 2022. 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. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the School District satisfies a performance obligation by providing the promised goods or services to a payer.

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, 2021**

NOTE 3 ACCOUNTS RECEIVABLE

	2021	2020
Due from Province		
Ministry of Education (OLEP French)	\$ 42,028	\$ 44,774
Ministry of Education (Bylaw Projects)	260,702	4,406,937
Ministry of Education (Annual Facility Grant)	338,789	457,917
Ministry of Education Classroom Enhancement Fund - Remedies	57,455	-
	\$ 698,974	\$ 4,909,628

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accounts Payable Other		
Trade payables	\$ 5,237,123	\$ 13,099,765
Employee Vacation Payable	421,333	443,067
Salaries and Benefits Payable	2,639,172	2,334,822
	\$ 8,297,628	\$ 15,877,654

NOTE 5 UNEARNED REVENUE

	2021	2020
Balance, beginning of year	\$ 1,651,089	\$ 2,863,174
Changes for the year:		
Increase:		
Tuition fees collected	1,527,821	1,651,089
	3,178,910	4,514,263
Decrease:		
Tuition fee revenue recognized	1,651,089	2,863,174
	1,651,089	2,863,174
Balance, end of year	\$ 1,527,821	\$ 1,651,089

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

	2021	2020
Balance, beginning of year	\$ 1,434,242	\$ 2,446,324
Increases:		
Provincial Grants - Ministry of Education	11,739,493	8,315,653
Provincial Grants – Other	91,400	-
Other Revenue	853,652	1,436,762
	12,684,545	9,752,415
Decreases:		
Allocated to Revenue	12,779,966	10,694,723
Recovered	38,737	69,774
Net Change for the year	(134,158)	(1,012,082)
Balance, end of year	\$ 1,300,084	\$ 1,434,242

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.

	2021	2020
Balance, beginning of year	\$ 163,296,804	\$ 118,413,076
Increases:		
Provincial Grant - Ministry of Education	23,633,017	45,389,955
Provincial Grants – Other	-	1,260,246
Other Revenue	1,406,071	473,256
Investment Income	55,470	104,795
	25,094,558	47,228,252
Decreases:		
Amortization	3,878,966	2,344,524
Net Change for the year	21,215,592	44,883,728
Balance, end of year	\$ 184,512,396	\$ 163,296,804

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

	2021	2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 3,009,113	\$ 2,871,430
Service Cost	248,589	234,792
Interest Cost	70,864	74,708
Benefit Payments	(88,877)	(242,570)
Actuarial (Gain) Loss	(193,351)	70,753
Accrued Benefit Obligation – March 31	\$ 3,046,338	\$ 3,009,113
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 3,046,338	\$ 3,009,113
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	3,046,338	3,009,113
Employer Contribution after Measurement Date	(60,091)	(46,359)
Employer Expense after Measurement Date	81,574	79,863
Unamortized Net Actuarial (Gain) Loss	500,638	349,905
Accrued Benefit Obligation – June 30	\$ 3,568,459	\$ 3,392,522
Accrued Benefit Liability - July 1		
Accrued Benefit Liability - July 1	3,392,522	3,398,453
Net expense for Fiscal Year	278,546	262,939
Employer Payments	(102,609)	(268,870)
Accrued Benefit Obligation – June 30	\$ 3,568,459	\$ 3,392,522
Components of Net Benefit Expense		
Service Cost	\$ 248,111	\$ 238,241
Interest Cost	73,053	73,748
Amortization of Net Actuarial Gain	(42,618)	(49,050)
Net Benefit Expense	\$ 278,546	\$ 262,939
Assumptions		
Discount Rate – April 1	2.25 %	2.50%
Discount Rate – March 31	2.50 %	2.25%
Long Term Salary Growth – April 1	2.50 % + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50 % + seniority	2.50% + seniority
EARSL – March 31	11.0	11.0

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2021	Net Book Value 2020
Sites	\$ 15,057,921	\$ 15,057,921
Buildings	166,806,600	76,713,691
Buildings – work in progress	15,643,374	85,395,455
Furniture & Equipment	3,445,519	1,125,015
Vehicles	88,419	109,995
Computer Hardware	2,034,566	2,279,744
Total	\$203,076,399	\$ 180,681,821

