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kpmg

School Distr (New Westn

Audit Findings Report for the year ended
June 30, 2022



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

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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.

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

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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

Areas of audit focus

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

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Significant accounting policies and pra

Significant accounting policies

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

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 relat

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)

Mr. Karim Hachlaf, Superintendent of Schools

Ms. Bettina Ketcham, Secretary-Treasurer

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

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
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.				
Dr. Deferred revenue	-	-	(399,118)	-
Dr. Other revenue	(58,163)	-	-	(58,163)
Cr. Accumulated Surplus, Opening	-	-	-	457,281
To adjust school generated funds out of deferred revenue and recognize when received.				
Total	(521,784)	(889,024)	(1,651,546)	762,522

Appendix 3: Current developments

New auditing standards

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





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KPMG member firms around the world have 26,000 professionals, in 144 countries.

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INDEPENDENT AUDITORS' REPORT

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

- X the statement of financial position as at June 30, 2022
- X the statement of operations for the year then ended
- X the statement of changes in net assets for the year then ended
- X the statement of cash flows for the year then ended
- X 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 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 "Auditor's 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 under the provisions of the Council for the Accounting Professions Act and the ethical requirements of the public sector 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

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 maP3.5 (r)-1,j0.5 (ba5 (ba5 (al)1.5 ()5.8 (s)-2 (t)3.6 5.8 (,c)-1.9

2021-22 Year End Results

School District No. 40

September 27, 2022

Recognition

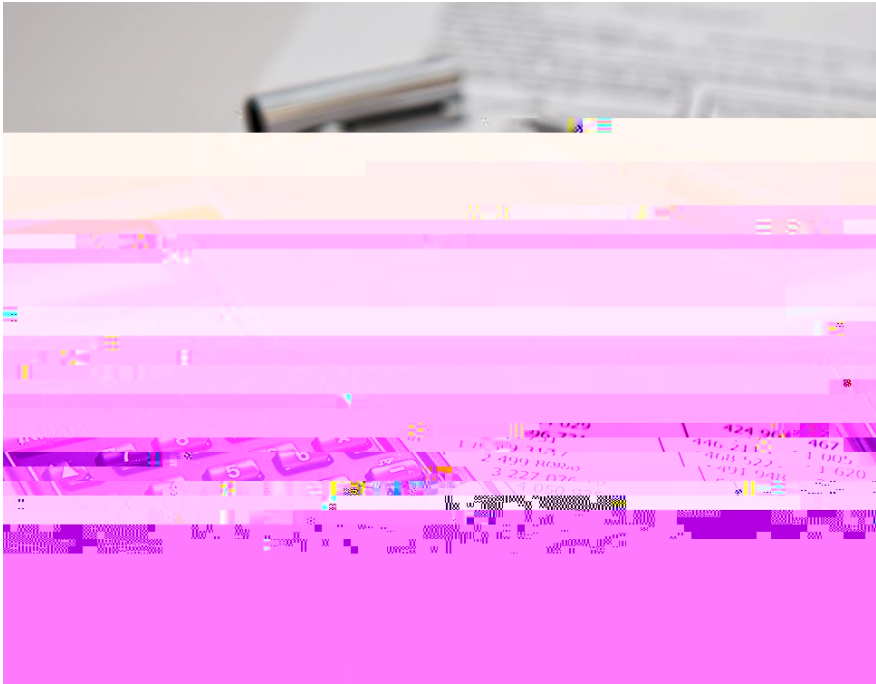


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21-22 Priorities Executed

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
Total Requests Identified	\$95,580	\$720,625	\$816,205

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.**

Accumulated Operating Reserve

Accumulated Operating Surplus	2021/22	2020/21
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2022-23 Summary of Budget Priorities

Priority	G	H	Q	W	L	L	H	G	U				

Statement of Financial Position

Statement of Financial Position

	2022 Actual	2021 Actual
		(Restated - Note 19)
Financial Assets		
	14,267,675	25,110,000
Cash and Cash Equivalents		
Accounts Receivable		
Prepaid Expenses		
Other	275,665	616,045
Total Financial Assets	26,885,567	17,299,290
Liabilities		
Accounts Payable and Accrued Liabilities		
Accounts Payable		
Accrued Liabilities		
Deferred Revenue		
Other		
Total Liabilities	1,234,567	2,345,678
Equity		
Common Stock		
Common Stock		
Retained Earnings		
Total Equity	25,651,000	14,953,612

Financial Position health indicators

ACCUMULATED SURPLUS FROM OPERATIONS

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

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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.

