



**THE BOARD OF EDUCATION
School District #33 (Chilliwack)
Regular Public Board Meeting
AGENDA
September 19, 2017
7:00 pm**

1. CALL TO ORDER – School District Office

- 1.1. Call to Order - **Welcome and acknowledgment of Stó:lō territory**
- 1.2. Adoption of the Agenda
(THAT the agenda be adopted as circulated.)
- 1.3. Approval of the Minutes
(THAT the minutes of the June 13, 2017 Regular Public Board meeting be approved as circulated.)

2. PUBLIC PARTICIPATION

(Items from the floor are limited to 5 minutes per speaker to a maximum of 30 minutes.)

3. PRESENTATION

- 3.1. Summer Learning Report

4. ACTION ITEMS

- 4.1. 2016 – 2017 Audited Financial Statements
- 4.2. Audit Committee Report

5. INFORMATION ITEMS

- 5.1. Reconfiguration – Implementation Advisory Committee
- 5.2. Strategic Plan Update – Operations Summer Report/Maintenance Activities
- 5.3. Enrolment Update
- 5.4. Trustee Remuneration
- 5.5. BCSTA Report
- 5.6. Superintendent's Report
- 5.7. Trustee Reports

5.8. Meeting Summary

5.9. **Next Board of Education Meeting: October 3, 2017 - 7:00 p.m.**

6. PUBLIC PARTICIPATION

(Items from the floor are limited to 5 minutes per speaker to a maximum of 30 minutes.)

7. ADJOURNMENT



**MINUTES OF THE REGULAR MEETING
The Board of Education
School District #33 (Chilliwack)**

Date of Meeting: Tuesday, June 13, 2017

Location: School District Office

Members Present:

Chair	Mr. P. McManus
Vice-Chair	Mr. W. Krahn
Trustee	Mr. D. Coulter
Trustee	Mrs. S. Dyck
Trustee	Mrs. H. Maahs
Trustee	Mr. B. Neufeld
Trustee	Mr. B. Patterson

Staff Present:

Superintendent	Ms. E. Novak
Secretary Treasurer	Mr. G. Slykhuis
Assistant Superintendent	Mr. R. Arul-pragasam
Executive Assistant	Ms. D. Vogel

1. CALL TO ORDER - School District Office

1.1. Call to Order

The Board Chair called the meeting to order at 7:07 p.m. - **Welcome and Acknowledgment of Traditional Stó:lō Territory.**

1.2. Adoption of the Agenda

117.17 Moved by: Trustee Krahn
Seconded by: Trustee Patterson

THAT the agenda be approved as circulated.

CARRIED

1.3. Approval of Minutes

118.17 Moved by: Trustee Patterson
Seconded by: Trustee Krahn

THAT the minutes of the May 23, 2017 Regular Public Board meeting be approved as circulated.

CARRIEDFor: McManus, Krahn, Coulter, Dyck, Neufeld, Patterson
Abstained: Maahs**2. PUBLIC PARTICIPATION**

Parent Salina Derish expressed the support of herself and a group of parents for the establishment of an outdoor education program in the Chilliwack School District.

3. PRESENTATION – EARLY INTERVENTION

Early Intervention Coordinator, Jane Ulyot, provided the Board with an update on Kindergarten/Grade One Early Intervention and the two District Literacy Intervention classes.

As part of the SD33 Strategic Plan, the Board has set as a priority Improving Student Achievement and Wellbeing Through High Quality Instruction. The goal is for “all students to meet or exceed grade level expectations in literacy and numeracy”, and one of the strategies is to provide learning supports and interventions, modeling and using evidence-based practices for early intervention and prevention.

With this in mind, as part of a three year project, all elementary schools have identified an “Early Intervention Teacher”, ranging from 0.2-0.6 FTE depending on school size and need. These Early Intervention teachers receive training and support as they work with both students and teachers to support literacy development in Kindergarten and Grade One.

Students are seen daily in small groups as a second dose of literacy instruction. This instruction is targeted to meet their needs through the careful examination of regularly collected data. The intervention teachers meet on a regular basis with classroom teachers to ensure a cohesive approach to support students.

4. ACTION ITEMS**4.1. Long Range Facilities Plan**

119.17 Moved by: Trustee Krahn
Seconded by: Trustee Dyck

THAT the Board of Education approve the Long Range Facilities Plan as prepared and presented by Public Consulting Group (PCG) at the Board’s regular meeting of May 23, 2017.

CARRIED**4.2 5-Year Capital Plan**

120.17 Moved by: Trustee Krahn
Seconded by: Trustee Dyck

THAT the Board of Education approve the Capital Plan as presented.

CARRIED**4.3 Audit Committee Report**

121.17 Moved by: Trustee Krahn
Seconded by: Trustee Coulter

THAT the Board of Education receive the Audit Committee Meeting Report of May 23, 2017 as presented.

CARRIED

5. INFORMATION ITEMS

5.1 BCSTA Report

Trustee Neufeld provided an update on the BC School Trustees' Association.

5.2 Superintendent's Report

Superintendent Evelyn Novak reported that 500 students are registered in Summer Learning to date, with many of the classes full or close to capacity. Superintendent Novak also highlighted the first annual SD33ignite, a professional development evening event on June 5th where almost 100 teachers shared ideas related to mindfulness, flexible seating in middle classrooms, Circle of Courage and embedding First Nations principles in learning.

Superintendent Novak also thanked district staff for their hard work, dedication, passion and innovation, and wished everyone an enjoyable summer break with family, friends, relaxation and rejuvenation.

5.3 Trustee Reports

Trustee Coulter reported on the following:

- Attended Cheam Elementary awards
- Had his hair cut at The Hair Studio at Chilliwack Secondary

Trustee Dyck reported on the following:

- Attended the Promontory Heights Elementary Dare graduation ceremony
- Attended the Chilliwack Aboriginal Education Award Ceremony
- DPAC liaison meeting
- Assisted in the Teacher Mentorship windup celebration
- All leaders year end meeting/celebration
- Represented the Board at the BCPSEA Regional Meeting
- Presented at the CSS/SSS Award and Commencement ceremonies
- Attended the FVDES Graduation Ceremony
- Attended individual teacher retirement celebrations
- Participated in the interview/hiring committee for Principals/Vice Principals
- Participated in the annual Board Retirement Recognition
- Looking forward to this week's GWG awards and commencement, the Education Centre Graduation and the Cheam staff year end luncheon

Trustee Krahn reported on the following:

- Attended two Chair/Vice Chair Planning Meetings with Superintendent and Secretary Treasurer to plan upcoming agendas.
- May 25th -Attended the Aboriginal Education Awards Night

- June 6th- Attended the Sardis Secondary School's Awards Night
- June 7th- Attended the Fraser Valley Distance Education's Awards and Commencement Celebration
- June 7th –Attended the Chilliwack Secondary School's Awards night
- June 9th –Attended the Sardis Secondary School's Commencement
- June 10th – Attended the Chilliwack Secondary School's Commencement

Trustee Neufeld reported on the following:

- Attended the G. W. Graham Middle-Secondary Awards Evening
- Attended an outreach event with the Sto:lo Nation
- Visited the Education Centre

Trustee Patterson reported on the following:

- Attended the Aboriginal Education Awards on May 25th.
- Attended the New Teacher Mentorship Wrap-up Meeting on May 29th.
- Chaired the CHC Partner Meeting on May 30th
- Attended the All Leaders Meeting on June 1st
- Attended the monthly meeting for the Psychology Initiative Program – CSS, UFV, and various stakeholders at CSS on June 1st.
- Attended the Awards Evenings for SSS, CSS and FVDES.
- Attended the Commencement Ceremonies for SSS on June 9th

5.4 May 23, 2017 In-Camera Board Meeting Summary

Trustees: Paul McManus, Walt Krahn, Dan Coulter, Silvia Dyck, Barry Neufeld, Bob Patterson

Staff: Evelyn Novak, Gerry Slykhuis, Rohan Arul-Pragasam, Tamara Ilersich, Donna Vogel

1. Board Appreciation – Principal Vice Principal
2. Pre-schools and Daycares on SD 33 Property
3. Property Update
4. Human Resources Report
5. BCPSEA Report

5.5 Future Board of Education Meeting Date

**Tuesday, September 19, 2017
7:00 pm
School District Office**

6. ADJOURNMENT

The meeting was adjourned at 8:32 p.m.

Board Chair

Secretary-Treasurer

BOARD OF EDUCATION

PRESENTATION

DATE: September 19, 2017

TO: Board of Education

FROM: Vice-Principals Jeff Dartnell, Diane Chapman & Kristin Sward

RE: **2017 SUMMER LEARNING PROGRAM**

BACKGROUND

The Chilliwack School District's 2017 Summer Learning (SL) Program was held at the Chilliwack Secondary / FVDES site at 46361 Yale Road. The program administrators were Principal Brian Fehlauer and Vice Principals Diane Chapman and Jeff Dartnell.

The total number of students that attended the SL program was approximately 530. The majority of these students were at the elementary level. This is an area of the SL program that is growing substantially every year.

In the past a major component of the SL program was the Summit Program but this year the Gr.7/8 numbers were quite low compared to the past few years. This drop could be indicative of a number of factors but we will have to see if this trend continues. With the addition of ELL and Coding classes, the numbers of elementary-based classes rose again this year. The SL program was severely impacted by the CSS gyms and lobby being used as a Northern Wildfire evacuation site. This forced the Elementary and Middle school students to go outside for DPA as they did not have access to the air-conditioned gym. This also caused concern from many parents due to the large number of people being in the CSS building during the SL hours. Overall the SL program went quite smoothly and parents/students were quite pleased with the programs being offered.

BOARD OF EDUCATION

DECISION REPORT

DATE: September 19, 2017
TO: Board of Education
FROM: Gerry Slykhuis, Secretary Treasurer
RE: **2016-2017 AUDITED FINANCIAL STATEMENTS**

RECOMMENDATION:

THAT the Board approve the 2016-2017 Audited Financial Statements and forward to the Ministry of Education.

BACKGROUND:

The Secretary Treasurer and Tim Holloway, Lead Audit Engagement Partner – KPMG, will present the 2016-2017 Audited Financial Statements and Audit Findings Report included in this package.



School District No. 33 (Chilliwack)

**Audit Findings Report
For the year ended June 30, 2017**

KPMG LLP

For the meeting on September 14, 2017

kpmg.ca/audit



The contacts at KPMG in connection with this report are:

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

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

Executive summary

Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the audit committee, in your review of the results of our audit of the financial statements of School District No. 33 (Chilliwack) ("the District") as at and for the year ended June 30, 2017.

Materiality

We determine materiality in order to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. For the current period, we have determined a materiality of \$4,000,000.

Audit risks and results

As part of our audit planning, we identified significant financial reporting risks that, by their nature, require special audit consideration. By focusing on these risks, we established an overall audit strategy and effectively targeted our audit procedures. We are satisfied that our audit work has appropriately dealt with the risks.

See page 5

Critical accounting estimates

Overall, we are satisfied with the reasonability of critical accounting estimates taken. The most critical areas of estimates relate to the amortization of tangible capital assets and deferred capital contributions and estimates for employee future benefits.

See page 7

Adjustments and differences

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

We identified one uncorrected difference that was communicated to management.

See page 12

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

Executive summary

Finalizing the audit

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

- completing our discussions with the audit committee;
- obtaining the signed management representation letter;
- obtaining evidence 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 audit committee, and not solely the Chair (as required by professional standards), on significant matters, *if any*, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

Control and other observations

In accordance with professional standards, we are required to communicate to the Board of Education any control deficiencies that we determined, individually or in the aggregate, to be significant ("significant deficiencies").

No significant deficiencies in internal controls have come to our attention for the current year.

Please refer to "other observations" for operational improvement recommendation.

See page 14

Independence

As required by professional standards, we have considered all relationships between KPMG and the District that may have a bearing on 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, 2016 up to the date of this report.

Audit risks and results

Inherent risk of material misstatement is the susceptibility of a balance or assertion to misstatement which could be material, individually or when aggregated with other misstatements, assuming that there are no related controls.

We highlight our significant findings in respect of significant financial reporting risks as identified in our discussion with you in the Audit Plan, as well as any additional significant risks identified.

Significant financial reporting risks	Our response and significant findings
<p>Implementation of Supreme Court of Canada's ruling – restored collective agreement language</p>	<ul style="list-style-type: none"> In January 2017, the Ministry of Education ("MoE"), BC Public Schools Employers Association ("BCPSEA") and BC Teachers Federation ("BCTF") signed a Memorandum of Agreement re: LoU No. 17: Education Fund and Impact of the Court Cases – Priority Measures, as the first step in responding to the decision from the Supreme Court of Canada. The agreement supported the implementation of priority measures as agreed by the MoE, BCPSEA and the BCTF while negotiations continued regarding the restored collective agreement provisions. The priority measures funding must be spent on enrolling and non-enrolling teachers before it can be spent on school district-level capacity building initiatives to support teachers. Funding relating to this agreement was received in the current fiscal year. Further, in March 2017, the MoE, BCPSEA and BCTF signed a Memorandum of Agreement re: LOU No. 17: Education Fund and Impact of the Court Cases – Final Agreement which fully and finally resolved all matters related to the implementation of the Supreme Court of Canada's decision. At the Provincial level, the funding commitment per the final agreement consists of \$80 million from the former Education Fund (the teacher portion of the Learning Improvement Fund ("LIF")), \$100 million from the Priority Measures funding announced in January 2017 and \$180 million in additional new funding for teacher compensation and overhead and operating expenses. The \$20 million component of the LIF applicable to school support staff unions will continue for the 2017/18 fiscal year. Total approved funding from the Ministry will be \$9,716,743 which includes funding for an additional 83.5 FTE teachers and specialists. In fiscal 2017, \$1,239,324 of this funding was received. Management has recorded these amounts in Special Purpose Operations, with \$1,053,316 recognized as revenue in fiscal 2017. The remaining unspent balance of \$186,008 has been recorded as deferred revenue. <p>KPMG Comments:</p> <ul style="list-style-type: none"> We obtained an understanding of management's recording of the new funding in the financial statements. We confirmed the amount of funding that was received from the Ministry in fiscal 2017. In addition, we reviewed appropriate schedules to the financial statements and assessed whether amounts recognized as revenue or deferred at June 30, 2017 were reasonable. Based on our procedures performed, we concur with management's treatment of the funding received.

