

AGENDA OF THE REGULAR OPEN MEETING  
OF THE NEW WESTMINSTER BOARD OF EDUCATION

Tuesday, September 27, 2022

7:00 pm

Via Zoom Link

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.	<u>ADOPTION OF THE AGENDA</u>	7:00 PM
<p><b>Recommendation:</b>  <b>THAT the Board of Education of School District No. 40 (New Westminster) adopt the agenda for the September 27, 2022 Regular School Board meeting.</b></p>		
2.	<u>APPROVAL OF THE MINUTES</u>	7:05 PM
a.	Minutes from the Open Meetings held:	
i.	June 21, 2022 Regular Meeting Minutes	4
<p><b>Recommendation:</b>  <b>THAT the Board of Education of School District No. 40 (New Westminster) approve the minutes as distributed for June 21, 2022 Regular School Board meeting.</b></p>		
b.	Business Arising from the Minutes	
3.	<u>PRESENTATIONS</u>	7:10 PM
a.	2021-2022 Audit Findings Report (Dan Healy, KPMG)	11
b.	2021-2022 Year-End Review (B. Ketcham & A. Grey)	45
i.	2021 - 2022 Year End Financial Statements	69

**Recommendation:**

**THAT the Board of Education of School District No. 40 (New Westminster) recommend the approval of the 2021-2022 Financial Statements as presented.**

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|-----|--|---------|-----|
| 4.  | <b><u>COMMENT &amp; QUESTION PERIOD FROM VISITORS</u></b>  | 7:40 PM |     |
| 5.  | <b><u>CORRESPONDENCE</u></b>   | 7:50 PM |     |
| 6.  | <b><u>BOARD COMMITTEE REPORTS</u></b>  | 7:55 PM |     |
|     | a. Education Policy & Planning Committee, Tuesday, October 4, 2022 at 3:30pm - Herbert Spencer Elementary School |         |     |
|     | b. Operations Policy & Planning Committee, October 4, 2022 at 6:30pm, Via Webex Livestream                       |         |     |
| 7.  | <b><u>REPORTS FROM SENIOR MANAGEMENT</u></b>   |         |     |
|     | a. Superintendent Update (K. Hachlaf)  | 8:00 PM | 133 |
|     | b. Five year capital plan - Minor capital projects (B. Ketcham)  | 8:10 PM | 148 |
|     |  |         |     |
|     | c. Student & Family Affordability Fund Update (B. Ketcham)   | 8:20 PM | 150 |
| 8.  | <b><u>NEW BUSINESS</u></b>   | 8:30 PM |     |
| 9.  | <b><u>TRUSTEE REPORTS</u></b>  | 8:35 PM |     |
| 10. | <b><u>QUESTION PERIOD (15 Minutes)</u></b>   | 8:45 AM |     |
|     | <i>Questions to the Chair on matters that arose during the meeting.</i>  |         |     |
| 11. | <b><u>NOTICE OF MEETINGS</u></b>   | 9:00 PM |     |
| 12. | <b><u>REPORTING OUT FROM IN-CAMERA BOARD MEETING</u></b>   | 9:05 PM |     |
|     | a. i. Record of the June 21, 2022 In-Camera Meeting  |         | 152 |





MINUTES OF THE REGULAR OPEN BOARD MEETING OF THE NEW WESTMINSTER BOARD OF EDUCATION

Tuesday, June 21, 2022, 7:00 PM Via Webex Livestream

- PRESENT Gurveen Dhaliwal, Chair Karim Hachlaf, Superintendent
Dee Beattie, Vice-Chair Bettina Ketcham, Secretary-Treasurer
Danielle Connelly, Trustee Maryam Naser, Associate Superintendent
Robert Weston, Executive Director Human Resources
Mark Gifford, Trustee Guests:
Mary Lalji, Trustee Members of the Public
Maya Russell, Trustee Dave Crowe, Director Capital Projects
Bruce Cunnings, Director, Instruction, Learning Services
Tammy Dewar, Curriculum Facilitator
Amy Grey – Assistant Secretary-Treasurer
Kristen Keighley-Wight, Communications Manager
Sarah Lynes, Curriculum Facilitator
Julie MacLellan, Reporter, New Westminster Record
Maureen McRae-Stanger, Director Instruction, Learning & Innovations
Ria Renouf, Reporter, New West Anchor
Cyrus Sy, DPAC
Leanne Sojka, Recording Secretary
REGRETS Anita Ansari, Trustee
Robert Weston, Executive Director Human Resources

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1. ADOPTION OF THE AGENDA

The Chair called the meeting to order at 7:02 pm.

Chair Dhaliwal added an item and motion under Superintendent Update: Short-Term Capacity Review.

2022-049

Moved and Seconded

THAT the Board of Education of School District No. 40 (New Westminster) adopt the agenda for the June 21, 2022, Regular School Board meeting as amended.

CARRIED UNANIMOUSLY

2. APPROVAL OF THE MINUTES

- a. Minutes from the Open Meeting held:
i. May 24, 2022, Regular Open Meeting
ii. June 7, 2022, Special Open Meeting

**2022-050**  
**Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) approve the minutes as distributed for the May 24, 2022 Regular School Board meeting and the June 7, 2022, Special Open Board meeting.***

**CARRIED UNANIMOUSLY**

- b. Business Arising from the Minutes  
Nil.

**3. COMMENT & QUESTION PERIOD FROM VISITORS**

DPAC – Cyrus Sy presented a detailed update on behalf of DPAC. Conversations with other DPACs has commenced to advocate to the province for changes to the Area Standards Document. DPAC will continue their support for the District's Capital Projects Plan. Cyrus provided updates from their May AGM and feedback from their recently announced summer school programming.

**4. BOARD COMMITTEE REPORTS**

- a. Education Policy & Planning Committee, June 7, 2022
  - i. Comments from the Committee Chair, Trustee Beattie  
Trustee Beattie shared the in-person Committee meeting at NWSS was attended well by both students and staff and she extended her thanks to those who were in attendance.
  - ii. Approval of the June 7, 2022, Education Policy and Planning Committee Minutes

**2022-051**  
**Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) approve the minutes from the June 7, 2022 Education Policy & Planning Committee meeting.***

**CARRIED UNANIMOUSLY**

- b. Operations Policy & Planning Committee, June 7, 2022
  - i. Comments from the Committee Chair, Trustee Connelly  
Trustee Connelly acknowledged and shared appreciation to Secretary-Treasurer Ketcham and her team for all the work they have accomplished these past two and a half years.
  - ii. Approval of the June 7, 2022, Operations Policy and Planning Committee Minutes

**2022-052**  
**Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) approve the minutes from the June 7, 2022 Operations Policy & Planning Committee meeting.***

**CARRIED UNANIMOUSLY**

- iii. 2023-24 Five-Year Capital Plan (Major Projects) Submission

**2022-053**

**Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) approve the 2023-24 Major Capital Plan for submission to the Ministry of Education and Childcare.***

**CARRIED UNANIMOUSLY**

- iv. Trustee Elections Bylaw

**2022-054**

**Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) approve THIRD reading, reconsideration and final adoption of Trustee Elections Bylaw No. 2022-TE-SD40-01.***

**CARRIED UNANIMOUSLY**

- v. Board Annual Workplan

**2022-055**

**Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) approve the Board Annual Workplan for the 2022-23 school year.***

**CARRIED  
1 Opposed**

- vi. Healthy School Food Funding

**2022-056**

**Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) write letters to our local MLA, Minister Jennifer Whiteside and the Minister of Finance, Honourable Selina Robinson, to support the BC Chapter of the Coalition for Healthy School Food's recommendations to the Government of British Columbia urging that they build on existing commitments and allocate funding and resources to create more local school meal programs for K-12 students in BC by:***

- 1. Committing to securing \$50 million/year for three years, to design, implement and evaluate research-based school program pilots in a minimum of six school districts across the province;**
- 2. Allocating an additional \$3 million in funding so that every school district in BC can hire a dedicated School Meal Program Coordinator, to build capacity for school food programs, and;**
- 3. Assembling an internal and external provincial school food task forces to advise and support the development of universal, healthy school meal programs for all BC students.**

**CARRIED UNANIMOUSLY**

**2022-057  
Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) write a letter to our local MP, the Honourable Peter Julian urging that he support the Coalition for Healthy School Food's call for the federal government to begin to implement a universal, cost-shared, healthy school food program for all K-12 students in the country.***

**CARRIED UNANIMOUSLY**

**2022-058  
Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) become an endorser of The Coalition for Healthy School Food and their call for the development of a universal, cost-shared healthy school food program for Canada.***

**CARRIED UNANIMOUSLY**

**5. REPORTS FROM SENIOR MANAGEMENT**

- a. Superintendent Update (K. Hachlaf)
  - i. Framework for Enhancing Student Learning: Peer Review Feedback 2021-22 (K. Hachlaf, B. Cunnings & M. McRae-Stanger)

Superintendent Hachlaf shared the ministry engaged with all 60 districts in a new Peer Review Process. The review was completed with the engagement of numerous entities who served as a panel to review school districts in terms of framework to enhancing student learning across the province with the objective of improving student outcomes.

Director, Instruction, Learning and Innovations, McRae-Stanger and Director Instruction Learning Services Cunnings presented the Framework for Enhancing Student Learning (FESL). Three focus areas were identified and feedback was provided by the FESL group.

- ii. Good things are happening 2021/2022 year in review (K. Hachlaf & K. Keighley-Wight)

Superintendent Hachlaf and Communications Manager Keighley-Wight highlighted District successes from the 2021-22 school year:

- Welcome Centre
- Sanctuary School Policy
- Indigenous Education
- Opening of Skwo:wech Elementary School
- Learning outside the classroom – a return to field trips
- Transforming the student experience
- Climate action
- Building meaningful relationships

- iii. Short-Term Capacity Review

Secretary-Treasurer Ketcham highlighted the immense capacity pressures that exists between now and construction completion of the new Fraser River Elementary School no earlier than January 2027 and the need for an immediate action plan to address the 5-year gap. Guiding Principles were identified for the difficult choices that lie ahead. She highlighted the Board's deep commitment to offering childcare spaces.

Guiding Principle #1 – Prioritize the utilization of space within our schools to support K-12 in-catchment regular enrolment while also ensuring sufficient play and outdoor learning space.

Guiding Principle #2 – Programs of choice, community partnerships (including infant/toddler childcare), and non-instructional uses of space will be operated, when necessary, relocated to school facilities where space permits.

Questions and discussion followed.

*Trustee Lalji brought forward the following motion:*

**Moved**

***THAT the Board of Education of School District No. 40 (New Westminster) table the motion to September 2022.***

**MOTION NOT SECONDED**

**2022-059**

**Moved and Seconded**

***THAT the Board of Education of School District No. 40 (New Westminster) approve the principles as presented for purposes of guiding staff work on the short-term capacity review strategy and direct staff to present recommendations for approval at the November 2022 Regular School Board meeting.***



**CARRIED**  
**1 Opposed**

- b. Administrative Procedure 300 - Student Admissions, Catchment Areas and Placement (M. Naser)

Associate Superintendent Naser identified proposed changes, 3.1.a Availability of Space in a School and 3.2.a. Timeline and Registration. She clarified for Trustees, the "lottery draw" process as it relates to catchment schools.

Discussion followed regarding a first come first served process or randomized draw.

- c. May 2022 Financial Report (B. Ketcham)

Secretary-Treasurer Ketcham provided highlights noting the figures are relatively close to expectations. Final year end results of the 2021-22 school year-end will be presented in September after the completion of the year end audit.

- d. Inclusive Education Review Update (B. Cunnings, T. Dewar & S. Lynes)

Director, Instruction Learning Services Cunnings and Curriculum Facilitators Tammy Dewar and Sarah Lynes shared Phase 2 highlights:

- IEP development – 5 staff in-service events
- Engaging Learners through art
- Inclusive Education – strengthening access for students and supporting schools to develop strategies
- Mentoring and supporting learning support teachers, classroom teachers and educational assistants
- Literacy support for learning support and classroom teachers
- Community building

Phase Three 2022-2023 school year recommendation focus was shared.

- e. Student Withdrawal Report (M. Naser)

Associate Superintendent Naser provided her report.

Questions followed.

**6. NEW BUSINESS**

Nil.

**7. TRUSTEE REPORTS**

Trustees shared the events they attended in June.

**8. QUESTION PERIOD (15 Minutes)**

A parent of a high-school student shared concerning events at NWSS. Chair Dhaliwal and Superintendent Hachlaf addressed the comment. .

**9. NOTICE OF MEETINGS**

Tuesday, September 27, 2022: School Board Meeting, 7:00 pm - Via Webex

Reminder:

National Indigenous History Month - June

Pride Month - June

National Indigenous People's Day - June 21

Canadian Multiculturalism Day - June 27

Orange Shirt Day, September 30

**10. REPORTING OUT FROM IN-CAMERA BOARD MEETING**

a. Record of the May 24, 2022 In-Camera Meeting

**11. ADJOURNMENT**

The meeting adjourned at 9:15 pm.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary-Treasurer

DRAFT



# School District No. 40 (New Westminster)

Audit Findings Report for the year ended  
June 30, 2022

*KPMG LLP*

Prepared on September 15, 2022 for presentation at  
the meeting on September 27, 2022

[kpmg.ca/audit](http://kpmg.ca/audit)

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## KPMG contacts

The contacts at KPMG in connection with this report are:

**Daniel Healey**  
Audit Engagement Partner  
Tel: 250.480.3553  
danielhealey@kpmg.ca

**Tim Holloway**  
Quality Review Partner  
Tel: 604.854.2282  
tholloway@kpmg.ca

**Jennifer Hart**  
Manager  
Tel: 604.854.2291  
jenniferhart@kpmg.ca

## Our refreshed Values

### What we believe



We do what is right.



We never stop learning and improving.



We think and act boldly.



We respect each other and draw strength from our differences.



We do what matters.

# Audit highlights

## Purpose of this report

The purpose of this 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 “School District” or the “District”) as at and for the year ended June 30, 2022. This Audit Findings Report builds on the Audit Plan we presented to the Committee dated June 7, 2022.

### Status of 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:

- Completing our discussions with the Committee;
- Obtaining the signed management representation letter;
- Obtaining evidence of the Board’s approval of the financial statements; and,
- Completing subsequent event review procedures up to the date of the Board’s approval of the financial statements; and,
- Reporting to the Office of the Auditor General for the purposes of reliance on our audit opinion in the audit of the summary financial statements of the Province

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, a draft of which is attached to the financial statements, will be dated upon the completion of any remaining procedures.

### Significant changes from the audit plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to you. As a reminder, materiality was estimated at \$2.1 million (2021 - \$2.0 million).

### Areas of audit focus

Our audit is risk-focused. As required by professional auditing standards, we have identified the presumed risk of management override as a significant risk in our audit. See page 5 for further details.

We have identified the following key areas of audit focus:

- Auditors’ Opinion – Compliance Framework
- Tangible capital assets and deferred capital revenue
- Expenses, including salaries and benefits expense
- School generated funds
- Revenue, deferred revenue, and unearned revenue

See pages 6 to 10 for the audit findings related to these areas of audit focus. Additionally, we identified one Other Matter related to the change in accounting policy related to amortization. See page 11 for details.

This report to the Committee is intended solely for the information and use of the Board of Education and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report to the Committee has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

# Audit highlights (continued)

## Audit misstatements

Audit misstatements include presentation and disclosure misstatements, including omissions.

### Uncorrected audit misstatements

We have identified four uncorrected audit differences for the year. Two of the differences relate to amounts recorded in the financial statements and two differences relate to disclosure differences only. The management representation letter includes the Summary of Uncorrected Audit Misstatements, which discloses the impact of all uncorrected differences considered to be other than clearly trivial, including the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

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. This management representation is included in the management representation letter.

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.

### Corrected audit misstatements

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

## Control deficiencies and other observations

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

## Significant accounting policies and practices

Refer to page 8 for a summary of the impact of the change in accounting policy related to amortization of tangible capital assets in the year of disposal. We have completed our audit work over this change in policy and noted no issues.

## 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, 2021 up to the date of this report.

## Current developments

Please refer to Appendix 3 for the current developments updates, upcoming and new accounting standards under development

# Audit risks

## Significant Risk - Professional requirements

Presumption of the risk of fraud resulting from management override of controls.

## Why is this significant?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

## Our response

As the risk is not rebuttable, 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.
- Evaluating the business rationale of significant unusual transactions.

## Significant findings

There were no issues noted in our testing.

# Areas of audit focus

## Area of audit focus

Auditors' Opinion – Compliance Framework

## Background

To ensure financial statements are prepared in accordance with appropriate financial statement framework.

## Our response

- The financial statements are prepared under Canadian Public Sector Accounting standards (“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 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 Canadian Public Sector Accounting Standards.
- Our opinion is one of compliance rather than fair presentation; however our opinion is still considered appropriate for general purpose use. Accordingly, we do not anticipate issuing a qualified opinion.
- The OAG has requested additional reporting, under the Group Auditor requirements, in order to perform the consolidation of the Provincial Accounts under PSAS standards.

## Significant findings

- There were no issues noted in our testing.



# Areas of audit focus (continued)

## Area of audit focus

Tangible capital assets and deferred capital revenue

## Background

In the 2022 fiscal year, the School District had \$24.7 million (2021 - \$27.6 million) of tangible capital asset additions. Significant expenditures for projects during the year include:

- \$13.8 million of bylaw capital for seismic upgrades on Skwo:wech Elementary School (formerly Richard McBride).
- \$5.3 million of site additions related to the Queensborough acquisition project.

## Our response

- We updated our understanding of the process activities and controls over tangible capital assets and deferred capital revenue, including the approval and related review processes for capital expenditures to ensure they are consistent with approved budgets and Ministry of Education and Childcare (the “Ministry”) approvals.
- We selected a sample of additions for testing and inspected the supporting invoices to determine if the amount recognized agreed, was capital in nature, and eligible per the funding sources.
- We obtained an understanding of the funding sources for the tangible capital asset additions incurred during the year. We ensured the cumulative expenditures incurred year-to-date for capital projects did not exceed the total approved funding in the related certificate of approval.
- We performed a reasonability assessment of amortization expense recorded during the year based on estimated useful life of capital assets.
- We reviewed agreements for contractual commitments and related disclosure requirements.
- We reviewed the information related to deferred capital revenue, which is used to support our additional reporting to the Office of the Auditor General.

## Significant findings

- There were no issues noted in our testing.

# Areas of audit focus (continued)

## Area of audit focus

Expenses, including salaries and benefits expense

## Background

The School District incurred total salaries and benefits expense of \$75.2 million during the year (2021 - \$62.1 million) and provides employees with certain vested and non-vested post-employment benefits pursuant to contracts and union agreements such as: sick leave, retirement payments, vacation and overtime. The Ministry engaged Mercer as an external expert to perform an actuarial valuation of the liability. As at June 30, 2022, the School District has recognized a liability for employee future benefits of \$3.7 million (2021 - \$3.6 million).

## Our response

- We updated our understanding of the process activities and controls over expenses, including salaries and benefits expense and performed a walkthrough of the payroll process by tracing a transaction from initiation through to being recorded in the general ledger to confirm that the controls are implemented as designed.
- We performed analytical procedures for salaries and benefits expense based on the change in head count and pay rates. We tested the completeness and accuracy of the head count information and agreed the pay rates to union and other employment agreements.
- We obtained an understanding of the variances in expenses relative to prior year and the approved budget. We corroborated significant variances noted by reviewing supporting documentation. We selected a sample of payments made, trade payables recorded and invoices received subsequent to year-end and ensured they were recorded in the appropriate fiscal year
- We obtained the valuation report for employee future benefits performed by Mercer as at March 31, 2022. The School District's Accrued Benefit Obligation ("ABO") is calculated annually at March 31 (early measurement date) by the actuary, Mercer, and is used for estimating the employee future benefit liability as at June 30. Accounting Standards require that 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.
- Due to the rise in interest rates between March and June 2022, Mercer noted that updated discount rate assumptions at June 30, 2022 would decrease the ABO by 7 to 9%. We evaluated the impact of the rate change on the financial statement notes at June 30, 2022 and proposed an uncorrected presentation difference for the maximum decrease of \$229,730. The difference will be adjusted by the actuary into the fiscal 2023 valuation.

## Significant findings

- There were no issues noted in our testing.

# Areas of audit focus (continued)

## Area of audit focus

School generated funds

## Background

A substantial amount of funds are managed by schools within the School District. Transactions are managed and monitored by staff at each school. As at June 30, 2022, \$625K (2021 - \$798K) of school generated funds are included in the School District's financial statements as cash and cash equivalents and in deferred revenue.

## Our response

- We updated our understanding of the process activities and controls over school generated funds.
- We reviewed a sample of school bank account reconciliations, confirmed bank balances and tested for any significant reconciling items.
- We performed analytical procedures over school generated funds revenue recognized in the year.

## Significant findings

- School funds are raised for a variety of initiatives by way of fees, events, fieldtrips, and other fundraising. Accounting rules require that the purpose of the funds raised must be sufficiently specific, including any surplus funds in a particular year, that they can only be used in the manner intended and that intended use must not be so broad in nature that they could be used for any type of school activity.
- Through our understanding of these funds, there are no formal restrictions placed by the donors and permission is not needed to spend the funds.
- We have proposed an uncorrected adjustment for both the fiscal 2022 and fiscal 2021 year to remove 50% of these funds from deferred revenue and to recognize an amount of school generated funds received in the year they are received. Generally, we see anywhere from 50% to 80% of SGFs not meet the “restriction” criteria at our other clients and, consistent with professional standards, we have estimated an error at the low-end of the range. We agree with management that the amount is not material to the financial statements. Refer to Appendix 2 for more information.