June 30, 2021

Cost:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Sites	\$ 15,057,921	\$ -	\$ -	\$ -	\$ 15,057,921
Buildings	118,175,868	13,608,945	(2,695,087)	80,472,107	209,561,833
Buildings–work in progress	85,395,455	10,720,026	-	(80,472,107)	15,643,374
Furniture & Equipment	1,702,396	2,628,866	(133,932)	-	4,197,330
Vehicles	192,622	-	(46,268)	-	146,354
Computer Hardware	3,774,996	632,883	(597,739)	-	3,810,140
Total	\$224,299,258	\$ 27,590,720	\$(3,473,026)	\$ -	\$ 248,416,952

Accumulated Amortization:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Buildings	\$ 41,462,177	\$ 3,988,143	\$(2,695,087)	\$ -	\$ 42,755,233
Furniture & Equipment	577,381	308,362	(133,932)	-	751,811
Vehicles	82,627	21,576	(46,268)	-	57,935
Computer Hardware	1,495,252	878,061	(597,739)	-	1,775,574
Total	\$ 43,617,437	\$ 5,196,142	\$(3,473,026)	\$ -	\$ 45,340,553

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

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	1,547,866	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, 2021

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, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 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 \$6,149,752 (2020 - \$6,199,613) for employer contributions to these plans in the year ended June 30, 2021.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in the last quarter of 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, 2021

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 23, 2021. The table below presents the Amended Annual Budget and the initial Annual Budget as submitted to the Ministry in June 2020.

	2021 Amended Annual Budget	Adjustment	2021 Annual Budget
School Age	6,581,250	(60,625)	6,641,875
Adult	205,313	46,313	159,000
Other	0	0	0
Total Ministry Operating Grant Funded FTE's	6,786,563	(14,312)	6,800,875
Revenues			
Provincial Grants			
Ministry of Education	\$78,751,344	5,833,763	\$72,917,581
Other	118,788	(43,212)	162,000
Tuition	1,758,240	399,850	1,358,390
Other Revenues	214,749	(1,998,884)	2,213,633
Rentals and Leases	169,667	(333)	170,000
Investment Income	245,000	(6,000)	251,000
Amortization of Deferred Capital Revenue	2,585,551	285,551	2,300,000
Total Revenue	\$83,843,339	\$4,470,735	\$79,372,604
Expenses			
Instructional	\$ 69,348,792	(2,416,764)	\$ 66,932,028
District Administration	3,317,825	112,878	3,430,703
Operations and Maintenance	10,526,437	(165,874)	10,360,563
Transportation and Housing	260,408	79,058	339,466
Total Expenses	\$ 83,453,462	(2,390,702)	\$ 81,062,760
Net Revenue (Expense)	389,877	2,080,033	(1,690,156)
Budget Allocation (Retirement) of Surplus (Deficit)	\$115,068	(2,266,902)	\$2,381,970
Budget Surplus for year	504,945	(186,869)	691,814
Budget Surplus for the year comprised of			
Operating Surplus			
Capital Fund Surplus (Deficit)	504,945	(186,869)	691,814
Budget Surplus Deficit for the year	504,945	(186,869)	691,814

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Heatherbrae-Builders	Sept 2022	12,153,607	3,038,402	-
Xerox Photocopiers	Dec 2025	89,947	89,947	89,947
Columbia Square Plaza	Aug 2022	232,091	-	-
Totals		\$ 12,475,645	\$ 3,128,349	\$ 89,947

NOTE 14 EXPENSE BY OBJECT

	<u>2021</u>	<u>2020</u>
Salaries and benefits	\$ 71,658,184	\$ 69,625,589
Services and supplies	7,448,110	8,367,383
Amortization	5,196,142	3,317,886
Totals	\$ 84,302,436	\$ 81,310,858