<p>Employee future benefits and salaries</p>	<ul style="list-style-type: none"> • The Ministry of Education, on behalf of all School Districts in BC, engages an external actuary to determine the obligations and related costs for both vested and non-vested benefits, which include sick leave, retirement incentive, severance and vacation offered as part of the District’s collective agreements. • The largest operating expense of the School District is salaries and benefits. <p>KPMG Comments:</p> <ul style="list-style-type: none"> • We assessed the competence, capabilities and objectivity of the actuary in performing the actuarial valuation. • We assessed the use of significant assumptions used for the valuing the obligation, including estimated inflation rate, discount rate, earnings growth and service life of employees. • We performed substantive analytical testing over salaries and benefits and reviewed significant fluctuations from prior year. • We reviewed the process and controls over salaries and benefits. • We reviewed financial statement presentation to ensure it is consistent with the applicable financial reporting framework. • No significant issues were noted.
<p>Fraud risk from revenue recognition and management override of controls</p>	<ul style="list-style-type: none"> • Professional standards presume the risk of fraudulent revenue recognition and the risk of management override of controls exist in all companies. • The risk of fraudulent revenue recognition can be rebutted, but the risk of management override of control cannot because management is typically 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. <p>KPMG Comments:</p> <ul style="list-style-type: none"> • Our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of manual journal entries, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions. • We have evaluated the design and implementation of relevant controls around journal entries with no issues noted. • We have reviewed significant journal entries and adjustments recorded throughout the year and subsequent to year-end and noted no unusual or unsupported transactions. We also did not identify any unusual business transactions that occurred during fiscal 2017.

Critical accounting estimates

Under IFRS (IAS 1, 125), management is required to disclose information in the [consolidated] financial statements about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities within the next financial year. Generally, these are considered to be “critical accounting estimates.”

We have summarized our assessment of the subjective areas.

Critical accounting estimates

Asset / liability	KPMG comment
Employee future benefits	<ul style="list-style-type: none"> • The liability for employee future benefits is based on underlying actuarial assumptions. The estimate is subject to variability and measurement uncertainty including changes in actual future benefit costs realized and discount rates. • Management engaged Mercer to assist in the valuation of EFBs as at June 30, 2017 using certain assumptions applicable to the School District provided by management. • Based on the audit work performed, we conclude that management’s estimates over the valuation of EFBs are reasonable.
Useful lives of tangible capital assets (“TCA”)	<ul style="list-style-type: none"> • Amortization on tangible capital assets is based on the estimated useful lives of the underlying assets. • We compared the estimated useful lives to prior year, and assessed the amortization expense for reasonableness. • Based on the audit work performed, we conclude that management’s estimates over the useful lives of TCA are reasonable.

We believe management’s process for identifying critical accounting estimates is considered reasonable.

Significant accounting policies and practices

Significant accounting policies

Significant accounting policies or practices are disclosed in Note 2 to the financial statements.

Significant disclosures

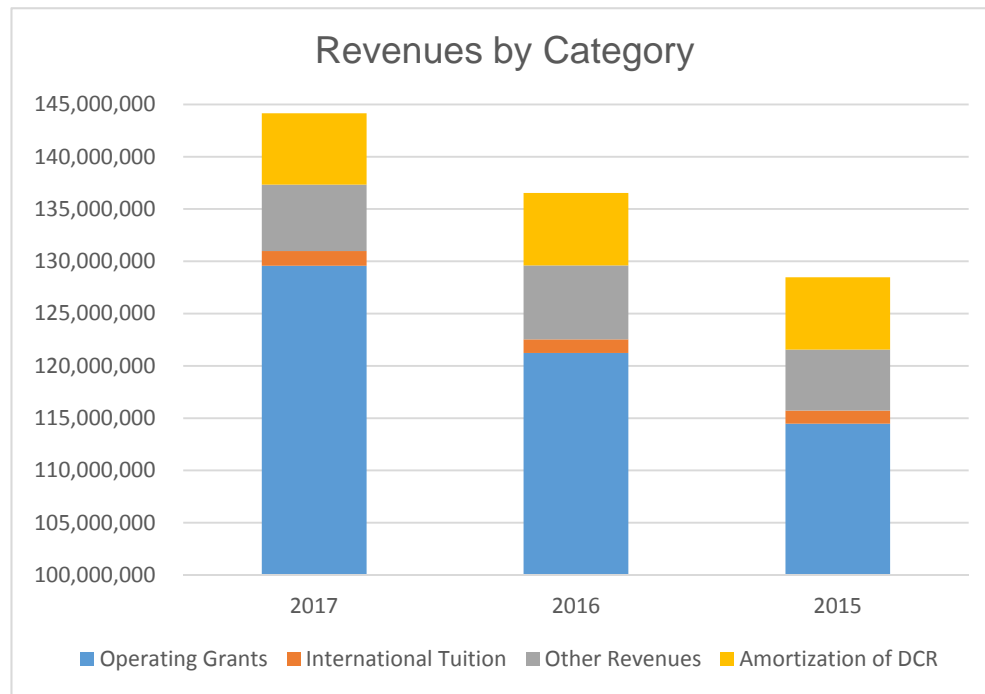
The financial statements include disclosures and presentation requirements under the relevant financial reporting framework.

- We reviewed the issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures and found no significant issues.
 - We considered the overall neutrality, consistency, and clarity of the disclosures in the financial statements and found no significant issues.
 - We reviewed the potential effect on the financial statements of significant risks, exposures and uncertainties and found no significant issues.
-

Analysis of financial performance

As part of the audit, there are certain key ratios and trends that we look at to assess audit risk and likelihood of error and/or misstatement. We share these ratios with the Board and Management and welcome any questions related to our interpretation of trends.

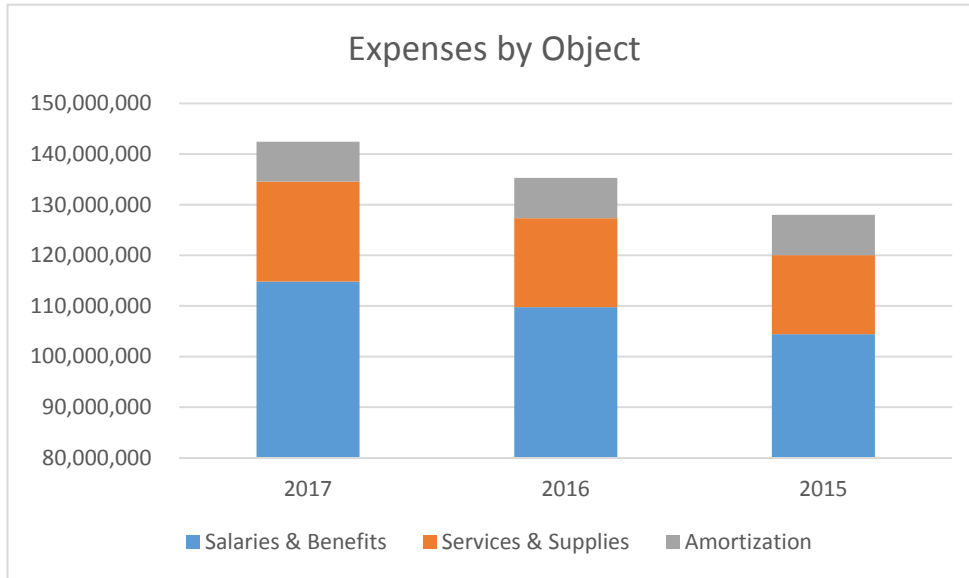
Note: the following financial information is taken from the annual audited financial statements prepared in accordance with Public Sector Accounting Standards and Treasury Board Regulations.



Grants from the Ministry represent 89.9% (2016 – 88.8%) of total revenues and has increased by 6.9% from prior year. The majority of this increase is due to the \$5.1 million increase in the annual operating grant and the \$1.2 million in funding received in fiscal 2017 in relation to the priority measures. An increase in grants is consistent with a 3% increase in school-age enrolment.

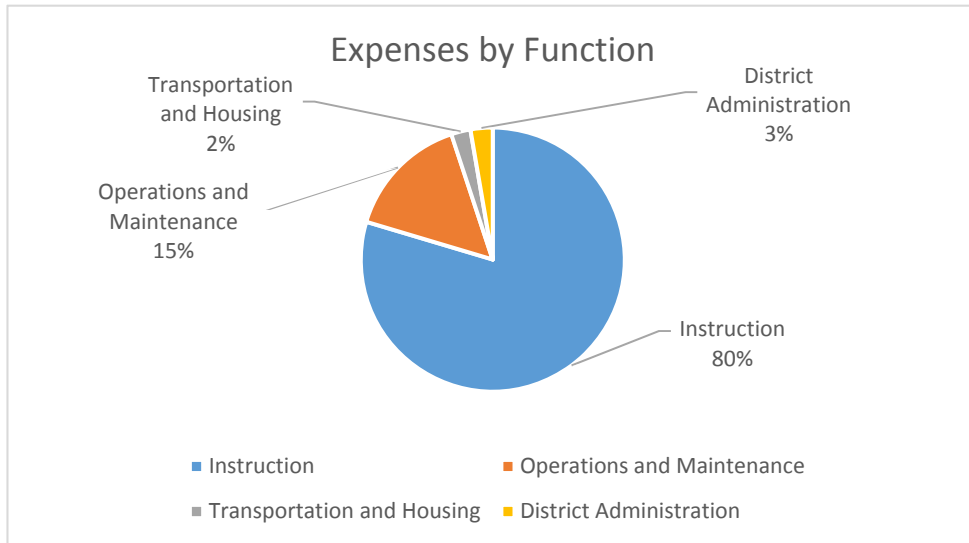
Tuition revenue increased to \$1.4 million (2016 - \$1.3 million), an increase of approximately 7.5%. This is consistent with a 4.2% increase in annual tuition fees to \$12,500 (2016 – 12,000) and a slight increase in International student enrolment.

Other revenues represents 4.4% of total revenue (2016 – 5.1%), and is more consistent with fiscal 2015 at 4.5%. Other revenues have decreased to \$6.3 million (2016 - \$7.1 million) largely due to a decrease in transportation fee revenue and school generated funds.

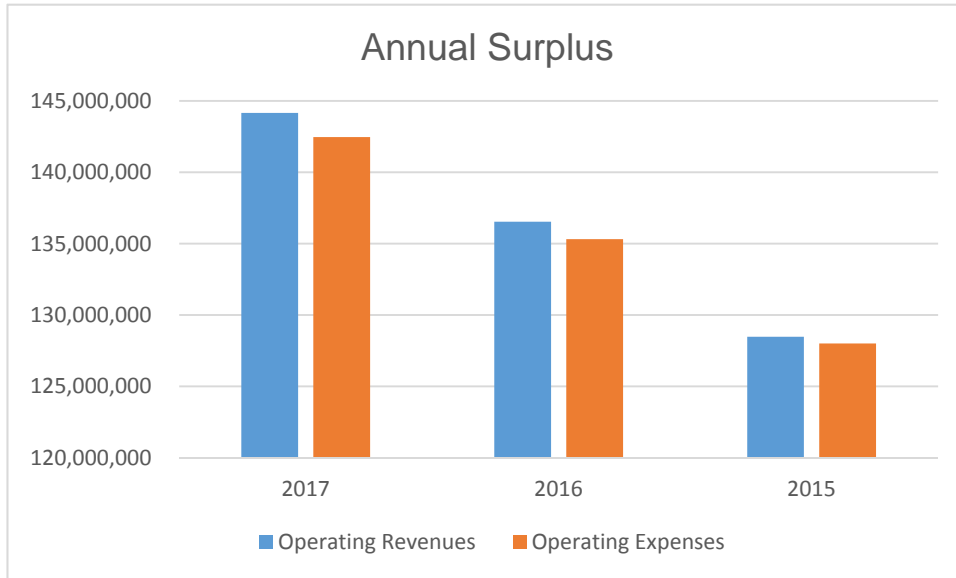


Total annual expenses have increased 5.3% over prior year (2016 – 5.7%). Salaries and benefits represent 81% of total expense, consistent with previous years. The \$5 million increase in salaries and benefits is due an increase in the rate of pay and an increase in the headcount for teachers. In addition to the regular step increases for staff, the Economic Stability Dividend resulted in a 0.35% salary increase. Teacher headcounts increased as an outcome of rising enrolment.

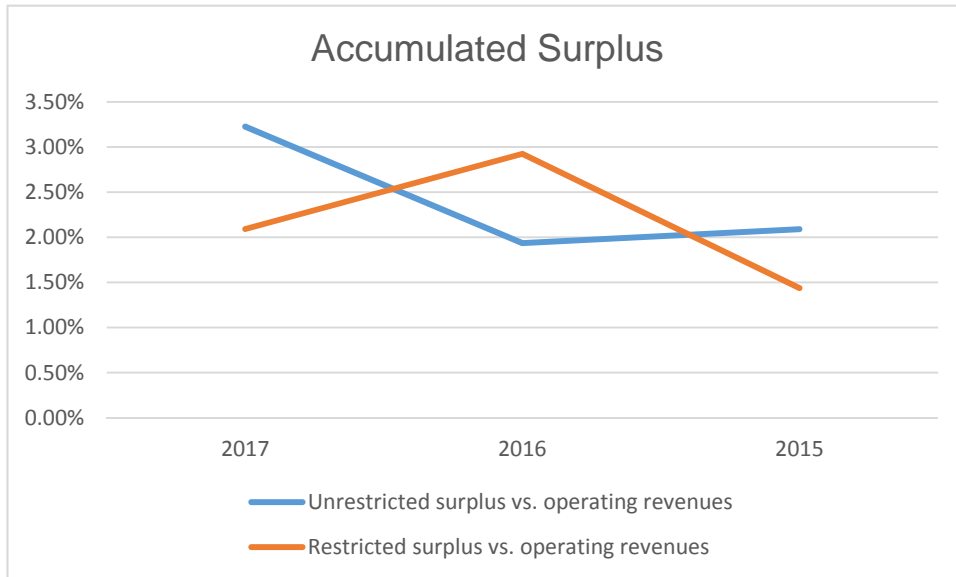
Services and Supplies represents 13.9% of total expenses (2016 – 13.0%) and has increased \$2.2 million to \$19.8 million (2016 - \$17.6 million). The increase in services and supplies is consistent with a 3% increase in school-age enrolment as well an increase in spending due to additional targeted school supply grants received from the Ministry of Education.