# Areas of audit focus (continued)

## Area of audit focus

Revenue, deferred revenue and unearned revenue

## Background

The School District receives operating grants and special purpose funding from the Ministry each year. Operating grants are recognized as revenue in the fiscal year to which they relate. Special purpose grants must be used for the purpose specified by the Ministry; these include the Classroom Enhancement Funds. The special purpose grants are recorded as deferred revenue on receipt and recognized as revenue as eligible expenditures are incurred consistent with the funding's specified purpose.

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

In fiscal 2022, the School District recognized total revenue of \$92.1 million (2021 - \$85.7 million) of which \$78.5 million relates to grants from the Ministry (2021 - \$78.3 million).

## Our response

- We updated our understanding of the process activities and controls over revenue, deferred revenue and unearned revenue.
- We obtained a confirmation from the Ministry for the funding provided in the 2022 fiscal year and agreed the operating grants to the amount of revenue recognized.
- We agreed the special purpose funding received and recorded in deferred revenue to the confirmation received from the Ministry. We ensured that the special purpose funding recognized as revenue was consistent with the expenses incurred and the purpose of the funding specified by the Ministry.
- We developed an expectation for earned and unearned international student tuition fees based on the number of students and fees. We compared our expectation to the actual amount recorded and obtained supporting documentation for any significant variances noted.

## Significant Findings

- There were no issues noted in our testing.

# Other matter

## Other matter

Change in accounting policy – amortization

## Background

On May 28, 2021 the Office of the Comptroller General issued a directive requiring school districts to retroactively apply the half-year rule of amortization for the fiscal year ended June 30, 2021. For the government's year-ending March 31, 2021, the Ministry estimated the effect of this change for inclusion in the Public Accounts. Due to the timing of the receipt of this directive, the Ministry delayed the application to June 30, 2022, at which time all school districts must be using the half-year rule to amortize assets and related deferred capital contributions.

The government directive resulted in a change in accounting policy which was applied retroactively.

The impact of the change in accounting policy was a decrease in accumulated surplus of approximately \$510K at the beginning of the earliest comparative period of July 1, 2020. The change in policy was a non-cash timing difference in amortization impacting only the Capital Fund. The Operating Fund and Special Purpose Funds were not impacted by the change in policy.

## Our response

- We obtained management's assessment of the change and the related adjustments. We compared the adjustment to the amortization tool provided by the Ministry that tracked disposals and the cumulative impact of the change in accounting policy.
- We inspected supporting documents for the inputs used in the amortization tool and verified mathematical accuracy of the calculations.
- We compared management's adjustments to the balances presented in the financial statements.
- We assessed the application of the half-year rule for disposals against Public Sector Accounting Standards and concur that the adjustment is a change in accounting policy, appropriately applied retroactively.

## Significant findings

- There were no issues noted in our testing.
- Our auditors' report includes reference to the comparative information for fiscal 2021 being restated, our audit procedures performed over the adjustment and that our opinion is not modified with respect to the adoption of the new accounting policy.

# Significant accounting policies and practices

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## Significant accounting policies

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- There were no initial selections of or changes to the new significant accounting policies and practices, other than the adoption of a new accounting policy for amortization of disposals as described on page 7.
  - 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 were 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 transactions.
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## Significant accounting estimates

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- 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.
- 



## Financial statement presentation and disclosure

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- 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.
-

# Implications of PS 3280 Asset Retirement Obligations

PS 3280 Asset Retirement Obligations (“PS 3280”) is a new accounting standard effective for the fiscal years beginning on or after April 1, 2022. This standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. This significant new accounting standard has implications that have the potential to go beyond financial reporting.

## Financial reporting implications

A liability for asset retirement costs will be recorded with a corresponding increase in the cost of tangible capital assets in productive use, resulting in a decrease (increase) to the net financial assets (net debt) reported in the Statement of Financial Position.

Asset retirement obligations associated with tangible capital assets that are not recognized or no longer in productive use are expensed.

Additional non-cash expenses for the amortization of tangible capital assets and accretion will be recognized annually.

The total cost of legally required retirement activities will be recognized earlier in a tangible capital asset’s life. There is no change to the total cost recorded over an asset’s life.

A rigorous process needs to be established to support updates to the ARO measurement on an annual basis post-initial implementation.

## Asset management implications

The asset retirement date used to determine the asset retirement liability needs to be consistent with the useful life of the related tangible capital asset. As a result, public sector entities need to assess whether the useful lives of tangible capital assets continue to be accurate and consistent with asset management plans.

Many public sector entities are using the implementation of PS 3280 as an opportunity to develop or refine their asset management plans.

## Funding implications

PS 3280 does not provide guidance on how the asset retirement liability should be funded. Many public sector entities currently fund retirement costs as they are incurred at the end of the asset’s life. Public sector entities will need to assess whether this practice remains appropriate or if funding will be obtained over the life of the asset.

## Budget implications

In addition to budgeting for costs associated with the initial implementation of PS 3280, public sector entities will need to consider if the non-cash accretion expense and additional amortization expense will be included in the annual budget.

Public sector entities operating under balanced budget legislation or similar guidelines will need to obtain guidance from the provincial government to determine the impact of PS 3280 on current requirements.

## Capital planning implications

PS 3280 requires legal obligations associated with the retirement of tangible capital assets to be recorded when the assets are acquired, constructed or developed. As a result, the cost of legally required retirement activities will need to be considered at the inception of a capital project to determine the financial viability and impact of the project.

# Appendices

**Appendix 1: Required communications**

**Appendix 2: Management representation letter**

**Appendix 3: Current developments**





# Appendix 1: Required communications

## Draft auditors' report

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

## Management representation letter

In accordance with professional standards, a copy of the management representation letter is included in Appendix 2.

## Independence

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

# Appendix 2: Management representation letter

## MANAGEMENT REPRESENTATION LETTER

KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria, BC V8W 3Y7

[DATE OF APPROVAL OF FINANCIAL STATEMENTS]

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 (hereinafter referred to as "financial statements") of School District No. 40 (New Westminster) ("the Entity") as at and for the period ended June 30, 2022.

*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 February 11, 2022, 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.
  - b) 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, board of education and committees of the board of education that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.
  - e) providing you with additional information that you may request from us for the purpose of the engagement.
  - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
  - g) 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.
  - h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

- i) 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.

*Employee future benefits:*

- 8) The employee future benefits costs and obligations have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- 9) All arrangements (contractual or otherwise) by which programs have been established to provide employee benefits have been disclosed to you and included in the determination of employee future benefits costs and obligations.
- 10) The assumptions included in the actuarial valuation are those that management instructed Mercer to use in computing amounts to be used by the Entity in determining non-pension post employment benefits costs and obligations and in making required disclosures in the

above-named financial statements, in accordance with the relevant financial reporting framework.

- 11) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.
- 12) The extrapolations are accurate and properly reflect the effects of changes and events that occurred subsequent to the most recent valuation and that had a material effect on the extrapolation.
- 13) All material events and changes to the plan subsequent to the most recent actuarial valuation have been properly reflected in the extrapolation.

*Environmental matters:*

- 14) The Entity has appropriately recognized, measured and disclosed liabilities for contaminated sites in the financial statements.

*Estimates:*

- 15) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

*Going concern:*

- 16) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 17) 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.

*Accounting changes:*

- 18) We believe that the change in policy related to the application of the half-year rule for disposals is reliable and more relevant than the previous accounting policy because it results in a more precise estimate of amortization that aligns with the period of use of the tangible capital asset.

*Misstatements:*

- 19) 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:*

- 20) 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).
- 21) 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.

*Other:*

- 22) The amounts reported as differences between accounting for Non-Provincial restricted contributions in accordance with the Restricted Contributions Regulation as compared to Public Sector Accounting Standards for the purpose of reporting to the Office of the Auditor General are complete and accurate.

Yours very truly,

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**

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Mr. Karim Hachlaf, Superintendent of Schools

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Ms. Bettina Ketcham, Secretary-Treasurer

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Ms. Amy Grey, Assistant Secretary-Treasurer

## ***Attachment I – Definitions***

### ***Materiality***

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it 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 perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

### ***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**

**Summary of Uncorrected Audit Misstatements  
Year ended June 30, 2022**

Description	Income effect	Financial position		
	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Accumulated surplus (Decrease) Increase
Dr. Prepaid expenses	-	783,519	-	-
Cr. Employee Benefits expense	49,452	-	-	49,452
Cr. Accumulated Surplus, Opening	-	-	-	734,067
<i>To record the District's surplus position with respect to benefit deposits and the impact on the employee future benefit expense in the current period.</i>				
Dr. Deferred revenue	-	-	(312,411)	-
Dr. Other revenue	(86,707)	-	-	(86,707)
Cr. Accumulated Surplus, Opening	-	-	-	399,118
<i>To adjust school generated funds out of deferred revenue and recognize when received.</i>				
<b>Total</b>	<b>(37,255)</b>	<b>783,519</b>	<b>(312,411)</b>	<b>1,095,930</b>

**Misstatements in Presentation and Disclosure  
Year ended June 30, 2022**

Public Sector Accounting Standards require the statement of operations and statement of changes in net debt to 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.

Due to the impact of increasing interest rates, the external actuary noted an increase in discount rate of 1% between the March 31, 2022 measure date and June 30, 2022 reporting date. This change in rate would result in an estimated decrease in the accrued benefit obligation by 7% to 9%. We calculated the potential maximum decrease as \$229,730. This difference only impacts disclosure in the notes to the financial statements and will not impact annual surplus until fiscal 2023.



**Summary of Uncorrected Audit Misstatements  
Year ended June 30, 2021**

Description	Income effect (Decrease) Increase	Financial position		
		Assets (Decrease) Increase	Liabilities (Decrease) Increase	Accumulated surplus (Decrease) Increase
Dr. Prepaid expenses	-	853,113	-	-
Dr. Employee Benefits expense	(532,405)	-	-	(532,405)
Cr. Accumulated Surplus, Opening	-	-	-	1,385,518
<i>To record the District's surplus position with respect to benefit deposits and the impact on the employee future benefit expense in the current period.</i>				
Dr. Deferred revenue	-	-	(399,118)	-
Dr. Other revenue	(58,163)	-	-	(58,163)
Cr. Accumulated Surplus, Opening	-	-	-	457,281
<i>To adjust school generated funds out of deferred revenue and recognize when received.</i>				
<b>Total</b>	<b>(521,784)</b>	<b>(889,024)</b>	<b>(1,651,546)</b>	<b>762,522</b>

# Appendix 3: Current developments

## New auditing standards

The following changes to auditing standards applicable to our 2023 audit are listed below.

Standard	Key observations
Revised CAS 315, Identifying and Assessing the Risks of Material Misstatement	<p>Revised CAS 315, Identifying and Assessing the Risks of Material Misstatement has been released and is effective for audits of financial statements for periods beginning on or after December 15, 2021.</p> <p>The standard has been significantly revised, reorganized and enhanced to require a more robust risk identification and assessment in order to promote better responses to the identified risks. Key changes include:</p> <ul style="list-style-type: none"><li>- Enhanced requirements relating to exercising professional skepticism</li><li>- Distinguishing the nature of, and clarifying the extent of, work needed for indirect and direct controls</li><li>- Clarification of which controls need to be identified for the purpose of evaluating the design and implementation of controls</li><li>- Introduction of scalability</li><li>- Incorporation of considerations for using automated tools and techniques</li><li>- New and revised concepts and definitions related to identification and assessment of risk</li><li>- Strengthened documentation requirements</li></ul> <p>CPA Canada has published a Client Briefing document to help you better understand the changes you can expect on your 2023 audit – <a href="#">Click here</a> to access the document.</p>

# Appendix 3: Current developments (continued)

## Public Sector Accounting Standards

Standard	Summary and implications
Asset Retirement Obligations	<ul style="list-style-type: none"><li>- The new standard is effective for fiscal years beginning on or after April 1, 2022.</li><li>- 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.</li><li>- 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.</li><li>- As a result of the new standard, the public sector entity will have to:<ul style="list-style-type: none"><li>• Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;</li><li>• 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;</li><li>• 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.</li></ul></li></ul>
Revenue	<ul style="list-style-type: none"><li>- The new standard is effective for fiscal years beginning on or after April 1, 2023.</li><li>- The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.</li><li>- 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.</li><li>- 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.</li></ul>

# Appendix 3: Current developments (continued)

Standard	Summary and implications
<b>Public Private Partnerships (“P3”)</b>	<ul style="list-style-type: none"> <li>- PSAB has introduced Section PS3160, which includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. The standard has an effective date of April 1, 2023, and may be applied retroactively or prospectively.</li> <li>- The standard notes 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.</li> <li>- The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and project risks.</li> </ul>
<b>Purchased Intangibles</b>	<ul style="list-style-type: none"> <li>- 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.</li> <li>- PSAB has approved Public Sector Guideline 8 which allows recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to Section PS 1000 Financial statement concepts to remove prohibition on recognition of intangibles purchased through exchange transactions and PS 1201 Financial statement presentation to remove the requirement to disclose that purchased intangibles are not recognized.</li> <li>- The effective date is April 1, 2023 with early adoption permitted. Application may be retroactive or prospective.</li> </ul>
<b>Employee Future Benefit Obligations</b>	<ul style="list-style-type: none"> <li>- PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. 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.</li> <li>- 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.</li> <li>- PSAB released an exposure draft on proposed section PS3251, <i>Employee Benefits</i> in July 2021. Comments to PSAB on the proposed section were due by November 25, 2021. Proposed Section PS 3251 would apply to fiscal years beginning on or after April 1, 2026 and should be applied retroactively. Earlier adoption is permitted.</li> <li>- This proposed section would result in organizations recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations.</li> </ul>

# Appendix 3: Current developments (continued)

Standard	Summary and implications
<b>Concepts Underlying Financial Performance</b>	<ul style="list-style-type: none"><li>- PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards.</li><li>- PSAB released four exposure drafts in early 2021 for the proposed conceptual framework and proposed revised reporting model, and their related consequential amendments. The Board is in the process of considering stakeholder comments received.</li><li>- 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.</li><li>- In addition, PSAB is proposing:<ul style="list-style-type: none"><li>• Relocation of the net debt indicator to its own statement and the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.</li><li>• Separating liabilities into financial liabilities and non-financial liabilities.</li><li>• Restructuring the statement of financial position to present non-financial assets before liabilities.</li><li>• Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li><li>• Removal of the statement of rereasurement 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), including a new component called “accumulated other”.</li><li>• A new provision whereby an entity can use an amended budget in certain circumstances.</li><li>• Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.</li></ul></li></ul>

# Appendix 3: Current developments (continued)

## Thought leadership – Environmental, social, and governance (ESG)

Thought leadership	Overview	Links
<b>Unleashing the Positive in Net Zero</b>	CoP26 in Glasgow made some progress to tackling climate change but there is much more to do. At KPMG, we're committed to accelerating the changes required to fight climate change. Our Global portal provides links to further thought leadership to help drive real change.	<a href="#">Link to Global portal</a>
<b>KPMG Climate Change Financial Reporting Resource Centre</b>	KPMG's climate change resource centre provides FAQs to help you identify the potential financial statement impacts for your business.	<a href="#">Link to Global portal</a>
<b>You Can't Go Green Without Blue – The Blue Economy is Critical to All Companies' ESG Ambitions</b>	In this report, KPMG considers how leading corporates and investors can take action to capture the value that can be found in a healthy, sustainable ocean economy.	<a href="#">Link to Canadian portal</a>
<b>ESG, Strategy and the Long View</b>	This paper presents a five-part framework to help organizations understand and shape the total impact of their strategy and operations on their performance externally – on the environment, consumers, employees, the communities in which it operates, and other stakeholders – and internally.	<a href="#">Link to Global portal</a>
<b>Inclusion and diversity practices</b>	In 2021 societal changes brought more attention to inclusion and diversity. In this age of transparency, businesses must act proactively to implement strategic inclusion and diversity practices. It has become increasingly important for organizations to adopt I&D initiatives in order to foster an enjoyable work environment for their employees. Learn how to consider your own organizations' unique context, meet with the stakeholders you want to include, understand where they are at, and guide them along their own individual transformation journey.	<a href="#">Link to Canadian portal</a>

# Appendix 3: Current developments (continued)

## Thought leadership – Digital and technology

Thought leadership	Overview	Link
<b>Going digital, faster in Canada</b>	Pre-COVID-19, private and public organizations were moving towards a digital business model, travelling at varying speeds. But the pandemic forced a dramatic acceleration, both in the speed of change and the required investment to digitally transform. According to Canadian insights from KPMG’s recent global survey, organizations are investing heavily in technology to address immediate concerns, ranging from falling revenue and interrupted supply chains to building longer-term competitiveness and operational resilience.	<a href="#">Link to Canadian portal</a>

## Thought leadership – Board, Audit Committee and C-Suite

Thought leadership	Overview	Links
<b>Accelerate</b>	Our Accelerate series offer insight into the key issues that will drive the Audit Committee agenda in 2022 in a number of key areas: cyber-related risk, digital transformation in the finance function, the ‘Great Resignation’ impacting finance, climate-related physical risks, enterprise risk management, and building a climate-conscious organization.	<a href="#">Link to Canadian Accelerate 2022 Insights series</a>
<b>KPMG 2021 CEO Outlook – Canadian Insights</b>	This year we surveyed over 1,300 CEOs globally and the results are pointing to an optimistic outlook amongst Canadian CEOs. Some of the key themes coming out of the survey include expectations for aggressive growth through expansion, investment in both people and technology as well as a focus on delivering on environmental, social and governance (ESG) and sustainability commitments.	<a href="#">Link to Canadian portal</a>
<b>Board Leadership Centre + Audit Committee Guide</b>	<p>KPMG in Canada Board Leadership Centre engages with directors, board members and business leaders to discuss timely and relevant boardroom challenges and deliver practical thought leadership on risk and strategy, talent and technology, globalization and regulatory issues, financial reporting and more.</p> <p>The new Audit Committee Guide – Canadian Edition from our Board Leadership Centre provides timely, relevant and trusted guidance to help both new and seasoned audit committee members stay informed.</p>	<p><a href="#">Link to Canadian portal</a></p> <p><a href="#">Link to 2021 guide</a></p>
<b>20 Predictions for the Next 20 Years</b>	This series looks at how new technologies could evolve and how these advances will change every facet of our lives, including the industries and sectors that drive them.	<a href="#">Link to 20 Predictions Report</a>



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KPMG member firms around the world have 236,000 professionals, in 144 countries.







KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 40 (New Westminster), and  
To the Minister of Education and Child Care, 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, 2022
- 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, 2022 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.



### ***Emphasis of Matter – Comparative Information***

We draw attention to note 19 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2021 has been restated. Note 19 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

### ***Other matter – Comparative Information***

As part of our audit of the financial statements for the year ended June 30, 2022, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended June 30, 2021. In our opinion, such adjustments are appropriate and have been properly applied.

### ***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.

[INSERT SIGNATURE]

Chartered Professional Accountants

Vancouver, Canada

[DATE OF APPROVAL]

# 2021-22 Year End Results

School District No. 40

September 27, 2022



New  
Westminster  
Schools



# Recognition

# Highlights of the year

- ❑ CONTINUED TO NAVIGATE THROUGH THE COVID-19 PANDEMIC
- ❑ CONTINUING TO EXPERIENCE HIGHER LEVELS OF GROWTH IN ENROLMENT
- ❑ OPENING OF NEW WELLNESS AND WELCOME CENTRES
- ❑ MINISTRY OF EDUCATION AND CHILDCARE
- ❑ CAPITAL PROJECTS UNDERWAY
  - SKWO:WECH ELEMENTARY COMPLETED
  - NWSS PHASE 2 DECOMMISSIONING UNDERWAY
  - QUEEN ELIZABETH ELEMENTARY EXPANSION NEARING COMMENCEMENT
  - FRASER RIVER ELEMENTARY SCHOOL – CONCEPT PLAN STAGE
  - QUEENSBOROUGH LAND PURCHASE

# 21-22 Priorities Executed

Requests identified	Ongoing (\$)	One Time (\$)	Total (\$)
Counsellor (0.4 FTE)	\$42,720	\$0	\$42,720
Additional VP support at Qayqayt (0.2 FTE)	\$21,360	\$0	\$21,360
HR priorities – staff retention and recruitment	\$0	\$22,625	\$22,625
Finance priorities – record digitization	\$6,500	\$38,000	\$44,500
Learning team – literacy initiatives	\$25,000	\$0	\$25,000
NLC Welcome Centre	\$0	\$210,000	\$210,000
Maintenance equipment	\$0	\$35,000	\$35,000
Collaborative Learning Spaces	\$0	\$75,000	\$75,000
COVID Health and Safety	\$0	\$90,000	\$90,000
Local capital – capital project contribution fund	\$0	\$250,000	\$250,000
<b>Total Requests Identified</b>	<b>\$95,580</b>	<b>\$720,625</b>	<b>\$816,205</b>



# 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

OVERALL CHANGE IN NET POSITION (ALL 3 FUNDS): INCREASE OF \$2,487,306 – OPERATING DEFICIT IS \$1,841,765.

DEFICIT WAS NOT UNEXPECTED DUE TO EXPENDITURE PLAN AND BUDGET APPROVED BY BOARD.