NOTE 15 ACCUMULATED SURPLUS

	<u>2021</u>	<u>2020</u>
Local Capital	\$ 1,301,488	\$ 2,284,057
Invested in Tangible Capital Assets	23,893,462	22,404,408
Internally restricted:		
School Surplus	14,796	28,832
Recap and Power Local Grants	2,869	2,635
Surplus Applied to 2021-2022 Budget	2,181,391	-
Surplus Applied to 2020-2021 Budget	-	1,381,970
Commitments Outstanding	512,079	328,074
Board Internally Restricted – COVID Emerging Issues	-	1,736,830
Indigenous Education	37,662	-
2020-21 Holdback used for COVID restart	138,139	-
Board Internally Restricted	500,000	500,000
Total Internally Restricted	3,386,936	3,978,341
Unrestricted Operating Surplus	1,536,991	-
Total Accumulated Surplus, end of year	\$ 30,118,877	\$ 28,666,806

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 16 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 17 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, 2021

NOTE 17 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.

NOTE 18 CONTINGENT LIABILITIES

In the normal course of business, lawsuits and claims may be brought against the School District. The School District defends against these lawsuits and claims. Management has not made provisions for any unexpected liabilities and believes that the ultimate results of any pending legal proceeding will not have a material effect on the financial position of the School District.

School District No. 40 (New Westminster)
 Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2021

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	3,978,341		24,688,465	28,666,806	27,496,901
Changes for the year					
Surplus (Deficit) for the year	1,694,979	1,032,088	(1,274,996)	1,452,071	1,169,905
Interfund Transfers	(749,393)	(1,032,088)	1,781,481	-	
Tangible Capital Assets Purchased	945,586	-	506,485	1,452,071	1,169,905
Net Changes for the year	4,923,927	-	25,194,950	30,118,877	28,666,806

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

School District No. 40 (New Westminster)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	66,089,588	66,577,233	64,426,708
Other	118,788	69,159	206,780
Tuition	1,758,240	1,859,214	3,597,541
Other Revenue	95,825	90,743	421,061
Rentals and Leases	169,667	251,367	207,144
Investment Income	230,000	205,679	362,525
Total Revenue	68,462,108	69,053,395	69,221,759
Expenses			
Instruction	57,609,406	57,394,721	57,182,594
District Administration	3,317,825	3,211,128	3,354,175
Operations and Maintenance	6,908,799	6,517,724	6,698,671
Transportation and Housing	241,146	234,843	283,623
Total Expense	68,077,176	67,358,416	67,519,063
Operating Surplus (Deficit) for the year	384,932	1,694,979	1,702,696
Budgeted Appropriation (Retirement) of Surplus (Deficit)	115,068		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(500,000)	(749,393)	(664,444)
Local Capital			(2,000,000)
Total Net Transfers	(500,000)	(749,393)	(2,664,444)
Total Operating Surplus (Deficit), for the year	-	945,586	(961,748)
Operating Surplus (Deficit), beginning of year		3,978,341	4,940,089
Operating Surplus (Deficit), end of year		4,923,927	3,978,341
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 15)		3,386,936	3,978,341
Unrestricted		1,536,991	-
Total Operating Surplus (Deficit), end of year		4,923,927	3,978,341

School District No. 40 (New Westminster)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	63,153,865	63,378,473	61,810,061
Other Ministry of Education Grants			
Pay Equity	521,853	521,853	521,853
Funding for Graduated Adults	344,860	508,555	344,860
Student Transportation Fund	6,073	6,073	6,073
Carbon Tax Grant			53,833
Employer Health Tax Grant			546,018
Support Staff Benefits Grant	-	97,024	46,704
Support Staff Wage Increase Funding			294,731
Teachers' Labour Settlement Funding	1,904,750	1,904,750	786,453
Early Career Mentorship Funding	150,000	150,000	
FSA Scorer Grant	8,187	8,187	8,187
Early Learning Framework	-	2,318	2,318
District Capacity Building			2,617
Equity Scan			3,000
Total Provincial Grants - Ministry of Education	66,089,588	66,577,233	64,426,708
Provincial Grants - Other	118,788	69,159	206,780
Tuition			
Summer School Fees	940	1,026	45,802
Continuing Education	32,000	11,232	33,428
International and Out of Province Students	1,725,300	1,846,956	3,518,311
Total Tuition	1,758,240	1,859,214	3,597,541
Other Revenues			
Miscellaneous			
Instructional Cafeteria Revenue	50,000	59,013	88,575
Miscellaneous	45,825	31,730	332,486
Total Other Revenue	95,825	90,743	421,061
Rentals and Leases	169,667	251,367	207,144
Investment Income	230,000	205,679	362,525
Total Operating Revenue	68,462,108	69,053,395	69,221,759