Instruction represents 79.6% of total expenses, consistent with previous years (2016 – 79.1%). Instruction has increased \$6.4 million; this increase is largely due to the \$5.0 increase in teacher and substitute teacher salary expense over 2016 as noted above and is consistent with a 3% increase in school-age enrolment.



Annual surplus represents the excess of revenue over expenses during the year. The annual surplus has ranged from 0.4% to 1.2% of annual operating revenue from 2015 to 2017, respectively.



Accumulated surplus represents a measure of flexibility and sustainability. Restricted surplus is funds that the Board has designated to pay for specific future costs. Unrestricted surplus represents resources that can be used to provide future services and contingency to fund unexpected costs or respond to unexpected decline in revenue. Unrestricted surplus at June 30, 2017 represents 3.23% (2016 – 1.93%) of annual operating revenue for the year.

Adjustments and differences

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

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

Corrected adjustments

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

Uncorrected differences

The management representation letter in Appendix 2 includes the Summary of Uncorrected Audit Misstatements, which disclose the impact of all uncorrected differences considered to be other than clearly trivial.

Consistent with the prior year, we identified a misstatement that remains uncorrected relating to the District’s health and dental benefit surplus. As at June 30, 2017 there is \$339,095 in prepaid health and dental benefit costs which have been prematurely recorded to wages.

Public Sector Accounting Standards requires the statement of operations and statement of changes in net debt present a comparison of the results for the accounting period with those originally planned. Management presented the Amended Annual Budget as the basis for this comparison. The original annual budget has been included in the notes to the financial statements, which provides information related to the differences between the original and amended budget. It is expected that the budget figures may change significantly between the original and amended budget as enrollment figures and Ministry funding is confirmed. The presentation difference is not considered material to the financial statements given that the original annual budget information is provided in the notes to the financial statements. The presentation adopted by the District is consistent with many other Districts throughout the Province.

Control observations

In accordance with professional standards, we are required to communicate to the Board of Trustees any control deficiencies that we identified during the audit and have determined to be significant deficiencies in ICFR.

Other control deficiencies may be identified during the audit that do not give rise to the level of significant deficiency.

Control deficiencies

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR.

Management's responses

Management's responses have not been subjected to the audit procedures applied in the audit, and accordingly, we express no opinion on them.

Other observations

During the course of our audit, we identified observations that we believe may be of interest to the Audit Committee.

Our observations may include comments on risks, and the Districts approach to those risks, performance improvement observations, or other industry trends and developments.

These observations are based on, among other things, our understanding of the affairs and processes of the District, as well as our understanding of many other companies in the same or other industries.

The following is a summary of our observations and insights as discussed with management:

Item	Observation
<p>Capitalization Policy</p>	<p><i>Observation and Implication</i></p> <p>KPMG noted some Annual Facilities Grant expenditures that were capital in nature were expensed and revenue received from the Ministry equal to the amount of these items was recorded as revenue in the period. In addition, a tangible capital asset purchase that was over the budget amount was partially capitalized and partially expensed. This policy is not in accordance with Public Sector Accounting Standards and has resulted in immaterial overstatements of expenditures and revenues and immaterial understatements of tangible capital assets.</p> <p><i>Recommendation</i></p> <p>We recommend management consider capitalizing items if they meet the criteria for capitalization as described in section 3150 of the Public Sector Accounting Handbook.</p>

Appendices

Appendix 1: Required communications

Appendix 2: Management representation letter

Appendix 3: Audit Quality and Risk Management

Appendix 4: Background and professional standards

Appendix 5: Meeting the public sector risk management challenge

Appendix 6: Current developments

Appendix 1: Required communications

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

- **Engagement Letter** – the objective of the audit, our responsibilities in carrying out our audit, as well as management’s responsibilities, are set out in the engagement letter dated December 21, 2016, previously provided to you.
- **Required inquiries** – Professional standards require that during the planning of our audit we obtain your views on risk of fraud and other matters. We make similar inquiries to management as part of our planning process; responses to these assist us in planning our overall audit strategy and audit approach accordingly. These inquiries have been performed during our audit planning.
- **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, copies of the management representation letter are provided to the Board of Trustees. The management representation letter is attached in Appendix 2.

Appendix 2: Management Representation Letter

(Letterhead of Client)

KPMG LPP
32575 Simon Ave
Abbotsford, BC V2T 4W6

September 19, 2017

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of School District No. 33 (Chilliwack) ("the School District") as at and for the period ended June 30, 2017.

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 December 21, 2016, 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) determining that the basis of accounting is an acceptable basis for the preparation of the financial information in the circumstances.
 - c) providing you with all information of which we are aware that is relevant to the preparation of the financial statements, such as all financial records and documentation and other matters, including (i) the names of all related parties and information regarding all relationships and transactions with related parties; and (ii) the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements, and providing you with access to such relevant information. All significant board and committee actions are included in the summaries.
 - d) providing you with unrestricted access to persons within the School District from whom you determined it necessary to obtain audit evidence.
 - e) 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.

- f) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- g) providing you with written representations that you are required to obtain under your professional standards and written representations that you determined are necessary.

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 and that affects the financial statements and involves: management, employees who have significant roles in internal control over financial reporting, or others, where the 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.

Commitments & Contingencies:

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

Subsequent events:

- 5) 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:

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

Estimates:

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

Misstatements:

- 10) 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:

- 11) We confirm that the School District 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). We also confirm that the financial statements of the School District will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Post-employment benefits, compensated absences, termination benefits and retirement benefits:

- 12) The post-employment benefits, compensated absences, termination benefits and retirement benefit costs, assets and obligation have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- 13) We have no knowledge of arrangement (contractual or otherwise) by which programs have been established to provide post-employment benefits, except as disclosed to you.
- 14) The significant accounting policies the School District has adopted in applying PS 3255, Post-employment benefits, compensated absences and termination benefits and PS 3250, Retirement Benefits (hereinafter referred to as "PS 3255" and "PS3250") are disclosed in note to the financial statements.
- 15) All arrangements (contractual or otherwise) by which programs have been established to provide post-employment benefits have been disclosed to you and included in the determination of pension and post-employment costs and obligations. This includes:

- 16) Pension and other retirement benefits expected to be provided after retirement to employees and their beneficiaries.
- 17) Post-employment benefits expected to be provided after employment but before retirement to employees and their beneficiaries. These benefits include unused sick leave and severance benefits.
- 18) Compensated absences for which it is expected employees will be paid. These benefits include accumulating sick days; and
- 19) Termination benefits.
- 20) The post-employment benefit and retirement costs, assets and obligations have been determined, accounted for and disclosed in accordance with PS 3255 and PS3250. In particular:
 - 21) each of the best estimate assumptions used reflects management's judgment of the most likely set of conditions affecting future events; and
 - 22) the best estimate assumptions used are, as a whole, consistent within themselves, and with the valuation method adopted for purposes of this evaluation.
 - 23) The assumptions included in the actuarial valuation are those that were determined by Management and the Ministry of Education with Mercer (Canada) Limited ("Mercer") to use in computing amounts to be used by us in determining pension costs and obligations and in making required disclosures in the above-named financial statements, in accordance with PS 3255 and PS3250.
 - 24) In arriving at these assumptions, Management and the Ministry of Education obtained the advice of Mercer, but management has reviewed the assumptions and has retained the final responsibility for them.
 - 25) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.
 - 26) All changes to plan provisions or events occurring subsequent to the date of the actuarial valuation and up to the date of this letter have been considered in the determination of pension and other post-employment benefit and retirement costs.
 - 27) The information provided by us to Mercer ("the expert") and used in the work and findings of the expert are complete and accurate. We agree with the findings of the expert in evaluating the actuarial obligations and have adequately considered the qualifications of the expert in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give nor cause any instructions to be given to the expert with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence and objectivity of the expert.

Yours very truly,

Evelyn Novak, Superintendent

Gerry Slykhuis, Secretary-Treasurer

Mark Friesen, Assistant Secretary-Treasurer

cc: Audit Committee

Attachment I – Definitions

Materiality

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

Fraud & error

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

Misappropriation of assets involves the theft of a School District'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.

Related parties

- In accordance with Public Sector Accounting Standards related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Two not-for-profit organizations are related parties if one has an economic interest in the other. Related parties also include management and immediate family members.
- In accordance with Public Sector Accounting Standards a related party transaction is defined as a transfer of economic resources or obligations between related parties, or the provision of services by one part to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties

Attachment II – Summary of Audit Misstatements Schedule(s)
Summary of Uncorrected Audit Misstatements - Year ended June 30, 2017

Correcting Entry Required at Current Period End					Income Statement Effect - Debit (Credit)			Balance Sheet Effect - Debit (Credit)				
ID	Description of misstatement	Accounts	Debit	(Credit)	Income effect of correcting the balance sheet in prior period (carryforward from prior period)	Income effect of correcting the current period balance sheet	Income effect according to Rollover (Income Statement) method	Equity	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities
			A		B	C=A	C-B					
1	To record a prepaid asset relating to health and dental benefit premium surpluses and record the impact on the current year expense of the benefit payment holiday taken in the current year.	Dr. Prepaid Expenses Dr. Benefits Expenses Cr. Internally Restricted Net Assets-Opening	339,095 627,976	(967,071)	(967,071)	(627,976)	- (627,976) 967,071	627,976 (967,071)	339,095			
					Totals		339,095	(339,095)	339,095	-	-	-

Appendix 3: Audit Quality and Risk Management

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

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

Visit our [Audit Quality Resources page](#) for more information including access to our audit quality report, [Audit quality: Our hands-on process](#).

- Other controls include:
 - Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits.
 - Technical department and specialist resources provide real-time support to audit teams in the field.
- We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.
- We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.
- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.



- We do not offer services that would impair our independence.
- The processes we employ to help retain and develop people include:
 - Assignment based on skills and experience;
 - Rotation of partners;
 - Performance evaluation;
 - Development and training; and
 - Appropriate supervision and coaching.
- We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.
- Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

Appendix 4: Background and professional standards

Internal control over financial reporting

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

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

The control deficiencies communicated to you are limited to those control deficiencies that we identified during the audit.

Documents containing or referring to the audited financial statements

We are required by our professional standards to read only documents containing or referring to audited financial statements and our related auditors' report that are available through to the date of our auditors' report. The objective of reading these documents through to the date of our auditors' report is to identify material inconsistencies, if any, between the audited financial statements and the other information. We also have certain responsibilities, if on reading the other information for the purpose of identifying material inconsistencies, we become aware of an apparent material misstatement of fact.

We are also required by our professional standards when the financial statements are translated into another language to consider whether each version, available through to the date of our auditors' report, contains the same information and carries the same meaning.

Appendix 6: Current developments

Cyber security questions Audit Committees should ask

To ensure cyber security is being appropriately addressed, audit committees should ask some key questions going forward:

- Should we be responsible for cyber security or should it be a board-level issue?
- If we're responsible, do we have the right technical/IT experience to fulfill that mandate?
- Is there a set schedule for discussing cyber security in-committee-quarterly, annually, as a standing agenda item?
- Are independent reviews regularly scheduled and reviewed?
- Do we have the right levels of communication and engagement with management?
- Are management and IT adequately and appropriately staffed?
- Are we receiving appropriate reporting and analysis around IT governance, data security, penetration testing, etc.?
- Do we have the right information to understand where gaps may exist and to benchmark against key KPIs?
- Do we have a plan if something does go wrong?
- Have we addressed all regulatory and other requirements?

Another question board members may want to ask themselves is if they actually know whether their organization has ever been attacked. In our experience, many directors aren't sure of the answer and it happens more often than is commonly perceived. So even if you think your organization is immune to attack, it's worth looking deeper into your cyber security history.

The new handbook sections noted below, which are effective for the School Districts 2017/18 fiscal year, are not expected to have a significant impact on the financial position, operating results or financial statements note disclosures of the School District.

Standard	Summary and implications
Related Party Transactions and Inter-entity Transactions	<ul style="list-style-type: none"> – Two new Handbook sections were approved in December 2014, effective for fiscal years beginning on or after April 1, 2017. – Related parties include entities that control or are controlled by a reporting entity, entities that are under common control and entities that have shared control over or that are subject to shared control of a reporting entity. – Individuals that are members of key management personnel and close members of their family are related parties. Disclosure of key management personnel compensation arrangements, expense allowances and other similar payments routinely paid in exchange for services rendered is not required. – Determining which related party transactions to disclose is a matter of judgment based on assessment of: <ul style="list-style-type: none"> • the terms and conditions underlying the transactions; • the financial significance of the transactions; • the relevance of the information; and • the need for the information to enable users' understanding of the financial statements and for making comparisons. – A related party transaction, with the exception of contributed goods and services, should normally be recognized by both a provider organization and a recipient organization on a gross basis. – Related party transactions, if recognized, should be recorded at the exchange amount. A public sector entity's policy, budget practices or accountability structures may dictate that the exchange amount is the carrying amount, consideration paid or received or fair value.
Assets, Contingent Assets and Contractual Rights	<ul style="list-style-type: none"> – Three new Handbook sections were approved in March 2015, effective for fiscal years beginning on or after April 1, 2017. – The intended outcome of the three new Handbook Sections is improved consistency and comparability. – The standard includes enhanced guidance on the definition of assets and disclosure of assets to provide users with better information about the types of resources available to the public sector entity. – Disclosure of contingent assets and contractual rights is required to provide users with information about the nature, extent and timing of future assets and potential assets and revenues available to the public sector entity when the terms of those contracts are met.

