

## NOTICE OF MEETING

Vancouver School Board  
Secretary-Treasurer's Office  
September 16, 2020

### Finance Committee

Oliver Hanson  
Lois Chan-Pedley  
Estrellita Gonzalez

Suzanne Hoffman, Superintendent of Schools  
J. David Green, Secretary-Treasurer

### Notice of Meeting

A meeting of the **Finance Committee** will be held on teams live broadcast on **Wednesday, September 16, 2020 at 5:00 pm.**

Trustees:	Fraser Ballantyne Carmen Cho Janet Fraser	Barb Parrott Jennifer Reddy Allan Wong
Student Trustee-Elect:	Ricky Huang	
District Management Staff:	Chris Allen Carmen Batista Deena Buckley Aaron Davis Pedro da Silva John Dawson Rosie Finch Mette Hamaguchi Joann Horsley-Holwill Michele Kelly Adrian Keough	Jody Langlois Patricia MacNeil Jim Meschino David Nelson Collette O'Reilly Alison Ogden Lorelei Russell Rob Schindel Shehzad Somji Chris Stanger Richard Zerbe
Reps:	Terry Stanway, VSTA Allison Jambor, VESTA Doug Matear, VASSA Vince Edwards, VEPVPA Skye Richards, DPAC Tyson Shmyr, PASA Warren Williams, CUPE 15 Brent Boyd, CUPE 407 Neil Munro, Trades Harjit Khangura, IUOE	Alt. Alisa Reid, VSTA (Alt.) Leslie Roosa, VESTA David Bach, VASSA Cathy Thomas, VEPVPA Vik Khana or Alan Patola Moosman, DPAC  Maggie Chan, CUPE 15 Charleen Ann Derzak, CUPE 407  Tim DeVivo, IUOE
Others:	Secretary-Treasurer's Office District Parents Bithia Chung Lynda Bonvillain Will Hsu	Ed. Centre Engineers Rentals Kathie Currie, CUPE 15 Communications Helen Yee

# COMMITTEE MEETING

FINANCE COMMITTEE  
Wednesday, September 16, 2020 at 5:00 pm  
Teams Live Broadcast and Room 114

## AGENDA

The meeting is being held on the traditional unceded territory of the Musqueam, Squamish and Tsleil-Waututh Nations. The meeting is being live-streamed and the audio and visual recording will also be available to the public for viewing after the meeting. The footage of the meeting may be viewed inside and outside of Canada.

### Meeting Decorum:

The Board has a strong commitment to ethical conduct. This includes the responsibility of committee members to conduct themselves with appropriate decorum and professionalism. As Chair of the Committee it is my responsibility to see that decorum is maintained. To do that I ask that:

- i. All members/delegates request to speak through the chair;
- ii. Civility towards others is maintained as stakeholder representatives and Trustees share perspectives and participate in debate;
- iii. Staff be able to submit objective reports without influence or pressure as their work is acknowledged and appreciated;
- iv. Committee members refrain from personal inflammatory/accusatory language/action;
- v. Committee members, Trustees, representatives and /staff present themselves in a professional and courteous manner.

Please see reverse for the Purpose/Function and Powers and Duties of this Committee.

- | <b><u>1. Delegations</u></b>   | <b><u>Presenters</u></b>                     |
|--|--|
| None   |  |
| <b><u>2. Information Items</u></b>                                   |  |
| 2.1 2019-2020 Financial Statements                                   | J. David Green, Secretary Treasurer          |
| 2.2 Budget Update – International Student Program Enrolment (verbal) | J. David Green, Secretary Treasurer          |
| 2.3 Return to School Grant Update (Provincial and Federal)           | Shehzad Somji, Assistant Secretary Treasurer |
| 2.4 Financial Statement Discussion and Analysis                      | Shehzad Somji, Assistant Secretary Treasurer |
| <b><u>3. Discussion Items</u></b>                                    |  |
| None   |  |
| <b><u>4. Items for Approval</u></b>                                  |  |
| None   |  |
| <b><u>5. Information Item Requests</u></b>                           |  |

### **Date and Time of Next Meeting**

November 25, 2020

## **Finance Committee**

### **5.1 Purpose/Function:**

5.1.1 To assist the Board in being fiscally responsible.

### **5.2 Powers and Duties:**

5.2.1 Annually make recommendations to the Board regarding its submission to the Select Standing Committee on Finance and Government Services.

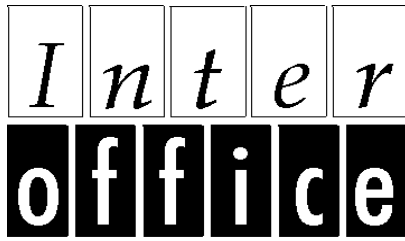
5.2.2 Provide input regarding the budget development process.

5.2.3 Make recommendations regarding school fees.

5.2.4 By reviewing quarterly financial reports make recommendations for increasing value for money including: reducing costs, increasing revenue, eliminating or reducing resource allocations where commensurate results are not being achieved, disposal of assets, and increasing benefits without increasing costs.

5.2.5 Fiscal Matters Referred to the Committee by the Board:

5.2.5.1 Review matters referred and make recommendations as requested.



# Memorandum

vancouver school board



Date: September 16, 2020

**ITEM 2.1**

To: Finance Committee

From: J. David Green, Secretary Treasurer  
Shehzad Somji, Assistant Secretary Treasurer

Re: **June 30, 2020 Audited Financial Statements**

## REFERENCE TO STRATEGIC PLAN:

**Goal 4: Provide effective leadership, governance and stewardship**

**Objectives:**

- Effectively utilize school district resources and facilities.

## INTRODUCTION:

This report is for information.