School District No. 40 (New Westminster)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Salaries			
Teachers	30,443,251	30,120,830	30,060,862
Principals and Vice Principals	3,853,581	4,012,931	3,568,766
Educational Assistants	6,278,286	6,567,369	6,006,077
Support Staff	5,423,595	5,419,447	5,519,537
Other Professionals	2,786,344	2,765,366	2,709,636
Substitutes	1,552,231	1,459,026	1,683,758
Total Salaries	50,337,288	50,344,969	49,548,636
Employee Benefits	11,632,157	11,762,333	11,937,892
Total Salaries and Benefits	61,969,445	62,107,302	61,486,528
Services and Supplies			
Services	1,888,628	1,754,169	2,202,876
Student Transportation	75,007	52,837	111,815
Professional Development and Travel	447,461	412,448	396,269
Rentals and Leases	239,400	254,442	243,266
Dues and Fees	109,900	76,566	109,634
Insurance	124,026	119,336	108,972
Supplies	2,094,803	1,458,701	1,694,541
Utilities	1,128,506	1,104,067	1,108,437
Bad Debt	-	18,548	56,725
Total Services and Supplies	6,107,731	5,251,114	6,032,535
Total Operating Expense	68,077,176	67,358,416	67,519,063

School District No. 40 (New Westminster)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	25,198,435	1,302,257		191,291		801,986	27,493,969
1.03 Career Programs	301,328			143,503		1,622	446,453
1.07 Library Services	268,808			41,468		5,364	315,640
1.08 Counselling	532,019				44,279		576,298
1.10 Special Education	2,190,664		6,567,369	51,644	143,513	484,836	9,438,026
1.30 English Language Learning	989,539					6,771	996,310
1.31 Indigenous Education	117,687			165,815		865	284,367
1.41 School Administration		2,710,674		1,500,348	73,221	38,723	4,322,966
1.60 Summer School	98,737					1,294	100,031
1.61 Continuing Education	135,916			48,897		1,111	185,924
1.62 International and Out of Province Students	285,138			52,784			697,563
1.64 Other							-
Total Function 1	30,118,271	4,012,931	6,567,369	2,195,750	620,654	1,342,572	44,857,547
4 District Administration							
4.11 Educational Administration					525,379	700	526,079
4.40 School District Governance					247,710		247,710
4.41 Business Administration	2,559			460,453	934,251	33,398	1,430,661
Total Function 4	2,559	-	-	460,453	1,707,340	34,098	2,204,450
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				76,217	328,368		404,585
5.50 Maintenance Operations				2,289,962	109,004	73,732	2,472,698
5.52 Maintenance of Grounds				242,357		147	242,504
5.56 Utilities							-
Total Function 5	-	-	-	2,608,536	437,372	73,879	3,119,787
7 Transportation and Housing							
7.70 Student Transportation				154,708		8,477	163,185
Total Function 7	-	-	-	154,708	-	8,477	163,185
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	30,120,830	4,012,931	6,567,369	5,419,447	2,765,366	1,459,026	50,344,969

School District No. 40 (New Westminster)

Schedule 2C (Unaudited)