Asset Retirement Obligations

- A new standard is under development addressing the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. PSAB currently contains no specific guidance in this area.
- PSAB recently released an Exposure Draft following the consideration of comments received in response to the previously released Statement of Principles.
- The proposed ARO standard would 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”).
- As a result of the proposed standard, the public sector entity will have to:
 - consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;
 - carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;
 - begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.
- The standard has a proposed effective date of April 1, 2021.

Employee Future Benefit Obligations

- Given the complexity of issues involved and potential implications of any changes that may arise from review of PS3250 Retirement Benefits and PS3255 Post-Employment Benefits, PSAB is undertaking this project in phases. Phase I will address specific issues related to measurement of employment benefits. Phase II will address accounting for plans with risk sharing features, multi-employer defined benefit plans and sick leave benefits.
- An Invitation to Comment was issued in November 2016 and closed in March 2017, seeking guidance on whether the deferral provisions in existing public sector standards remain appropriate and justified and the appropriateness of accounting for various components of changes in the value of the accrued benefit obligation and plan assets.
- Separate invitations to comment will be issued in the future on discount rate and other aspects of the PSAB project.
- The ultimate objective of this project is to issue a new employment benefits section to replace existing guidance.

Revenue

- PSAB is proposing a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. In May 2017, PSAB issued an exposure draft *Revenue* with deadline for comments to PSAB by August 15, 2017
 - Adoption of these principles would result in a need to assess current accounting policies.
 - In the case of revenues arising from an exchange, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.
 - For unilateral revenues, recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
-

Financial Governance and Accountability - new requirements

In March 2017, the Ministry of Education released a letter to all BC School Districts outlining policies to strengthen the financial accountability framework of school districts. The target date of implementation of these policies is June 30, 2018, which include:

- Establish a policy for budget monitoring and reporting. At a minimum, quarterly reporting to the Board, with projections to year end and status of capital projects.
- Establish a policy for Operating surplus to guide accumulation, reporting and spending of funds.
- Formally assess the merits of establishing an audit committee, including policy for internal audit procedures.
- Provide regular training to Trustees on governance and financial literacy.
- Provide training to trustees and senior staff on BC Government's Taxpayer Accountability Principles.
- Prepare formal MD&A to accompany financial reporting.
- Undertake strategic planning to establish a vision, plan and key performance indicators, to be used to guide budgeting and financial monitoring.
- Complete comprehensive risk assessment and establish risk management practices.

These expectations and recommendations provided by the Ministry of Education are at the discretion of the Board of Education and should take into consideration their District's unique circumstances, risk profile, and strategic priorities when implementing the above policies.

We will work with the District to implement these reporting requirements.

kpmg.ca/audit



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Audited Financial Statements of

School District No. 33 (Chilliwack)

June 30, 2017

School District No. 33 (Chilliwack)

June 30, 2017

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School District No. 33 (Chilliwack)

MANAGEMENT REPORT

DRAFT

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 33 (Chilliwack) 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. 33 (Chilliwack) (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, 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. 33 (Chilliwack) 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. 33 (Chilliwack)

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. 33 (Chilliwack)

Statement of Financial Position

As at June 30, 2017

	2017 Actual \$	2016 Actual \$
Financial Assets		
Cash and Cash Equivalents	34,034,685	31,596,133
Accounts Receivable		
Due from Province - Ministry of Education		230,000
Due from LEA/Direct Funding	414,849	314,893
Other (Note 3)	278,012	314,409
Total Financial Assets	34,727,546	32,455,435
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	13,724,871	13,516,834
Unearned Revenue (Note 5)	1,271,712	1,241,296
Deferred Revenue (Note 6)	2,513,918	2,342,131
Deferred Capital Revenue (Note 7)	160,920,470	166,023,856
Employee Future Benefits (Note 8)	3,453,572	3,363,814
Other Liabilities	934,444	690,382
Total Liabilities	182,818,987	187,178,313
Net Financial Assets (Debt)	(148,091,441)	(154,722,878)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	210,354,280	215,944,638
Restricted Assets (Endowments) (Note 11)	73,261	73,261
Prepaid Expenses	982,417	327,152
Total Non-Financial Assets	211,409,958	216,345,051
Accumulated Surplus (Deficit) (Note 19)	63,318,517	61,622,173

Contractual Obligations and Contingencies (Note 15,16)

Approved by the Board

DRAFT

Signature	Chairperson of the Board of Education	Date Signed
Signature	Superintendent	Date Signed
Signature of the Secretary Treasurer		Date Signed

School District No. 33 (Chilliwack)

Statement 2

Statement of Operations
Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	128,466,770	129,423,286	121,115,743
Other	90,000	159,487	118,464
Tuition	1,436,000	1,398,754	1,302,462
Other Revenue	5,777,101	5,560,616	6,283,716
Rentals and Leases	400,000	429,838	469,724
Investment Income	301,600	357,777	318,998
Amortization of Deferred Capital Revenue	6,847,059	6,830,892	6,921,509
Total Revenue	<u>143,318,530</u>	<u>144,160,650</u>	<u>136,530,616</u>
Expenses			
Instruction	115,265,950	113,424,565	106,999,810
District Administration	3,975,808	3,867,385	3,792,409
Operations and Maintenance	21,762,768	21,807,266	21,432,468
Transportation and Housing	3,437,186	3,365,090	3,087,353
Total Expense	<u>144,441,712</u>	<u>142,464,306</u>	<u>135,312,040</u>
Surplus (Deficit) for the year	<u>(1,123,182)</u>	<u>1,696,344</u>	<u>1,218,576</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		61,622,173	60,403,597
Accumulated Surplus (Deficit) from Operations, end of year		<u>63,318,517</u>	<u>61,622,173</u>

School District No. 33 (Chilliwack)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(1,123,182)	1,696,344	1,218,576
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(619,000)	(2,285,811)	(2,153,117)
Amortization of Tangible Capital Assets	7,866,099	7,876,169	7,977,556
Total Effect of change in Tangible Capital Assets	7,247,099	5,590,358	5,824,439
Acquisition of Prepaid Expenses		(982,415)	(327,150)
Use of Prepaid Expenses		327,150	334,031
Total Effect of change in Other Non-Financial Assets	-	(655,265)	6,881
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>6,123,917</u>	6,631,437	7,049,896
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		6,631,437	7,049,896
Net Financial Assets (Debt), beginning of year		(154,722,878)	(161,772,774)
Net Financial Assets (Debt), end of year		(148,091,441)	(154,722,878)

School District No. 33 (Chilliwack)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2017

	2017 Actual	2016 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,696,344	1,218,576
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	166,441	346,254
Prepaid Expenses	(655,265)	6,881
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	208,037	(181,251)
Unearned Revenue	30,416	236,964
Deferred Revenue	171,787	(96,918)
Employee Future Benefits	89,758	217,317
Other Liabilities	244,062	44,061
Amortization of Tangible Capital Assets	7,876,169	7,977,556
Amortization of Deferred Capital Revenue	(6,830,892)	(6,921,509)
Recognition of Deferred Capital Revenue Spent on Sites	(4,025)	
Bylaw Capital Spent on Non-Capital Items	(1,425,166)	(1,490,538)
Total Operating Transactions	1,567,666	1,357,393
Capital Transactions		
Tangible Capital Assets Purchased	(2,051,903)	(2,153,117)
Tangible Capital Assets -WIP Purchased	(233,908)	
Total Capital Transactions	(2,285,811)	(2,153,117)
Financing Transactions		
Capital Revenue Received	3,156,697	4,073,345
Total Financing Transactions	3,156,697	4,073,345
Net Increase (Decrease) in Cash and Cash Equivalents	2,438,552	3,277,621
Cash and Cash Equivalents, beginning of year	31,596,133	28,318,512
Cash and Cash Equivalents, end of year	34,034,685	31,596,133
Cash and Cash Equivalents, end of year, is made up of:		
Cash	34,034,685	31,596,133
	34,034,685	31,596,133
Supplementary Cash Flow Information		

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 AUTHORITY AND PURPOSE

The School District 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. 33 (Chilliwack)", and operates as "School District No. 33 (Chilliwack)." 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. School District No. 33 (Chilliwack) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

a) Basis of accounting

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

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

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.

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 (l).

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. See Note 2 (a) for the impact of this policy on these financial statements.

f) Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The School District is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) 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.

g) Employee Future Benefits

i) Post-Employment 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 both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime 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.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. 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.

ii) Pension Plans

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

h) Asset Retirement Obligations

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

i) 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 as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market 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 an acquisition 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.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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

j) Prepaid Expenses

Prepaid expenses consist of unexpired insurance premiums and other prepaid amounts which will be amortized over the term of the policies, or in the period the actual expense relates to, respectively.

Materials and supplies held for use within the School District are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) 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 (see Notes 12 – Interfund Transfers and Note 19 – Accumulated Surplus).

l) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2 (a) for the impact of this policy on these financial statements.

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.

m) Expenses

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.

n) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

o) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and 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. 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 remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Trade receivables	\$ 75,125	\$ 70,767
GST Receivable	79,334	108,876
Rent Receivable	48,121	60,233
Council of Ministers of Ed. (French Monitor)	14,928	-
Chilliwack Teachers Assoc.	28,014	45,863
Simon Fraser University	21,902	21,950
Other	10,588	6,720
	<u>\$ 278,012</u>	<u>\$ 314,409</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Trade payables	\$ 998,576	\$ 938,940
Salaries and benefits payable	10,938,813	10,009,745
Accrued vacation pay	554,730	511,373
Construction holdbacks	338,648	1,456,248
Other	894,104	600,528
	<u>\$13,724,871</u>	<u>\$13,516,834</u>

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 5 UNEARNED REVENUE

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Balance, beginning of year	\$ 1,241,296	\$ 1,004,332
Increase:		
Tuition fees	1,473,465	1,405,667
Bus fees	<u>73,745</u>	<u>44,295</u>
	<u>1,547,210</u>	<u>1,449,962</u>
Decrease:		
Tuition fees	1,398,754	1,212,471
Bus fees	118,040	
Rental/lease of facilities		<u>527</u>
	<u>1,516,794</u>	<u>1,212,998</u>
Balance, end of year	<u><u>\$ 1,271,712</u></u>	<u><u>\$ 1,241,296</u></u>

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.

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Balance, beginning of year	\$ 2,342,131	\$ 2,439,049
Increase: Contributions received		
Provincial Grants – Ministry of Education	5,412,550	4,019,746
Provincial Grants - Other		-
Other	3,038,868	3,185,653
Investment income	<u>16,896</u>	<u>16,828</u>
	<u>8,468,314</u>	<u>7,222,227</u>
Decrease:		
Expenses	<u>8,296,527</u>	<u>7,319,145</u>
	<u>8,296,527</u>	<u>7,319,145</u>
Net changes for the year	<u>171,787</u>	<u>(96,918)</u>
Balance, end of year	<u><u>\$ 2,513,918</u></u>	<u><u>\$ 2,342,131</u></u>

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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.

	Deferred Capital 2017	Unspent Capital 2017	Total Deferred Capital Revenue 2017	Total Deferred Capital Revenue 2016
Balance, beginning of year	\$162,159,931	\$3,863,925	\$166,023,856	\$170,362,558
Increase:				
Transfer from Unspent – Capital Additions	778,157		778,157	1,989,875
Provincial Grants – Ministry of Education		2,251,680	2,251,680	3,412,051
Other Income		905,017	905,017	661,294
	<u>778,157</u>	<u>3,156,697</u>	<u>3,934,854</u>	<u>6,063,220</u>
Decrease:				
Amortization of Deferred Capital	6,830,892		6,830,892	6,921,509
Capital Additions–transfer to Deferred Capital		778,157	778,157	1,989,875
Site Purchases - transfer to Revenue		4,025	4,025	-
Facility Improvements Not Capitalized		1,425,166	1,425,166	1,490,538
	<u>6,830,892</u>	<u>2,207,348</u>	<u>9,038,240</u>	<u>10,401,922</u>
Net changes for the year	<u>(6,052,735)</u>	<u>949,349</u>	<u>(5,103,386)</u>	<u>(4,338,702)</u>
Balance, end of year	<u>\$156,107,196</u>	<u>\$4,813,274</u>	<u>\$160,920,470</u>	<u>\$166,023,856</u>

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime 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.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

	June 30, 2017	June 30, 2016
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 3,851,537	\$ 4,190,671
Service Cost	320,203	302,746
Interest Cost	100,138	96,982
Benefit Payments	(311,761)	(297,731)
Actuarial (Gain) Loss	(106,025)	(441,131)
Accrued Benefit Obligation – March 31	\$3,854,092	\$3,851,537
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 3,854,092	\$ 3,851,537
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(3,854,092)	(3,851,537)
Employer Contributions After Measurement Date	209,430	130,917
Benefits Expense After Measurement Date	(107,118)	(105,085)
Unamortized Net Actuarial (Gain) Loss	298,208	461,891
Accrued Benefit Asset (Liability) - June 30	\$ (3,453,572)	\$ (3,363,814)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 3,363,814	\$ 3,146,497
Net Expense for Fiscal Year	480,031	497,829
Employer Contributions	(390,274)	(280,512)
Accrued Benefit Liability - June 30	\$ 3,453,572	\$ 3,363,814
Components of Net Benefit Expense		
Service Cost	\$ 319,588	\$ 307,110
Interest Cost	102,786	97,771
Amortization of Net Actuarial (Gain)/Loss	57,657	92,948
Net Benefit Expense	\$ 480,031	\$ 497,829

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)

Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	2.75%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	12.5	12.5

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value

	Net Book Value June 30, 2017	Net Book Value June 30, 2016
Sites	\$ 36,995,654	\$ 36,107,540
Buildings	167,103,841	172,863,151
Buildings - work in progress	233,908	-
Furniture & Equipment	4,151,550	4,915,162
Vehicles	1,506,586	1,625,179
Computer Software	207,625	216,553
Computer Hardware	155,116	217,053
Total	\$210,354,280	\$215,944,638

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 9 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2017