## BACKGROUND:

Attached are the financial statements for the Vancouver Board of Education (VBE) for the fiscal year ended June 30, 2020 (Attachment A).

In accordance with Section 157(5) of the *School Act*, Boards of Education must prepare and approve financial statements with respect to the preceding fiscal year and forward a copy to the Minister of Education by September 30th, together with the auditor's report.

The financial statements have been prepared by VBE staff in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. As noted in the Auditor's Report, in the opinion of the Office of the Auditor General of British Columbia (OAG), the financial statements present fairly the financial position of VBE at June 30, 2020 and the results of its operations for the year then ended except for the area of deferred revenue (a liability) where the accounting treatment used by VBE differs from Canadian Public Sector Accounting Standards. In this area, the VBE is required to follow the accounting policy prescribed by Province of British Columbia Treasury Board (Regulation 198/2011).

Representatives of OAG will attend the Audit Committee meeting later this evening where they will present the Audit Findings Report. That report is also attached for the

Committee's information (Attachment B). The Audit Committee will be recommending approval of the financial statements to the Board of Education.

**DISCUSSION:**

**Statement 1: Statement of Financial Position**

The Statement of Financial Position on page 6, lists the VBE's assets, liabilities, and accumulated surplus at year end.

The Statement of Financial Position distinguishes between financial assets (\$268.6 million) and liabilities (\$921.5 million), and non-financial assets (\$800.1 million). As at June 30, 2020, the District has a Net Financial Debt of \$652.9 million and an overall Accumulated Surplus of \$147.2 million. Net financial debt is primarily related to Deferred Capital Revenue which, under Treasury Board Regulation 198/2011, is required to be shown as a liability.

Total financial assets increased by \$15.0 million due primarily to increases in Cash and Cash Equivalents of \$11.9 million and Due from the Ministry of Education of \$5.3 million offset by a decrease in Accounts Receivable - Other of \$1.9 million, as illustrated in the table below:

	<b>2020</b>	<b>2019</b>	<b>Increase (Decrease)</b>
Cash & Cash Equivalents	\$ 252.4	\$ 240.5	\$ 11.9
Due from Ministry of Education	10.2	4.9	5.3
Accounts Receivable - Other	5.3	7.2	(1.9)
Portfolio Investments	0.7	1.0	(0.3)
	<b>\$ 268.6</b>	<b>\$ 253.6</b>	<b>\$ 15.0</b>

Cash and cash equivalents increased by \$11.9 million primarily due to the \$10.2 million surplus for the year and the difference of \$1.7 million between the year over year increase in operating transactions of \$6.2 million, the year over year decrease in capital and financing transactions of \$4.8 million and the \$0.3 million increase in investing transactions (see Statement 5 of the Financial Statements).

A component of the Cash and Cash Equivalents balance is the \$65.0 million in proceeds from the sale of an underground air parcel at Lord Roberts Annex to BC Hydro in 2018, for the construction of a substation, which has grown to \$68.2 million at year-end. These funds are deposited in the Ministry of Finance Central Deposit Program, earning interest at 2.95% annually from September 2018 to March 2020 when the interest rate declined to 1.45% due to the Bank of Canada interest rate cuts to address the economic impact of the COVID-19 pandemic.

The receivable from the Ministry of Education is funding for capital projects that the District has requested but was not received prior to June 30, 2020. The variance year-

over-year is due to the timing of when payments were received.

The decrease of \$1.9 million in other accounts receivable is due to a decrease in the receivable from the City of Vancouver for daycare space that is under construction.

With respect to liabilities, the June 30, 2019 balances for Unearned Revenue and Deferred Capital Revenue have been restated to reflect a correction of an error in previous years' financial statements where a 99-year ground lease was recorded as Deferred Capital Revenue instead of Unearned Revenue (see Note 18 in the Financial Statements). Total liabilities increased by \$59.2 million, as illustrated in the table below:

	<b>2020</b>	<b>2019 (Restated)</b>	<b>Increase (Decrease)</b>
Deferred Capital Revenue	\$ 717.7	\$ 656.2	\$ 61.5
Unearned Revenue	57.4	60.2	(2.8)
Accounts Payable - Other	74.1	70.4	3.7
Deferred Revenue	35.1	38.4	(3.3)
Due to Province	4.2	3.9	0.3
Capital Lease Obligations	2.1	3.6	(1.5)
Employee Future Benefits	29.5	27.9	1.6
Other Liabilities	1.4	1.7	(0.3)
	<b>\$ 921.5</b>	<b>\$ 862.3</b>	<b>\$ 59.2</b>

The \$61.5 million increase in Deferred Capital Revenue is due to funds received for seismic and childcare projects that have been completed during the year. Deferred Capital Revenue is recognized when external funds are received for building of capital assets (for example, funding provided by the Province for seismic upgrades or for the future construction of a new school). As upgrades are made, the funds are received. However, once the building is complete, these contributions are recorded in the financial statements as 'deferred capital revenue', in the same way as the cost to build the school is recorded as a 'tangible capital asset'. The deferred capital revenue balance is not a debt that will have to be repaid. Rather, both deferred capital revenue and tangible capital assets are amortized over the useful life of the assets constructed.

The \$2.8 million decrease in Unearned Revenue is due primarily to declines in tuition fees received (refunds) from international students and rental and leases of facilities (closures) both due to the COVID-19 pandemic. The closure of most facilities for rentals started in March and continued for the balance of the school year.