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

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
I Instruction							
1.02 Regular Instruction	27,493,969	6,303,192	33,797,161	1,551,767	35,348,928	35,730,266	34,575,213
1.03 Career Programs	446,453	107,590	554,043	78,826	632,869	621,677	701,243
1.07 Library Services	315,640	72,576	388,216	47,653	435,869	404,213	266,392
1.08 Counselling	576,298	124,646	700,944	3,681	704,625	754,056	553,826
1.10 Special Education	9,438,026	2,487,303	11,925,329	206,078	12,131,407	11,718,763	11,177,596
1.30 English Language Learning	996,310	218,138	1,214,448	6,009	1,220,457	1,232,702	988,699
1.31 Indigenous Education	284,367	71,380	355,747	10,091	365,838	388,110	418,696
1.41 School Administration	4,322,966	920,402	5,243,368	42,070	5,285,438	5,441,956	5,006,757
1.60 Summer School	100,031	20,863	120,894	538	121,432	127,751	174,432
1.61 Continuing Education	185,924	44,805	230,729		230,729	226,920	1,320,989
1.62 International and Out of Province Students	697,563	157,279	854,842	57,723	912,565	958,442	1,996,105
1.64 Other	-	-	-	4,564	4,564	4,550	2,646
Total Function 1	44,857,547	10,528,174	55,385,721	2,009,000	57,394,721	57,609,406	57,182,594
4 District Administration							
4.11 Educational Administration	526,079	102,350	628,429	206,107	834,536	849,881	895,163
4.40 School District Governance	247,710	26,445	274,155	55,792	329,947	338,453	330,353
4.41 Business Administration	1,430,661	288,414	1,719,075	327,570	2,046,645	2,129,491	2,128,659
Total Function 4	2,204,450	417,209	2,621,659	589,469	3,211,128	3,317,825	3,354,175
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	404,585	84,080	488,665	263,620	752,285	610,772	699,227
5.50 Maintenance Operations	2,472,698	644,326	3,117,024	1,275,454	4,392,478	4,465,806	4,604,085
5.52 Maintenance of Grounds	242,504	65,518	308,022	11,545	319,567	362,354	332,464
5.56 Utilities	-	793,924	3,913,711	1,053,394	1,053,394	1,469,867	1,062,895
Total Function 5	3,119,787	1,487,848	4,607,634	2,604,013	6,517,724	6,908,799	6,698,671
7 Transportation and Housing							
7.70 Student Transportation	163,185	23,026	186,211	48,632	234,843	241,146	283,623
Total Function 7	163,185	23,026	186,211	48,632	234,843	241,146	283,623
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	50,344,969	11,762,333	62,107,302	5,251,114	67,358,416	68,077,176	67,519,063

School District No. 40 (New Westminster)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations
Year Ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	12,661,756	11,768,413	8,905,911
Other		84,792	
Other Revenue	90,258	926,761	1,788,812
Total Revenue	<u>12,752,014</u>	<u>12,779,966</u>	<u>10,694,723</u>
Expenses			
Instruction	11,739,386	10,828,802	10,458,851
District Administration		78,666	
Operations and Maintenance	15,058	840,410	15,058
Total Expense	<u>11,754,444</u>	<u>11,747,878</u>	<u>10,473,909</u>
Special Purpose Surplus (Deficit) for the year	<u>997,570</u>	<u>1,032,088</u>	<u>220,814</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(997,570)	(1,032,088)	(220,814)
Total Net Transfers	<u>(997,570)</u>	<u>(1,032,088)</u>	<u>(220,814)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 40 (New Westminster)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2021

Schedule 3A (Unaudited)

	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	-	-	20,899	398,141	914,561	-	21,305	21,051	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	235,872	227,646	-	-	-	96,000	19,600	141,940	1,550,170
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Other	-	-	-	167,190	596,873	-	-	-	14,589
Less: Allocated to Revenue									
Recovered	235,872	227,646	4,576	108,715	713,199	96,000	24,960	161,417	1,564,759
Deferred Revenue, end of year	-	-	16,323	456,616	798,235	-	15,945	1,574	-
Revenues									
Provincial Grants - Ministry of Education	235,872	227,646	4,576	-	-	96,000	24,960	161,417	1,550,170
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Other Revenue	235,872	227,646	4,576	108,715	713,199	96,000	24,960	161,417	1,564,759
Expenses									
Salaries	-	-	-	-	-	-	-	-	-
Teachers	-	-	-	-	-	-	-	-	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	-
Educational Assistants	-	169,628	-	-	-	67,644	-	-	558,256
Support Staff	-	-	-	-	-	-	-	-	2,549
Other Professionals	-	-	-	-	-	-	-	-	75,091
Substitutes	-	12	-	-	-	234	1,580	525	7,168
Employee Benefits	-	169,640	-	-	-	67,878	1,580	80,592	1,126,848
Services and Supplies	17,568	58,006	4,576	108,715	713,199	24,225	315	19,694	286,486
	17,568	227,646	4,576	108,715	713,199	3,897	23,065	61,131	151,425
	17,568	227,646	4,576	108,715	713,199	96,000	24,960	161,417	1,564,759
Net Revenue (Expense) before Interfund Transfers	218,304	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(218,304)	-	-	-	-	-	-	-	-
	(218,304)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund	-	50,869	-	-	-	6,378	-	-	12,213