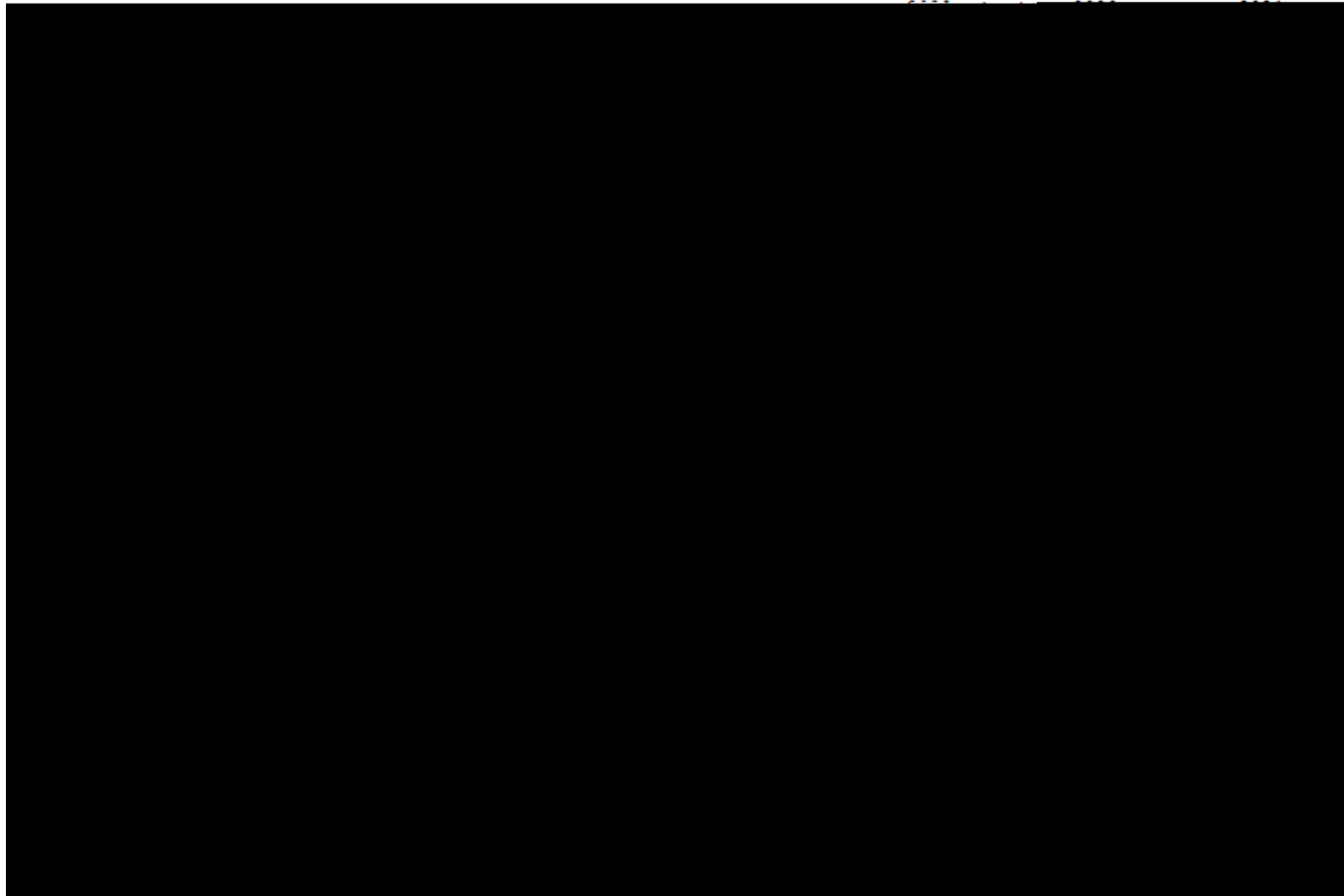
LIQUIDITY RATIO - CURRENT ASSETS OVER CURRENT LIABILITIES:

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.