The \$3.7 million increase in Accounts Payable – Other is largely due to the following:

- an increase of \$1.6 million in trades payable;
- an increase of \$2.1 million in Employer Health Tax payable;

Total non-financial assets increased \$54.5 million from \$745.6 million to \$800.1 million largely because of the \$56.3 million increase in the net book value of Tangible Capital

Assets from \$740.8 million to \$797.1 million. Work in progress accounted for \$53.0 million of this increase from \$72.8 million to \$125.8 million due to an increased level of work in progress on buildings in the Seismic Mitigation Program.

The Accumulated Surplus at June 30, 2020 increased by \$10.2 million to \$147.2 from the June 30, 2019 balance of \$137.0 million. Details of the accumulated surplus are provided in Note 16 of the financial statements on page 26, and in the following table:

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Invested in Capital Assets	\$ 106,712,698	\$ 107,253,594
Local Capital Fund	10,385,062	9,897,980
Capital Fund Balance	<u>117,097,760</u>	<u>117,151,574</u>
Operations Spanning Future School Years	14,499,276	7,792,090
Anticipated Unusual Expenses Identified	2,876,397	2,503,785
Nature of Constraints on the Funds		
Donated Funds for School Programs	3,106,404	3,095,065
Special Grant for Schools and Mentorship	-	107,305
Special Grant for Special Education	692,284	1,479,601
Unspent Targeted Funding - Indigenous Education	64,498	
	<u>3,863,185</u>	<u>4,681,971</u>
Contingency Reserve	5,049,436	2,474,567
Unrestricted Operating Surplus	3,841,394	2,416,518
Accumulated Surplus	<u>\$ 147,227,448</u>	<u>\$ 137,020,505</u>

The Operating, Special Purpose and Capital funds are consolidated on Statement 1 and are not shown individually on the Statement of Financial Position. Of the total accumulated surplus of \$147.2 million on the Statement of Financial Position, \$117.1 million is in the capital fund and \$30.1 million is in the operating fund. There is no surplus in the Special Purpose Funds. As indicated, the presentation of the operating fund surplus in the financial statements is in accordance with Board Policy 19. The \$14.5 million amount allocated for Operations Spanning Future School Years includes \$8.9 million appropriated to balance the 2020-2021 operating fund budget. The \$2.9 million amount allocated for Anticipated Unusual Expenses Identified is similar to the 2019 allocation. While it would be expected that funding would be set aside to address expenses related to the COVID-19 pandemic in this category of surplus, the 2020-2021 operating fund budget already includes a specific amount of \$1.0 million to address those anticipated expenses. The following chart illustrates that of the \$30.1 million, \$11.7 million is available to address either unusual one-time expenses anticipated in the current year (\$2.9 million), additional one-time costs or reduction in revenues due to emergent

issues that arise during the year (\$5.0 million) or for working capital purposes (\$3.8 million).

Category	Balance June 30, 2020	Specific Use 2020-2021	Ongoing Commitments	Balance Available
Operations Spanning Future School Years	\$ 14,499,276	\$ 8,949,210	\$ 5,527,622	\$ 22,444
Anticipated Unusual Expenses Identified	2,876,397			2,876,397
Nature of Constraints on Funds	3,863,185	3,863,185		-
Contingency Reserve	5,049,436			5,049,436
Unrestricted Operating Surplus	3,841,394			3,841,394
	<u>\$ 30,129,688</u>	<u>\$ 12,812,395</u>	<u>\$ 5,527,622</u>	<u>\$ 11,789,671</u>

## **Statement 2 – Statement of Operations**

The Statement of Operations on page 7 contains the District’s revenues and expenses on a consolidated basis for the fiscal year ending June 30, 2020. As indicated on the Surplus (Deficit) for the year line, the consolidated surplus for the year was \$10.2 million. Schedule 2 on page 30 illustrates that \$10.3 million of the consolidated surplus is in the operating fund and is offset by a \$0.1 million deficit in the capital fund. There is no surplus or deficit in the Special Purpose Funds.

Total revenue for 2019-2020 decreased by \$1.1 million from \$636.5 million in 2018-2019 to \$635.4 million. However, ignoring the \$12.0 million gain on the disposal of tangible capital assets recorded in 2018-2019 from the sale of the underground air parcel at Lord Roberts Annex to BC Hydro, total revenue increased by \$10.9 million. This increase is largely due to an increase of \$16.6 million from the Ministry, offset by a decrease of \$4.5 million in School Generated Funds resulting from lower spending during the pandemic, and a decrease of \$1.2 million in Special Purpose Funds. The additional \$16.6 million is comprised of a \$5.4 million increase in block funding, \$5.6 million for teachers labour settlement, \$2.7 million for CUPE support staff wage increases, and an increase of \$2.9 million for Employer Health Tax.

Statement 2 also includes the amended budget for 2019-2020, being the budget adopted mid-way through the year, formulated on the actual student enrollment for the year. For additional information and disclosure, the amended budget and the preliminary annual budgets are compared in Note 14 to the financial statements (page 24).

## **Schedules**

The financial results of the three individual funds are also reported in the financial statement package but are not audited. The results in the individual funds are contained in the information schedules that follow the statements:

Schedule 2 – 2C: Operating Fund (pages 31 – 35)



- Schedule 3 – 3A: Special Purpose Fund (pages 36 – 39)
- Schedule 4 – 4D: Capital Fund (pages 40 – 44)

**Schedule 2: Operating Fund**

While Statement 2, discussed above, is consolidated and shows an overall ‘entity’ view, Schedule 2 (page 31) focuses on the operating fund.