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

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,923,927		24,933,029	29,856,956	28,666,806
Prior Period Adjustments					(510,499)
Accumulated Surplus (Deficit), beginning of year, as restated	4,923,927	-	24,933,029	29,856,956	28,156,307
<b>Changes for the year</b>					
Surplus (Deficit) for the year	(365,731)	210,819	2,642,218	2,487,306	1,700,649
Interfund Transfers					
Tangible Capital Assets Purchased	(766,034)	(210,819)	976,853	-	
Local Capital	(710,000)		710,000	-	
Net Changes for the year	(1,841,765)	-	4,329,071	2,487,306	1,700,649
Accumulated Surplus (Deficit), end of year - Statement 2	3,082,162	-	29,262,100	32,344,262	29,856,956

# Accumulated Operating Reserve

Accumulated Operating Surplus	2021/22	2020/21
<b>Internally Restricted:</b>		
School Surplus	4,175	14,796
RCAP and Power Local Grants	5,482	2,869
Surplus Applied to 2022-2023 Budget	1,207,506	-
Surplus Applied to 2021-2022 Budget	-	2,181,391
Commitments Outstanding	269,752	512,079
Future Years' Operating Budget Requirements	662,000	-
Local Capital Repayment	102,445	-
Department Carryforward	55,898	-
Teacher Mentorship Funds	40,568	-
Targeted Indigenous Education	-	37,662
2020-21 Holdback used for COVID Restart	-	138,139
Board Internally Restricted	-	500,000
<b>Total Internally Restricted</b>	<b>2,347,826</b>	<b>3,386,936</b>
<b>Unrestricted</b>	<b>734,336</b>	<b>1,536,991</b>
<b>Total Accumulated Operating Surplus</b>	<b>3,082,162</b>	<b>4,923,927</b>

# 2022-23 Summary of Budget Priorities

Priority identified	Ongoing (\$)	One Time (\$)	Total (\$)
0.6 FTE Behaviour team specialist	\$61,992		\$61,992
1.0 FTE District counselling (safe and caring schools)	\$103,320		\$103,320
0.2 FTE increase in Admin (0.2 teacher backfill)	\$20,418		\$20,418
0.4 FTE mentorship facilitator	\$40,992		\$40,992
1.0 FTE Indigenous Education Support Worker	\$52,795		\$52,795
Student Supervision Staffing	\$72,677		\$72,677
Indigenous Education Equity in Action Initiatives	\$18,191		\$18,191
Communications support		\$35,000	\$35,000
Climate action curriculum implementation		\$50,000	\$50,000
Anti-Racism Pro-D (3 year plan)		\$30,000	\$30,000
Performance feedback and orientation systems		\$15,500	\$15,500
Finance Training and modules		\$15,500	\$15,500
Electric/climate action friendly power tools		\$37,500	\$37,500
New maintenance equipment forSkwo:wech		\$15,000	\$15,000
<b>Total Requests Identified</b>	<b>\$370,385</b>	<b>\$198,500</b>	<b>\$568,885</b>



# Statement of Financial Position

# Statement of Financial Position

	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	14,367,675	25,110,928
Accounts Receivable		
Due from Province - Ministry of Education and Child Care (Note 3)	2,061,688	698,974
Due from Province - Other	193,884	
Other	676,043	275,665
<b>Total Financial Assets</b>	<u>17,299,290</u>	<u>26,085,567</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	7,370,686	8,297,628
Unearned Revenue (Note 5)	2,511,549	1,527,821
Deferred Revenue (Note 6)	1,226,659	1,300,084
Deferred Capital Revenue (Note 7)	190,108,106	183,239,790
Employee Future Benefits (Note 8)	3,654,273	3,568,459
<b>Total Liabilities</b>	<u>204,871,273</u>	<u>197,933,782</u>
<b>Net Debt</b>	<u>(187,571,983)</u>	<u>(171,848,215)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	219,611,243	201,541,872
Prepaid Expenses	305,002	163,299
<b>Total Non-Financial Assets</b>	<u>219,916,245</u>	<u>201,705,171</u>
<b>Accumulated Surplus (Deficit) (Note 15)</b>	<u>32,344,262</u>	<u>29,856,956</u>

# Financial Position health indicators

## ACCUMULATED SURPLUS FROM OPERATIONS

**2022: \$3,082,162 (2021: \$4,923,927 )**

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

## NET DEBT:

**2022 Increase in net debt of: \$15,723,768 or 9% (2021 increase: \$20,932,752 or 41%)**

*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:

**2022 Ratio: 1.17: 1 (2021 Ratio 1.78: 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.*



# Operating Fund



# Operating Fund – Income Schedule

(Schedule 2 in the Financial Statements)

	2022 Budget (Note 12)	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	68,846,326	68,933,810	66,577,233
Other	78,688	82,907	69,159
Tuition	2,170,840	2,226,685	1,859,214
Other Revenue	217,036	289,088	90,743
Rentals and Leases	279,667	319,768	251,367
Investment Income	200,000	156,161	205,679
<b>Total Revenue</b>	<b>71,792,557</b>	<b>72,008,419</b>	<b>69,053,395</b>
<b>Expenses</b>			
Instruction	60,785,179	61,192,200	57,394,721
District Administration	3,855,185	3,888,103	3,211,128
Operations and Maintenance	7,324,566	7,040,430	6,517,724
Transportation and Housing	240,280	253,417	234,843
<b>Total Expense</b>	<b>72,205,210</b>	<b>72,374,150</b>	<b>67,358,416</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(412,653)</b>	<b>(365,731)</b>	<b>1,694,979</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>1,682,653</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(500,000)	(766,034)	(749,393)
Local Capital	(770,000)	(710,000)	
<b>Total Net Transfers</b>	<b>(1,270,000)</b>	<b>(1,476,034)</b>	<b>(749,393)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>(1,841,765)</b>	<b>945,586</b>

More international students continued to arrive throughout the year

More rentals as restrictions around gatherings have eased

Less than 1% difference from anticipated budget

Investments in QE addition, wellness centre, collaboration furniture at NWSS

# Operating fund – expense detail

(Schedule 2B in the Financial Statements)

	2022 Budget (Note 12) \$	2022 Actual \$	2021 Actual (Restated - Note 19) \$
<b>Salaries</b>			
Teachers	31,824,826	32,186,186	30,120,830
Principals and Vice Principals	3,914,371	3,941,539	4,012,931
Educational Assistants	6,590,181	6,697,184	6,567,369
Support Staff	5,704,542	5,613,429	5,419,447
Other Professionals	2,999,718	3,018,424	2,765,366
Substitutes	2,014,853	2,096,053	1,459,026
<b>Total Salaries</b>	<b>53,048,491</b>	<b>53,552,815</b>	<b>50,344,969</b>
<b>Employee Benefits</b>	<b>12,654,157</b>	<b>12,957,978</b>	<b>11,762,333</b>
<b>Total Salaries and Benefits</b>	<b>65,702,648</b>	<b>66,510,793</b>	<b>62,107,302</b>
<b>Services and Supplies</b>			
Services	1,887,991	2,099,868	1,754,169
Student Transportation	63,180	75,565	52,837
Professional Development and Travel	437,015	391,190	412,448
Rentals and Leases	231,000	240,074	254,442
Dues and Fees	104,700	96,473	76,566
Insurance	118,526	117,448	119,336
Interest			
Supplies	2,533,088	1,645,065	1,458,701
Utilities	1,127,062	1,180,878	1,104,067
Bad Debt		16,796	18,548
<b>Total Services and Supplies</b>	<b>6,502,562</b>	<b>5,863,357</b>	<b>5,251,114</b>
<b>Total Operating Expense</b>	<b>72,205,210</b>	<b>72,374,150</b>	<b>67,358,416</b>

Significant increase in substitute costs from prior year due to COVID absences

Overall, salaries budget to actual was accurate with a precision of 1.2%

\$250K in open commitments at end of year; budget anticipated smaller transfer of capital assets

# Operating expense by Function, Program and Object

(Schedule 2c in the Financial Statements)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget (Note 12)	2021 Actual (Restated - Note 19)	2022 % OF SPEND	2021 % OF SPEND
	\$	\$	\$	\$	\$	\$	\$		
<b>1 Instruction</b>									
1.02 Regular Instruction	29,006,600	7,077,688	36,084,288	1,578,666	37,662,954	37,545,776	35,348,928		
1.03 Career Programs	505,622	123,265	628,887	4,208	633,095	631,010	632,869		
1.07 Library Services	399,226	98,043	497,269	44,087	541,356	538,802	435,869		
1.08 Counselling	699,951	157,337	857,288	5,451	862,739	787,655	704,625		
1.10 Special Education	10,160,646	2,609,177	12,769,823	151,615	12,921,438	12,720,447	12,131,407		
1.30 English Language Learning	1,056,340	247,302	1,303,642		1,303,642	1,250,700	1,220,457		
1.31 Indigenous Education	365,039	94,656	459,695	63,629	523,324	582,385	365,838		
1.41 School Administration	4,018,300	889,897	4,908,197	48,228	4,956,425	4,936,011	5,285,438		
1.60 Summer School	143,590	26,738	170,328	652	170,980	170,932	121,432		
1.61 Continuing Education	237,272	62,888	300,160	3,461	303,621	319,066	230,729		
1.62 International and Out of Province Students	857,538	182,744	1,040,282	267,814	1,308,096	1,297,845	912,565		
1.64 Other	-	-	-	4,550	4,530	4,550	4,564		
<b>Total Function 1</b>	<b>47,450,124</b>	<b>11,569,735</b>	<b>59,019,859</b>	<b>2,172,341</b>	<b>61,192,200</b>	<b>60,785,179</b>	<b>57,394,721</b>	<b>84.5%</b>	<b>85.2%</b>

Funded for \$8,102,885; exceeded funding by 59%

Targeted funding is \$467,935 which represents additional investments of \$55,389

# Operating expense by Function, Program and Object

(Schedule 2c in the Financial Statements)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget (Note 12)	2021 Actual (Restated - Note 19)	2022 % OF SPEND	2021 % OF SPEND
	\$	\$	\$	\$	\$	\$	\$		
<b>4 District Administration</b>									
4.11 Educational Administration	793,039	168,987	962,026	192,785	1,154,811	1,140,674	834,536		
4.40 School District Governance	248,539	26,814	275,353	63,155	338,508	350,296	329,947		
4.41 Business Administration	1,543,874	302,102	1,845,976	548,808	2,394,784	2,364,215	2,046,645		
<b>Total Function 4</b>	<b>2,585,452</b>	<b>497,903</b>	<b>3,083,355</b>	<b>804,748</b>	<b>3,888,103</b>	<b>3,855,185</b>	<b>3,211,128</b>	<b>5.37%</b>	<b>4.76%</b>
<b>5 Operations and Maintenance</b>									
5.41 Operations and Maintenance Administration	413,268	83,027	496,295	213,706	710,001	603,630	752,285		
5.50 Maintenance Operations	2,688,219	714,738	3,402,957	1,442,866	4,845,823	4,943,560	4,392,478		
5.52 Maintenance of Grounds	254,315	70,191	324,506	16,026	340,532	376,814	319,567		
5.56 Utilities	-	-	-	1,144,074	1,144,074	1,400,562	1,053,394		
<b>Total Function 5</b>	<b>3,355,802</b>	<b>867,956</b>	<b>4,223,758</b>	<b>2,816,672</b>	<b>7,040,430</b>	<b>7,324,566</b>	<b>6,517,724</b>	<b>9.73%</b>	<b>9.67%</b>
<b>7 Transportation and Housing</b>									
7.70 Student Transportation	161,437	22,384	183,821	69,596	253,417	240,280	234,843		
<b>Total Function 7</b>	<b>161,437</b>	<b>22,384</b>	<b>183,821</b>	<b>69,596</b>	<b>253,417</b>	<b>240,280</b>	<b>234,843</b>	<b>0.35%</b>	<b>0.34%</b>

# 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 CONTINUED TO REDUCE SPECIAL PURPOSE DEFERRED



# Special Purpose Grants

(See Schedule 3A in Financial Statements)

Special Purpose Grant	Opening balance	Contributions	Expense	Ending balance	Additional expenses funded by and reported in operations
Annual Facilities Grant	-	230,897	230,897	-	-
Learning Improvement Fund	-	235,363	235,363	-	60,882
Special Education Equipment	16,323	-	6,738	9,585	-
Scholarships and Bursaries	456,616	177,074	89,694	543,996	-
School Generated Funds	798,235	940,078	1,113,492	624,821	-
Strong Start	-	96,000	96,000	-	11,166
Ready Set Learn	15,945	19,600	35,545	-	-
OLEP	1,574	161,108	156,329	6,353	-
Community LINK	-	1,644,663	1,644,663	-	87,656
CEF - Overhead	-	373,060	373,060	-	31,386
CEF - Staffing	-	5,960,420	5,960,420	-	182,379
CEF - Remedies	-	482,357	482,357	-	-
Mental Health in Schools	4,783	122,845	124,383	3,245	-
Restart: Health and Safety Grant	-	163,577	163,577	-	5,976
Ventilation Fund	-	112,788	112,788	-	-
Seamless Day Kindergarten	-	62,242	62,242	-	9,559
Apprentice Program	6,608	171,668	139,617	38,659	-
United Way	-	75,000	75,000	-	-
	1,300,084	11,028,740	11,102,165	1,226,659	389,004



# Capital Fund



# 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	209,561,833	4,197,330	146,354		3,810,140	232,773,578
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,566,170					2,566,170
Deferred Capital Revenue - Other	3,727,421						3,727,421
Operating Fund			189,207			576,827	766,034
Special Purpose Funds		210,819					210,819
Local Capital	1,591,510	417,799	120,720				2,130,029
Transferred from Work in Progress		28,832,940	609,196				29,442,136
	<b>5,318,931</b>	<b>32,027,728</b>	919,123	-	-	576,827	38,842,609
Decrease:							
Deemed Disposals			36,936	33,516		895,584	966,036
Written-off/down During Year		984,743					984,743
	-	984,743	36,936	33,516	-	895,584	1,950,779
Cost, end of year	20,376,852	240,604,818	5,079,517	112,838	-	3,491,383	269,665,408
Work in Progress, end of year		1,494,617					1,494,617
Cost and Work in Progress, end of year	20,376,852	242,099,435	5,079,517	112,838	-	3,491,383	271,160,025

DISTRICT PURCHASED 2 LAND PARCELS IN QUEENSBOROUGH NEIGHBOURHOOD

SIGNIFICANT CHANGE IN BALANCE NOW THAT SKWO:WECH ELEMENTARY IS COMPLETED

# Sources of capital funding

(Schedule 4D in financial statements)

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		13,110	1,260,247	3,305,101	744,608	5,323,066
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	14,617,876					14,617,876
Provincial Grants - Other			678,593			678,593
Other				391,805	400,130	791,935
Investment Income				30,515		30,515
	14,617,876	-	678,593	422,320	400,130	16,118,919
Decrease:						
Transferred to DCR - Capital Additions	2,566,170					2,566,170
Transferred to DCR - Work in Progress	12,051,706		1,938,840		1,144,738	15,135,284
Transferred to Revenue - Site Purchases				3,727,421		3,727,421
	14,617,876	-	1,938,840	3,727,421	1,144,738	21,428,875
<b>Net Changes for the Year</b>	-	-	(1,260,247)	(3,305,101)	(744,608)	(5,309,956)
Balance, end of year	-	13,110	-	-	-	13,110

Land Capital has been spent in full on purchases of land in Queensborough in anticipation of growth in that neighbourhood in future years.

Prov Capital amounts relate to Childcare spaces funding now received for Skwo:wech

# Local Capital

- ❑ DISTRICT HAS A \$260,540 DEFICIT IN LOCAL CAPITAL DUE TO A COMPLETED PURCHASE FOR LAND IN THE QUEENSBOROUGH NEIGHBOURHOOD
- ❑ DEFICIT WAS APPROVED BY THE MINISTER WITH A REPAYMENT NO LATER THAN JUNE 30, 2026 AND WILL BE REPAID UTILIZING OPERATING DOLLARS TRANSFERRED TO THE LOCAL CAPITAL ACCOUNT

Local Capital	2021/22
Queen Elizabeth Elementary Expansion	91,905
Queensborough Site Acquisition	(352,445)
<b>Deficit</b>	<b>(260,540)</b>



# Questions?

Audited Financial Statements of

# **School District No. 40 (New Westminster)**

And Independent Auditors' Report thereon

June 30, 2022

# School District No. 40 (New Westminster)

June 30, 2022

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# School District No. 40 (New Westminster)

## MANAGEMENT REPORT

**DRAFT**

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)

**DRAFT**

Signature of the Comptroller 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, 2022

	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	14,367,675	25,110,928
Accounts Receivable		
Due from Province - Ministry of Education and Child Care (Note 3)	2,061,688	698,974
Due from Province - Other	193,884	
Other	676,043	275,665
<b>Total Financial Assets</b>	<u>17,299,290</u>	<u>26,085,567</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	7,370,686	8,297,628
Unearned Revenue (Note 5)	2,511,549	1,527,821
Deferred Revenue (Note 6)	1,226,659	1,300,084
Deferred Capital Revenue (Note 7)	190,108,106	183,239,790
Employee Future Benefits (Note 8)	3,654,273	3,568,459
<b>Total Liabilities</b>	<u>204,871,273</u>	<u>197,933,782</u>
<b>Net Debt</b>	<u>(187,571,983)</u>	<u>(171,848,215)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	219,611,243	201,541,872
Prepaid Expenses	305,002	163,299
<b>Total Non-Financial Assets</b>	<u>219,916,245</u>	<u>201,705,171</u>
<b>Accumulated Surplus (Deficit) (Note 15)</b>	<u>32,344,262</u>	<u>29,856,956</u>

Contractual Obligations (Note 13)

Contingent Liabilities (Note 18)

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

DRAFT



# School District No. 40 (New Westminster)

Statement of Operations  
Year Ended June 30, 2022

	2022 Budget (Note 12)	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	78,346,359	<b>78,541,850</b>	78,345,646
Other	78,688	<b>222,524</b>	153,951
School Site Acquisition Fees		<b>3,727,421</b>	
Tuition	2,170,840	<b>2,226,685</b>	1,859,214
Other Revenue	1,070,797	<b>1,643,596</b>	1,046,170
Rentals and Leases	279,667	<b>319,768</b>	251,367
Investment Income	210,000	<b>172,257</b>	219,193
Amortization of Deferred Capital Revenue	5,451,685	<b>5,523,182</b>	3,851,149
<b>Total Revenue</b>	<u>87,608,036</u>	<u><b>92,377,283</b></u>	<u>85,726,690</u>
<b>Expenses (Note 14)</b>			
Instruction	70,791,101	<b>71,674,763</b>	68,223,523
District Administration	3,855,185	<b>3,965,782</b>	3,289,794
Operations and Maintenance	14,081,941	<b>13,983,055</b>	12,256,314
Transportation and Housing	253,240	<b>266,377</b>	256,410
<b>Total Expense</b>	<u>88,981,467</u>	<u><b>89,889,977</b></u>	<u>84,026,041</u>
<b>Surplus (Deficit) for the year</b>	<u>(1,373,431)</u>	<u><b>2,487,306</b></u>	<u>1,700,649</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>29,856,956</b>	28,156,307
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><b>32,344,262</b></u>	<u>29,856,956</u>

# School District No. 40 (New Westminster)

## Statement of Changes in Net Debt

Year Ended June 30, 2022

	2022 Budget (Note 12) \$	2022 Actual \$	2021 Actual (Restated - Note 19) \$
<b>Surplus (Deficit) for the year</b>	(1,373,431)	<b>2,487,306</b>	1,700,649
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(20,646,400)	<b>(24,693,852)</b>	(27,590,720)
Amortization of Tangible Capital Assets	6,640,767	<b>6,624,481</b>	4,919,747
<b>Total Effect of change in Tangible Capital Assets</b>	<b>(14,005,633)</b>	<b>(18,069,371)</b>	<b>(22,670,973)</b>
Acquisition of Prepaid Expenses	(160,000)	<b>(305,002)</b>	(163,299)
Use of Prepaid Expenses	160,000	<b>163,299</b>	173,054
<b>Total Effect of change in Other Non-Financial Assets</b>	<b>-</b>	<b>(141,703)</b>	9,755
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<b>(15,379,064)</b>	<b>(15,723,768)</b>	(20,960,569)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(15,723,768)</b>	(20,960,569)
<b>Net Debt, beginning of year</b>		<b>(171,848,215)</b>	(150,887,646)
<b>Net Debt, end of year</b>		<b>(187,571,983)</b>	(171,848,215)

# School District No. 40 (New Westminster)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 19)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	2,487,306	1,700,649
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,956,976)	4,482,135
Prepaid Expenses	(141,703)	9,755
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(926,942)	(7,580,026)
Unearned Revenue	983,728	(123,268)
Deferred Revenue	(73,425)	(134,158)
Employee Future Benefits	85,814	175,937
Amortization of Tangible Capital Assets	6,624,481	4,919,747
Amortization of Deferred Capital Revenue	(5,523,182)	(3,851,149)
Recognition of Deferred Capital Revenue Spent on Sites	(3,727,421)	
<b>Total Operating Transactions</b>	<u>(2,168,320)</u>	<u>(400,378)</u>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(9,400,473)	(16,870,694)
Tangible Capital Assets -WIP Purchased	(15,293,379)	(10,720,026)
<b>Total Capital Transactions</b>	<u>(24,693,852)</u>	<u>(27,590,720)</u>
<b>Financing Transactions</b>		
Capital Revenue Received	16,118,919	25,094,558
<b>Total Financing Transactions</b>	<u>16,118,919</u>	<u>25,094,558</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(10,743,253)</u>	<u>(2,896,540)</u>
<b>Cash and Cash Equivalents, beginning of year</b>	<u>25,110,928</u>	<u>28,007,468</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>14,367,675</u>	<u>25,110,928</u>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	<u>14,367,675</u>	<u>25,110,928</u>
	<u>14,367,675</u>	<u>25,110,928</u>
Supplementary Cash Flow Information (Note 20)		

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 1            AUTHORITY AND PURPOSE**

The School District, established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of “The Board of Education of School District No. 40 (New Westminster)”, and operates as “School District No. 40 (New Westminster)”. A board of education (“Board”) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care (“MECC” or the “Ministry”). The School District is a registered charity under the Income Tax Act and is exempt from federal and provincial corporate income taxes.