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Operating Fund ±Income Schedule



More international students continued to arrive throughout the year

More rentals as restrictions around gatherings have eased

Operating fund ±

Actual	2022	2022	2021
(Restated - Note 19)	Budget	Budget	Actual
\$	\$	(Note 12)	\$
Salaries:			
20,100,000	21,934,936	21,934,936	21,934,936
4,000,000	4,000,000	4,000,000	4,000,000
1,000,000	1,000,000	1,000,000	1,000,000
3,000,000	3,000,000	3,000,000	3,000,000
12,100,000	12,934,936	12,934,936	12,934,936
Principals and Vice Principals			
Administrative Personnel			
Support Staff			

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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.

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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

Annual Facilities Grant	-	230,897	230,897	-	-
-------------------------	---	---------	---------	---	---

Capital Fund

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 Acquis Cont	(352,740)
	(260,835)

A background image of a sunset over a field of tall grass. The sky is a mix of orange, yellow, and blue. The grass is dark green and silhouetted against the bright sky. The word "Questions?" is written in a large, white, sans-serif font in the center of the image.

Questions?

Audited Financial Statements of

School District No. 40 (New Westminster)

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June 30, 2022

School District No. 40 (New Westminster)

June 30, 2022

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	2022 Actual	2021 Actual (Restated - Note 19)
	\$	\$
Financial Assets		
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
Total Financial Assets	17,299,290	26,085,567
Liabilities		
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
Total Liabilities	204,871,273	197,933,782
Net Debt	(187,571,983)	(171,848,215)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	219,611,243	201,541,872
Prepaid Expenses	305,002	163,299
Total Non-Financial Assets	219,916,245	201,705,171
Accumulated Surplus (Deficit) (Note 15)	32,344,262	29,856,956

Signature of the Chairperson of the Board of Education

Signature of the Superintendent

Signature of the Secretary Treasurer

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

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

School District No. 40 (New Westminster)

Statement of Cash Flows Year Ended June 30, 2022

	2022 Actual	2021 Actual
		(Restated - Note 19)
	\$	\$
Operating Transactions		
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)	
Total Operating Transactions	<u>(2,168,320)</u>	<u>(400,378)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(9,400,473)	(16,870,694)
Tangible Capital Assets -WIP Purchased	(15,293,379)	(10,720,026)
Total Capital Transactions	<u>(24,693,852)</u>	<u>(27,590,720)</u>
Financing Transactions		
Capital Revenue Received	16,118,919	25,094,558
Total Financing Transactions	<u>16,118,919</u>	<u>25,094,558</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(10,743,253)	(2,896,540)
Cash and Cash Equivalents, beginning of year	<u>25,110,928</u>	<u>28,007,468</u>
Cash and Cash Equivalents, end of year	<u><u>14,367,675</u></u>	<u><u>25,110,928</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>14,367,675</u>	<u>25,110,928</u>
	<u><u>14,367,675</u></u>	<u><u>25,110,928</u></u>
Supplementary Cash Flow Information (Note 20)		

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

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946, operates under authority of the Act of British Columbia as a corporation under the name of "The Board of Education" or "MECC" or "the Ministry". The School District 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

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

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

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:

- x an environmental standard exists;
- x contamination exceeds the environmental standard;
- x the School District:
 - o is directly responsible; or
 - o accepts responsibility;
- x it is expected that future economic benefits will be given up; and
- x 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:

- x 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.
- x 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.
- x Work-in-progress is recorded as a transfer to applicable asset class at substantial completion.
- x 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 is less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- x Buildings that are demolished or destroyed are written-off.
- x Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- x 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 assets. Management's responsibility to determine the appropriate useful lives for tangible capital assets. Useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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 ~~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~~ 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~~ 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~~ 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 ~~in~~ 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~~ changes in the amount or ~~timing~~ timing of the underlying future cash flows. The capitalized asset retirement ~~costs~~ costs is amortized on the same ~~basis~~ 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

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

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)
NOTES TO THE FINANCIAL STATEMENTS

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

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

SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER)

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

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

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

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 result 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 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:

	Increase (Decrease)
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	4,300,000