In the amended budget report presented to the February 24, 2020 Finance Committee staff projected the District would be using \$2.4 million from prior year surplus as the projected expenses, purchase of capital assets and funding or capital leases exceeded the projected revenue in the operating fund. With the 2019-2020 financial statements now complete, the District ended the year with a \$10.3 million operating fund surplus, which is an improved financial position of \$12.7 million. The improved financial position is explained in the following table:

COVID-19 Savings	\$ 5,905,285
COVID-19 Spending	(1,156,080)
COVID-19 Loss of Revenue	(1,580,555)
Increased Rental/Lease/Tuition	2,386,326
Increased Enrolment	1,956,905
Salary Savings	581,402
Benefit Savings	1,357,577
Exempt Wage Lift	(1,286,460)
Lease Payments	1,217,512
NGN Savings	346,806
PeopleSoft Finance Upgrade	300,000
School Supplies Bulk Order Delay	315,767
Miscellaneous Savings	455,463
Unspent School Balances	1,850,480
	<u>\$ 12,650,428</u>

**COVID-19 Impacts**

At the June 17<sup>th</sup> Finance Committee staff presented a report on the projected budget impact the COVID-19 pandemic could have on the District. The reported presented a potential budget savings of \$1.7 million for 2019-2020 and the actual savings for the year were \$3.2 million. The following table, which is the same format as the June 17<sup>th</sup> presentation, is provided for comparison.

	<b>June 12th Est.</b>	<b>June 30th</b>
COVID-19 Related Cost Saving	\$ 4,414,386	\$ 5,855,285
Additional Revenue for Childcare Snacks	50,000	50,000
	<b>4,464,386</b>	<b>5,905,285</b>
Loss of Revenue	(1,519,194)	(1,580,555)
COVID-19 Related Spending	(1,153,069)	(1,106,080)
Cost of Childcare Snacks	(50,000)	(50,000)
	<b>(2,722,263)</b>	<b>(2,736,635)</b>
	<b>\$ 1,742,123</b>	<b>\$ 3,168,649</b>

The June 12<sup>th</sup> estimate column components have been restated to provide a comparison to the actual year-end report provided to the Ministry and will be explained below. Most of the cost savings is related to on call staff savings (\$4.5 million) and student transportation services (\$0.7 million). The following table further details of the on-call staff savings by employee group along with the balance of the savings:

<b>COVID-19 Related Cost Saving</b>	<b>June 12th Est.</b>	<b>June 30th</b>
On Call Staff Savings		
Teacher/TTOC	\$ 2,064,983	\$ 3,649,196
Education Assitants	492,773	559,123
Support Staff	44,330	165,184
Excluded		122,713
	2,602,086	4,496,216
Pro-D and Travel	255,770	163,468
Student Transportation	1,044,262	730,113
Garbage and Utilities	249,124	357,504
Cafeteria Food Costs	-	-
Indigenous Education	55,848	-
Wellness - Health Risk Assessment Consulting	96,778	-
Long Range Facilities Engagement	69,520	69,520
Other Supplies and Banking Fees	90,998	88,463
	<b>\$ 4,464,386</b>	<b>\$ 5,905,285</b>

The loss of revenue due to COVID-19 is \$1.6 million and is largely comprised of interest income and reduced rental and parking revenue. Revenue loss from cafeterias has been combined with the food cost savings from cafeterias. The savings in Indigenous Education and Wellness are cost deferral and not actual savings. These amounts are not reflected in the June 30<sup>th</sup> amounts as they have been allocated to spending for 2020-2021.

<b>Loss of Revenue</b>	<b>June 12th Est.</b>	<b>June 30th</b>
Cafeteria	\$ (201,082)	\$ (262,443)
Rental & Parking Revenue	(503,508)	(503,508)
Interest Income	(638,240)	(638,240)
International Education	(101,502)	(101,502)
IB Fees Returned to Schools	(12,409)	(12,409)
Printing Revenue	(62,453)	(62,453)
	<b>\$ (1,519,194)</b>	<b>\$ (1,580,555)</b>

The District also had additional spending due to COVID-19 to provide enhanced cleaning of facilities, the purchase of more cleaning and safety supplies and additional staffing. The following table identifies these costs:

<b>COVID-19 Related Spending</b>	<b>June 12th Est.</b>	<b>June 30th</b>
Additional Custodial and Maintenance	\$ (606,380)	\$ (267,731)
Cleaning and Safety Supplies	(476,093)	(524,645)
Additional Auto Allowance & Vehicle Lease	(54,474)	(57,462)
Additional Employee Assistant Plan	(35,560)	(35,560)
Computer Purchases	(18,715)	(258,835)
Security/Patrol Services	(11,847)	(11,847)
	<b>\$ (1,203,069)</b>	<b>\$ (1,156,080)</b>

### **Schedule 3: Schedule of Special Purpose Operations**

Schedule 3 on page 36 shows the consolidated revenues and expenses of all special purpose funds for the District. Detailed information on each special purpose fund is found in Schedule 3A (See the Financial Statement Discussion & Analysis for details).

### **Schedule 4: Schedule of Capital Operations**

Schedule 4 on page 40, the Schedule of Capital Operations, lists all the VBE's capital assets and capital reserves as at year end (See the Financial Statement Discussion & Analysis for details).

<b>RECOMMENDATION:</b>
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There is no recommendation.