Cost:	Balance at July 1, 2016	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2017
Sites	\$ 36,107,540	\$ 888,114	\$ -	\$ -	\$ 36,995,654
Buildings	265,396,957	571,385	-	-	265,968,342
Buildings - work in progress	-	233,908	-	-	233,908
Furniture & Equipment	10,833,307	210,862	(2,387,991)	-	8,656,178
Vehicles	4,295,643	322,526	(91,424)	-	4,526,745
Computer Software	310,210	59,016	-	-	369,226
Computer Hardware	309,685	-	-	-	309,685
Total	\$ 317,253,342	\$ 2,285,811	\$ (2,479,415)	\$ -	\$ 317,059,738

Accumulated Amortization:	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	92,533,806	6,330,695	-	98,864,501
Furniture & Equipment	5,918,145	974,474	(2,387,991)	4,504,628
Vehicles	2,670,464	441,119	(91,424)	3,020,159
Computer Software	93,657	67,944	-	161,601
Computer Hardware	92,632	61,937	-	154,569
Total	\$ 101,308,704	\$ 7,876,169	\$ (2,479,415)	\$ 106,705,458

June 30, 2016

Cost:	Balance at July 1, 2015	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2016
Sites	\$ 36,107,540	\$ -	\$ -	-	\$ 36,107,540
Buildings	263,503,226	1,893,731	-	-	265,396,957
Buildings - work in progress	-	-	-	-	-
Furniture & Equipment	10,994,995	160,843	(322,531)	-	10,833,307
Vehicles	4,826,187	58,433	(588,977)	-	4,295,643
Computer Software	341,458	40,110	(71,358)	-	310,210
Computer Hardware	309,685	-	-	-	309,685
Total	\$ 316,083,091	\$ 2,153,117	\$ (982,866)	\$ -	\$ 317,253,342

Accumulated Amortization:	Balance at July 1, 2015	Additions	Disposals	Balance at June 30, 2016
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	86,230,861	6,302,945	-	92,533,806
Furniture & Equipment	5,149,261	1,091,415	(322,531)	5,918,145
Vehicles	2,803,349	456,092	(588,977)	2,670,464
Computer Software	99,848	65,167	(71,358)	93,657
Computer Hardware	30,695	61,937	-	92,632
Total	\$ 94,314,014	\$ 7,977,556	\$ (982,866)	\$ 101,308,704

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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 boards 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, 2015, the Teachers' Pension Plan has about 45,000 active members and approximately 36,000 retired members. As of December 31, 2015, the Municipal Pension Plan has about 189,000 active members, including approximately 24,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014, indicated a \$449 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$10,927,450 for employer contributions to the plans for the year ended June 30, 2017 (2016: \$11,403,952).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

Employers participating in 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.

**SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 11 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the School District. One restriction is that the original contribution should not be spent.

Name of Endowment	Balance		Balance	
	July 1, 2016	Contributions	July 1, 2017	
Brunt	\$ 30,000	\$ -	\$ 30,000	
Nelson	10,000	-	10,000	
Newberry	13,000	-	13,000	
Ford Mountain	20,261	-	20,261	
Total	\$ 73,261	\$ -	\$ 73,261	

NOTE 12 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2017, were as follows:

- A transfer in the amount of \$385,633 (2016 - \$163,242) was made from the operating fund to the capital fund for capital equipment purchases.
- A transfer in the amount of \$1,311,000 was made from the operating fund to the capital fund for the Promontory Heights Elementary expansion project.

NOTE 13 RELATED PARTY TRANSACTIONS

The School District is related through common ownership 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.

NOTE 14 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 21, 2017. The Board adopted a preliminary annual budget on May 17, 2016. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 14 BUDGET FIGURES (Continued)

	2017 Amended	2017 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	\$128,466,770	\$120,953,050	\$ 7,513,720
Other	90,000	146,246	(56,246)
Tuition	1,436,000	1,355,000	81,000
Other Revenue	5,777,101	5,774,354	2,747
Rentals and Leases	400,000	400,000	-
Investment Income	301,600	322,000	(20,400)
Amortization of Deferred Capital Revenue	6,847,059	6,925,056	(77,997)
Total Revenue	143,318,530	135,875,706	7,442,824
Expenses			
Instruction	115,265,950	110,567,137	4,698,813
District Administration	3,975,808	3,629,191	346,617
Operations and Maintenance	21,762,768	19,656,978	2,105,790
Transportation and Housing	3,437,186	3,475,782	(38,596)
Total Expenses	144,441,712	137,329,088	7,112,624
Surplus (Deficit) for the year	(1,123,182)	(1,453,382)	330,200
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets			
From Local Capital	(619,000)	(205,500)	(413,500)
From Deferred Capital Revenue	-	-	-
Total Acquisition of Tangible Capital Assets	(619,000)	(205,500)	(413,500)
Amortization of Tangible Capital Assets	7,866,099	7,972,938	(106,839)
Total Effect of change in Tangible Capital Assets	7,247,099	7,767,438	(520,339)
(Increase) Decrease in Net Financial Assets	\$ 6,123,917	\$ 6,314,056	\$ (190,139)

**SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has a total of \$8,243,235 of contractual obligations at year end related to the construction or renovation of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual Commitments:

Cheam Elementary-Parking Lot Upgrade	CCDC Contract	\$ 82,085
Promontory Elementary Addition	CCDC Contract	5,890,013
DDC Upgrades-Variou Schools	PO	140,686
Watson Elementary-Sprinkler Upgrade	PO	37,800
Portable Classrooms Purchase	PO	1,205,735
Chilliwack Middle School-Sawdust Extraction System	CCDC Contract	288,967
Vedder Middle School-Sawdust Extraction System	CCDC Contract	258,713
Vedder Elementary School-Boiler Upgrade	CCDC Contract	257,520
AD Rundle Middle School-Transformer Upgrade	CCDC Contract	<u>81,716</u>
Total Construction Commitments		<u>\$ 8,243,235</u>

The School District also has a conditional offer to purchase a parcel of land for \$3.8 million.

NOTE 16 CONTINGENCIES

Each year the School District is involved with a number of legal actions and arbitrations. Although the outcomes of these matters are not determinable at this time, management believes they will not have a material adverse effect on the School District's financial position or results of the operation.

NOTE 17 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2017, the liability is not reasonably determinable.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 18 EXPENSE BY OBJECT

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Salaries and benefits	\$ 114,805,150	\$ 109,766,249
Services and supplies	19,782,987	17,568,235
Amortization	<u>7,876,169</u>	<u>7,977,556</u>
	<u>\$ 142,464,306</u>	<u>\$ 135,312,040</u>

NOTE 19 ACCUMULATED SURPLUS

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Operating Fund Accumulated Surplus		
Internally Restricted (appropriated by Board for):		
School-based Carry Forwards	\$ 979,055	\$ 1,102,721
FVDES Carry Forward	180,446	525,223
Aboriginal Education Targeted Funds Unexpended	228,915	333,647
Early Intervention Support	1,132,000	1,692,000
Student Numeracy Assessment & Practice (SNAP)	-	278,000
Student Learning Grant	434,211	-
International Support	<u>60,000</u>	<u>60,000</u>
Total Internally Operating Restricted	<u>3,014,627</u>	<u>3,991,591</u>
Unrestricted Operating Surplus	4,650,715	2,640,519
Total Operating Fund Accumulated Surplus	<u>\$ 7,665,342</u>	<u>\$ 6,632,110</u>
Special Purpose Funds Surplus	<u>\$ 73,261</u>	<u>\$ 73,261</u>
Capital Fund Accumulated Surplus		
Contingency Reserve-Local Capital	1,357,586	1,156,848
Investment in Tangible Capital Assets	<u>54,222,328</u>	<u>53,759,954</u>
Total Capital Fund Accumulated Surplus	<u>\$55,579,914</u>	<u>\$54,916,802</u>
Total Accumulated Surplus	<u>\$63,318,517</u>	<u>\$61,622,173</u>

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 20 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 21 SUBSEQUENT EVENTS

Subsequent to the year ended June 30, 2017, the School District purchased a parcel of land for \$3.8 million.

NOTE 22 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 accounts receivable.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most accounts 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 and investments as they are placed in recognized British Columbia institutions or with the Provincial Ministry of Finance 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. It is management's opinion that the School District is not exposed to significant interest rate risk.

SCHOOL DISTRICT NO. 33 (CHILLIWACK)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 22 RISK MANAGEMENT (Continued)

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.

d) Fair value of financial instruments:

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

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

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

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

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

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

School District No. 33 (Chilliwack)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	6,632,110	73,261	54,916,802	61,622,173	60,403,597
Changes for the year					
Surplus (Deficit) for the year	2,729,862		(1,033,518)	1,696,344	1,218,576
Interfund Transfers					
Local Capital	(385,633)		385,633	-	
Other	(1,311,000)		1,311,000	-	
Net Changes for the year	1,033,229	-	663,115	1,696,344	1,218,576
Accumulated Surplus (Deficit), end of year - Statement 2	7,665,339	73,261	55,579,917	63,318,517	61,622,173

School District No. 33 (Chilliwack)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	122,141,797	122,760,978	115,507,411
Other	90,000	150,717	117,544
Tuition	1,436,000	1,398,754	1,302,462
Other Revenue	2,460,911	2,522,872	3,100,111
Rentals and Leases	400,000	429,838	469,724
Investment Income	299,600	333,147	293,223
Total Revenue	<u>126,828,308</u>	<u>127,596,306</u>	<u>120,790,475</u>
Expenses			
Instruction	107,847,495	105,623,430	100,219,731
District Administration	3,975,808	3,867,385	3,792,409
Operations and Maintenance	12,109,471	12,451,658	11,881,399
Transportation and Housing	2,999,676	2,923,971	2,631,261
Total Expense	<u>126,932,450</u>	<u>124,866,444</u>	<u>118,524,800</u>
Operating Surplus (Deficit) for the year	<u>(104,142)</u>	<u>2,729,862</u>	<u>2,265,675</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>2,034,142</u>		
Net Transfers (to) from other funds			
Local Capital	(619,000)	(385,633)	(163,242)
Other	(1,311,000)	(1,311,000)	
Total Net Transfers	<u>(1,930,000)</u>	<u>(1,696,633)</u>	<u>(163,242)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>1,033,229</u>	<u>2,102,433</u>
Operating Surplus (Deficit), beginning of year		6,632,110	4,529,677
Operating Surplus (Deficit), end of year		<u>7,665,339</u>	<u>6,632,110</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		3,014,627	3,991,591
Unrestricted		4,650,712	2,640,519
Total Operating Surplus (Deficit), end of year		<u>7,665,339</u>	<u>6,632,110</u>

School District No. 33 (Chilliwack)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	122,070,373	121,802,361	116,268,629
INAC/LEA Recovery	(1,956,191)	(1,922,541)	(1,914,365)
Other Ministry of Education Grants			
Pay Equity	864,624	864,624	864,624
Funding for Graduated Adults	75,000	205,697	76,477
Transportation Supplement	329,456	329,456	
Economic Stability Dividend	60,000	72,116	97,227
Return of Administrative Savings	603,535	603,535	
Carbon Tax Grant	80,000	92,462	80,000
Student Learning Grant		688,939	
FSA Marking	15,000	14,329	15,219
Curriculum Implementation			19,600
Other Grants		10,000	
Total Provincial Grants - Ministry of Education	122,141,797	122,760,978	115,507,411
Provincial Grants - Other	90,000	150,717	117,544
Tuition			
Offshore Tuition Fees	1,436,000	1,398,754	1,302,462
Total Tuition	1,436,000	1,398,754	1,302,462
Other Revenues			
LEA/Direct Funding from First Nations	1,956,191	1,921,348	1,903,333
Miscellaneous			
Distance Learning Course Fees	150,000	168,615	155,805
Textbook Deposit Revenue			97,520
Print Shop Recoveries	70,000	63,649	67,460
Donations		4,700	
Transportation Fee Revenue	83,000	101,339	397,412
Energy Program Revenue	100,000	141,760	165,543
Other Miscellaneous	101,720	121,461	313,038
Total Other Revenue	2,460,911	2,522,872	3,100,111
Rentals and Leases	400,000	429,838	469,724
Investment Income	299,600	333,147	293,223
Total Operating Revenue	126,828,308	127,596,306	120,790,475

School District No. 33 (Chilliwack)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Salaries			
Teachers	51,940,361	50,890,968	50,126,399
Principals and Vice Principals	7,015,028	7,076,575	6,490,954
Educational Assistants	8,817,346	8,619,473	7,826,725
Support Staff	11,025,620	11,151,852	11,306,936
Other Professionals	2,737,799	2,794,881	2,764,327
Substitutes	8,199,066	8,065,690	5,662,117
Total Salaries	89,735,220	88,599,439	84,177,458
Employee Benefits	20,833,855	20,374,340	20,757,812
Total Salaries and Benefits	110,569,075	108,973,779	104,935,270
Services and Supplies			
Services	5,299,184	5,395,477	4,503,782
Student Transportation	9,100	8,622	6,739
Professional Development and Travel	906,301	817,614	643,023
Rentals and Leases	29,000	28,343	28,367
Dues and Fees	249,740	217,129	171,642
Insurance	307,000	272,543	267,764
Supplies	7,227,878	6,749,838	5,960,140
Utilities	2,335,172	2,403,099	2,008,073
Total Services and Supplies	16,363,375	15,892,665	13,589,530
Total Operating Expense	126,932,450	124,866,444	118,524,800