NOTE 20 SUPPLEMENTARY CASH FLOW INFORMATION

	2022	2021
Interest Recognized in the:		
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
Total Interest Income	\$ 202,772	\$ 274,663

	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
Changes for the year					
Surplus (Deficit) for the year	(365,731)	210,819	2,642,218	2,487,306	1,700,649
Interfund Transfers					

	2022 Budget (Note 12) \$	2022 Actual \$	2021 Actual (Restated - Note 19) \$
Revenues			
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
Total Revenue	71,792,557	72,008,419	69,053,395
Expenses			
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
Total Expense	72,205,210	72,374,150	67,358,416
Operating Surplus (Deficit) for the year	(412,653)	(365,731)	1,694,979
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,682,653		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(500,000)	(766,034)	(749,393)
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2022
Budget
(Note 12)
\$

2022
Actual
\$

2021
Actual
(Restated - Note 19)
\$

	2022 Budget (Note 12) \$	2022 Actual \$	2021 Actual (Restated - Note 15) \$
Salaries			
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
Total Salaries	53,048,491	53,552,815	50,344,969
Employee Benefits	12,654,157	12,957,978	11,762,333
Total Salaries and Benefits	65,702,648	66,510,793	62,107,302
Services and Supplies			
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
Total Services and Supplies	6,502,562	5,863,357	5,251,114
Total Operating Expense	72,205,210	72,374,150	67,358,416

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)
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
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
Total Function 1	47,450,124	11,569,735	59,019,859	2,172,341	61,192,200	60,785,179	57,394,721
4 District Administration							
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
Total Function 4	2,585,452	497,903	3,083,355	804,748	3,888,103	3,855,185	3,211,128
5 Operations and Maintenance							
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
Total Function 5	3,355,802	867,956	4,223,758	2,816,672	7,040,430	7,324,566	6,517,724
7 Transportation and Housing							
7.70 Student Transportation	161,437	22,384	183,821	69,596	253,417	240,280	234,843
Total Function 7	161,437	22,384	183,821	69,596	253,417	240,280	234,843
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	53,552,815	12,957,978	66,510,793	5,863,357	72,374,150	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) \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	9,500,033	9,608,040	11,768,413
Other		139,617	84,792
Other Revenue	853,761	1,354,508	926,761
Total Revenue	<u>10,353,794</u>	<u>11,102,165</u>	<u>12,779,966</u>
Expenses			
Instruction	10,005,922	10,482,563	10,828,802
District Administration		77,679	78,666
Operations and Maintenance	129,568	331,104	840,410
Total Expense	<u>10,135,490</u>	<u>10,891,346</u>	<u>11,747,878</u>
Special Purpose Surplus (Deficit) for the year	<u>218,304</u>	<u>210,819</u>	<u>1,032,088</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(218,304)	(210,819)	(1,032,088)
Total Net Transfers	<u>(218,304)</u>	<u>(210,819)</u>	<u>(1,032,088)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 40 (New Westminster)
Changes in Special Purpose Funds and Expense by Object

Schedule 3A (Unaudited)

Annual Learning Special Scholarships School Ready,

School District No. 40 (New Westminster)
Changes in Special Purpose Funds and Expense by Object

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants

 Provincial Grants - Ministry of Education and Child Care

 Provincial Grants - Other

 Other

Less: Allocated to Revenue

Deferred Revenue, end of year

Revenues

 Provincial Grants - Ministry of Education and Child Care

 Provincial Grants - Other

 Federal Grants

 Other Revenue

Expenses

 Salaries

 Teachers

School District No. 40 (New Westminster)
Changes in Special Purpose Funds and Expense by Object

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants

 Provincial Grants - Ministry of Education and Child Care

 Provincial Grants - Other

 Other

Less: Allocated to Revenue

Deferred Revenue, end of year

Revenues

 Provincial Grants - Ministry of Education and Child Care

 Provincial Grants - Other

 Federal Grants

 Other Revenue

	2022 Budget (Note 12) \$	Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	2021 Actual (Restated - Note 1) \$
Revenues					
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
Total Revenue	5,461,685	9,250,603	16,096	9,266,699	3,893,329
Expenses					

	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
Changes for the Year							
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