Attachments:

- Audited Financial Statements
- SD39 Report on the Financial Statement Audit

Audited Financial Statements of

# **School District No. 39 (Vancouver)**

And Independent Auditors' Report thereon

June 30, 2020

# School District No. 39 (Vancouver)

June 30, 2020

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# School District No. 39 (Vancouver)

## MANAGEMENT REPORT

**DRAFT**

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 39 (Vancouver) 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. 39 (Vancouver) (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, Office of the Auditor General of British Columbia, 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. 39 (Vancouver) 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. 39 (Vancouver)

**DRAFT**

Signature of the Comptroller of Education \_\_\_\_\_ Date Signed \_\_\_\_\_  
Signature of the Superintendent \_\_\_\_\_ Date Signed \_\_\_\_\_

Signature of the Secretary Treasurer

Date Signed

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# School District No. 39 (Vancouver)

## Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual (Restated)
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	252,446,220	240,548,009
Accounts Receivable		
Due from Province - Ministry of Education	10,146,510	4,942,307
Due from Province - Other	168,200	132,675
Other (Note 3)	5,167,290	7,046,469
Portfolio Investments (Note 4)	712,341	996,966
<b>Total Financial Assets</b>	<b>268,640,561</b>	<b>253,666,426</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	173,857	185,434
Due to Province - Other	4,050,173	3,741,338
Other (Note 5)	74,080,929	70,347,072
Unearned Revenue (Note 6 and 18)	57,368,400	60,158,517
Deferred Revenue (Note 7)	35,125,057	38,431,885
Deferred Capital Revenue (Note 8 and 18)	717,744,982	656,212,899
Employee Future Benefits (Note 9)	29,545,276	27,947,342
Capital Lease Obligations (Note 10)	2,098,085	3,579,816
Other Liabilities	1,349,000	1,686,023
<b>Total Liabilities</b>	<b>921,535,759</b>	<b>862,290,326</b>
<b>Net Debt</b>	<b>(652,895,198)</b>	<b>(608,623,900)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	797,124,254	740,854,968
Prepaid Expenses	2,137,471	3,855,200
Supplies Inventory	860,921	934,237
<b>Total Non-Financial Assets</b>	<b>800,122,646</b>	<b>745,644,405</b>
<b>Accumulated Surplus (Deficit) (Note 16)</b>	<b>147,227,448</b>	<b>137,020,505</b>

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

DRAFT



# School District No. 39 (Vancouver)

Statement of Operations  
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	541,111,591	<b>542,083,299</b>	527,030,604
Other	5,375,834	<b>6,469,984</b>	6,327,769
Federal Grants	2,280,857	<b>2,280,857</b>	2,259,914
Tuition	29,411,375	<b>29,951,775</b>	29,847,950
Other Revenue	31,495,877	<b>26,063,173</b>	32,228,696
Rentals and Leases	5,966,987	<b>5,541,059</b>	5,555,704
Investment Income	4,922,194	<b>3,881,363</b>	3,945,348
Gain (Loss) on Disposal of Tangible Capital Assets			12,008,555
Amortization of Deferred Capital Revenue	19,176,608	<b>19,148,025</b>	17,294,428
<b>Total Revenue</b>	<u>639,741,323</u>	<u><b>635,419,535</b></u>	<u>636,498,968</u>
<b>Expenses</b>			
Instruction	519,161,959	<b>505,557,058</b>	499,036,105
District Administration	24,285,974	<b>23,457,736</b>	24,392,628
Operations and Maintenance	94,717,239	<b>93,677,099</b>	91,371,275
Transportation and Housing	3,515,863	<b>2,409,292</b>	2,988,963
Debt Services	120,452	<b>111,407</b>	61,369
<b>Total Expense</b>	<u>641,801,487</u>	<u><b>625,212,592</b></u>	<u>617,850,340</u>
<b>Surplus (Deficit) for the year</b>	<u>(2,060,164)</u>	<u><b>10,206,943</b></u>	<u>18,648,628</u>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>137,020,505</b>	118,371,877
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<u><u><b>147,227,448</b></u></u>	<u>137,020,505</u>

# School District No. 39 (Vancouver)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(2,060,164)	<b>10,206,943</b>	18,648,628
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(64,521,470)	<b>(84,060,205)</b>	(62,868,369)
Amortization of Tangible Capital Assets	27,842,527	<b>27,790,919</b>	25,807,374
Net carrying value of Tangible Capital Assets disposed of			66,445
<b>Total Effect of change in Tangible Capital Assets</b>	(36,678,943)	<b>(56,269,286)</b>	(36,994,550)
Acquisition of Prepaid Expenses		<b>(4,086,682)</b>	(4,193,855)
Use of Prepaid Expenses		<b>5,804,411</b>	3,893,333
Acquisition of Supplies Inventory		<b>(1,612,903)</b>	(1,719,054)
Use of Supplies Inventory		<b>1,686,219</b>	1,737,669
<b>Total Effect of change in Other Non-Financial Assets</b>	-	<b>1,791,045</b>	(281,907)
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<u>(38,739,107)</u>	<b>(44,271,298)</b>	(18,627,829)
<b>Net Remeasurement Gains (Losses)</b>			
<b>(Increase) Decrease in Net Debt</b>		<b>(44,271,298)</b>	(18,627,829)
<b>Net Debt, beginning of year</b>		<b>(608,623,900)</b>	(589,996,071)
<b>Net Debt, end of year</b>		<b>(652,895,198)</b>	(608,623,900)