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a)    Basis of Accounting**

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 tangible 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, 2022**

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**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, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. 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, 2022**

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**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, 2022**

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i)    Prepaid Expenses**

Amounts for insurance, software licenses and other services paid in advance are included as a prepaid expense. Prepaid expenses are 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.

The Board is responsible for ensuring the School District is protected financially from extraordinary circumstances that would negatively impact the education of students. To discharge this responsibility, the Board shall build and maintain a contingency reserve through the maintenance of an accumulated surplus, which will be used to mitigate any negative impact such circumstances might cause. By Board policy, a contingency reserve of at least 2% of operating expenses shall be maintained. The Board will incorporate into its future budget planning processes, strategies to re-establish the contingency reserve should it fall below this level.

**k)    Revenue Recognition**

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and the amounts can be reasonably estimated.

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 asset 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, 2022**

---

**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, Associate 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 Indigenous 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 accrued liabilities and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, 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 and amortized using the effective interest rate method. 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. There are no measurement gains or losses during the periods presented; therefore, no Statement of Re-measurement Gains and Losses is included in these financial statements.

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, 2022**

---

**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 payor.

Revenue from transactions with no performance obligations should be recognized when the 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, 2022**

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**NOTE 3            DUE FROM THE PROVINCE - MECC**

	2022	2021
Annual Facility Grant	\$ 404,991	\$ 338,789
Bylaw Projects	1,367,870	260,702
Classroom Enhancement Fund - Remedies	112,997	57,455
OLEP French	63,042	42,028
Ventilation Fund	112,788	-
	\$ 2,061,688	\$ 698,974

**NOTE 4            ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

	2022	2021
Trade Payables	\$ 4,521,130	\$ 5,237,123
Accrued Vacation Payable	368,117	421,333
Salaries and Benefits Payable	2,481,439	2,639,172
	\$ 7,370,686	\$ 8,297,628

**NOTE 5            UNEARNED REVENUE**

	2022	2021
<b>Balance, beginning of year</b>	<b>\$ 1,527,821</b>	<b>\$ 1,651,089</b>
Changes for the year:		
Increase:		
Tuition fees collected	2,511,549	1,527,821
	4,039,370	3,178,910
Decrease:		
Tuition fee revenue recognized	1,527,821	1,651,089
	1,527,821	1,651,089
<b>Balance, end of year</b>	<b>\$ 2,511,549</b>	<b>\$ 1,527,821</b>

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

---

**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.

	2022	2021
<b>Balance, beginning of year</b>	<b>\$ 1,300,084</b>	<b>\$ 1,434,242</b>
Increases:		
Provincial Grants - MECC	9,588,598	11,739,493
Provincial Grants – Other	171,668	91,400
Other Revenue	1,268,474	853,652
	<b>11,028,740</b>	<b>12,684,545</b>
Decreases:		
Allocated to Revenue	11,102,165	12,779,966
Recovered	-	38,737
	<b>11,102,165</b>	<b>12,818,703</b>
Net Change for the year	<b>(73,425)</b>	<b>(134,158)</b>
<b>Balance, end of year</b>	<b>\$ 1,226,659</b>	<b>\$ 1,300,084</b>

**NOTE 7 DEFERRED CAPITAL REVENUE**

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

	2022	2021
		(Restated – Note 19)
<b>Balance, beginning of year</b>	<b>\$ 183,239,790</b>	<b>\$163,296,804</b>
Prior Period Adjustment (note 19)	-	(1,300,423)
<b>Balance, beginning of year, as restated</b>	<b>183,239,790</b>	<b>161,996,381</b>
Increases:		
Provincial Grant - MECC	14,617,876	23,633,017
Provincial Grants – Other	678,593	-
Other Revenue	791,935	1,406,071
Investment Income	30,515	55,470
	<b>16,118,919</b>	<b>25,094,558</b>
Decreases:		
Amortization	5,523,182	3,851,149
Transferred to Revenue – Site Purchases	3,727,421	-
	<b>9,250,603</b>	<b>3,851,149</b>
Net Change for the year	<b>6,868,316</b>	<b>21,243,409</b>
<b>Balance, end of year</b>	<b>\$ 190,108,106</b>	<b>\$ 183,239,790</b>

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**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. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	2022	2021
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 3,046,338	\$ 3,009,113
Service Cost	246,677	248,589
Interest Cost	79,620	70,864
Benefit Payments	(205,472)	(88,877)
Increase in Obligation due to Plan Amendment	5,939	-
Actuarial Gain	(620,542)	(193,351)
	<b>\$ 2,552,560</b>	<b>\$ 3,046,338</b>
<b>Accrued Benefit Obligation – March 31</b>		
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 2,552,560	\$ 3,046,338
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(2,552,560)	(3,046,338)
Employer Contribution after Measurement Date	32,029	60,091
Benefits Expense after Measurement Date	(77,519)	(81,574)
Unamortized Net Actuarial Gain	(1,056,223)	(500,638)
	<b>\$ (3,654,273)</b>	<b>\$ (3,568,459)</b>
<b>Accrued Benefit Liability – June 30</b>		
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	3,568,459	3,392,522
Net Expense for Fiscal Year	263,223	278,546
Employer Contributions	(177,409)	(102,609)
	<b>\$ 3,654,273</b>	<b>\$ 3,568,459</b>
<b>Accrued Benefit Liability – June 30</b>		
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 240,935	\$ 248,111
Interest Cost	81,306	73,053
Immediate Recognition of Plan Amendment	5,939	-
Amortization of Net Actuarial Gain	(64,957)	(42,618)
	<b>\$ 263,223</b>	<b>\$ 278,546</b>
<b>Net Benefit Expense</b>		
<b>Assumptions</b>		
Discount Rate – April 1	2.50 %	2.25%
Discount Rate – March 31	3.25 %	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
EARSLS – March 31	11.6	11.0

The impact of changes in assumptions between the March 31, 2022 measurement date and the June 30, 2022 reporting date have been considered and are not considered material.

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**Net Book Value:**

	<b>Net Book Value 2022</b>	Net Book Value 2021 (Restated – Note 19)
Sites	<b>\$ 20,376,852</b>	\$ 15,057,921
Buildings	<b>192,216,939</b>	165,606,738
Buildings – work in progress	<b>1,494,617</b>	15,643,374
Furniture & Equipment	<b>3,829,093</b>	3,373,812
Vehicles	<b>70,453</b>	83,413
Computer Hardware	<b>1,623,289</b>	1,776,614
<b>Total</b>	<b>\$ 219,611,243</b>	<b>\$ 201,541,872</b>

**June 30, 2022**

Cost:	Opening balance	Additions	Disposals	Transfers (WIP)	Ending balance
Sites	\$ 15,057,921	\$ 5,318,931	\$ -	\$ -	\$ 20,376,852
Buildings	209,561,833	3,194,788	(984,743)	28,832,940	240,604,818
Buildings–work in progress	15,643,374	14,684,183	-	(28,832,940)	1,494,617
Furniture & Equipment	4,197,330	919,123	(36,936)	-	5,079,517
Vehicles	146,354	-	(33,516)	-	112,838
Computer Hardware	3,810,140	576,827	(895,584)	-	3,491,383
<b>Total</b>	\$248,416,952	\$ 24,693,852	\$(1,950,779)	\$ -	\$ 271,160,025

Accumulated Amortization:	Opening balance	Amortization	Disposals	Transfers (WIP)	Ending balance
Buildings	\$ 43,955,095	\$ 5,417,527	\$ (984,743)	\$ -	\$ 48,387,879
Furniture & Equipment	823,518	463,842	(36,936)	-	1,250,424
Vehicles	62,941	12,960	(33,516)	-	42,385
Computer Hardware	2,033,526	730,152	(895,584)	-	1,868,094
<b>Total</b>	\$ 46,875,080	\$ 6,624,481	\$(1,950,779)	\$ -	\$ 51,548,782

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)**

**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
<b>Total</b>	<b>\$224,299,258</b>	<b>\$ 27,590,720</b>	<b>\$(3,473,026)</b>	<b>\$ -</b>	<b>\$ 248,416,952</b>

Accumulated Amortization:	Opening balance	Prior Period Adjustment (Note 19)	Amortization (Restated - Note 19)	Disposals	Ending balance (Restated - Note 19)
Buildings	\$ 41,462,177	\$ 1,415,978	\$ 3,772,027	\$(2,695,087)	\$ 43,955,095
Furniture & Equipment	577,381	84,623	295,446	(133,932)	823,518
Vehicles	82,627	5,908	20,674	(46,268)	62,941
Computer Hardware	1,495,252	304,414	831,599	(597,739)	2,033,526
<b>Total</b>	<b>\$ 43,617,437</b>	<b>\$ 1,810,923</b>	<b>\$ 4,919,746</b>	<b>\$(3,473,026)</b>	<b>\$ 46,875,080</b>

Buildings – work in progress having a value of \$1,494,617 (2021 - \$15,643,374) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 10      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly 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, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 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, 2020 indicated a \$1,584 million surplus for basic pension benefits on a going concern basis.

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

The School District paid \$6,377,126 (2021 - \$6,149,752) for employer contributions to these plans in the year ended June 30, 2022.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. 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, 2022**

**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 22, 2022. The table below presents a reconciliation between the amended annual budget and the initial annual budget as submitted to the Ministry in June 2021.

	<b>Annual Budget</b>	<b>Amended Annual Budget</b>	<b>Change</b>
Ministry Operating Grant Funded FTEs			
School Age	6,773.250	6,773.750	0.500
Adult	185.000	108.313	(76.687)
Other	0.000	0.000	0.000
Total Ministry Operating Grant Funded FTEs	<u>6,958.250</u>	<u>6,882.063</u>	<u>(76.187)</u>
Revenues			
Provincial Grants			
MECC	\$77,172,166	\$78,346,359	\$1,184,093
Other	118,788	78,688	(50,000)
Tuition	1,856,840	2,170,840	314,000
Other Revenue	1,069,825	1,070,797	972
Rentals and Leases	219,667	279,667	60,000
Investment Income	240,000	210,000	(30,000)
Amortization of Deferred Capital Revenue	4,891,002	5,451,685	560,683
Total Revenue	<u>85,568,288</u>	<u>87,608,036</u>	<u>2,039,748</u>
Expenses			
Instructional	70,671,550	70,791,101	119,551
District Administration	3,359,068	3,855,185	496,117
Operations and Maintenance	12,652,519	14,081,941	1,429,422
Transportation and Housing	257,547	253,240	(4,307)
Total Expense	<u>86,940,684</u>	<u>88,981,467</u>	<u>2,040,783</u>
Deficit for the year	<u>(1,372,396)</u>	<u>(1,373,431)</u>	<u>(1,035)</u>
Budget Allocation of Surplus	2,181,391	1,682,653	(498,738)
<b>Budget Surplus, for the year</b>	<u><b>\$808,995</b></u>	<u><b>\$309,222</b></u>	<u><b>(\$499,773)</b></u>
Budget Surplus, for the year comprised of:			
Capital Fund Surplus	808,995	309,222	(499,773)
Budget Surplus, for the year	<u>\$808,995</u>	<u>\$309,222</u>	<u>(\$499,773)</u>



**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 13 CONTRACTUAL OBLIGATIONS**

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

	<u>Expiry</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Operating:					
Xerox Photocopiers	Dec 2025	108,544	108,544	108,544	54,922
Columbia Square Plaza	June 2026	251,648	257,388	263,181	265,909
Capital:					
Skwo:wech Elementary		1,646,829	-	-	-
Queen Elizabeth Expansion		455,984	243,255	-	-
New Westminster Secondary		3,970,000	-	-	-
Minor Capital Projects		1,129,065	-	-	-
		<u>\$ 7,562,070</u>	<u>\$ 609,187</u>	<u>\$ 371,725</u>	<u>\$ 320,831</u>

**NOTE 14 EXPENSE BY OBJECT**

	<u>2022</u>	<u>2021</u>
		(Restated – Note 19)
Salaries and Benefits	\$ 75,179,331	\$ 71,658,184
Services and Supplies	8,086,165	7,448,110
Amortization	6,624,481	4,919,747
	<u>\$ 89,889,977</u>	<u>\$ 84,026,041</u>

**NOTE 15 ACCUMULATED SURPLUS**

	<u>2022</u>	<u>2021</u>
		(Restated – Note 19)
Local Capital Surplus (Deficit)	\$ (260,540)	\$ 1,301,488
Invested in Tangible Capital Assets	29,522,640	23,631,541
Internally Restricted by Board for:		
School Surplus	4,175	14,796
RCAP and Power Local Grants	5,482	2,869
Surplus Applied to 2022-2023 Budget	1,207,506	-
Surplus Applied to 2021-2022 Budget	-	2,181,391
Future Years' Operating Budget Requirements	662,000	-
Local Capital Repayment	102,445	-
Commitments Outstanding	269,752	512,079
Department Carryforward	55,898	-
Teacher Mentorship Funds	40,568	-
Targeted Indigenous Education	-	37,662
2020-21 Holdback used for COVID Restart	-	138,139
Board Internally Restricted	-	500,000
Total Internally Restricted	<u>2,347,826</u>	<u>3,386,936</u>
Unrestricted Operating Surplus	<u>734,336</u>	<u>1,536,991</u>
<b>Total Accumulated Surplus, end of year</b>	<u>\$ 32,344,262</u>	<u>\$ 29,856,956</u>

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 16      ECONOMIC DEPENDENCE**

The operations of the School District are dependent on continued funding from the Ministry and various government 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 and 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 deposits as they are placed in recognized British Columbia institutions and the School District invests solely in the Province of British Columbia's Central Deposit Program.

b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

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 deposits. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in certificates of deposit that have a maturity date of no more than 3 years.

c) Liquidity risk:

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

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

Risk Management and insurance services for all school districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2021 related to credit, market or liquidity risks.

**SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 18      CONTINGENT LIABILITIES**

In the normal course of business, lawsuits and claims may be brought against the School District which may give rise to future liabilities. 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.

**NOTE 19      PRIOR PERIOD ADJUSTMENT**

Effective July 1, 2021, the Office of the Comptroller General directed all school districts to apply the half-year rule method of amortization beginning in the fiscal year an asset is placed into service. This directive applies to both past and future purchases. Prior to this directive, the School District did not recognize amortization in the first partial service year. The School District has made a retroactive adjustment to recognize amortization of all assets and deferred capital contributions beginning in the first service year. The impact on the June 30, 2021 comparative amounts is as follows:

	<b>Increase (Decrease)</b>
Tangible Capital Assets	\$ (1,534,527)
Deferred Capital Revenue	(1,272,606)
Surplus for the year	248,578
Amortization of Deferred Capital Revenue	(27,817)
Operations & Maintenance Expense – Asset Amortization	(276,395)
Accumulated Surplus – beginning of the year July 1, 2020	(510,499)

**NOTE 20      SUPPLEMENTARY CASH FLOW INFORMATION**

	<b>2022</b>	<b>2021</b>
<b>Interest Recognized in the:</b>		
Operating Fund	\$ 156,161	\$ 205,679
Bylaw Capital Fund	-	32,865
Local Capital Fund	16,096	13,514
Land Capital Fund	30,515	22,605
<b>Total Interest Income</b>	<b>\$ 202,772</b>	<b>\$ 274,663</b>

# School District No. 40 (New Westminster)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2022

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	4,923,927		24,933,029	<b>29,856,956</b>	28,666,806
Prior Period Adjustments					(510,499)
<b>Accumulated Surplus (Deficit), beginning of year, as restated</b>	<b>4,923,927</b>	-	<b>24,933,029</b>	<b>29,856,956</b>	28,156,307
<b>Changes for the year</b>					
Surplus (Deficit) for the year	(365,731)	210,819	2,642,218	<b>2,487,306</b>	1,700,649
Interfund Transfers					
Tangible Capital Assets Purchased	(766,034)	(210,819)	976,853	-	
Local Capital	(710,000)		710,000	-	
<b>Net Changes for the year</b>	<b>(1,841,765)</b>	-	<b>4,329,071</b>	<b>2,487,306</b>	<b>1,700,649</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>3,082,162</b>	-	<b>29,262,100</b>	<b>32,344,262</b>	29,856,956

# School District No. 40 (New Westminster)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget (Note 12) \$	2022 Actual \$	2021 Actual (Restated - Note 19) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	68,846,326	<b>68,933,810</b>	66,577,233
Other	78,688	<b>82,907</b>	69,159
Tuition	2,170,840	<b>2,226,685</b>	1,859,214
Other Revenue	217,036	<b>289,088</b>	90,743
Rentals and Leases	279,667	<b>319,768</b>	251,367
Investment Income	200,000	<b>156,161</b>	205,679
<b>Total Revenue</b>	<u>71,792,557</u>	<u><b>72,008,419</b></u>	<u>69,053,395</u>
<b>Expenses</b>			
Instruction	60,785,179	<b>61,192,200</b>	57,394,721
District Administration	3,855,185	<b>3,888,103</b>	3,211,128
Operations and Maintenance	7,324,566	<b>7,040,430</b>	6,517,724
Transportation and Housing	240,280	<b>253,417</b>	234,843
<b>Total Expense</b>	<u>72,205,210</u>	<u><b>72,374,150</b></u>	<u>67,358,416</u>
<b>Operating Surplus (Deficit) for the year</b>	<u>(412,653)</u>	<u><b>(365,731)</b></u>	<u>1,694,979</u>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<u>1,682,653</u>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(500,000)	<b>(766,034)</b>	(749,393)
Local Capital	(770,000)	<b>(710,000)</b>	
<b>Total Net Transfers</b>	<u>(1,270,000)</u>	<u><b>(1,476,034)</b></u>	<u>(749,393)</u>
<b>Total Operating Surplus (Deficit), for the year</b>	<u>-</u>	<u><b>(1,841,765)</b></u>	<u>945,586</u>
<b>Operating Surplus (Deficit), beginning of year</b>		<u><b>4,923,927</b></u>	<u>3,978,341</u>
<b>Operating Surplus (Deficit), end of year</b>		<u><b>3,082,162</b></u>	<u>4,923,927</u>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<u><b>2,347,826</b></u>	<u>3,386,936</u>
Unrestricted		<u><b>734,336</b></u>	<u>1,536,991</u>
<b>Total Operating Surplus (Deficit), end of year</b>		<u><b>3,082,162</b></u>	<u>4,923,927</u>

# School District No. 40 (New Westminster)

Schedule 2A (Unaudited)

## Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget (Note 12)	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	67,921,812	<b>68,062,632</b>	63,378,473
Other Ministry of Education and Child Care Grants			
Pay Equity	521,853	<b>521,853</b>	521,853
Funding for Graduated Adults	287,058	<b>234,210</b>	508,555
Student Transportation Fund	6,073	<b>6,073</b>	6,073
Support Staff Benefits Grant	97,000	<b>98,537</b>	97,024
Teachers' Labour Settlement Funding			1,904,750
Early Career Mentorship Funding			150,000
FSA Scorer Grant	8,187	<b>8,187</b>	8,187
Early Learning Framework and District Capacity Building	4,343	<b>2,318</b>	2,318
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>68,846,326</b>	<b>68,933,810</b>	<b>66,577,233</b>
<b>Provincial Grants - Other</b>	<b>78,688</b>	<b>82,907</b>	<b>69,159</b>
<b>Tuition</b>			
Summer School Fees	940	<b>1,125</b>	1,026
Continuing Education	1,900	<b>4,076</b>	11,232
International and Out of Province Students	2,168,000	<b>2,221,484</b>	1,846,956
<b>Total Tuition</b>	<b>2,170,840</b>	<b>2,226,685</b>	<b>1,859,214</b>
<b>Other Revenues</b>			
Miscellaneous			
Instructional Cafeteria Revenue	150,000	<b>179,417</b>	59,013
Miscellaneous	67,036	<b>109,671</b>	31,730
<b>Total Other Revenue</b>	<b>217,036</b>	<b>289,088</b>	<b>90,743</b>
<b>Rentals and Leases</b>	<b>279,667</b>	<b>319,768</b>	<b>251,367</b>
<b>Investment Income</b>	<b>200,000</b>	<b>156,161</b>	<b>205,679</b>
<b>Total Operating Revenue</b>	<b>71,792,557</b>	<b>72,008,419</b>	<b>69,053,395</b>

# School District No. 40 (New Westminster)

Schedule 2B (Unaudited)