School District No. 33 (Chilliwack)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	41,807,489	1,055,839	-	620,320	-	5,354,646	48,838,294
1.03 Career Programs	109,562	-	-	447,470	72,321	20,643	649,996
1.07 Library Services	1,111,638	60,894	-	94,635	-	70,736	1,337,903
1.08 Counselling	2,135,938	4,796	-	-	-	184,104	2,324,838
1.10 Special Education	4,311,728	358,861	7,641,177	78,376	-	1,436,832	13,826,974
1.30 English Language Learning	799,612	55,046	-	-	-	8,231	862,889
1.31 Aboriginal Education	308,239	-	976,207	36,888	70,312	109,571	1,501,217
1.41 School Administration	-	5,153,179	-	2,391,625	429,705	132,870	8,107,379
1.60 Summer School	87,685	36,843	2,089	-	-	-	126,617
1.61 Continuing Education	93,898	-	-	16,126	-	-	110,024
1.62 International and Out of Province Students	125,179	107,852	-	20,545	-	5,156	258,732
1.64 Other	-	-	-	112,704	88,822	1,408	202,934
Total Function 1	50,890,968	6,833,310	8,619,473	3,818,689	661,160	7,324,197	78,147,797
4 District Administration							
4.11 Educational Administration	-	-	-	-	724,868	2,090	726,958
4.40 School District Governance	-	-	-	-	133,224	-	133,224
4.41 Business Administration	-	243,265	-	516,682	778,087	3,600	1,541,634
Total Function 4	-	243,265	-	516,682	1,636,179	5,690	2,401,816
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	79,679	408,162	4,047	491,888
5.50 Maintenance Operations	-	-	-	4,818,170	-	408,141	5,226,311
5.52 Maintenance of Grounds	-	-	-	551,186	-	39,882	591,068
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	5,449,035	408,162	452,070	6,309,267
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	108,296	89,380	-	197,676
7.70 Student Transportation	-	-	-	1,259,150	-	283,733	1,542,883
Total Function 7	-	-	-	1,367,446	89,380	283,733	1,740,559
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	50,890,968	7,076,575	8,619,473	11,151,852	2,794,881	8,065,690	88,599,439

School District No. 33 (Chilliwack)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2017

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	48,838,294	11,417,265	60,255,559	5,666,481	65,922,040	67,050,268	62,186,758
1.03 Career Programs	649,996	156,039	806,035	453,685	1,259,720	1,293,471	1,179,347
1.07 Library Services	1,337,903	308,042	1,645,945	125,368	1,771,313	1,736,440	1,860,941
1.08 Counselling	2,324,838	499,538	2,824,376	350	2,824,726	2,776,082	2,610,749
1.10 Special Education	13,826,974	3,297,864	17,124,838	1,694,684	18,819,522	19,961,668	17,851,581
1.30 English Language Learning	862,889	204,500	1,067,389	15,689	1,083,078	1,015,877	1,028,311
1.31 Aboriginal Education	1,501,217	340,623	1,841,840	668,428	2,510,268	2,773,112	2,417,499
1.41 School Administration	8,107,379	1,774,406	9,881,785	325,890	10,207,675	9,990,730	9,824,102
1.60 Summer School	126,617	23,372	149,989	4,307	154,296	107,835	95,216
1.61 Continuing Education	110,024	25,693	135,717	8,703	144,420	153,895	157,121
1.62 International and Out of Province Students	258,732	58,963	317,695	278,070	595,765	639,680	666,793
1.64 Other	202,934	43,372	246,306	84,301	330,607	348,437	341,313
Total Function 1	78,147,797	18,149,677	96,297,474	9,325,956	105,623,430	107,847,495	100,219,731
4 District Administration							
4.11 Educational Administration	726,958	143,943	870,901	86,153	957,054	1,029,281	1,049,075
4.40 School District Governance	133,224	3,186	136,410	228,255	364,665	392,873	354,673
4.41 Business Administration	1,541,634	327,588	1,869,222	676,444	2,545,666	2,553,654	2,388,661
Total Function 4	2,401,816	474,717	2,876,533	990,852	3,867,385	3,975,808	3,792,409
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	491,888	90,821	582,709	246,577	829,286	796,343	764,296
5.50 Maintenance Operations	5,226,311	1,148,913	6,375,224	1,833,485	8,208,709	8,008,891	8,117,118
5.52 Maintenance of Grounds	591,068	124,855	715,923	294,641	1,010,564	969,065	991,912
5.56 Utilities	-	-	-	2,403,099	2,403,099	2,335,172	2,008,073
Total Function 5	6,309,267	1,364,589	7,673,856	4,777,802	12,451,658	12,109,471	11,881,399
7 Transportation and Housing							
7.41 Transportation and Housing Administration	197,676	43,964	241,640	87,581	329,221	298,929	298,627
7.70 Student Transportation	1,542,883	341,393	1,884,276	710,474	2,594,750	2,700,747	2,332,634
Total Function 7	1,740,559	385,357	2,125,916	798,055	2,923,971	2,999,676	2,631,261
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	88,599,439	20,374,340	108,973,779	15,892,665	124,866,444	126,932,450	118,524,800

School District No. 33 (Chilliwack)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	4,595,657	5,241,887	4,117,794
Other			920
Other Revenue	3,316,190	3,037,744	3,183,605
Investment Income	2,000	16,896	16,827
Total Revenue	<u>7,913,847</u>	<u>8,296,527</u>	<u>7,319,146</u>
Expenses			
Instruction	7,418,455	7,801,135	6,780,079
Operations and Maintenance	495,392	495,392	539,067
Total Expense	<u>7,913,847</u>	<u>8,296,527</u>	<u>7,319,146</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		73,261	73,261
Special Purpose Surplus (Deficit), end of year		<u>73,261</u>	<u>73,261</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		73,261	73,261
Total Special Purpose Surplus (Deficit), end of year		<u>73,261</u>	<u>73,261</u>

School District No. 33 (Chilliwack)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		170,502	49,681	219,591	80,180	1,625,093	-	41,468	28,553
Add: Restricted Grants									
Provincial Grants - Ministry of Education	495,392	2,414,261					225,719	49,000	131,292
Other				60,121		2,923,012			
Investment Income				2,153		14,743			
	495,392	2,414,261	-	62,274	-	2,937,755	225,719	49,000	131,292
Less: Allocated to Revenue	495,392	2,351,602	19,906	59,835	69,096	2,925,960	207,154	54,616	159,845
Deferred Revenue, end of year	-	233,161	29,775	222,030	11,084	1,636,888	18,565	35,852	-
Revenues									
Provincial Grants - Ministry of Education	495,392	2,351,602	19,906		69,096		207,154	54,616	159,845
Other Revenue				57,682		2,911,217			
Investment Income				2,153		14,743			
	495,392	2,351,602	19,906	59,835	69,096	2,925,960	207,154	54,616	159,845
Expenses									
Salaries									
Teachers		1,365,566				15,134			32,620
Principals and Vice Principals								23,285	
Educational Assistants		370,144				6,750			938
Support Staff						1,173	149,533		
Other Professionals					49,464				
Substitutes		154,433				11,985	53	1,461	5,749
	-	1,890,143	-	-	49,464	35,042	149,586	24,746	39,307
Employee Benefits		461,459			10,132	6,698	35,921	4,553	8,223
Services and Supplies	495,392		19,906	59,835	9,500	2,884,220	21,647	25,317	112,315
	495,392	2,351,602	19,906	59,835	69,096	2,925,960	207,154	54,616	159,845
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 33 (Chilliwack)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2017

	CommunityLINK	Coding and Curriculum Implementation	Priority Measures	PRP-AMUT Residential	SWIS	After School Sports Initiative	Miscellaneous Grants	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	77,705			18,741	826	18,331	11,460	2,342,131
Add: Restricted Grants								
Provincial Grants - Ministry of Education	699,513	99,386	1,239,324	58,663				5,412,550
Other						55,735		3,038,868
Investment Income								16,896
	699,513	99,386	1,239,324	58,663	-	55,735	-	8,468,314
Less: Allocated to Revenue	710,531	43,547	1,053,316	76,882	-	57,883	10,962	8,296,527
Deferred Revenue, end of year	66,687	55,839	186,008	522	826	16,183	498	2,513,918
Revenues								
Provincial Grants - Ministry of Education	710,531	43,547	1,053,316	76,882				5,241,887
Other Revenue						57,883	10,962	3,037,744
Investment Income								16,896
	710,531	43,547	1,053,316	76,882	-	57,883	10,962	8,296,527
Expenses								
Salaries								
Teachers			843,549	47,097				2,303,966
Principals and Vice Principals								23,285
Educational Assistants	445,023							822,855
Support Staff	120			3,643				154,469
Other Professionals								49,464
Substitutes	6,848	1,045	10,591					192,165
	451,991	1,045	854,140	50,740	-	-	-	3,546,204
Employee Benefits	120,955		199,176	12,884				860,001
Services and Supplies	137,585	42,502		13,258		57,883	10,962	3,890,322
	710,531	43,547	1,053,316	76,882	-	57,883	10,962	8,296,527
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 33 (Chilliwack)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2017

	2017 Budget	2017 Actual			2016 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	1,729,316	1,420,421		1,420,421	1,490,538
Other		8,770		8,770	
Investment Income			7,734	7,734	8,948
Amortization of Deferred Capital Revenue	6,847,059	6,830,892		6,830,892	6,921,509
Total Revenue	8,576,375	8,260,083	7,734	8,267,817	8,420,995
Expenses					
Operations and Maintenance	1,729,316	1,425,166		1,425,166	1,490,538
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,428,589	7,435,050		7,435,050	7,521,464
Transportation and Housing	437,510	441,119		441,119	456,092
Total Expense	9,595,415	9,301,335	-	9,301,335	9,468,094
Capital Surplus (Deficit) for the year	(1,019,040)	(1,041,252)	7,734	(1,033,518)	(1,047,099)
Net Transfers (to) from other funds					
Local Capital	619,000		385,633	385,633	163,242
District Share of Building Project	1,311,000		1,311,000	1,311,000	
Total Net Transfers	1,930,000	-	1,696,633	1,696,633	163,242
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,269,721	(1,269,721)	-	
Tangible Capital Assets WIP Purchased from Local Capital		233,908	(233,908)	-	
Total Other Adjustments to Fund Balances		1,503,629	(1,503,629)	-	
Total Capital Surplus (Deficit) for the year	910,960	462,377	200,738	663,115	(883,857)
Capital Surplus (Deficit), beginning of year		53,759,954	1,156,848	54,916,802	55,800,659
Capital Surplus (Deficit), end of year		54,222,331	1,357,586	55,579,917	54,916,802

School District No. 33 (Chilliwack)

Tangible Capital Assets
Year Ended June 30, 2017

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	36,107,540	265,396,957	10,833,307	4,295,643	310,210	309,685	317,253,342
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	4,025	571,385		133,571			708,981
Deferred Capital Revenue - Other			73,201				73,201
Local Capital	884,089		137,661	188,955	59,016		1,269,721
	888,114	571,385	210,862	322,526	59,016	-	2,051,903
Decrease:							
Deemed Disposals			2,387,991	91,424			2,479,415
	-	-	2,387,991	91,424	-	-	2,479,415
Cost, end of year	36,995,654	265,968,342	8,656,178	4,526,745	369,226	309,685	316,825,830
Work in Progress, end of year		233,908					233,908
Cost and Work in Progress, end of year	36,995,654	266,202,250	8,656,178	4,526,745	369,226	309,685	317,059,738
Accumulated Amortization, beginning of year		92,533,806	5,918,145	2,670,464	93,657	92,632	101,308,704
Changes for the Year							
Increase: Amortization for the Year		6,330,695	974,474	441,119	67,944	61,937	7,876,169
Decrease:							
Deemed Disposals			2,387,991	91,424			2,479,415
			2,387,991	91,424			2,479,415
Accumulated Amortization, end of year		98,864,501	4,504,628	3,020,159	161,601	154,569	106,705,458
Tangible Capital Assets - Net	36,995,654	167,337,749	4,151,550	1,506,586	207,625	155,116	210,354,280

School District No. 33 (Chilliwack)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2017

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
Work in Progress, beginning of year	\$	\$	\$	\$	\$
					-
Changes for the Year					
Increase:					
Local Capital	233,908				233,908
	233,908	-	-	-	233,908
Net Changes for the Year	233,908	-	-	-	233,908
Work in Progress, end of year	233,908	-	-	-	233,908

School District No. 33 (Chilliwack)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2017

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	161,410,965	76,596	672,370	162,159,931
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	704,956	11,619	61,582	778,157
	<u>704,956</u>	<u>11,619</u>	<u>61,582</u>	<u>778,157</u>
Decrease:				
Amortization of Deferred Capital Revenue	6,774,943	2,571	53,378	6,830,892
	<u>6,774,943</u>	<u>2,571</u>	<u>53,378</u>	<u>6,830,892</u>
Net Changes for the Year	<u>(6,069,987)</u>	<u>9,048</u>	<u>8,204</u>	<u>(6,052,735)</u>
Deferred Capital Revenue, end of year	<u>155,340,978</u>	<u>85,644</u>	<u>680,574</u>	<u>156,107,196</u>
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Work in Progress, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Capital Revenue, end of year	<u>155,340,978</u>	<u>85,644</u>	<u>680,574</u>	<u>156,107,196</u>

School District No. 33 (Chilliwack)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 65,350	\$ 459,393	\$	\$ 3,157,403	\$ 181,779	\$ 3,863,925
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,251,680					2,251,680
Provincial Grants - Other			161,231			161,231
Other					5,438	5,438
Investment Income		4,666		28,451		33,117
Municipal Contributions				675,231	30,000	705,231
	<u>2,251,680</u>	<u>4,666</u>	<u>161,231</u>	<u>703,682</u>	<u>35,438</u>	<u>3,156,697</u>
Decrease:						
Transferred to DCR - Capital Additions	704,956		11,619		61,582	778,157
Transferred to Revenue - Site Purchases	4,025					4,025
Facility Improvements Not Capitalized	1,416,396		8,770			1,425,166
	<u>2,125,377</u>	<u>-</u>	<u>20,389</u>	<u>-</u>	<u>61,582</u>	<u>2,207,348</u>
Net Changes for the Year	<u>126,303</u>	<u>4,666</u>	<u>140,842</u>	<u>703,682</u>	<u>(26,144)</u>	<u>949,349</u>
Balance, end of year	<u>191,653</u>	<u>464,059</u>	<u>140,842</u>	<u>3,861,085</u>	<u>155,635</u>	<u>4,813,274</u>

BOARD OF EDUCATION

DECISION REPORT

DATE: September 19, 2017
TO: Board of Education
FROM: Walt Krahn, Audit Committee Chair
RE: **AUDIT COMMITTEE REPORT**

RECOMMENDATION:

THAT the Board of Education receive the Audit Committee Meeting Report of September 14, 2017 as presented.