# School District No. 39 (Vancouver)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2020

	2020 Actual	2019 Actual (Restated)
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	10,206,943	18,648,628
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(3,360,549)	1,244,482
Supplies Inventories	73,316	18,615
Prepaid Expenses	1,717,729	(300,523)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	4,031,115	13,207,857
Unearned Revenue	(2,790,117)	17,301,562
Deferred Revenue	(3,306,828)	7,814,878
Employee Future Benefits	1,597,933	2,270,546
Other Liabilities	(337,024)	699,000
Loss (Gain) on Disposal of Tangible Capital Assets		(12,008,555)
Amortization of Tangible Capital Assets	27,790,919	25,807,374
Amortization of Deferred Capital Revenue	(19,148,025)	(17,294,428)
Insurance claim	(86,652)	
<b>Total Operating Transactions</b>	<b>16,388,760</b>	<b>57,409,436</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(5,045,550)	(3,957,793)
Tangible Capital Assets -WIP Purchased	(78,289,901)	(55,100,423)
District Portion of Proceeds on Disposal		12,075,000
<b>Total Capital Transactions</b>	<b>(83,335,451)</b>	<b>(46,983,216)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	80,766,760	87,854,576
Capital Lease Payments	(2,206,484)	(2,056,124)
<b>Total Financing Transactions</b>	<b>78,560,276</b>	<b>85,798,452</b>
<b>Investing Transactions</b>		
Investments in Portfolio Investments	284,626	917,834
<b>Total Investing Transactions</b>	<b>284,626</b>	<b>917,834</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>11,898,211</b>	<b>97,142,506</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>240,548,009</b>	<b>143,405,503</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>252,446,220</b>	<b>240,548,009</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	252,446,220	240,548,009
	<b>252,446,220</b>	<b>240,548,009</b>

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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**1 Authority and Purpose**

The School District, established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 39 (Vancouver)", and operates as "School District No. 39 (Vancouver)." 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. 39 is exempt from federal and provincial income taxes.

**2 Summary of Significant Accounting Policies**

a) Basis of Accounting

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

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in notes 2(f) and 2(n), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and 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.

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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d) Portfolio Investments

The School District has investments in Guaranteed Investment Certificates (GIC's), term deposits and bonds that have a period to maturity of greater than three months at the time of acquisition. These investments are not quoted in an active market and are reported at 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 issuance of a financial asset.

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods, receipt of proceeds for services or products to be delivered in a future period and the remaining balance of a 99-year ground lease (see Notes 6 and 18). For tuition fees and the receipt of proceeds for services or products to be delivered, revenue will be recognized in that future period when the courses, services, or products are provided. For the ground lease, revenue will be recognized on a straight line basis over the remaining term of the lease.

f) 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(n).

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.

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.

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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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 of active employees covered under the plan.

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

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) Tangible Capital Assets

- 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 in which case the assets are 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.
- 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 indicate the need to revise.

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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Estimated useful life is as follows:

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

i) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

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

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executory costs, e.g., insurance or maintenance costs. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

Prepaid annual maintenance contracts, prepaid rent, membership dues, and medical benefit plan premiums are included as a prepaid expense and stated at acquisition cost, and are charged to expense over the periods expected to benefit from it.

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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l) Supplies Inventory

Supplies inventory held for consumption or use are recorded at the lower of historical cost and replacement cost.

m) 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.

n) Revenue Recognition

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

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

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

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

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful lives 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 governments 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 over the period that the liability is extinguished.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.



**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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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.

o) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

p) 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, portfolio investments, accounts receivable, accounts payable and other current liabilities.

Except for portfolio investments in equity instruments quoted in an active market, or items designated by management, 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.

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Interest and dividends attributable to financial instruments are reported in the statement of operations.

Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

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.

q) 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.

r) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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**3 Other Receivables**

	30-Jun-20	30-Jun-19
Due from Federal Government	\$ 1,151,655	\$ 370,893
Due from Municipalities	2,417,237	3,616,639
Due from Other School Districts	4,213	75,490
Rentals and Leases	176,404	330,826
Other Receivables	1,420,787	3,005,814
Allowance for Doubtful Accounts	(3,006)	(353,193)
<b>Total</b>	<b>\$ 5,167,290</b>	<b>\$ 7,046,469</b>

**4 Portfolio Investments**

GIC's and term deposits included in portfolio investments are held with local banking institutions and earn average interest at 1.58% (2019 – 1.60%). Senior government bonds held earn average interest at 2.72% (2019 - 2.57%).

	30-Jun-20	30-Jun-19
GIC's	\$ 100,637	\$ 207,119
Term deposits	238,166	215,190
Senior Government Bonds	373,539	574,657
	<b>\$ 712,341</b>	<b>\$ 996,966</b>

**5 Accounts Payable and Accrued Liabilities – Other**

	30-Jun-20	30-Jun-19
Accrued vacation pay	\$ 9,605,585	\$ 8,935,601
Other	12,069,687	12,397,073
Salaries and benefits payable	36,631,590	34,910,522
Trade payables	15,774,067	14,103,876
	<b>\$ 74,080,929</b>	<b>\$ 70,347,072</b>

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

**6 Unearned Revenue**

	30-Jun-20	30-Jun-19
Balance, beginning of year	\$ 46,853,440	\$ 29,380,200
Prior period adjustment (Note 18)	13,305,077	13,476,755
Balance, beginning of year, restated	60,158,517	42,856,955
 Amounts received		
Tuition fees	22,365,492	24,858,225
Rental/Lease of facilities	1,935,378	5,622,434
Other	451,646	17,179,930
	24,752,516	47,660,589
 Amounts earned		
Tuition fees	25,073,179	24,926,285
Rental/Lease of facilities	2,342,083	5,308,591
Other	127,371	124,151
	27,542,633	30,359,027
Net changes for the year	(2,790,117)	17,301,562
Balance, end of year	\$ 57,368,400	\$ 60,158,517

**7 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 the Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

	30-Jun-20	30-Jun-19
Deferred revenue, beginning of year	\$ 38,431,885	\$ 30,617,007
Increase		
Provincial Grants - Ministry of Education	65,877,660	68,068,534
Provincial Grants - Other	3,799,005	12,772,152
Other	21,270,393	26,335,436
Investment Income	998,857	960,684
	91,945,915	108,136,806
Decrease		
Allocated to Revenue	90,278,475	97,446,991
Recoveries	3,139,254	2,438,119
Transfer to nonprofit organizations	1,835,014	436,818
	95,252,743	100,321,928
Deferred revenue, end of year	\$ 35,125,057	\$ 38,431,885