## Schedule of Operating Expense by Object

Year Ended June 30, 2022

	2022 Budget (Note 12) \$	2022 Actual \$	2021 Actual (Restated - Note 19) \$
<b>Salaries</b>			
Teachers	31,824,826	<b>32,186,186</b>	30,120,830
Principals and Vice Principals	3,914,371	<b>3,941,539</b>	4,012,931
Educational Assistants	6,590,181	<b>6,697,184</b>	6,567,369
Support Staff	5,704,542	<b>5,613,429</b>	5,419,447
Other Professionals	2,999,718	<b>3,018,424</b>	2,765,366
Substitutes	2,014,853	<b>2,096,053</b>	1,459,026
<b>Total Salaries</b>	<b>53,048,491</b>	<b>53,552,815</b>	<b>50,344,969</b>
<b>Employee Benefits</b>	12,654,157	<b>12,957,978</b>	11,762,333
<b>Total Salaries and Benefits</b>	<b>65,702,648</b>	<b>66,510,793</b>	<b>62,107,302</b>
<b>Services and Supplies</b>			
Services	1,887,991	<b>2,099,868</b>	1,754,169
Student Transportation	63,180	<b>75,565</b>	52,837
Professional Development and Travel	437,015	<b>391,190</b>	412,448
Rentals and Leases	231,000	<b>240,074</b>	254,442
Dues and Fees	104,700	<b>96,473</b>	76,566
Insurance	118,526	<b>117,448</b>	119,336
Interest			
Supplies	2,533,088	<b>1,645,065</b>	1,458,701
Utilities	1,127,062	<b>1,180,878</b>	1,104,067
Bad Debt		<b>16,796</b>	18,548
<b>Total Services and Supplies</b>	<b>6,502,562</b>	<b>5,863,357</b>	<b>5,251,114</b>
<b>Total Operating Expense</b>	<b>72,205,210</b>	<b>72,374,150</b>	<b>67,358,416</b>

# School District No. 40 (New Westminster)

## Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	26,521,513	1,125,712		217,663		1,141,712	29,006,600
1.03 Career Programs	344,947			154,782		5,893	505,622
1.07 Library Services	351,266			44,215		3,745	399,226
1.08 Counselling	642,565			470	46,866	10,050	699,951
1.10 Special Education	2,525,803		6,697,184	48,828	155,957	732,874	10,160,646
1.30 English Language Learning	1,041,118					15,222	1,056,340
1.31 Indigenous Education	48,703	93,354		222,982			365,039
1.41 School Administration		2,696,288		1,165,890	97,921	58,201	4,018,300
1.60 Summer School	130,317	13,092		181			143,590
1.61 Continuing Education	157,972	13,093		61,133		5,074	237,272
1.62 International and Out of Province Students	417,200			54,018	386,320		857,538
1.64 Other							-
<b>Total Function 1</b>	<b>32,181,404</b>	<b>3,941,539</b>	<b>6,697,184</b>	<b>1,970,162</b>	<b>687,064</b>	<b>1,972,771</b>	<b>47,450,124</b>
<b>4 District Administration</b>							
4.11 Educational Administration				153,432	634,442	5,165	793,039
4.40 School District Governance					248,539		248,539
4.41 Business Administration	4,782			426,914	1,084,043	28,135	1,543,874
<b>Total Function 4</b>	<b>4,782</b>	<b>-</b>	<b>-</b>	<b>580,346</b>	<b>1,967,024</b>	<b>33,300</b>	<b>2,585,452</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				61,816	349,879	1,573	413,268
5.50 Maintenance Operations				2,593,852	14,457	79,910	2,688,219
5.52 Maintenance of Grounds				254,315			254,315
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,909,983</b>	<b>364,336</b>	<b>81,483</b>	<b>3,355,802</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				152,938		8,499	161,437
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,938</b>	<b>-</b>	<b>8,499</b>	<b>161,437</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>32,186,186</b>	<b>3,941,539</b>	<b>6,697,184</b>	<b>5,613,429</b>	<b>3,018,424</b>	<b>2,096,053</b>	<b>53,552,815</b>



# School District No. 40 (New Westminster)

## Operating Expense by Function, Program and Object

Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget (Note 12)	2021 Actual (Restated - Note 19)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	29,006,600	7,077,688	36,084,288	1,578,666	37,662,954	37,545,776	35,348,928
1.03 Career Programs	505,622	123,265	628,887	4,208	633,095	631,010	632,869
1.07 Library Services	399,226	98,043	497,269	44,087	541,356	538,802	435,869
1.08 Counselling	699,951	157,337	857,288	5,451	862,739	787,655	704,625
1.10 Special Education	10,160,646	2,609,177	12,769,823	151,615	12,921,438	12,720,447	12,131,407
1.30 English Language Learning	1,056,340	247,302	1,303,642		1,303,642	1,250,700	1,220,457
1.31 Indigenous Education	365,039	94,656	459,695	63,629	523,324	582,385	365,838
1.41 School Administration	4,018,300	889,897	4,908,197	48,228	4,956,425	4,936,011	5,285,438
1.60 Summer School	143,590	26,738	170,328	652	170,980	170,932	121,432
1.61 Continuing Education	237,272	62,888	300,160	3,461	303,621	319,066	230,729
1.62 International and Out of Province Students	857,538	182,744	1,040,282	267,814	1,308,096	1,297,845	912,565
1.64 Other	-	-	-	4,530	4,530	4,550	4,564
<b>Total Function 1</b>	<b>47,450,124</b>	<b>11,569,735</b>	<b>59,019,859</b>	<b>2,172,341</b>	<b>61,192,200</b>	60,785,179	57,394,721
<b>4 District Administration</b>							
4.11 Educational Administration	793,039	168,987	962,026	192,785	1,154,811	1,140,674	834,536
4.40 School District Governance	248,539	26,814	275,353	63,155	338,508	350,296	329,947
4.41 Business Administration	1,543,874	302,102	1,845,976	548,808	2,394,784	2,364,215	2,046,645
<b>Total Function 4</b>	<b>2,585,452</b>	<b>497,903</b>	<b>3,083,355</b>	<b>804,748</b>	<b>3,888,103</b>	3,855,185	3,211,128
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	413,268	83,027	496,295	213,706	710,001	603,630	752,285
5.50 Maintenance Operations	2,688,219	714,738	3,402,957	1,442,866	4,845,823	4,943,560	4,392,478
5.52 Maintenance of Grounds	254,315	70,191	324,506	16,026	340,532	376,814	319,567
5.56 Utilities	-	-	-	1,144,074	1,144,074	1,400,562	1,053,394
<b>Total Function 5</b>	<b>3,355,802</b>	<b>867,956</b>	<b>4,223,758</b>	<b>2,816,672</b>	<b>7,040,430</b>	7,324,566	6,517,724
<b>7 Transportation and Housing</b>							
7.70 Student Transportation	161,437	22,384	183,821	69,596	253,417	240,280	234,843
<b>Total Function 7</b>	<b>161,437</b>	<b>22,384</b>	<b>183,821</b>	<b>69,596</b>	<b>253,417</b>	240,280	234,843
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>53,552,815</b>	<b>12,957,978</b>	<b>66,510,793</b>	<b>5,863,357</b>	<b>72,374,150</b>	72,205,210	67,358,416

# School District No. 40 (New Westminster)

Schedule 3 (Unaudited)

## Schedule of Special Purpose Operations

Year Ended June 30, 2022

	2022 Budget (Note 12) \$	2022 Actual \$	2021 Actual (Restated - Note 19) \$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	9,500,033	<b>9,608,040</b>	11,768,413
Other		<b>139,617</b>	84,792
Other Revenue	853,761	<b>1,354,508</b>	926,761
<b>Total Revenue</b>	<u>10,353,794</u>	<u><b>11,102,165</b></u>	<u>12,779,966</u>
<b>Expenses</b>			
Instruction	10,005,922	<b>10,482,563</b>	10,828,802
District Administration		<b>77,679</b>	78,666
Operations and Maintenance	129,568	<b>331,104</b>	840,410
<b>Total Expense</b>	<u>10,135,490</u>	<u><b>10,891,346</b></u>	<u>11,747,878</u>
<b>Special Purpose Surplus (Deficit) for the year</b>	<u>218,304</u>	<u><b>210,819</b></u>	<u>1,032,088</u>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(218,304)	<b>(210,819)</b>	(1,032,088)
<b>Total Net Transfers</b>	<u>(218,304)</u>	<u><b>(210,819)</b></u>	<u>(1,032,088)</u>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<u><u>-</u></u>	<u><u>-</u></u>

**School District No. 40 (New Westminster)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2022

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			16,323	456,616	798,235			15,945	1,574
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	230,897	235,363					96,000	19,600	161,108
Provincial Grants - Other									
Other				177,074	940,078				
	230,897	235,363	-	177,074	940,078	-	96,000	19,600	161,108
<b>Less:</b> Allocated to Revenue	230,897	235,363	6,738	89,694	1,113,492		96,000	35,545	156,329
<b>Deferred Revenue, end of year</b>	-	-	<b>9,585</b>	<b>543,996</b>	<b>624,821</b>	-	-	-	<b>6,353</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	230,897	235,363	6,738				96,000	35,545	156,329
Provincial Grants - Other									
Federal Grants									
Other Revenue				89,694	1,113,492				
	230,897	235,363	6,738	89,694	1,113,492	-	96,000	35,545	156,329
<b>Expenses</b>									
Salaries									
Teachers									80,434
Principals and Vice Principals									
Educational Assistants		186,368							
Support Staff							69,462	4,711	
Other Professionals									
Substitutes								2,871	1,061
	-	186,368	-	-	-	-	69,462	7,582	81,495
Employee Benefits		48,995					23,586	2,138	21,810
Services and Supplies	20,078		6,738	89,694	1,113,492		2,952	25,825	53,024
	20,078	235,363	6,738	89,694	1,113,492	-	96,000	35,545	156,329
<b>Net Revenue (Expense) before Interfund Transfers</b>	210,819	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(210,819)								
	(210,819)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-
<b>Additional Expenses funded by, and reported in, the Operating Fund</b>		60,882					11,166		

**School District No. 40 (New Westminster)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2022

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School / Restart: Health & Safety Grant	Federal Safe Return to Class / Ventilation Fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>						4,783			
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	1,580,583	373,060	5,960,420	482,357		122,845		163,577	112,788
Provincial Grants - Other									
Other	64,080								
	1,644,663	373,060	5,960,420	482,357	-	122,845	-	163,577	112,788
<b>Less:</b> Allocated to Revenue	1,644,663	373,060	5,960,420	482,357	-	124,383	-	163,577	112,788
<b>Deferred Revenue, end of year</b>	-	-	-	-	-	<b>3,245</b>	-	-	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	1,580,583	373,060	5,960,420	482,357		124,383		163,577	112,788
Provincial Grants - Other									
Federal Grants									
Other Revenue	64,080								
	1,644,663	373,060	5,960,420	482,357	-	124,383	-	163,577	112,788
<b>Expenses</b>									
Salaries									
Teachers	533,635		4,812,489	72,415		55,788			
Principals and Vice Principals		24,000							
Educational Assistants	577,417						782		
Support Staff	1,950	136,393				41,578	89,114		
Other Professionals									
Substitutes		111,950	9,353	5,257			197		
	1,113,002	272,343	4,821,842	77,672	-	97,366	-	90,093	-
Employee Benefits	297,373	62,217	1,138,578	19,042		22,793		28,784	
Services and Supplies	234,288	38,500		385,643		4,224		44,700	112,788
	1,644,663	373,060	5,960,420	482,357	-	124,383	-	163,577	112,788
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-
<b>Additional Expenses funded by, and reported in, the Operating Fund</b>	87,656	31,386	182,379					5,976	

**School District No. 40 (New Westminster)**

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2022

	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Apprentice Program	United Way	TOTAL
	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			6,608		1,300,084
<b>Add:</b> Restricted Grants					
Provincial Grants - Ministry of Education and Child Care	50,000				9,588,598
Provincial Grants - Other			171,668		171,668
Other	12,242			75,000	1,268,474
	62,242	-	171,668	75,000	11,028,740
<b>Less:</b> Allocated to Revenue	62,242	-	139,617	75,000	11,102,165
<b>Deferred Revenue, end of year</b>	-	-	<b>38,659</b>	-	<b>1,226,659</b>
<b>Revenues</b>					
Provincial Grants - Ministry of Education and Child Care	50,000				9,608,040
Provincial Grants - Other			139,617		139,617
Federal Grants					-
Other Revenue	12,242			75,000	1,354,508
	62,242	-	139,617	75,000	11,102,165
<b>Expenses</b>					
Salaries					
Teachers			40,342		5,595,103
Principals and Vice Principals	12,427				36,427
Educational Assistants					764,567
Support Staff	41,302				384,510
Other Professionals				61,050	61,050
Substitutes					130,689
	53,729	-	40,342	61,050	6,972,346
Employee Benefits	8,043		8,883	13,950	1,696,192
Services and Supplies	470		90,392		2,222,808
	62,242	-	139,617	75,000	10,891,346
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	210,819
<b>Interfund Transfers</b>					
Tangible Capital Assets Purchased					(210,819)
	-	-	-	-	(210,819)
<b>Net Revenue (Expense)</b>	-	-	-	-	-
<b>Additional Expenses funded by, and reported in, the Operating Fund</b>	9,559				<b>389,004</b>

# School District No. 40 (New Westminster)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2022

	2022	2022 Actual			2021
	Budget (Note 12)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated - Note 19)
	\$	\$	\$	\$	\$
<b>Revenues</b>					
School Site Acquisition Fees		3,727,421		3,727,421	
Other Revenue				-	28,666
Investment Income	10,000		16,096	16,096	13,514
Amortization of Deferred Capital Revenue	5,451,685	5,523,182		5,523,182	3,851,149
<b>Total Revenue</b>	<b>5,461,685</b>	<b>9,250,603</b>	<b>16,096</b>	<b>9,266,699</b>	<b>3,893,329</b>
<b>Expenses</b>					
Operations and Maintenance				-	
Transportation and Housing				-	
Amortization of Tangible Capital Assets					
Operations and Maintenance	6,627,807	6,611,521		6,611,521	4,898,180
Transportation and Housing	12,960	12,960		12,960	21,567
<b>Total Expense</b>	<b>6,640,767</b>	<b>6,624,481</b>	<b>-</b>	<b>6,624,481</b>	<b>4,919,747</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(1,179,082)</b>	<b>2,626,122</b>	<b>16,096</b>	<b>2,642,218</b>	<b>(1,026,418)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	718,304	976,853		976,853	1,781,481
Local Capital	770,000		710,000	710,000	
<b>Total Net Transfers</b>	<b>1,488,304</b>	<b>976,853</b>	<b>710,000</b>	<b>1,686,853</b>	<b>1,781,481</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		2,130,029	(2,130,029)	-	
Tangible Capital Assets WIP Purchased from Local Capital		158,095	(158,095)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>2,288,124</b>	<b>(2,288,124)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>309,222</b>	<b>5,891,099</b>	<b>(1,562,028)</b>	<b>4,329,071</b>	<b>755,063</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>23,631,541</b>	<b>1,301,488</b>	<b>24,933,029</b>	<b>24,688,465</b>
Prior Period Adjustments					(510,499)
Half-Year Rule Amortization Change					(510,499)
<b>Capital Surplus (Deficit), beginning of year, as restated</b>		<b>23,631,541</b>	<b>1,301,488</b>	<b>24,933,029</b>	<b>24,177,966</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>29,522,640</b>	<b>(260,540)</b>	<b>29,262,100</b>	<b>24,933,029</b>

# School District No. 40 (New Westminster)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	15,057,921	209,561,833	4,197,330	146,354		3,810,140	232,773,578
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,566,170					2,566,170
Deferred Capital Revenue - Other	3,727,421						3,727,421
Operating Fund			189,207			576,827	766,034
Special Purpose Funds		210,819					210,819
Local Capital	1,591,510	417,799	120,720				2,130,029
Transferred from Work in Progress		28,832,940	609,196				29,442,136
	5,318,931	32,027,728	919,123	-	-	576,827	38,842,609
Decrease:							
Deemed Disposals			36,936	33,516		895,584	966,036
Written-off/down During Year		984,743					984,743
	-	984,743	36,936	33,516	-	895,584	1,950,779
<b>Cost, end of year</b>	20,376,852	240,604,818	5,079,517	112,838	-	3,491,383	269,665,408
<b>Work in Progress, end of year</b>		1,494,617					1,494,617
<b>Cost and Work in Progress, end of year</b>	20,376,852	242,099,435	5,079,517	112,838	-	3,491,383	271,160,025
<b>Accumulated Amortization, beginning of year</b>		42,755,233	751,811	57,935		1,775,574	45,340,553
Prior Period Adjustments							
Half-Year Rule Amortization Change		1,199,862	71,707	5,006		257,952	1,534,527
<b>Accumulated Amortization, beginning of year, as restated</b>		43,955,095	823,518	62,941	-	2,033,526	46,875,080
<b>Changes for the Year</b>							
Increase: Amortization for the Year		5,417,527	463,842	12,960		730,152	6,624,481
Decrease:							
Deemed Disposals			36,936	33,516		895,584	966,036
Written-off During Year		984,743					984,743
		984,743	36,936	33,516	-	895,584	1,950,779
<b>Accumulated Amortization, end of year</b>		48,387,879	1,250,424	42,385	-	1,868,094	51,548,782
<b>Tangible Capital Assets - Net</b>	<b>20,376,852</b>	<b>193,711,556</b>	<b>3,829,093</b>	<b>70,453</b>	<b>-</b>	<b>1,623,289</b>	<b>219,611,243</b>

# School District No. 40 (New Westminster)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Software</b>	<b>Computer Hardware</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	15,643,374				15,643,374
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	11,442,510	609,196			12,051,706
Deferred Capital Revenue - Other	3,083,578				3,083,578
Local Capital	158,095				158,095
	<u>14,684,183</u>	<u>609,196</u>	<u>-</u>	<u>-</u>	<u>15,293,379</u>
Decrease:					
Transferred to Tangible Capital Assets	28,832,940	609,196			29,442,136
	<u>28,832,940</u>	<u>609,196</u>	<u>-</u>	<u>-</u>	<u>29,442,136</u>
<b>Net Changes for the Year</b>	<u>(14,148,757)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,148,757)</u>
<b>Work in Progress, end of year</b>	<u><u>1,494,617</u></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><u>1,494,617</u></u>



# School District No. 40 (New Westminster)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	162,281,116	2,145,142	119,703	<b>164,545,961</b>
Prior Period Adjustments				
Half-Year Rule Amortization Change	(1,236,632)	(34,225)	(1,749)	<b>(1,272,606)</b>
<b>Deferred Capital Revenue, beginning of year, as restated</b>	<b>161,044,484</b>	<b>2,110,917</b>	<b>117,954</b>	<b>163,273,355</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,566,170			<b>2,566,170</b>
Transferred from Work in Progress	25,219,439	1,938,840	1,283,858	<b>28,442,137</b>
	<b>27,785,609</b>	<b>1,938,840</b>	<b>1,283,858</b>	<b>31,008,307</b>
Decrease:				
Amortization of Deferred Capital Revenue	5,410,937	92,686	19,559	<b>5,523,182</b>
	<b>5,410,937</b>	<b>92,686</b>	<b>19,559</b>	<b>5,523,182</b>
<b>Net Changes for the Year</b>	<b>22,374,672</b>	<b>1,846,154</b>	<b>1,264,299</b>	<b>25,485,125</b>
<b>Deferred Capital Revenue, end of year</b>	<b>183,419,156</b>	<b>3,957,071</b>	<b>1,382,253</b>	<b>188,758,480</b>
<b>Work in Progress, beginning of year</b>	14,504,249		139,120	<b>14,643,369</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	12,051,706	1,938,840	1,144,738	<b>15,135,284</b>
	<b>12,051,706</b>	<b>1,938,840</b>	<b>1,144,738</b>	<b>15,135,284</b>
Decrease				
Transferred to Deferred Capital Revenue	25,219,439	1,938,840	1,283,858	<b>28,442,137</b>
	<b>25,219,439</b>	<b>1,938,840</b>	<b>1,283,858</b>	<b>28,442,137</b>
<b>Net Changes for the Year</b>	<b>(13,167,733)</b>	<b>-</b>	<b>(139,120)</b>	<b>(13,306,853)</b>
<b>Work in Progress, end of year</b>	<b>1,336,516</b>	<b>-</b>	<b>-</b>	<b>1,336,516</b>
<b>Total Deferred Capital Revenue, end of year</b>	<b>184,755,672</b>	<b>3,957,071</b>	<b>1,382,253</b>	<b>190,094,996</b>

# School District No. 40 (New Westminster)

## Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>		13,110	1,260,247	3,305,101	744,608	<b>5,323,066</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	14,617,876					<b>14,617,876</b>
Provincial Grants - Other			678,593			<b>678,593</b>
Other				391,805	400,130	<b>791,935</b>
Investment Income				30,515		<b>30,515</b>
	<u>14,617,876</u>	-	<u>678,593</u>	<u>422,320</u>	<u>400,130</u>	<b><u>16,118,919</u></b>
Decrease:						
Transferred to DCR - Capital Additions	2,566,170					<b>2,566,170</b>
Transferred to DCR - Work in Progress	12,051,706		1,938,840		1,144,738	<b>15,135,284</b>
Transferred to Revenue - Site Purchases				3,727,421		<b>3,727,421</b>
	<u>14,617,876</u>	-	<u>1,938,840</u>	<u>3,727,421</u>	<u>1,144,738</u>	<b><u>21,428,875</u></b>
<b>Net Changes for the Year</b>	<u>-</u>	<u>-</u>	<u>(1,260,247)</u>	<u>(3,305,101)</u>	<u>(744,608)</u>	<b><u>(5,309,956)</u></b>
<b>Balance, end of year</b>	<u>-</u>	<b><u>13,110</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>13,110</u></b>

# Financial Statement Discussion and Analysis

2021-2022



New  
Westminster  
Schools

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## INTRODUCTION

The following Financial Statement Discussion and Analysis should be read in conjunction with the audited financial statements and accompanying notes of School District No. 40 (New Westminster) (the “District”) for the year ended June 30, 2022.