Minutes



AUDIT COMMITTEE MEETING

Meeting Held Wednesday, September 14, 2017 – 1:00 p.m.
School District Office

Attendance:

Walt Krahn
Barry Neufeld
Bob Patterson

Chair
Vice-Chair
Trustee

Staff:

Evelyn Novak
Gerry Slykhuis
Mark Friesen
Cathy Meeres

Superintendent
Secretary Treasurer
Assistant Secretary Treasurer
Executive Assistant

Also Attending:

Heather Maahs
Paul McManus
Silvia Dyck
Tim Holloway

Trustee
Trustee
Trustee
KPMG

1. CALL TO ORDER

Meeting was called to order at 1:07 p.m.

2. APPROVAL OF AGENDA

Mover: Barry Neufeld
Secunder: Bob Patterson

THAT the agenda be approved as circulated.

CARRIED

3. APPROVAL OF MINUTES

Mover: Barry Neufeld
Secunder: Bob Patterson

THAT the minutes be approved as circulated.

CARRIED

4. AUDIT/YEAR-END REVIEW

Tim Holloway, KPMG, reviewed the Audit Findings Report and Audited Financial Statements for School District 33 (Chilliwack) for the year ended June 30, 2017. An explanation was provided for each area of the report presenting the following comments:

- Overall a clean audit.
- Consistent with the prior year, one unadjusted difference of \$339,095 was identified relating to the District's prepaid health and dental benefit costs which have been prematurely recorded to wages. This is an asset to the District. The District's handling of this adjustment is consistent with most other districts.
- Note 21 – Subsequent events acknowledges that subsequent to the year ended June 30, 2017, the School District purchased a parcel of land for \$3.8 million. This note was added due to the real estate transaction closing after June 30, 2017

The Secretary Treasurer reviewed the reserve analysis and gave further details of the unrestricted and restricted surplus. \$2.6 million of 2016/17 unrestricted surplus has been committed for 2017/18 resulting in an uncommitted balance of \$3.3 million at June 30, 2017.

Tim Holloway, KPMG will attend the public Board meeting on September 19th to present the Audit Findings Report and Audited Financial Statements.

2:09 p.m. – staff exited the meeting. Trustees were provided an opportunity for discussion with Tim Holloway, KPMG.

2:21 – staff returned to the meeting.

Mover: Barry Neufeld

Second: Bob Patterson

THAT the Audit Findings Report be accepted as presented by KPMG.

CARRIED

5. KPMG RISK MANAGEMENT REPORTS – SCHEDULE MEETING TO REVIEW

KPMG staff have conducted two internal control reviews: Cyber Security (IT Review-phase one) and School Accounting Processes. Final reports will be presented to the Audit Committee at a future scheduled meeting.

Mover: Bob Patterson

Second: Barry Neufeld

THAT a meeting to review the Risk Management reports be tabled to November 2017.

CARRIED

6. EXTERNAL COMMUNITY MEMBER

In May 2016, the position of Community Representative – Audit Committee was advertised but no responses were received. This year, once again, the Committee would like to attempt to recruit a Community member by following the same advertising and recruiting process as in previous years.

Mover: Bob Patterson

Seconded: Barry Neufeld

THAT the Committee pursue a Community member that is financially literate to serve on the Audit Committee.

CARRIED

7. **ADJOURNMENT**

THAT the meeting be adjourned at 2:36 p.m.

Mover: Bob Patterson

Seconded: Barry Neufeld

DRAFT

BOARD OF EDUCATION

INFORMATION REPORT

DATE: September 19, 2017

TO: Board of Education

FROM: Bob Patterson, Trustee Co-Chair
Evelyn Novak, Superintendent

RE: RECONFIGURATION – IMPLEMENTATION ADVISORY COMMITTEE

BACKGROUND:

Committee Co-Chairs Trustee Bob Patterson and Superintendent Evelyn Novak will provide a summary of the Minutes of the September 12, 2017 Reconfiguration – Implementation Advisory Committee meeting.

Meeting September 12, 2017 Minutes

1. Introductions

Co-chair Trustee Bob Patterson welcomed Advisory Committee members. Each member had opportunity to share their interest in the committee.

2. Future Meeting Dates

The committee reviewed to confirm future meeting dates to be held monthly.

3. Committee Mandate and Terms of Reference

Co-chair Trustee Bob Patterson reviewed the Reconfiguration Advisory Committee Mandate and Terms of Reference. (Attached)

4. Reconfiguration – Implementation Advisory Committee & Flowchart

Co-Chair Superintendent Evelyn Novak reviewed the structure of the Working Committees and how the work of the Advisory Committee, the Working Committees and the Board were connected to the implementation of Reconfiguration Fall 2018. (Attached)

5. Elementary School Implementation Working Committee

Director of Instruction Janet Hall and Principal Chuck Bloch provided a report outlining the work to date of Elementary Schools in preparation for Reconfiguration.

Actions

- Large elementary Principal and Vice Principal group has discussed the overall concept of Reconfiguration.
- Questions, concerns and opportunities were identified.
- Elementary Working Committee structure was reviewed.
- Next steps:
 - discuss plans for school leaving celebrations for grade 5 & 6,
 - creating effective transition process for both grade 5 & 6,
 - re-visioning the K – 5 system - how will our elementary schools look different, what will the impact of smaller school sizes have on staffing, how can we take advantage of the changes to provide new learning opportunities for students.

6. Middle School Implementation Working Committee

Director of Instruction Kirk Savage and Principal Paula Gosal highlighted the work to date of the Middle Schools in preparation for Reconfiguration Fall 2018.

Actions

- *What Every Middle School Teacher Should Know* – Dave F. Brown and Trudy Knowles, book was purchased for all Middle PVP.

- Middle School Values, Vision and Mission Statement Draft were presented, developed through the leadership of the teachers and administrators who attended a Middle School Conference in July.
- Culture and climate are a big component in any school and, as part of the transition plan, plans are being made to have two teachers trained in WEB (Where Everyone Belongs) in January – Middle School Transition and Peer Mentoring Program.
- December 2017 – 2-Day Retreat in Harrison for 60 middle school teachers.
- Next Steps:
 - staffing process needing to be clarified in October 2017,
 - effective transition process for students in grades 5 and 6,
 - parent night speaker at each Middle School January/February 2018.

7. Secondary School Implementation Working Committee

Assistant Superintendent Rohan Arul-pragasam and Principal Brian Fehlauer provided a report regarding the work of Secondary Schools in preparation for Reconfiguration Fall 2018.

Actions

- Multiple informal discussions amongst Secondary Principals and Vice-principals since late May 2016.
- Secondary School Mandate and Mission were presented, developed through the leadership of teachers and administrators.
- Principal and Vice-principal from Abbotsford Secondary School met with SD33 Secondary Principals and Vice Principals to share their journey from an 8-12 to a 9-12 model.
- The 3 Secondary Schools will use their existing school structures (e.g., Department Head Meetings, CUPE Meetings, etc.) to generate information and conversations in relation to reconfiguration, which will then inform the Secondary Working Committee.
- Feedback will be garnered from school committees in relation to reconfiguration, instruction, intervention and supports for grade 9's as they transition to Secondary School in 2018.
- Each Secondary School has submitted a timeline of all major events, which have been collated to help with planning for the transitions of grade 9s in 2018.
- Culture and climate are a big component in any school and plans are being made to have at least one teacher trained in "Link Crew" – High School Transition and Peer Mentoring Program.
- School departments will determine the grade 10 courses offered to grade 9s based on exiting courses, redesigned curriculum and availability of viable learning spaces.
- Schools will continue to offer linear and semestered courses based on student academic, social and emotional needs and choices, and based on availability of viable learning spaces.
- Next steps:
 - Board determining boundaries by November,
 - each Secondary School having a clear indication of student enrolment data and school committees to then start the process of mapping out grade 9 course offerings, and academic and elective space considerations,
 - exploring the options of running two schools in one (two different start times) to accommodate meaningful timetables for all students.

8. Reconfiguration Timeline

Co-Chair Superintendent Evelyn Novak reviewed the timeline of tentative planning of important dates and considerations in order to prepare for Reconfiguration Fall 2018. (Attached)

9. Questions/Comments

Committee members shared questions and comments throughout the meeting:

Communication:

- What message have students been given regarding why Reconfiguration is taking place? There may be anxiety.
- Communication for parents is needed. There is some fear about “my kids aren’t ready.”
- Communication with teachers and staff regarding SD33 Middle School Philosophy.
- Distinction between Pro D and Inservice to be made in the Middle School report.
- Suggested need to include CUPE staff in planning and resources/training.
- Suggested need to consider that there are parents and teachers who are opposed to Reconfiguration, and that the transition will not be easy for all parents and teachers.

Preparing Students:

- How will special programs such as Outdoor Education and French Immersion be included?
- Are the grade 5s ready for leadership, responsibilities, mentorship?
- Will grade 5s and 6s still be able to play?
- How does the day look for grade 6s?
- Some Middle School students appreciate not having the same teacher all day.
- Grade 7s will be the leaders – how will they be prepared?
- What is being done to prepare grade 8s for the transition?
- Good to have connectedness (LINK) for grade 9s. How to ensure they don’t feel anxiety, insignificance. Is there enough support for the swell of students coming in to Middle and Secondary Schools?
- Will teachers be moving as well? It may help some students to have a familiar teacher face.
- Many parents with kids in grade 6 are happy because they feel their children are ready for Middle School, and are not little kids. The transition provides great opportunity for grade 9s to be exposed to more options/possibilities in Secondary School.
- Will there be additional transition time/support for special needs students?
- Need supports for high school students and staff, especially with large numbers of students coming.

Space at Schools/Staff:

- Will Reconfiguration “make the bubble burst” at Middle and Secondary schools?
- Where are you going to get TTOCs for support in the transition?
- How does the boundary change happen? Will schools transitioning students from Middle to Secondary Schools be split?
- What is the plan for the GW Graham grade transition to a Secondary School? Students and parents don’t want to be transitioned back and forth to having three new schools in three years.

10. Next meeting date: Tuesday, October 10, 4:00 to 6:00 pm, Computer Lab – 2nd Flr., NLC

RECONFIGURATION – IMPLEMENTATION ADVISORY COMMITTEE MANDATE AND TERMS OF REFERENCE

MANDATE:

The Reconfiguration – Implementation Advisory Committee will provide suggestions regarding Reconfiguration of Chilliwack Schools to the Board of Education, Superintendent and Working Committees.

TERMS OF REFERENCE:

The Committee will:

1. Report back to the groups represented, parents, staff, students and the community on the progress of the Working Committees on implementation of Reconfiguration.
2. Receive presentations, explore issues and advise the Working Committees on implementation priorities and needs related to Reconfiguration.

MEMBERSHIP:

- 2 Trustees – Selected by the Board of Education
- 3 Administrators (1 Elementary, 1 Middle, 1 Secondary) – Selected by Superintendent
- 3 CTA Members (1 Elementary, 1 Middle, 1 Secondary) – Selected by CTA
- 3 CUPE Members (1 Elementary, 1 Middle, 1 Secondary) – Selected by CUPE
- 2 DPAC – Selected by DPAC
- 2 Aboriginal Education Advisory Committee – Selected by the Advisory Committee
- 3 Parents – North Side (1 Elementary, 1 Middle, 1 Secondary) – Selected by the Board through Expressions of Interest
- 3 Parents – South Side (1 Elementary, 1 Middle, 1 Secondary) – Selected by the Board through Expression of interest

Executive Team members are all Ex-Officio Members

Support provided by Executive Assistant, Donna Vogel

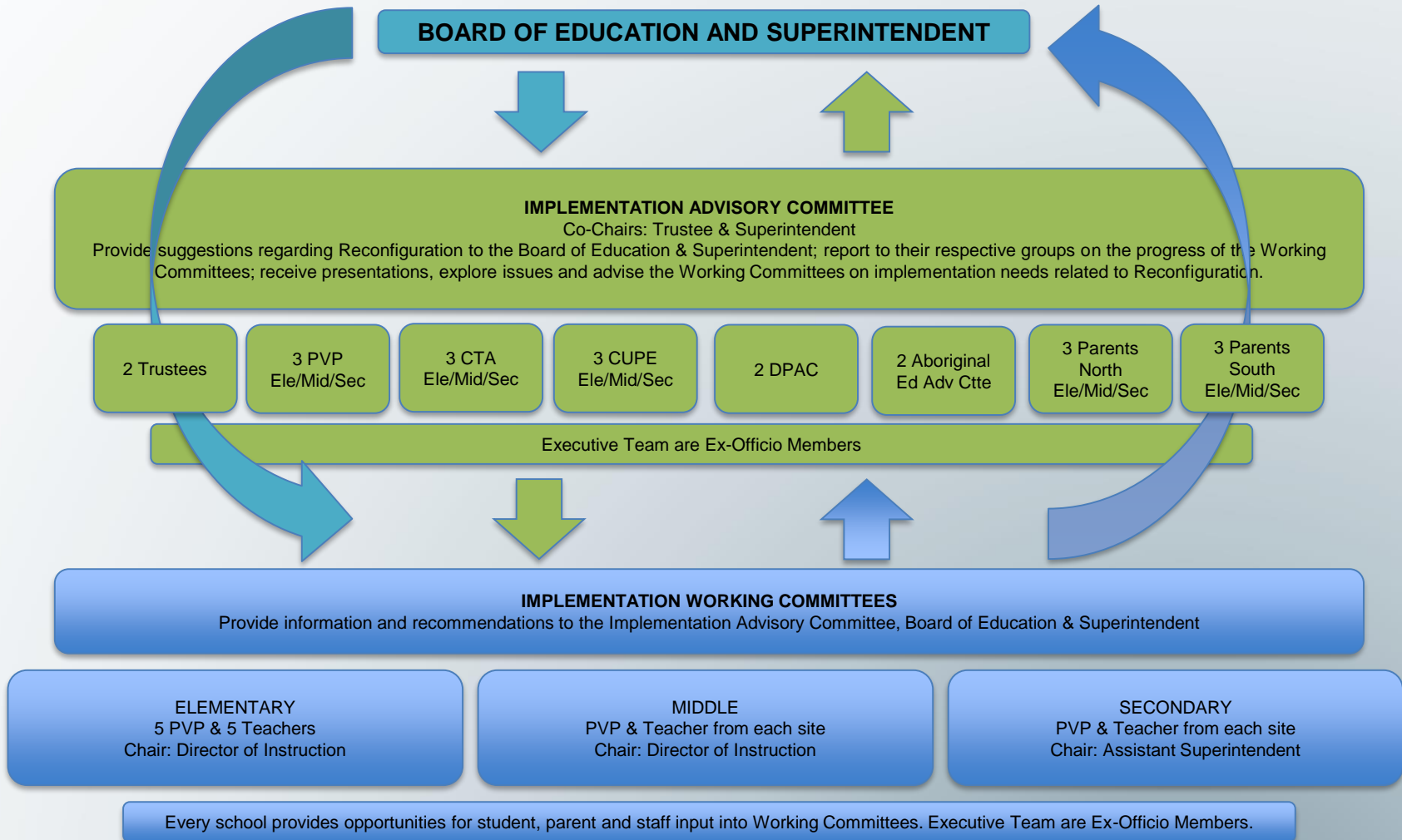
Co-Chairs: Trustee, Superintendent

MEETINGS:

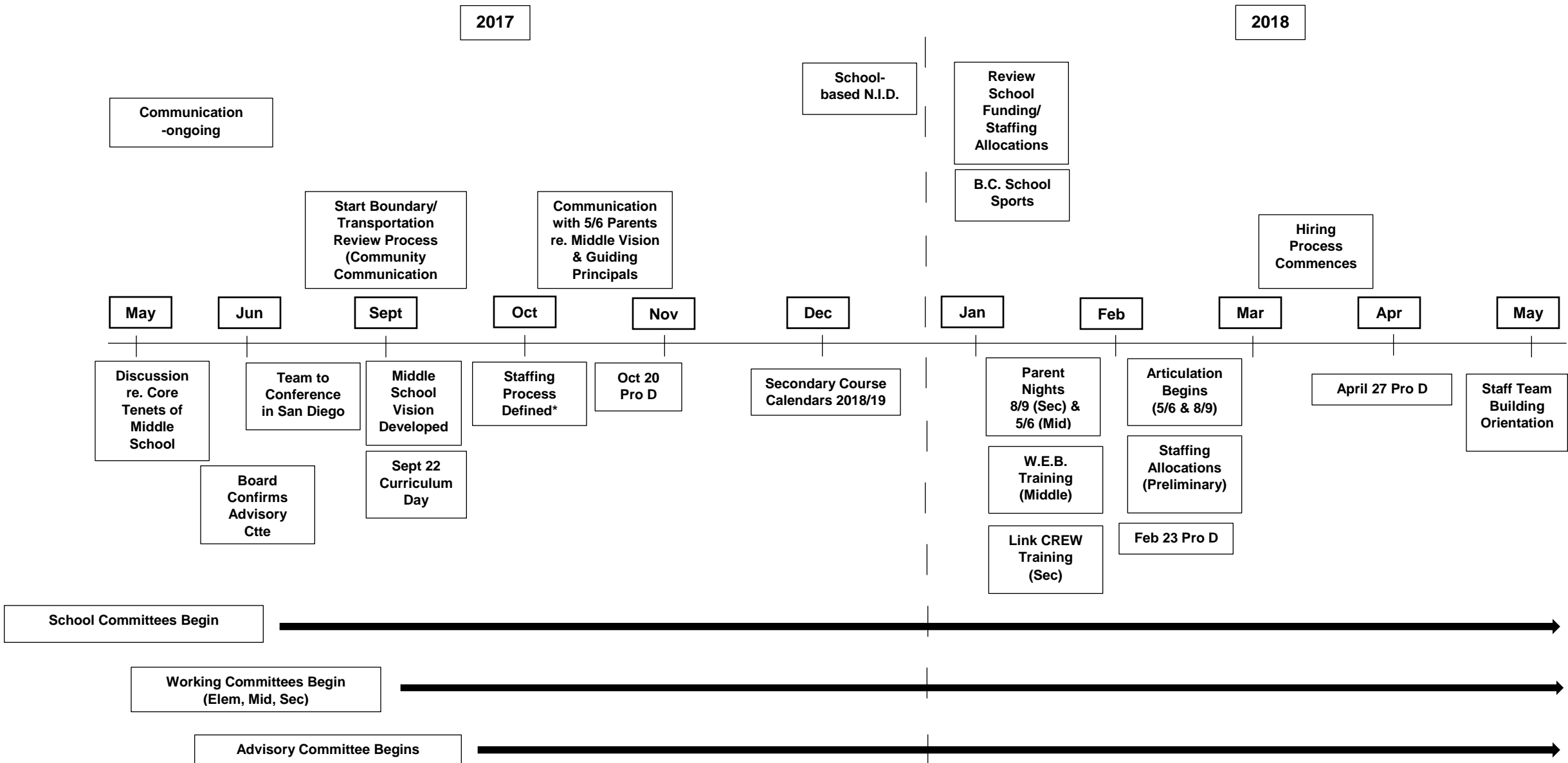
Will meet monthly beginning September, 2017.



RECONFIGURATION – IMPLEMENTATION ADVISORY AND WORKING COMMITTEES



RECONFIGURATION TIMELINE 2017 – 2018



BOARD OF EDUCATION

INFORMATION REPORT

DATE: September 19, 2017
TO: Board of Education
FROM: Al Van Tassel, Director of Facilities and Transportation
**RE: STRATEGIC PLAN UPDATE – OPERATIONS SUMMER
REPORT/MAINTENANCE ACTIVITIES**

Al Van Tassel will provide a report on the Operations Summer Maintenance Activities (listed below) as it relates to the Strategic Plan and the following priority.

Priority	Aligning and allocating resources, equitably, responsibly and effectively, to support goals and key initiatives. (Resources)
Goal	Align resources to efficiently and effectively execute the strategic plan

School Enhancement Program (SEP)

- A.D. Rundle Middle – Transformer upgrade
- Chilliwack Middle & Vedder Middle – Sawdust extraction upgrade
- Vedder Elementary – Boiler upgrade

Annual Facilities Grant (AFG)

Roofing Upgrades

- Robertson Elementary
- Watson Elementary
- Board Office

Roofing Repairs

- Sardis Secondary – skylights

Site Upgrades

- Evans Elementary – remove house
- East Chilliwack Elementary – parking lot paving
- Strathcona Elementary – playground upgrade
- Rosedale Traditional – playfield upgrade

Mechanical Upgrades

- GW Graham Middle/Sec – ventilation upgrade (foods room)
- Watson & McCammon Elementary – sprinkler upgrade

- Sardis Secondary – add science room & Direct Digital Control (DDC) upgrade
- Rosedale Traditional – boiler upgrade
- Portables – ventilation upgrade

Loss Prevention

- FG Leary Elementary – security alarm upgrade
- Mount Slesse Middle & Cultus Lake Elementary – fire alarm upgrade
- AD Rundle Middle & Bernard Elementary – roll shutters upgrade
- Central Elem, Vedder Elem, East Chilliwack Elem and Sardis Elem – electronic door locks

Facility Upgrades

- Watson Elementary – flooring upgrade
- GW Graham Mid/Sec, Tyson Elem, Strathcona Elem & Chilliwack Middle – flooring repairs
- East Chilliwack Elem, McCammon Elem & GW Graham Mid/Sec – gym flooring
- Watson Elementary – window upgrade (phase 2)
- Little Mountain Elementary – office upgrade
- Sardis Secondary – locker upgrade

Painting/Stucco Repairs

- Watson Elementary – exterior painting/stucco repairs
- Mt Slesse Middle, East Chilliwack Elem, & FG Leary Elem – interior painting
- Line Painting – 1/3 of District

Capital Project

- Promontory Elementary – school addition

Class Composition

- Added 24 classroom spaces
- Relocated 4 portables
- Prep sites for new portables
- Purchase, build & install furniture

Maintenance

Transportation

- Processed 3200 bus registrations, mapping and routing
- 3 engine replacements
- 5 new busses in service
- Reorganize parking in Transportation yard
- Service 42 busses for CVI inspection
- Re-do insurance for busses and for fleet
- Run a Bus Driver's course (9 days)
- Run a Bus Driver's Instructor's course (7 days)

Custodial

- Cleaning and set-up for relocated portables
- Cleaning and set-up for renovated classroom areas
- Assembly of new desks, chairs and tables
- Moving of furniture and boxes throughout the District

- Summer clean of all schools except for CSS and Central Elem (done over Spring Break) rooms emptied, walls washed, floors stripped and waxed, furniture cleaned
- All outside windows cleaned, pressure wash exterior steps and sidewalks

Grounds

- Landscaping upgrades (tree trimming, garden maintenance, etc.)
- Playground inspections & maintenance
- Irrigation and field upgrades
- Furniture delivery
- Pesticide Application course (6 Staff)
- Site prep for new portables

Information Technology

- Install projectors & sound systems in 30 new classrooms
- Upgraded 850 student computers to solid state drives
- Installed new school servers for all Elementary and Middle schools
- Replaced computer labs at Unsworth Elementary and Strathcona Elementary with laptop carts
- Re-wired old networking closets at all elementary schools
- Upgraded internet speeds at many schools
- Updates for Moodle, Follett Destiny and Office 365

BOARD OF EDUCATION

INFORMATION REPORT

DATE: September 19, 2017
TO: Board of Education
FROM: Rohan Arul-pragasam, Assistant Superintendent
RE: ENROLMENT UPDATE

Assistant Superintendent, Rohan Arul-pragasam will present the enrollment and staffing report as of September 13th, 2017.

ENROLMENT ANALYSIS

SEPTEMBER 19, 2017



SD#33 – STRATEGIC PLAN

PRIORITY-RESOURCES

GOAL - To Align Resources To Efficiently & Effectively
Execute The Strategic Plan

ACTION: Long Term Staffing Plans Established To Ensure
Staffing Stability

AS OF SEPTEMBER 13TH, 2017

ANALYSIS

EXCLUDES DL, CE & ALT EDUCATION HEAD COUNT

HC SEPTEMBER 30th 2016 (K-12)	12,340
HC SEPTEMBER 13th, 2017 (K-12)	12,695
Increase HC	355
Percentage Increase HC	2.87%
HC +WEX +GT + FLEX	12,995
Increase FTE	340
Projected To Ministry (Budgeted)	12,967
Percentage Increase FTE	2.68%

HEAD COUNT CHG SEPTEMBER 13TH, 2017

FUNDED HEAD COUNT - WITHOUT DL, CE & ALT

	2011	2012	2013	2014	2015	2016	2017
K	929	932	906	947	884	912	936
1	849	929	942	918	989	933	957
2	915	855	930	934	934	1021	966
3	874	913	877	938	973	997	1056
4	821	862	911	878	975	1001	1030
5	899	808	897	923	916	1002	1025
6	816	911	837	905	968	940	1023
7	899	834	900	854	932	1006	960
8	877	887	837	898	870	951	995
9	930	887	864	842	901	891	934
10	1026	980	925	874	871	976	913
11	933	979	969	890	874	904	994
12	993	943	1001	930	889	975	1027

PERCENTAGE CHG SEPTEMBER 13TH, 2017

FUNDED HC - COHORT PERCENTAGE CHANGE

	2012	2013	2014	2015	2016	2017
K						
1	0.0%	1.07%	1.32%	4.4%	5.54%	4.93%
2	0.7%	0.11%	-0.85%	1.7%	3.24%	3.54%
3	-0.2%	2.57%	0.86%	4.2%	6.75%	3.43%
4	-1.4%	-0.22%	0.11%	3.9%	2.88%	3.31%
5	-1.6%	4.06%	1.32%	4.3%	2.77%	2.40%
6	1.3%	3.59%	0.89%	4.9%	2.62%	2.10%
7	2.2%	-1.21%	2.03%	3.0%	3.93%	2.13%
8	-1.3%	0.36%	-0.22%	1.9%	2.04%	-1.09%
9	1.1%	-2.59%	0.60%	0.3%	2.41%	-1.79%
10	5.4%	4.28%	1.16%	3.4%	8.32%	2.47%
11	-4.6%	-1.12%	-3.78%	0.0%	3.79%	1.84%
12	1.1%	2.25%	-4.02%	-0.1%	11.56%	13.61%

PERCENTAGE CHG SEPTEMBER 13TH, 2017

YEAR	ELEMENTARY HEAD COUNT	
	NORTH SIDE SCHOOLS	SOUTH SIDE SCHOOLS
1516	2880	3757
% CHG FROM 1415	1.34%	5.12%
ENROLMENT DIFF	INCREASE OF 221	
1617	2952	3854
% CHG FROM 1516	2.50%	2.50%
ENROLMENT DIFF	INCREASE OF 169	
1718	3059	3934
% CHG FROM 1716	3.62%	2.08%
ENROLMENT DIFF	INCREASE OF 187	

ADDITIONAL RESOURCES ALLOCATED

- Approximately 87 teacher FTE positions have been added over core staffing to ensure fidelity with the restored local language and for increased enrolment.
- This staffing includes the 42 FTEs previously provided by the Education Fund and Priority Measures Funding, which are now discontinued.

QUESTIONS & COMMENTS



BOARD OF EDUCATION

INFORMATION REPORT

DATE: September 19, 2017

TO: Board of Education

FROM: Gerry Slykhuis, Secretary Treasurer

RE: TRUSTEE REMUNERATION

BACKGROUND:

Policy 227 states that trustee remuneration will be adjusted annually effective July 1st each year. The adjustment will reflect the Canadian Consumer Price Index (CPI) established for July of each year for the previous 12 months.

CPI for the twelve months ending June 30, 2017 was 1.0% higher. Therefore, trustee remuneration was adjusted effective July 1, 2017 as follows:

Previous Rate:

	Taxable	Non-Taxable	Allowance	Total
Trustee	\$12,424	\$6,212	N/A	\$18,636
Vice Chair	\$12,424	\$6,212	\$932	\$19,568
Chair	\$12,424	\$6,212	\$1,864	\$20,500

New Rate:

	Taxable	Non-Taxable	Allowance	Total
Trustee	\$12,548	\$6,274	N/A	\$18,822
Vice Chair	\$12,548	\$6,274	\$941	\$19,763
Chair	\$12,548	\$6,274	\$1,883	\$20,705