School District No. 40 (New Westminster)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	15,643,374				15,643,374
Changes for the Year					
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>
Net Changes for the Year	<u>(14,148,757)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,148,757)</u>
Work in Progress, end of year	<u>1,494,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,494,617</u>

06/14/2014

	Bylaw Capital \$	Other Provincial \$	Other Capital \$	Total Capital \$
Deferred Capital Revenue, beginning of year	162,281,116	2,145,142	119,703	164,545,961
Prior Period Adjustments				
Half-Year Rule Amortized 3(hangul)2ec[()] TJ ET Q q 73.567 429.67 720.81 660.44 re W* n BT /F1 12 Tf 1 0 03 103.91 9				

	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	

Financial Statement Discussion and Analysis

2021 - 2022



New
Schools

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Annual Report: 2021-22

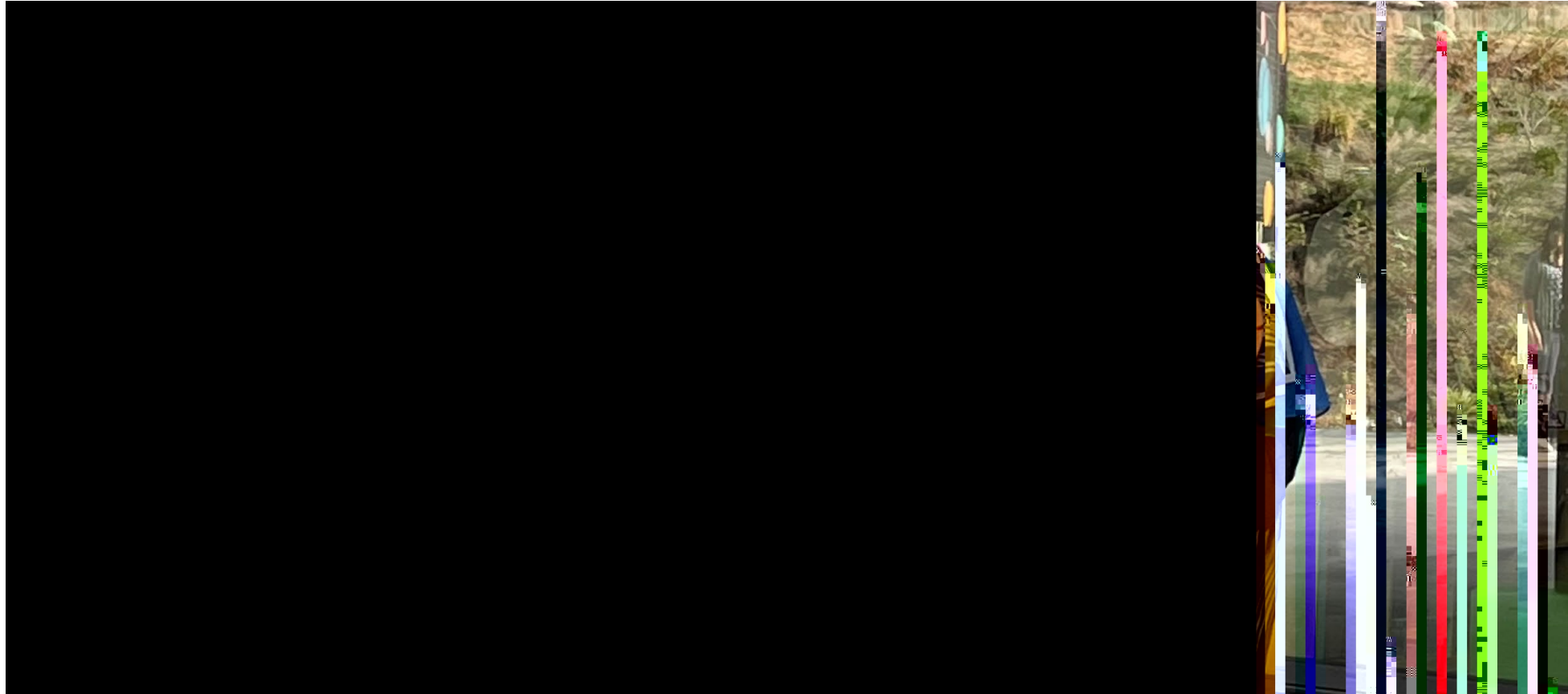