The purpose of the Financial Statement Discussion and Analysis is to summarize the financial performance of the District for the year ended June 30, 2022 and provide explanations that enhance the reader’s understanding of the District’s financial statements.

The financial statements represent the consolidation of three separate funds (operating, special purpose and capital). Financial performance of each fund is reported in the unaudited supplementary schedules that accompany the financial statements.

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

Significant accounting and reporting policies are summarized in Note 2 of the financial statements.

The preparation of the Financial Statement Discussion and Analysis is the responsibility of management.



## DISTRICT OVERVIEW

The 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.

The District was established on April 12, 1946 and operates under the School Act of British Columbia as a corporation under the name of “The Board of Education of School District No. 40 (New Westminster)”. The School District is governed by a board of education that is made up of seven elected trustees for a four-year term.

A wide range of programs and services are delivered to approximately 7,000 students through

- 8 Elementary Schools
- 3 Middle Schools
- 1 High School
- Youth Alternate Programs
- Home Learners
- International Education
- Adult Education

The District employs close to 1,000 teaching and support staff who are dedicated to supporting student success.



## OUR VISION, MISSION AND VALUES

### VISION

A place where students love to learn

### MISSION

To enable each student to learn in a safe, engaging, and inclusive environment

### VALUES

#### Collaboration

- ✓ Purposeful, cooperative relationships to achieve shared goals and consider each other in our decisions and actions

#### Engagement

- ✓ Meaningful, purposeful, and relevant learning

#### Equity

- ✓ Fair treatment and removal of barriers to learning, achievement, and the pursuit of excellence for all

#### Inclusion

- ✓ Learning where all people are welcomed, respected, and supported

#### Innovation

- ✓ Curiosity, inquiry, and creativity

#### Integrity

- ✓ Ethical, principled, and honest in our words and actions

In 2019 the District launched its five-year strategic plan – a roadmap for learning and engagement that is grounded in the collective wisdom of our students, staff, parents and community.

The plan is built around four key directions: our commitment to transform student learning, build meaningful relationships, ensure full participation in learning and lead into the future. It's a plan that affects and reflects all the work we do, from looking at what happens inside our classrooms to outlining the ways we reach into community to be better partners, allies and supports to the people we live, play and work alongside.

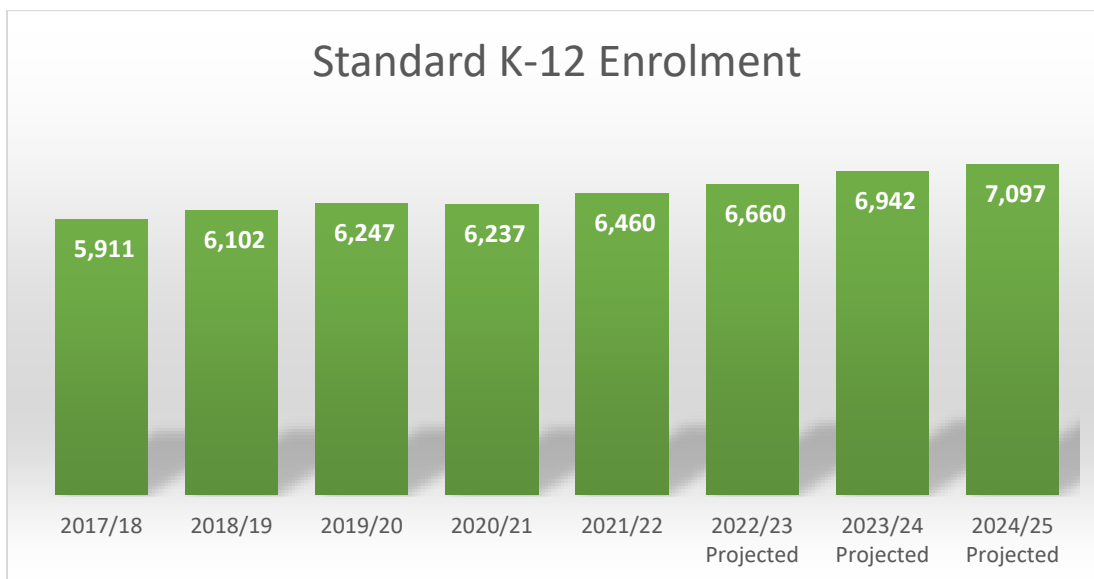


## ENROLMENT

The District is funded primarily through an operating grant received from the Ministry of Education and Child Care (the “Ministry” or “MECC”). The grant is based on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount per full-time equivalent (“FTE”) student. The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

District staffing levels are driven directly by student enrolment. Since salaries and benefits make up approximately 92 percent of District operating expenses, reliable enrolment data is essential for financial planning. Each year the District completes an analysis of historical enrolment and student retention trends and reviews population data and new municipal development approvals to develop an estimate of elementary, middle and secondary student FTE for the ensuing three budget years.

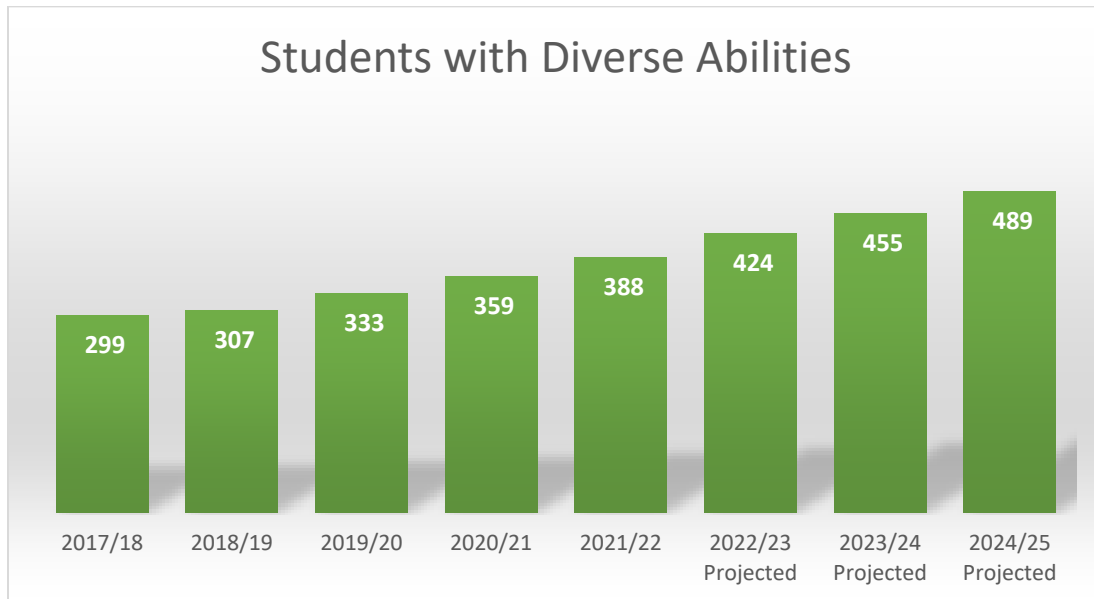
The below bar graph shows standard K–12 school enrolment as of September each year and does not include continuing education, alternate schools, distributed learning, home schooling, adult or supplemental enrolment.



Standard K–12 enrolment has been increasing at a steady rate over the past five years, with the exception of 2020/21 where a slight decrease was seen as a result of the COVID–19 pandemic. The most rapid rate of enrolment growth is expected over the next five years with a 3% increase projected for 2022/23.

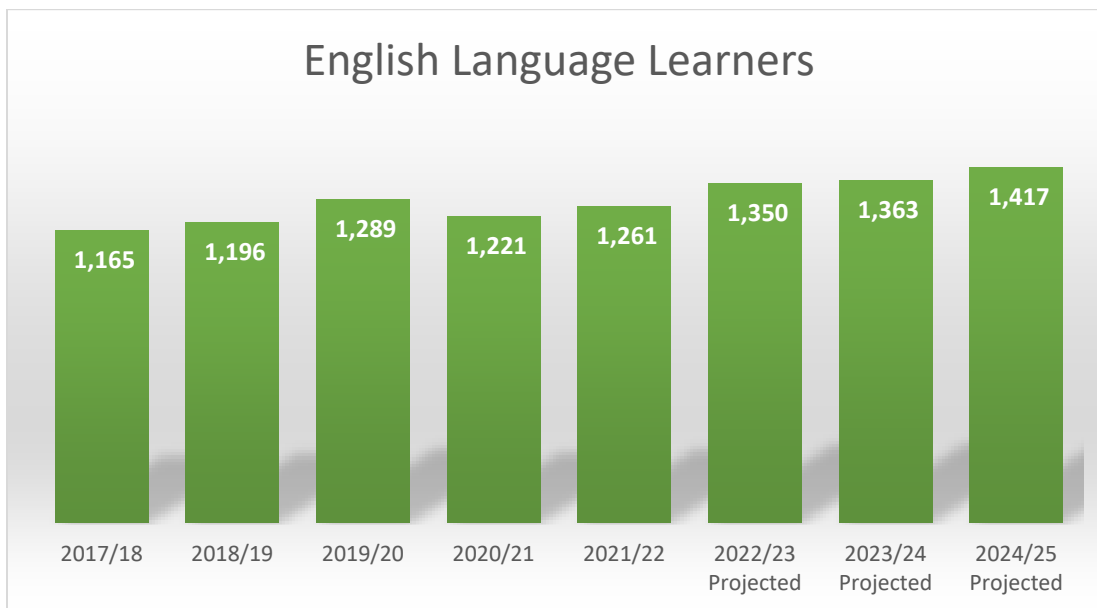


The below bar graph shows the enrolment for those students designated with Level 1, 2 and 3 special needs as of September of each year.



Students with diverse abilities has steadily increased over the past five years with an 8% increase in each of the last 3 years. This enrolment is expected to continue to increase for the next 3 years with a 9% increase projected for 2022/23.

As the below graph shows, there was a decrease in English Language Learners (“ELL”) in 2020/21, coinciding with the decrease in standard K-12 enrolment as seen above. ELL enrolment for 2022/23 is expected to increase back to pre-2020/21 levels with smaller percentage increases in subsequent years.



## FINANCIAL REPORTING

To meet the financial reporting requirements, the following funds are utilized:

**Operating Fund:** The operating fund includes operating grants and other revenues used to fund day-to-day operations including instructional programs, school and district administration, facilities operations, maintenance, and transportation.

**Special Purpose Fund:** Special purpose funds consist of targeted funding provided to the District for a specific purpose. Pursuant to sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund.

**Capital Fund:** Capital funds include capital expenditures related to equipment and facility purchases and enhancements. The funding source of these purchases and enhancements determines to which capital fund the expenditures will be charged. Funding sources include MECC Bylaw Capital, MECC Restricted Capital, Other Provincially Restricted Capital, Land Capital as well as Local Capital.

### COVID-19 Pandemic

The COVID-19 pandemic has had a remarkable impact on all areas of life, including teaching and learning. This continued to impact the operations of the District for 2021/22, with the financial impacts detailed in the below analysis. Although we anticipate the most significant shocks of the pandemic being behind us as we head into the 2022/23 year, the ongoing impact of the pandemic on education and social-emotional wellbeing of staff, students and their families will continue to be a priority.



## OPERATING FUND

### Revenues

In 2021/22, 96% of revenue reported in the operating fund was received from MECC. District operating revenues for 2021/22 were \$215,862 greater than budget and \$2,955,024 greater than prior year. Below are the details of the revenue increase by category.

	Actual		Budget	Actual to Budget		Actual to Prior Year	
	2021/22	2020/21	2021/22	\$	%	\$	%
MECC Grants	68,933,810	66,577,233	68,846,326	87,484	0.1%	2,356,577	3.5%
Other Provincial Grants	82,907	69,159	78,688	4,219	5.4%	13,748	19.9%
Tuition	2,226,685	1,859,214	2,170,840	55,845	2.6%	367,471	19.8%
Other Revenue	289,088	90,743	217,036	72,052	33.2%	198,345	218.6%
Rentals	319,768	251,367	279,667	40,101	14.3%	68,401	27.2%
Investment Income	156,161	205,679	200,000	(43,839)	-21.9%	(49,518)	-24.1%
<b>Total Operating Revenues</b>	<b>72,008,419</b>	<b>69,053,395</b>	<b>71,792,557</b>	<b>215,862</b>	<b>0.3%</b>	<b>2,955,024</b>	<b>4.3%</b>

### Ministry of Education and Child Care Grants

The increase in MECC grants to budget is attributed to higher than expected enrolment for continuing education and online learning. This was partially offset by lower than budgeted enrolment for graduated adults.

The increase from prior year was driven by several factors. There were significant increases relative to September enrolment count in 2021/22 compared to 2020/21. Total enrolment based funding for September increased by \$4.88 million due to increased enrolment for standard K-12 and Level 2 designated students with unique needs as well as increases to the per FTE funding levels. This is offset by teachers' labour settlement funding of \$1.9 million and early career mentorship funding of \$150,000 received in the prior year and not the current year. Additionally, funding for graduated adults decreased by \$274,000 from prior year.

Below is a table detailing the per-student funding rates and supplemental funding for unique students and unique factors affecting some districts for 2021/22.

**Provincial Totals**

**76%** allocated through the Basic Allocation

<b>Basic Allocation</b>	
Common per student amount for every FTE student enrolled by school type	
<b>Standard School:</b> \$7,885 per school age FTE	<b>Continuing Education:</b> \$7,885 per school age FTE
<b>Alternate School:</b> \$7,885 per school age FTE	<b>Distributed Learning:</b> \$6,360 per school age FTE

**16%** allocated to recognize unique student enrolment

<b>Unique Student</b>		
Additional per student funding to address uniqueness of district enrolment and support additional programming		
<b>Level 1 Special Needs:</b> \$44,850 per student	<b>Level 2 Special Needs:</b> \$21,280 per student	<b>Level 3 Special Needs:</b> \$10,750 per student
<b>English/French Language Learning:</b> \$1,585 per student	<b>Indigenous Education:</b> \$1,565 per student	<b>Adult Education:</b> \$5,030 per FTE
	<b>Equity of Opportunity:</b> Mental health; youth in care	

**8%** allocated to recognize unique district factors

<b>Unique District</b>				
Additional funding to address uniqueness of district factors				
<b>Small Community:</b> for small schools located a distance away from the next nearest school	<b>Low Enrolment:</b> for districts with low total enrolment	<b>Rural Factor:</b> located some distance from Vancouver and the nearest large regional population centre	<b>Climate Factor:</b> operate schools in colder/ warmer climates additional heating or cooling requirements	<b>Sparseness Factor:</b> operate schools that are spread over a wide geographic area
<b>Student Location Factor:</b> based on population density of school communities		<b>Supplemental Student Location:</b> Level 1 and 2 special needs enrolment		
<b>Salary Differential:</b> Funding to districts that have higher average educator salaries				

**0.3%** allocated to buffer the effects of declining enrolment

<b>Funding Protection / Enrolment Decline</b>	
<b>Enrolment Decline:</b> funding to districts experiencing enrolment decline of at least 1% when compared to the previous year	<b>Funding Protection:</b> funding to ensure that no district experiences a decline in operating grants greater than 1.5% when compared to the previous September
<b>CSF Supplement</b> – district receives a 15% funding premium on allocated funding	



### **Other Provincial Grants**

Other provincial grants have remained consistent with budget and prior year. Included in the current year is a \$9,900 grant for ERASE (“Expect Respect and a Safe Education”) which accounts for the increase.

### **Tuition**

Tuition revenue consists of fees for summer learning, continuing education and international education. The District was on budget for these in 2021/22.

The increase from prior year is directly related to the increase in FTE for the international education program. The COVID-19 pandemic and limited mobility due to international border restrictions impacted enrolment to the program in 2020/21. With the lifting of some restrictions, the program saw an increase in FTE for the current year, with further recovery anticipated for 2022/23.

### **Other Revenue**

Other revenue consists of miscellaneous items such as one-time unrestricted grants, donations and instructional cafeteria revenue. The increase compared to budget mainly results from an increase in physical literacy grants received.

The cafeteria revenues increased by \$120,000 due to the opening of the new high school in January 2021 and a return to full-time instruction with students now able to access cafeteria services. The remaining \$78,000 increase is a result of the increase in one-time grants and donations received in the current year.

### **Rentals**

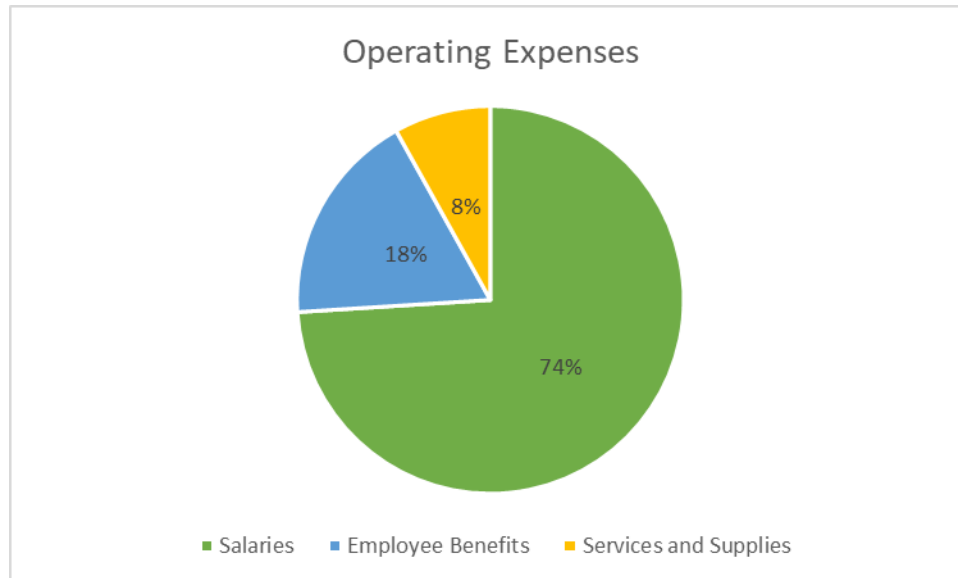
Rental revenue is generated from short-term rentals of sites and facilities to individuals and community groups. During budgeting, there was still uncertainty relating to the impact of the pandemic on facility rentals. Small increases compared to budget and prior year were a result of more rentals as pandemic restrictions were lifted.

### **Investment Income**

Investment income consists of interest accrued on the District’s bank account balances and short-term investments in the Central Deposit Program. The Central Deposit Program allows the District to invest funds with the provincial government thereby accessing a favorable rate without any restrictions on withdrawals. The variance in actual versus budget and actual versus prior year is due to lower cash balances resulting from timing of cash payments for capital and other transactions.

## Expenses

The District's operating expenses for 2021/22 are presented by object as below.



Details and explanations of District operating expenses have been grouped by staffing and services and supplies.

## Staffing

Employee salaries and benefits account for 92% of operating expenses, which is consistent with the prior year.

	Actual		Budget	Actual to Budget		Actual to Prior Year	
	2021/22	2020/21	2021/22	\$	%	\$	%
Teachers	32,186,186	30,120,830	31,824,826	361,360	1.1%	2,065,356	6.9%
Principals and Vice Principals	3,941,539	4,012,931	3,914,371	27,168	0.7%	(71,392)	-1.8%
Educational Assistants	6,697,184	6,567,369	6,590,181	107,003	1.6%	129,815	2.0%
Support Staff	5,613,429	5,419,447	5,704,542	(91,113)	-1.6%	193,982	3.6%
Other Professionals	3,018,424	2,765,366	2,999,718	18,706	0.6%	253,058	9.2%
Substitutes	2,096,053	1,459,026	2,014,853	81,200	4.0%	637,027	43.7%
<b>Total Salaries</b>	<b>53,552,815</b>	<b>50,344,969</b>	<b>53,048,491</b>	<b>504,324</b>	<b>1.0%</b>	<b>3,207,846</b>	<b>6.4%</b>
Employee Benefits	12,957,978	11,762,333	12,654,157	303,821	2.4%	1,195,645	10.2%
<b>Total Salaries and Benefits</b>	<b>66,510,793</b>	<b>62,107,302</b>	<b>65,702,648</b>	<b>808,145</b>	<b>1.2%</b>	<b>4,403,491</b>	<b>7.1%</b>

## Teachers

This line item consists of salaries paid to the District's certified teachers. The variance between budget and actual was not significant at 1.1% of the budgeted expense. This can be attributed to the hiring of priority teachers teaching on call ("TTOCs"), in-line with the District's replacement strategy to ensure absences are appropriately filled throughout the year.

Teachers received a 2% wage increase effective July 1, 2021 as negotiated in the provincial collective agreement. This was the primary driver of the increased salaries over prior year as well as an increase in student enrolment and the hiring of priority TTOCs in the current year, as discussed above.

### **Principals and Vice Principals**

This account includes salaries paid to principals and vice principals across the District. The current year variance from budget and prior year is insignificant at 0.7% and -1.8%, respectively. The driver in change from the current year to prior year actual is a result of an unfilled vacancy during the 2021/22 school year.

### **Education Assistants (“EAs”)**

EAs provide support for students with diverse abilities in the District. The variance from budgeted and prior year salaries resulted from a transfer of excess expense in the Learning Improvement Fund within the District’s special purpose fund accounts. The Learning Improvement Fund allows each EA in the District to participate in school based team meetings to better support students with diverse needs. Given this funding has not been increased by the provincial government in some time, the additional costs are absorbed by the operating fund. Contributing to the increase from prior year is a 2% wage increase effective July 1, 2021, as per the collective agreement.