School District No. 40 (New Westminster)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2021

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Safe Return to School Grant	Federal Safe Return to Class Fund	Apprentice Program	United Way	TOTAL
Deferred Revenue, beginning of year	\$ -	\$ -	\$ 38,737	\$ 4,290	\$ -	\$ -	\$ -	\$ 15,258	\$ 1,434,242
Add: Restricted Grants									
Provincial Grants - Ministry of Education	373,060	5,645,804	170,675	52,000	488,210	2,738,516	91,400		11,739,493
Provincial Grants - Other								75,000	91,400
	373,060	5,645,804	170,675	52,000	488,210	2,738,516	91,400	75,000	12,684,545
Less: Allocated to Revenue Recovered	373,060	5,645,804	170,675	51,507	488,210	2,738,516	84,792	90,258	12,779,966
Deferred Revenue, end of year	-	-	38,737	4,783	-	-	6,608	-	38,737
Revenues	373,060	5,645,804	170,675	51,507	488,210	2,738,516	84,792	90,258	11,768,413
Provincial Grants - Ministry of Education	373,060	5,645,804	170,675	51,507	488,210	2,738,516	84,792	90,258	84,792
Provincial Grants - Other									926,761
Other Revenue	373,060	5,645,804	170,675	51,507	488,210	2,738,516	84,792	90,258	12,779,966
Expenses									
Salaries									
Teachers		4,613,708		20,804		891,597	38,137		6,128,097
Principals and Vice Principals	24,000					25,273			49,273
Educational Assistants						16,906			744,790
Support Staff	151,869				222,556	91,933			536,551
Other Professionals								75,264	150,355
Substitutes	106,812	2,817	3,394		6,994	20,852			150,388
Employee Benefits	282,681	4,616,525	3,394	20,804	229,550	1,046,561	38,137	75,264	7,759,454
Services and Supplies	59,956	1,029,279	694	4,890	50,415	234,029	8,445	14,994	1,791,428
	30,423		166,587	25,813	182,559	671,412	36,626		2,196,996
	373,060	5,645,804	170,675	51,507	462,524	1,952,002	83,208	90,258	11,747,878
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	25,686	786,514	1,584	-	1,032,088
Interfund Transfers									
Tangible Capital Assets Purchased					(25,686)	(786,514)	(1,584)		(1,032,088)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									71,625

School District No. 40 (New Westminster)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021 Budget	2021 Actual		2020 Actual
		Invested in Tangible Capital Assets	Local Capital	
	\$	\$	\$	\$
Revenues				
Other Revenue	28,666		28,666	203,366
Investment Income	15,000		13,514	16,391
Amortization of Deferred Capital Revenue	2,585,551	3,878,966		2,344,524
Total Revenue	2,629,217	3,878,966	42,180	2,564,281
Expenses				
Amortization of Tangible Capital Assets				
Operations and Maintenance	3,602,580	5,174,575		3,289,824
Transportation and Housing	19,262	21,567		28,062
Total Expense	3,621,842	5,196,142	-	3,317,886
Capital Surplus (Deficit) for the year	(992,625)	(1,317,176)	42,180	(753,605)
Net Transfers (to) from other funds				
Tangible Capital Assets Purchased	1,497,570	1,781,481		885,258
Local Capital				2,000,000
Total Net Transfers	1,497,570	1,781,481	-	2,885,258
Other Adjustments to Fund Balances				
Tangible Capital Assets Purchased from Local Capital		24,749	(24,749)	-
Tangible Capital Assets WIP Purchased from Local Capital		1,000,000	(1,000,000)	-
Total Other Adjustments to Fund Balances		1,024,749	(1,024,749)	-
Total Capital Surplus (Deficit) for the year	504,945	1,489,054	(982,569)	2,131,653
Capital Surplus (Deficit), beginning of year		22,404,408	2,284,057	22,556,812
Capital Surplus (Deficit), end of year		23,893,462	1,301,488	24,688,465