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

**8 Deferred Capital Revenue**

Deferred Capital Revenue (DCR) 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 Regulation 198/2011 issued by the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
DCR, Completed Projects		
Balance, beginning of year	\$ 562,207,879	\$ 453,280,499
Prior period adjustment (Note 18)	<u>(13,305,077)</u>	<u>(13,476,755)</u>
Balance, beginning of year, restated	548,902,802	439,803,744
Increases		
Transfers from DCR, WIP	24,807,570	126,276,150
Other Capital Additions	<u>591,528</u>	<u>117,337</u>
	25,399,098	126,393,487
Decreases		
Amortization - ByLaw Capital	18,810,645	17,019,495
Amortization - Other Provincial Capital	312,484	255,872
Amortization - Other Capital	<u>24,896</u>	<u>19,061</u>
	19,148,025	17,294,428
Balance, end of year	<u>555,153,875</u>	<u>548,902,802</u>
DCR, Work in Progress (WIP)		
Balance, beginning of year	68,853,457	144,005,432
Increases		
Transfers from DR – spent funds	77,020,087	51,124,175
Decreases		
Transfers to DCR – completed projects	<u>24,807,570</u>	<u>126,276,150</u>
Balance, end of year	<u>121,065,974</u>	<u>68,853,457</u>
Balance DCR Completed Projects and WIP, end of year	<u>676,219,849</u>	<u>617,756,259</u>
DCR, Unspent		
Balance, beginning of year	38,456,640	1,843,576
Increases		
Provincial Grants – Ministry of Education	72,637,413	41,451,578
Other	7,106,836	9,285,581
Investment Income	1,022,511	892,417
MEd Restricted Portion of Proceeds on Disposal	<u>-</u>	<u>36,225,000</u>
	80,766,760	87,854,576
Decreases		
Transferred to DCR, WIP	77,020,087	51,124,175
Insurance netted with expenditure	86,652	-
Other Capital Additions Transferred to DCR	<u>591,528</u>	<u>117,337</u>
	<u>77,698,267</u>	<u>51,241,512</u>
Balance, DCR, Unspent, end of year	<u>41,525,133</u>	<u>38,456,640</u>
Total Deferred Capital Revenue	<u>\$ 717,744,982</u>	<u>\$ 656,212,899</u>

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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**9 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.

	30-Jun-20	30-Jun-19
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 28,301,794	\$ 29,839,114
Service Cost	1,923,522	2,029,697
Interest Cost	724,855	845,874
Benefit Payments	(1,426,797)	(1,520,360)
Increase (Decrease) in obligation due to Plan Amendment	-	42,868
Actuarial (Gain) Loss	712,375	(2,935,399)
Accrued Benefit Obligation – March 31	\$ 30,235,749	\$ 28,301,794
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 30,235,749	\$ 28,301,794
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	30,235,749	28,301,794
Employer Contributions After Measurement Date	(800,799)	(676,319)
Benefits Expense After Measurement Date	676,706	662,094
Unamortized Net Actuarial Gain (Loss)	(566,380)	(340,228)
Accrued Benefit Liability - June 30	\$ 29,545,276	\$ 27,947,342
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$ 27,947,342	\$ 25,676,796
Net Expense for Fiscal Year	3,149,212	3,609,953
Employer Contributions	(1,551,278)	(1,339,408)
Accrued Benefit Liability - June 30	\$ 29,545,276	\$ 27,947,342
Components of Net Benefit Expense		
Service Cost - June 30	\$ 1,950,776	\$ 2,003,153
Interest Cost - June 30	712,213	815,619
Immediate Recognition of Plan Amendment	-	42,868
Amortization of Net Actuarial (Gain)/Loss	486,223	748,312
Net Benefit Expense (Income)	\$ 3,149,213	\$ 3,609,953

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Assumptions		
Discount Rate - April 1	2.50%	2.75%
Discount Rate - March 31	1.75%	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	11.20	11.20

**10 Capital Lease Obligations**

Repayments are due as follows:

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
2020	\$ -	\$ 2,071,151
2021	1,433,453	1,313,718
2022	514,764	255,786
2023	255,785	255,786
2024	-	-
	<u>2,204,002</u>	<u>3,896,441</u>
<i>Interest portion - ranging from 4.2% to 6.9%</i>	<u>(105,917)</u>	<u>(316,625)</u>
<b>Total</b>	<u>\$ 2,098,085</u>	<u>\$ 3,579,816</u>

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

**11 Tangible Capital Asset**

**2020**

Cost	July 1, 2019	Additions	Disposals	Transfers	June 30, 2020
Sites	\$ 20,781,686	\$ -	\$ -	\$ -	\$ 20,781,686
Buildings	984,041,365	677,708	-	24,779,367	1,009,498,440
Buildings – WIP	72,826,298	77,786,935	-	(24,779,367)	125,833,866
Furniture & Equipment	16,092,659	2,250,999	(1,245,902)	210,000	17,307,756
Furniture & Equipment - WIP	3,407	502,966	-	(210,000)	296,373
Vehicles	2,214,103	597,551	(448,923)	-	2,362,731
Computer Software	3,131,937	-	(551,245)	-	2,580,692
Computer Hardware	16,280,997	2,244,046	(4,831,635)	-	13,693,408
<b>Total</b>	<b>\$ 1,115,372,452</b>	<b>\$ 84,060,205</b>	<b>\$ (7,077,705)</b>	<b>\$ -</b>	<b>\$ 1,192,354,952</b>