### **Support Staff**

This account is made up of the salaries paid to administrative staff (other than principals and vice principals) including secretaries, clerks, accountants, technicians, maintenance staff, trades people, custodians, noon hour supervisors and crossing guards. The variance to budget was not significant at -1.6%. The increase from prior year resulted from a 2% wage increase effective July 1, 2021, as per the collective agreement, as well as increased custodial hours for cleaning of high touch surfaces.

### **Other Professionals**

Other professionals are District staff who are excluded from any union agreement including positions such as the Superintendent, Associate Superintendent, the Secretary-Treasurer, Executive Director of Human Resources, other managers and trustees. The current year variance from budget is minimal at 0.6%. The increase from prior year is due to restructuring of District administration required to support the increased enrolment of student and staffing levels.

### **Substitutes**

This account includes TTOCs and replacements for support staff. The District placed an increased focus on filling absences to avoid pulling specialists from critical student needs areas with our replacement strategy in the current year. With higher than usual absences stemming from the COVID-19 pandemic, this led to an increase in substitute salaries from budget and prior year.

### **Employee Benefits**

Employee benefits include the amounts paid by the District on behalf of its employees for benefits such as Employment Insurance (“EI”), Canada Pension Plan (“CPP”), municipal or teacher pensions, and employee health and dental benefits. There were higher claim levels in the current year after a reduction in claims was seen at the beginning of the pandemic and reduced premium holidays were available to the District in the current year compared to prior year. In addition, wage-related benefit costs, such as EI, CPP and pension, increased due to higher salaries as explained above. These factors contributed to the increase from budget and prior year.



## Services and Supplies

Services and supplies expense accounts for 8% of operating expenses, which is consistent with the prior year.

	Actual		Budget	Actual to Budget		Actual to Prior Year	
	2021/22	2020/21	2021/22	\$	%	\$	%
Services	2,099,868	1,754,169	1,887,991	211,877	11.2%	345,699	19.7%
Student Transportation	75,565	52,837	63,180	12,385	19.6%	22,728	43.0%
Professional Development and Travel	391,190	412,448	437,015	(45,825)	-10.5%	(21,258)	-5.2%
Rentals and Leases	240,074	254,442	231,000	9,074	3.9%	(14,368)	-5.6%
Dues and Fees	96,473	76,566	104,700	(8,227)	-7.9%	19,907	26.0%
Insurance	117,448	119,336	118,526	(1,078)	-0.9%	(1,888)	-1.6%
Supplies	1,645,065	1,458,701	2,533,088	(888,023)	-35.1%	186,364	12.8%
Utilities	1,180,878	1,104,067	1,127,062	53,816	4.8%	76,811	7.0%
Bad Debt	16,796	18,548	-	16,796	-	(1,752)	-9.4%
Total Services and Supplies	5,863,357	5,251,114	6,502,562	(639,205)	-9.8%	612,243	11.7%
Tangible Capital Assets Purchased from Operating	766,034	749,393	500,000	266,034	53.2%	16,641	2.2%
<b>Total</b>	<b>6,629,391</b>	<b>6,000,507</b>	<b>7,002,562</b>	<b>(373,171)</b>	<b>-5.3%</b>	<b>628,884</b>	<b>10.5%</b>

### Services

This account includes computer licenses and maintenance, costs for contracted professional and technical services, repairs and maintenance, telephones, and copier related services. The budget anticipated a larger transfer of capital related costs than what actually occurred causing the variance from budget.

The increase from prior year was driven by several factors. There were increased amounts spent on software licenses to advance the District's digitization priorities. Commissions paid to contracted professionals for the international education program increased as the program began to recover from the pandemic restrictions and enrolment increased. This was offset by lower photocopier lease costs and less special purpose funding provided by the provincial and federal governments for pandemic related costs in the current year, therefore shifting those expenses to operating in order to maintain levels of service.

### Student Transportation

This account includes payments to the those who provide transportation to District students for curricular and extracurricular activities on a contract basis. The increase is a result of more field trips in the current year, as pandemic restrictions allowed for this.

### Professional Development and Travel

This account includes costs incurred for training and travel, such as registration fees, transportation, mileage allowances, meals, accommodation and per diem payments. There were non-significant changes from budget and prior year.

### Rentals and Leases

This account includes amounts for the long-term lease of buildings by the District. There were non-significant changes from budget and prior year.

### Dues and Fees

This account includes membership fees and dues in professional organizations as well as educational licenses. The increase from prior year is a result of a new annual license subscribed to in the current year.





**Insurance**

This account includes the expenditures for all insurance coverage, premiums, and deductibles. The current year expense was on budget and consistent with prior year.

**Supplies**

Included in this amount is expenditures for supplies and materials of a consumable and/or non-capital nature. This includes consumable supplies, learning resources and non-capitalized furniture, equipment and computer equipment under \$5,000. The budget anticipated a smaller transfer of capital related items than what materialized in the current year, accounting for the majority of variance from budget. Further, there were challenges with supply chains and timely delivery of certain supplies which impacted the current year expense, however amounts are carried forward and restricted in the upcoming year.

The increase from prior year results from less special purpose funding provided by the provincial and federal governments for pandemic related costs in the current year, therefore shifting those expenses to operating in order to maintain levels of service.

**Utilities**

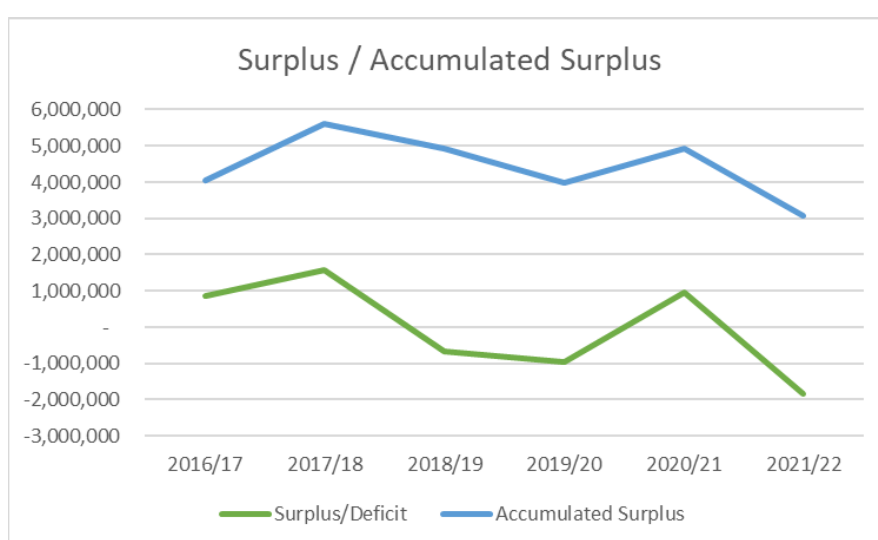
This account includes expenditures for utility costs such as electricity, heating, water and sewage, garbage and recycling. The variance from budget was minimal. Increased costs over prior year, stemming from rate increases, were offset by a one-time gas rebate received in the current year.



## Accumulated Operating Surplus Analysis

Accumulated operating surpluses and reserves are an important factor in determining the financial health of the District. These resources are designed to help plan for future expenditures and protect the District from unforeseen financial and operating events to mitigate any negative impact such circumstances might cause. By Board policy, an unrestricted operating reserve of at least 2% of operating expenses shall be maintained. The Board will incorporate into its future budget planning processes, strategies to re-establish the reserve should it fall below this level.

The District ended the 2021/22 year with a \$3,082,162 accumulated operating surplus of which \$2,347,826 is internally restricted for specific purposes and \$734,336 is unrestricted. This accumulated operating surplus represents a \$1,841,765 decrease over 2020/21. This decrease was primarily due to planned surplus usage to balance the 2021/22 budget. The below graph shows the relationship between the accumulated surplus and annual surplus/deficit over time.



Details of the accumulated operating surplus are as follows:

Accumulated Operating Surplus	2021/22	2020/21
<b>Internally Restricted:</b>		
School Surplus	4,175	14,796
RCAP and Power Local Grants	5,482	2,869
Surplus Applied to 2022-2023 Budget	1,207,506	-
Surplus Applied to 2021-2022 Budget	-	2,181,391
Commitments Outstanding	269,752	512,079
Future Years' Operating Budget Requirements	662,000	-
Local Capital Repayment	102,445	-
Department Carryforward	55,898	-
Teacher Mentorship Funds	40,568	-
Targeted Indigenous Education	-	37,662
2020-21 Holdback used for COVID Restart	-	138,139
Board Internally Restricted	-	500,000
<b>Total Internally Restricted</b>	<b>2,347,826</b>	<b>3,386,936</b>
<b>Unrestricted</b>	<b>734,336</b>	<b>1,536,991</b>
<b>Total Accumulated Operating Surplus</b>	<b>3,082,162</b>	<b>4,923,927</b>

In addition, there is a \$260,540 deficit in the Local Capital fund.

Local Capital	2021/22
Queen Elizabeth Elementary Expansion	91,905
Queensborough Site Acquisition	(352,445)
<b>Deficit</b>	<b>(260,540)</b>

This deficit is the result of the site acquisition in Queensborough which completed in the current year. The District requested and received approval from the Minister of Education and Child Care to carry this deficit, based on the understanding that the deficit will be eliminated no later than June 30, 2026. The deficit will be repaid through annual Board approved transfers from the operating fund in subsequent years. The 2022/23 budget includes a \$250,000 local capital repayment. Included in the internally restricted operating surplus is \$102,445 to eliminate the remaining deficit.

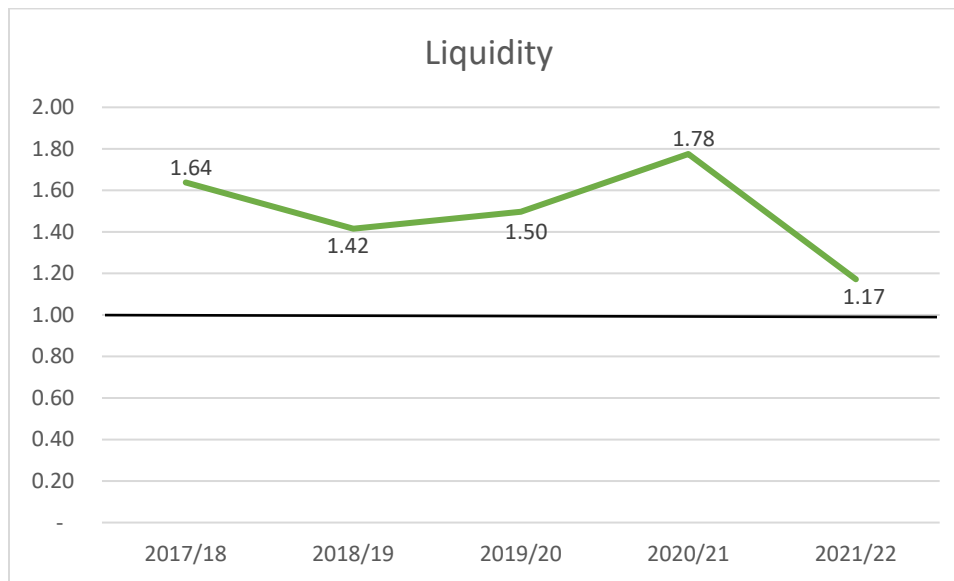


## Financial Health Ratios

### Liquidity

Liquidity is measured by taking financial assets over liabilities, excluding deferred capital revenue. A liquidity ratio of greater than one is desirable as this means that the District can meet its short-term obligations and can better respond to changing circumstances.

As of June 30, 2022, the District's liquidity ratio is 1.17.



### Accumulated Surplus from Operations to Operating Revenue

The chart below shows the District's accumulated operating surplus and operating revenues over a five-year period. This is an indicator of the District's ability to react to emergent situations and the ability to fund special initiatives.

With the exception of 2020/21, the historic trend shows a decrease in the accumulated operating surplus both in dollars and percentage of revenue. This is the result of purposeful investments in the District's strategic priorities to enhance learning opportunities for today's students.

The 2020/21 year ended with an increase to accumulated surplus resulting from the substantial change to operations resulting from the pandemic. Areas such as substitute salaries were areas significantly underspent as was professional development, travel, and registration fees.

	2017/18	2018/19	2019/20	2020/21	2021/22
Unrestricted Surplus	3,161,199	3,520,703	-	1,536,991	734,336
Internally Restricted Surplus	2,448,746	1,419,386	3,978,341	3,386,936	2,347,826
<b>Total</b>	<b>5,609,945</b>	<b>4,940,089</b>	<b>3,978,341</b>	<b>4,923,927</b>	<b>3,082,162</b>
Revenue	67,726,606	68,431,676	69,221,759	69,053,395	72,008,419
<b>Percentage</b>	<b>8.3%</b>	<b>7.2%</b>	<b>5.7%</b>	<b>7.1%</b>	<b>4.3%</b>

## Accumulated Amortization to Assets

The accumulated amortization to assets ratio is a financial measurement tool that calculates the age, value and remaining useful life of a fixed asset. A low ratio may indicate that the assets have plenty of life left while a high ratio could indicate that asset will need replacement soon.

The decrease in ratios for buildings and furniture, equipment and vehicles starting in 2020/21 reflect the significant capital investments made at schools such as New Westminster Secondary School and Skwo:wech Elementary. The increasing ratios for computer hardware suggest that investments will be important in future years. This is a strategic priority for the District and addressed through the technology plan in place to ensure staff and students can access up to date technology.

<b>Buildings</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Gross Assets	107,797,418	109,403,037	118,175,868	209,561,833	240,604,818
Accumulated Amortization	36,561,767	38,995,974	41,462,177	43,955,095	48,387,879
<b>Ratio</b>	<b>0.34</b>	<b>0.36</b>	<b>0.35</b>	<b>0.21</b>	<b>0.20</b>

<b>Furniture, Equipment and Vehicles</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Gross Assets	1,590,505	1,828,501	1,895,018	4,343,684	5,192,355
Accumulated Amortization	419,069	578,119	660,008	886,459	1,292,809
<b>Ratio</b>	<b>0.26</b>	<b>0.32</b>	<b>0.35</b>	<b>0.20</b>	<b>0.25</b>

<b>Computer Hardware</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Gross Assets	2,501,746	3,344,161	3,774,996	3,810,140	3,491,383
Accumulated Amortization	563,888	1,049,327	1,495,252	2,033,526	1,868,094
<b>Ratio</b>	<b>0.23</b>	<b>0.31</b>	<b>0.40</b>	<b>0.53</b>	<b>0.54</b>

<b>Total</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Gross Assets	111,889,669	114,575,699	123,845,882	217,715,657	249,288,556
Accumulated Amortization	37,544,724	40,623,420	43,617,437	46,875,080	51,548,782
<b>Ratio</b>	<b>0.34</b>	<b>0.35</b>	<b>0.35</b>	<b>0.22</b>	<b>0.21</b>

## Special Purpose Fund

The Special Purpose Fund consists of funds received from MECC or other sources that have been designated for a specific purpose. These funds are deferred until the corresponding expenditures are incurred.

During 2021/22, \$11.03 million in special purpose fund contributions were received and \$11.10 million was spent. There was \$389,004 of additional expenses, over and above funding received, relating to special purpose programs that was funded and reported in the operating fund. As at June 30, 2022, \$1.23 million in special purpose funds remain available for designated purposes in future years.

The District incurred the following expenditures in 2021/22 as related to significant special purpose funds.

Program	Funding Source	2021/22 Grant	2021/22 Expense	Purpose
Annual Facility Grant	MECC	\$230,897	\$230,897	Planned maintenance of facilities.
Learning Improvement Fund	MECC	\$235,363	\$296,245	Augment EA hours, providing additional support to complex learners.
Scholarships and Bursary	Other	\$177,074	\$89,694	Provide financial support for post-secondary education to graduating grade 12 students.
School Generated Funds	Other	\$940,078	\$1,113,492	Funds that are collected and paid out through school accounts in support of school-based programs.
Strong Start	MECC	\$96,000	\$107,166	Provide early learning centers that provide school-based, drop-in programs for children from birth to age five and their parents or caregivers.
Ready, Set, Learn	MECC	\$19,600	\$35,545	Support early learning for children aged 3 to 5 and their parents and facilitate a smooth transition to Kindergarten.
Official Languages in Education French Programs ("OLEP")	MECC	\$161,108	\$156,329	Deliver Core French language programs and curriculum resources.
Community LINK	MECC and Other	\$1,644,663	\$1,732,319	Provide programs and initiatives to improve the educational outcomes of vulnerable students, including academic achievement and social functioning.
Classroom Enhancement Fund (Overhead, Staffing and Remedies)	MECC	\$6,815,837	\$7,029,602	Address additional teacher staffing, overhead and equipment costs resulting from restoration of class size and composition language.
Mental Health in Schools	MECC	\$122,845	\$124,383	Support mental health for children and youth in schools.
Safe Return to School/Restart: Health & Safety Grant	MECC	\$163,577	\$169,553	To support ongoing health and safety measures resulting from the pandemic.
Federal Safe Return to Class / Ventilation Fund	MECC	\$112,788	\$112,788	Increase outdoor air intake and/or increase air cleaning to help reduce transmission of COVID-19.
Seamless Day Kindergarten	MECC and Other	\$62,242	\$71,801	Provide before and after school care in kindergarten classrooms and support learning alongside the classroom teacher
Apprentice Program	Industry Training Authority	\$171,668	\$139,617	Enable students to apply trade-specific training and explore career options in the trades.



## Capital Fund

The net value of tangible capital assets is \$219.6 million as at June 30, 2022 (see Schedule 4A). These net costs represent the historical cost net of accumulated amortization of all District tangible capital assets which is not the current market value.

### Major Capital Projects

The District had 3 major capital projects at various stages of progress during the 2021/22 school year, as detailed in the below table. Capital expenditures are primarily funded by the Province of British Columbia, with additional funding provided through locally generated District capital funds and third-party contributors.

Project	Scope	Commencement Date	Completion Date
Skwo:wech Elementary and Childcare Facility	School Replacement; Additional Childcare spaces	Spring 2019	School opened March 2022; Childcare facility to open in 2022/23; currently in demolition phase of old school
New Westminster Secondary	School Replacement	Spring 2017	January 2021; currently in demolition phase of old school
Queen Elizabeth Elementary	Expansion	June 2021	2024/25 School Year

In the Spring of 2022, the District received notice from the MECC acknowledging the needs for a 500-student capacity elementary school in the Fraser River Zone. At present, the District is working on a concept plan for this project with hopes for a positive funding announcement in the 2022/23 year.



## Capital Fund Balances

Capital Fund	Description	As at June 30, 2022	As at June 30, 2021	Change (\$)
Bylaw Capital	Represents funds drawn on Certificates of Approval for capital projects.	-	-	-
MECC Restricted Capital	Represents MECC's portion of proceeds on disposal of land and buildings and any bylaw project surplus on capital projects.	\$13,110	\$13,110	-
Other Provincial Capital	Capital funding received from Ministry of Children and Family Development ("MCFD") for an onsite childcare centre at the new Skwo:wech Elementary school.	-	\$1,260,247	(1,260,247)
Land Capital	Funds received from the City of New Westminister for school site acquisition charges.	-	\$3,305,101	(3,305,101)
Other Capital	Includes capital grants received from and restricted by any entity not included in the Government Reporting Entity.	-	\$744,608	(744,608)
Local Capital	Funds generated by the District to be utilized for capital expenditures as determined by the District.	(\$260,540)	1,301,488	(1,562,028)

The decrease in other provincial capital and other capital relates to the additional childcare spaces constructed as part of the Skwo:wech elementary project. A total of \$3.1 million was contributed for the childcare portion of the project by MCFD (\$1.9 million) and the City of New Westminister (\$1.2 million). A portion of the funding was received prior to the 2021/2022 year and recorded as unspent deferred capital revenue at June 30, 2021. In 2021/22, the amounts were spent and transferred to deferred capital revenue, reducing the corresponding capital fund balances to nil.



The decrease in the land capital balance relates to the Queensborough site acquisition completed in May 2022. The acquisition was funded as follows:

	Sites	Buildings	Total
Land Capital	\$3,727,421	-	\$3,727,421
Local Capital	\$1,591,510	\$307,669	\$1,899,179
<b>Total</b>	<b>\$5,318,931</b>	<b>\$307,669</b>	<b>\$5,626,600</b>

In addition to the land capital balance at June 30, 2021, the District received \$422,320 in school site acquisition charges and interest during 2021/22, which was used for the purchase.

Changes in the local capital balance are summarized below.

<b>Local Capital Surplus, June 30, 2021</b>	<b>\$1,301,488</b>
Board approved transfers to local capital:	
Queen Elizabeth Elementary expansion	250,000
Queensborough site acquisition	250,000
Wellness Centre	210,000
Board approved uses of local capital:	
Queen Elizabeth Elementary expansion	(158,095)
Queensborough site acquisition	(1,899,179)
Wellness Centre	(210,000)
New Westminster Secondary	(20,850)
Interest Income	16,096
<b>Local Capital Deficit, June 30, 2022</b>	<b>(\$260,540)</b>

The local capital fund has a \$260,540 deficit as at June 30, 2022. The District requested and received approval from the Minister of Education and Child Care to carry this deficit, based on the understanding that the deficit will be eliminated no later than June 30, 2026. The deficit will be repaid through annual Board approved transfers from the operating fund in subsequent years.

Other local capital reserves are maintained for the Queen Elizabeth Elementary expansion project. Allocations to local capital are approved by the Board through the approval of the annual budget or specific resolution.