School District No. 40 (New Westminster)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	15,057,921	118,175,868	1,702,046	192,622	-	3,774,996	138,903,453
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		13,051,259	1,990,818				15,042,077
Deferred Capital Revenue - Other			22,387				22,387
Operating Fund			563,642			185,751	749,393
Special Purpose Funds		557,686	27,270			447,132	1,032,088
Local Capital			24,749				24,749
Transferred from Work in Progress		80,472,107	350				80,472,457
Decrease:							
Deemed Disposals			133,932	46,268		597,739	777,939
Written-off/down During Year		2,695,087					2,695,087
Cost, end of year	15,057,921	209,561,833	4,197,330	146,354	-	3,810,140	232,773,578
Work in Progress, end of year	15,643,374						15,643,374
Cost and Work in Progress, end of year	15,057,921	225,205,207	4,197,330	146,354	-	3,810,140	248,416,952
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		41,462,177	577,381	82,627		1,495,252	43,617,437
Decrease:							
Deemed Disposals		3,988,143	308,362	21,576		878,061	5,196,142
Written-off During Year			133,932	46,268		597,739	777,939
Accumulated Amortization, end of year		2,695,087	133,932	46,268		597,739	2,695,087
Tangible Capital Assets - Net	15,057,921	182,449,974	3,445,519	88,419	-	2,034,566	203,076,399

School District No. 40 (New Westminster)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2021

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	85,395,455	350			85,395,805
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	9,641,377				9,641,377
Deferred Capital Revenue - Other	78,649				78,649
Local Capital	1,000,000				1,000,000
	<u>10,720,026</u>	-	-	-	<u>10,720,026</u>
Decrease:					
Transferred to Tangible Capital Assets	80,472,107	350			80,472,457
	<u>80,472,107</u>	350	-	-	<u>80,472,457</u>
Net Changes for the Year	<u>(69,752,081)</u>	<u>(350)</u>	-	-	<u>(69,752,431)</u>
Work in Progress, end of year	<u>15,643,374</u>	-	-	-	<u>15,643,374</u>

School District No. 40 (New Westminster)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	72,634,086	130,719	123,201	72,888,006
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	15,042,077	22,387		15,064,464
Transferred from Work in Progress	78,464,410	2,008,047		80,472,457
	93,506,487	2,030,434	-	95,536,921
Decrease:				
Amortization of Deferred Capital Revenue	3,859,457	16,011	3,498	3,878,966
	3,859,457	16,011	3,498	3,878,966
Net Changes for the Year	89,647,030	2,014,423	(3,498)	91,657,955
Deferred Capital Revenue, end of year	162,281,116	2,145,142	119,703	164,545,961
Work in Progress, beginning of year	83,327,282	2,008,047	60,471	85,395,800
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	9,641,377		78,649	9,720,026
	9,641,377	-	78,649	9,720,026
Decrease:				
Transferred to Deferred Capital Revenue	78,464,410	2,008,047		80,472,457
	78,464,410	2,008,047	-	80,472,457
Net Changes for the Year	(68,823,033)	(2,008,047)	78,649	(70,752,431)
Work in Progress, end of year	14,504,249	-	139,120	14,643,369
Total Deferred Capital Revenue, end of year	176,785,365	2,145,142	258,823	179,189,330

School District No. 40 (New Westminster)

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

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 1,021,863	\$ 8,819	\$ 1,282,634	\$ 2,699,682	\$ -	\$ 5,012,998
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	23,633,017			582,814	823,257	23,633,017
Other	32,865			22,605		1,406,071
Investment Income	(4,291)	4,291				55,470
Transfer project surplus to MEd Restricted (from) Bylaw	23,661,591	4,291	-	605,419	823,257	25,094,558
Decrease:						
Transferred to DCR - Capital Additions	15,042,077		22,387			15,064,464
Transferred to DCR - Work in Progress	9,641,377			78,649		9,720,026
	24,683,454	-	22,387	-	78,649	24,784,490
Net Changes for the Year	(1,021,863)	4,291	(22,387)	605,419	744,608	310,068
Balance, end of year	-	13,110	1,260,247	3,305,101	744,608	5,323,066