NATIONAL DAY FOR

TRUTH AND

RECONCILIATION

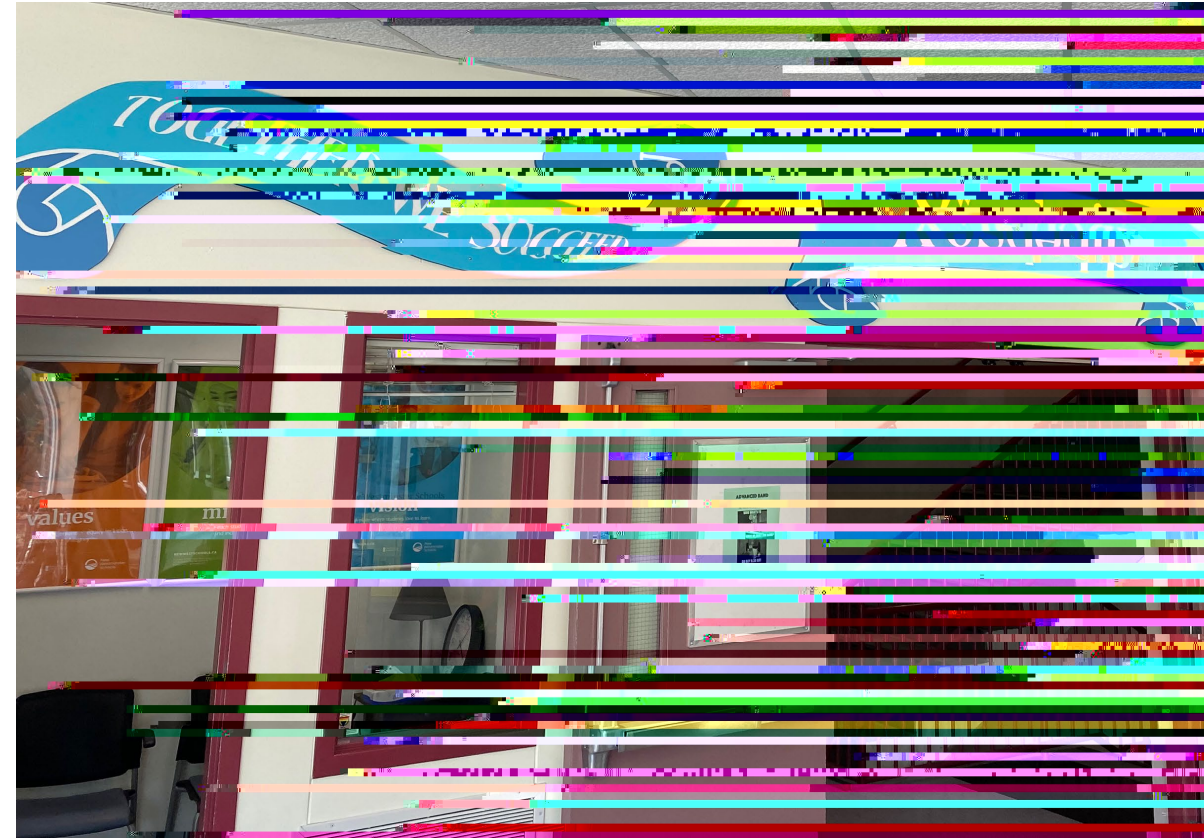
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Drum Birthing Ceremony



INDIGENOUS SUPPORT WORKERS DANIELLE SMITH & ROSYLN SMITH

Unity



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New District Team Members

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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 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

Queensborough land purchase

‰ ‰

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

9 SHORT- TERM CAPACITY
REVIEW

9 CHILDCARE

EDUCATION

9 INDIGENOUS GRAD
REQUIREMENT

9 ANTI- RACISM

9 SAFETY & BELONGING



School District No. 40 (New Westminister)

School District No. 40 (New Westminster)

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 Affordab4 (i)-3.2 3S5alllfe >(IDC >(l)7te21.5 B)2.6 (ackgr)-T Q39(ound:)]- 1 TMC /P <</

**SCHOOL DISTRICT NO. 40
(NEW WESTMINSTER)
RECORD OF - 8 1 (2**