## Other Capital Funded Projects

In addition, MECC provided the District funding for the following capital programs:

Capital Program	2021/22 Funding	2021/22 Expenses	Description
Annual Facility Grant	\$978,802	\$978,802	Funding is provided to address repair and maintenance priorities at schools to ensure facilities are safe and functioning well. Projects for 2021/22 included mechanical system upgrades, facility and site upgrades and accessibility enhancements.
School Enhancement Program	\$1,308,000	\$1,308,000	Funding is provided to help the District extend the life of their facilities through a wide range of improvement projects. Projects in 2021/22 included the Lord Tweedsmuir exterior wall systems and Queensborough Middle School HVAC upgrades.
Carbon Neutral Capital Program	\$350,000	\$350,000	Funding is provided for energy-efficient projects that lower carbon emissions in the District. Energy systems upgrades were completed at Queensborough Middle School in 2021/22.
Playground Equipment Program	\$165,000	\$165,000	Funding is provided to purchase and install replacement playground equipment that is universal in design and in compliance with accessibility measures. Herbert Spencer Elementary received a universally accessible playground in 2021/22.

## Long Term Outlook

There are a number of potential risks and other unknown factors that may have a financial impact on the District as discussed below.

### Enrolment Growth and Capacity Constraints

The District continues to see significant growth of enrolment and nearly all schools are at or over their capacity limits. As the District grows, additional classroom space will need to be created. This growth brings with it a financial risk in how to provide these additional resources under the current Ministry funding envelope. Until a new school is built to create capacity, the District must fund the purchase of portables and related furniture through its operational dollars.

### COVID-19 Pandemic

As mentioned throughout this report, the COVID-19 pandemic continued to impact the operations of the District in 2021/22. Although the impact of the pandemic is diminishing, the District still needs to address the recovery from the disruptions it has had on education and the social-emotional wellbeing of staff, students and their families. Increased demands and pressure on staff and students as well as financial pressure on government cause uncertainty that may have an impact on the future operations of the District.

### International Education Program

The pandemic had a significant impact on the international education program and therefore the operating revenues of the District. The program showed a partial recovery in the 2021/22 year and budget estimates for 2022/23 project a full recovery back to pre-pandemic levels. Enrolment will need to be closely monitored throughout the year to ensure the District is on track with projections as any variations will significantly impact the budget.

### Unfunded Costs and Cost Pressures

The Ministry does not fund all costs related to our education system. These costs, which are downloaded to districts, must be absorbed within existing operating budgets. The following reflect some additional unfunded pressures for the 2022/23 year.

- Inflation – the recent increase in inflation is reducing the purchasing power of districts and specifically schools and departments in carrying out their work when purchasing services and supplies.
- Employee Sick Leave Benefits – On March 31, 2022, Royal Assent was received for the provision of five days of annual paid illness and injury leave under the Employment Standards Act for unionized casual employees and TTOCs. The financial impact of this will be validated over time, once a pattern of use is established.
- Exempt Staff Wages – Exempt staff (managers and principals and vice principals) wage increases are not funded. BCPSEA has provided school districts across the province wage grids that are utilized to establish rates of pay across the education sector.

### Capital Projects

Due to their magnitude, capital projects have the potential to significantly impact the financial position of the District. Individual project risk assessments must be done on a continuous basis. Project agreements with the Ministry contain contingency requirements to mitigate financial risk. Smaller projects consider contingency requirements when building the overall project budget and are managed internally.



### **Other assets**

Existing District budget allocations are not enough to support the procurement, maintenance or timely replacement of District assets. This means that IT hardware is not refreshed on a regular basis and the deferred maintenance for facilities continues to grow. Any major equipment failures must be funded from existing budgets.

The District is still guided, as we always have been, by our strategic plan. More details in the strategic plan and highlights of accomplishments can be found on the website at [www.newwestschools.ca](http://www.newwestschools.ca).



# Superintendent Update

Karim Hachlaf  
September 27, 2022



New  
Westminster  
Schools

# Annual Report: 2021-22



Good things are happening

The 2021-2022 school year  
in review

Learn more >

**NATIONAL DAY FOR  
TRUTH AND  
RECONCILIATION**

**EVERY  
CHILD  
MATTERS**

# Drum Birthing Ceremony



INDIGENOUS SUPPORT WORKERS DANIELLE SMITH & ROSYLN SMITH





# Unity




# New District Team Members

**MELANIE SMITH** – DISTRICT VICE-  
PRINCIPAL FOR SAFE & CARING  
SCHOOLS

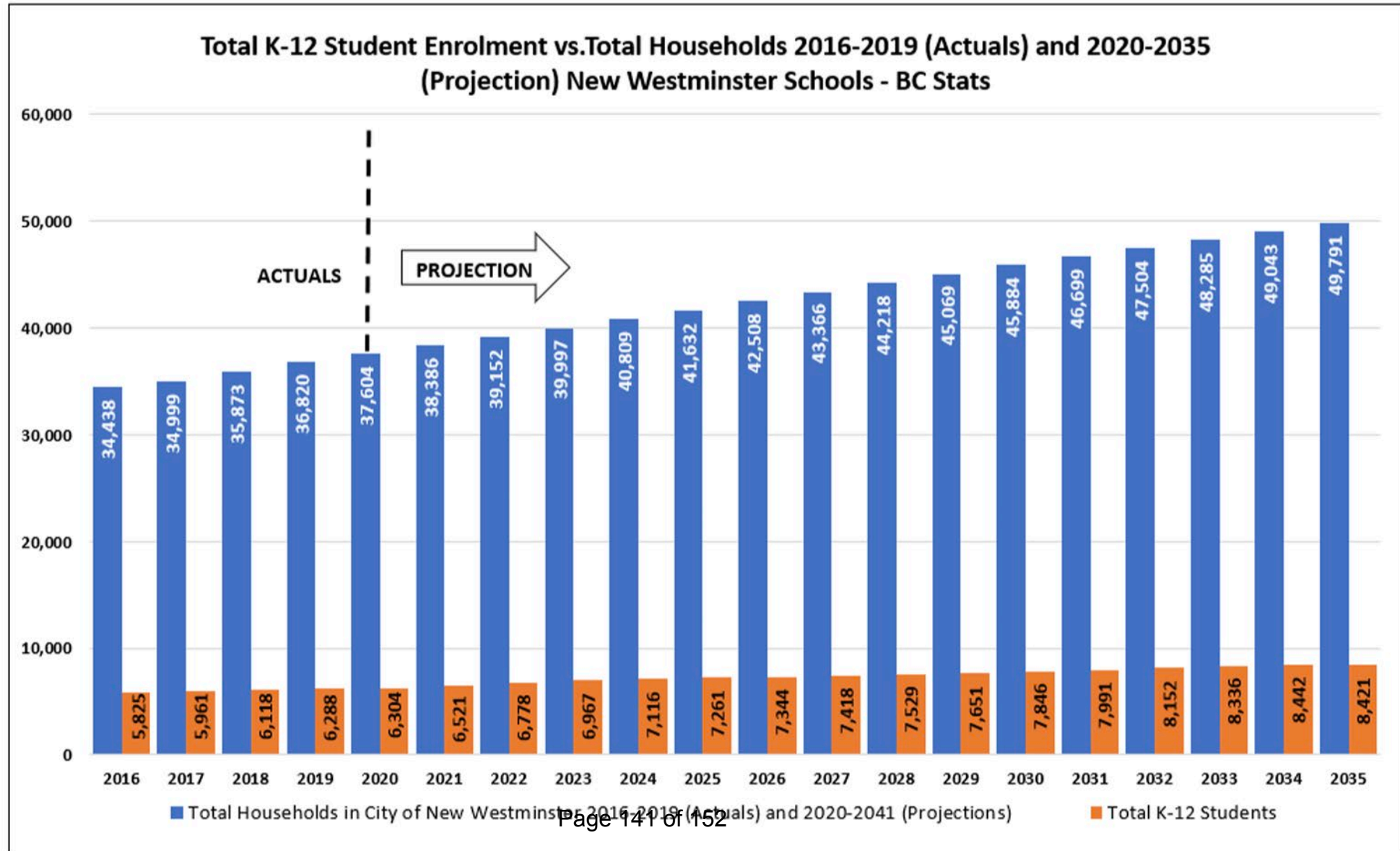
**KEN HEADLEY** – DISTRICT VICE-  
PRINCIPAL FOR DIVERSITY, EQUITY,  
INCLUSION & ANTI-RACISM



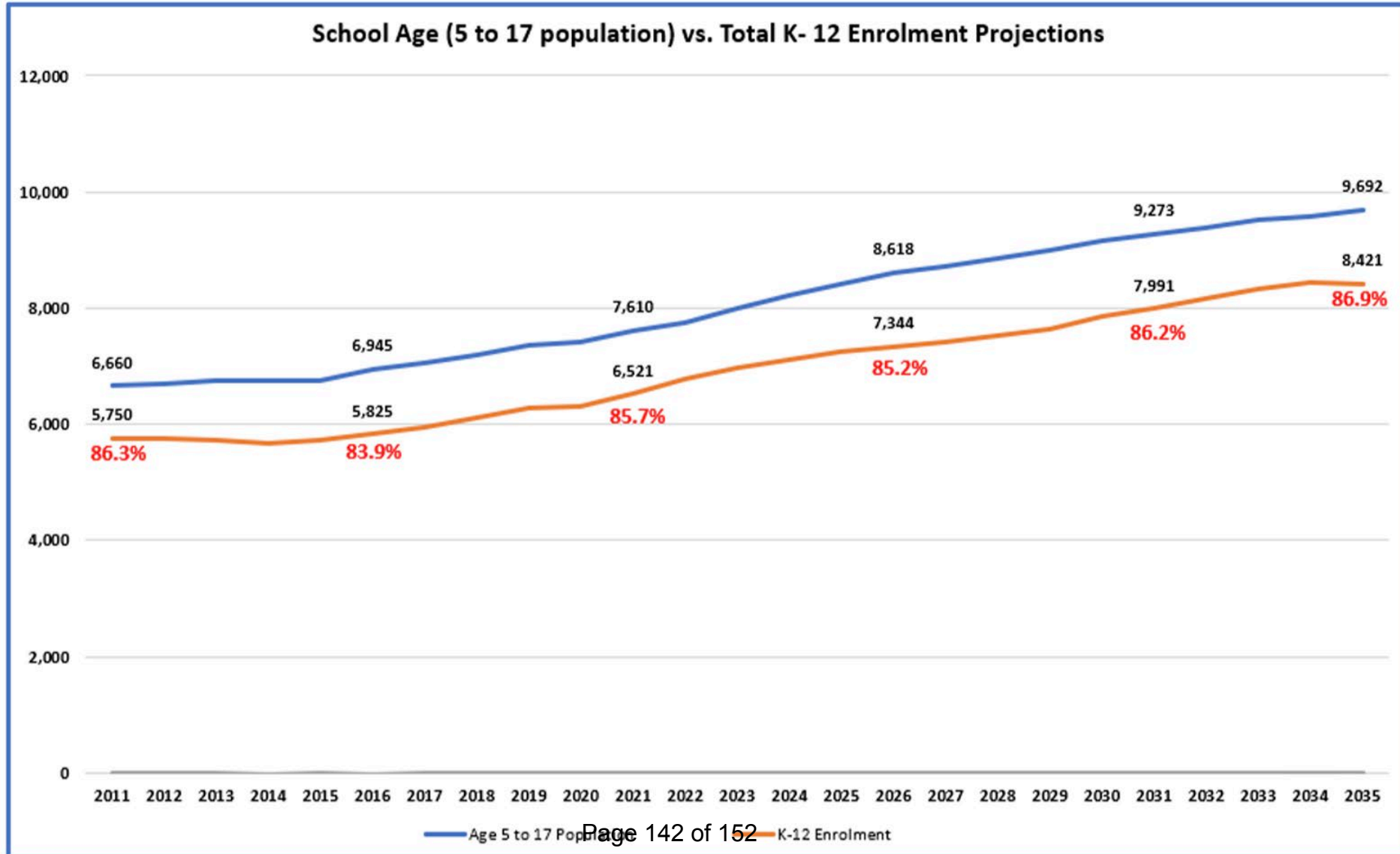


# 2022-23 Student Enrolment Update

# Total K-12 Enrolment vs Total Households



# K-12 Enrolment Projections



# Short-Term Capacity Review

## **GUIDING PRINCIPLE #1**

**PRIORITIZE THE UTILIZATION OF SPACE WITHIN OUR SCHOOLS TO SUPPORT K-12 IN-CATCHMENT ENROLMENT WHILE ALSO ENSURING SUFFICIENT PLAY & OUTDOOR LEARNING SPACE.**

## **GUIDING PRINCIPLE #2**

**PROGRAMS OF CHOICE, COMMUNITY PARTNERSHIPS (INCLUDING INFANT/TODDLER CHILDCARE), AND NON-INSTRUCTIONAL USES OF SPACE WILL BE OPERATED, AND WHEN NECESSARY RELOCATED, TO SCHOOL FACILITIES WHERE SPACE PERMITS.**

# Fraser River Elementary School

- ❑ **WORKING ON A CONCEPT PLAN – FUNDING NOT YET APPROVED**
- ❑ **DISTRICT HAS RECOMMENDED OPTION AFTER A FEW EXAMINED CONCEPTS**
- ❑ **CAMPUS STYLE DESIGN USING DISTRICT OWNED SPACE**
- ❑ **URBAN DESIGNED 3-STOREY DESIGN FOR K-5 ELEMENTARY**
- ❑ **600-CAPACITY SCHOOL (AN INCREASE FROM THE ORIGINAL REQUEST)**
- ❑ **PURPOSE BUILT ALTERNATE EDUCATION**
- ❑ **CONCEPT PLAN TO BE APPROVED AND ONCE APPROVED, MOVED ON TO 2ND BUSINESS CASE (PROJECT DEFINITION REPORT)**



# Queensborough land purchase

- LAND ACQUISITIONS OF 2 PROPERTIES IN CLOSE PROXIMITY TO QMS AND QEE**
- ACQUISITIONS COMPLETED JUST PRIOR TO THE END OF THE JUNE 30, 2022 YEAR END**
- REPRESENTS ONLY A PORTION OF LAND REQUIRED FOR EXPANSION**
- CONTINUE TO MONITOR FOR OTHER OPPORTUNITIES FOR ACQUISITION**
- NO IMMEDIATE ACTION AT THIS TIME FOR NEW CAPITAL PROGRAM RELATED TO ANY GRADE CONFIGURATIONS OR EXPANSION ALTERNATIVES**
- FOCUS OF EXPANSION IS CURRENTLY ON QUEEN ELIZABTH ELEMENTARY AND COMPLETING A 13 CLASSROOM EXPANSION.**

# Long Range Facility Plan Refresh

- ❑ **LAST UPDATED LRFP WAS APPROVED OCTOBER 2021.**
- ❑ **ANOTHER REFRESH REQUIRED DUE TO GROWTH OF MUNICIPALITY.**
- ❑ **CONSULTANT ENGAGED TO COMMENCE WORK IN OCTOBER 2022 WITH REPORT COMING FORWARD FOR APPROVAL ON OR BEFORE JUNE 30, 2022.**
- ❑ **THE UPDATED LRFP WILL INCLUDE RECOMMENDATIONS FROM SHORT TERM CAPACITY REVIEW WORK THAT WILL BE UNDERTAKEN THIS YEAR.**

# A look ahead...

## **OPERATIONS**

- ✓ **SHORT-TERM CAPACITY REVIEW**
- ✓ **CHILDCARE**

## **EDUCATION**

- ✓ **INDIGENOUS GRAD REQUIREMENT**
- ✓ **ANTI-RACISM**
- ✓ **SAFETY & BELONGING**





Supplement to: **REGULAR OPEN BOARD OF EDUCATION MEETING**

Date: September 27, 2022

Submitted by: Bettina Ketcham, Secretary-Treasurer

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

Subject: 2023-24 Minor Capital Plan Submission

**Background:**

The following is the request staff recommend be submitted in the current year for consideration in the 2023-24 approval cycle for Minor Capital Projects:

**School Enhancement Program**

- 1) Queensborough Middle School – Roof replacement \$550,000  
This is the second phase of roof replacement started in the summer of 2022. The District is requesting funds to complete the roof replacement of the school due to wear and tear. The roof insulation will also be replaced and increased to make the building more energy efficient.
- 2) Glenbrook Middle School – HVAC \$450,000  
Reheat coils will be installed which replace the existing radiant panels making the system more efficient.
- 3) Queen Elizabeth Elementary School – Replacement of air handling units- \$750,000  
Replacement of the roof-top air handling unit for the existing school. The upgrades will align with the new expansion of the school to create a synched cycle for renewal.
- 4) Lord Tweedsmuir Elementary School – HVAC \$1,000,000  
Installation of Air Source Heat Pump to reduce our greenhouse gas emissions, by transitioning to electricity rather than gas

**Carbon Neutral Capital Program**

The district is seeking approval of 4 sites through CNCP, to install air source heat pumps which rely on electricity, rather than gas, which will reduce our greenhouse gas emissions. The following represent the four sites prioritized:



- 1) Herbert Spencer Elementary School \$1,000,000
- 2) FW Howay Elementary School \$1,000,000
- 3) Lord Kelvin Elementary School \$1,000,000
- 4) Queen Elizabeth Elementary School \$870,000
- 5) The district is also asking for an HVAC upgrade of \$750,000 at Herbert Spencer Elementary School to replace existing radiant panels with duct reheat coils making the system more efficient

**Playground Equipment Program**

This fund allows for the replacement of existing playgrounds that are aged and require a refresh. The following are the requests submitted in priority order:

- 1) Skwo:wech Elementary
- 2) Lord Kelvin Elementary
- 3) FW Howay Elementary

Each playground is universally accessible and allocated \$165,000 in funding.

**To summarize:**

School Enhancement Program (SEP)	\$2,750,000
Carbon Neutral Capital Program (CNCP)	\$4,620,000
Playground Equipment Program (PEP)	<u>\$ 495,000</u>
<b>TOTAL MINOR CAPITAL PROJECT REQUESTS</b>	<b>\$7,865,000</b>

**Recommendation**

***THAT the Board of Education of School District No. 40 (New Westminster) approves the 2023-24 Minor Capital Plan as presented for submission to the Ministry of Education and Childcare.***



Supplement to: **REGULAR OPEN BOARD OF EDUCATION MEETING**

Date: September 27, 2022

Submitted by: Bettina Ketcham, Secretary-Treasurer

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

Subject: Student and Family Affordability Fund

**Background:**

The Student and Family Affordability Fund is a one-time government investment of \$60 million province-wide. This fund is intended to directly support students and families who have been affected by the effects of global inflation and cost of living challenges.

At New Westminster Schools, that means we will be working to distribute and invest almost \$700,000 across our community through a layered approach, administered at the district and local school level. There is significant flexibility in how districts can utilize these funds to best meet the needs of their local school community, with the priority being: expanding existing school meal programs, making sure students have the school supplies they need, and covering any additional fees so that students in need can take part in activities, such as field trips.

Successful applications of this funding will meet these two goals:

- there’s a direct connection to individual benefiting financially, and
- it removes a financial barrier or challenge that some or all families are facing, as it relates to their child’s educational needs or their child’s basic physical or emotional well-being.

Our approach has been tiered into three categories, to ensure that the money is equitably distributed and invested in ways that will benefit all families in our community, in the most efficient ways, while it also takes into consideration that some families and groups within our community may need more support than others.



**Category 1 Funding (all families) – Universal Fees and Fundraising (\$220,000)**

Allocation determined by the District, application determined and administered at a school-based level

- This portion of the fund is intended to benefit each and every student and family.
- This could include: covering fully or partially the cost of school supply fees, funding to cover existing annual activities or experts that are brought in and are usually charged to parents and/or subsidizing or covering fieldtrips during the year.

**Category 2 Funding (some families) – Nutrition (\$325,000)**

Allocation determined by the District (with school level consultation on shelf stables and needs)

- We anticipate additional subsidies for our lunch programs due to a higher level of participation this year.
- We will be targeting money to support the central purchase and distribution of shelf stable items and other supplies to ensure schools have access to breakfast and snack options in place for those who need it.

**Category 3 Funding (individual families) – Local customized supports (\$153,000)**

Allocation determined by the District through the application of site-based vulnerability index with application determined and administered at a school-based level

- What this looks like will be determined by the needs that are identified at individual schools and with individual families. Consultation with PACs, staff, and individual parents will shape this portion of the investments.

**Consultation**

Principals will be given discretion in determining how to best serve their community. Principals have been tasked with consulting their school community including parents (via the PAC) and staff. The goal of these discussions is to best understand how best to apply the category 3 funding meant to benefit all students in the school and ways to best apply category 1 funding to identify and reduce barriers for families that may require additional and targeted support.

The District will be consulting with the Indigenous Advisory Committee to consider how Indigenous students, families and caregivers could be supported through this fund.

The Finance team will be working with school principals on reporting mechanisms to better understand how the funds have been applied and will be monitoring the utilization of funds, ensuring, that if additional support are required to support families, more will be made available. Conversely, should a school not be requiring as much support due to the availability of other third party supports, that funds be redirected to meet the needs of others.

**ADOPTION OF AGENDA** – 6:00 pm.

**MINUTES FOR APPROVAL** – In-Camera May 24, 2022

**BUSINESS ARISING FROM THE MINUTES** – Nil

**REPORTS FROM SENIOR MANAGEMENT** – HR, Planning, Administration

**ITEMS TO BE REPORTED OUT AT OPEN MEETING** – Nil

**RECESSED** – 6:59 pm

**RESUMED** – 9:15 pm

**ADJOURNMENT** – 10:58 pm