Accumulated Amortization	July 1, 2019	Amortization	Disposals	June 30, 2020
Buildings	\$ 356,739,256	\$ 22,323,436	\$ -	\$ 379,062,692
Furniture & Equipment	7,802,120	1,669,955	1,245,902	8,226,173
Vehicles	1,103,254	228,842	448,923	883,173
Computer Software	1,673,472	571,245	551,245	1,693,472
Computer Hardware	7,199,382	2,997,442	4,831,635	5,365,189
<b>Total</b>	<b>\$ 374,517,484</b>	<b>\$ 27,790,920</b>	<b>\$ 7,077,705</b>	<b>\$ 395,230,699</b>

**2019**

Cost	July 1, 2018	Additions	Disposals	Transfers	June 30, 2019
Sites	\$ 20,848,131	\$ -	\$ (66,445.00)	\$ -	\$ 20,781,686
Buildings	857,482,120	717,276	-	125,841,969	984,041,365
Buildings – WIP	143,811,882	54,856,384	-	(125,841,969)	72,826,297
Furniture & Equipment	16,239,505	1,083,210	(1,664,237)	434,181	16,092,659
Furniture & Equipment - WIP	193,550	244,038	-	(434,181)	3,407
Vehicles	1,716,604	497,499	-	-	2,214,103
Computer Software	3,027,369	249,659	(145,091)	-	3,131,937
Computer Hardware	12,493,704	5,220,302	(1,433,009)	-	16,280,997
<b>Total</b>	<b>\$ 1,055,812,865</b>	<b>\$ 62,868,368</b>	<b>\$ (3,308,782)</b>	<b>\$ -</b>	<b>\$ 1,115,372,451</b>

Accumulated Amortization	July 1, 2018	Amortization	Disposals	June 30, 2019
Buildings	\$ 336,238,348	\$ 20,500,908		\$ 356,739,256
Furniture & Equipment	7,849,810	1,616,547	1,664,237	7,802,120
Vehicles	906,719	196,535	-	1,103,254
Computer Software	1,202,650	615,913	145,091	1,673,472
Computer Hardware	5,754,920	2,877,471	1,433,009	7,199,382
<b>Total</b>	<b>\$ 351,952,447</b>	<b>\$ 25,807,374</b>	<b>\$ 3,242,337</b>	<b>\$ 374,517,484</b>

Net Book Value	June 30, 2020	June 30, 2019
Sites	\$ 20,781,686	\$ 20,781,686
Buildings	630,435,748	627,302,109
Buildings - WIP	125,833,866	72,826,297
Furniture & Equipment	9,081,583	8,290,539
Furniture & Equipment - WIP	296,373	3,407
Vehicles	1,479,558	1,110,849
Computer Software	887,220	1,458,465
Computer Hardware	8,328,220	9,081,615
<b>Total</b>	<b>\$ 797,124,254</b>	<b>\$ 740,854,968</b>



**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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As at June 30, 2020, there was work in progress of \$126,130,239 (\$72,829,704 in 2019) included in Buildings and Furniture & Equipment and not being amortized. Amortization of these assets will commence when the asset is put into service.

Included within tangible capital assets purchases is \$724,754 (2019: \$3,810,153) of assets acquired through capital lease.

## **12 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, 2018, the Teachers' Pension Plan had about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan had about 205,000 active members, including approximately 26,000 from school districts.

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

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

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

The School District paid \$43,784,235 (2019 - \$44,716,710) for employer contributions to these plans in the year ended June 30, 2020.

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

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting).

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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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.

**13 Contractual Obligations**

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

	2021	2022	2023	2024	2025
Approved Capital Projects -					
Unperformed portion	\$ 67,339,172	\$ 57,340,832	\$ 33,523,673	\$ 8,916,218	\$ -
Future operating lease payments	523,734	578,354	618,813	475,460	291,822
Future capital lease payments	116,556	116,556	116,556		
	<u>\$ 67,979,462</u>	<u>\$ 58,035,742</u>	<u>\$ 34,259,042</u>	<u>\$ 9,391,678</u>	<u>\$ 291,822</u>

**14 Budget Figures**

Budget figures included in the financial statements are audited. The figures reflect the amended annual budget approved by the Board on February 24, 2020. The District has elected to present the amended annual budget as it reflects a budget based on funding as a result of final enrollment numbers versus estimated annual projections.

	<u>Amended Budget</u>	<u>Annual Budget</u>
Ministry Operating Grant Funded FTEs		
School-Age	49,075	48,867
Adult	244	172
Other	1,578	1,598
Total Ministry Operating Grant Funded FTEs	<u>50,897</u>	<u>50,637</u>

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

	<u>Amended Budget</u>	<u>Annual Budget</u>
<b>Revenues</b>		
Provincial Grants		
Ministry of Education	\$ 541,111,591	\$ 529,448,466
Other	5,375,834	5,884,318
Federal Grants	2,280,857	2,236,492
Tuition	29,411,375	28,706,598
Other Revenue	31,495,877	33,088,955
Rentals and Leases	5,966,987	4,810,176
Investment Income	4,922,194	3,072,392
Amortization of Deferred Capital Revenue	19,176,608	19,154,425
<b>Total Revenue</b>	<u>639,741,323</u>	<u>626,401,822</u>
<b>Expenses</b>		
Instruction	519,161,959	510,999,443
District Administration	24,285,974	22,956,961
Operations and Maintenance	94,717,239	92,087,056
Transportation and Housing	3,515,863	2,896,057
Debt Services	120,452	152,141
<b>Total Expense</b>	<u>641,801,487</u>	<u>629,091,658</u>
<b>Net Revenue (Expense)</b>	<u>(2,060,164)</u>	<u>(2,689,836)</u>
<b>Budgeted Allocation (Retirement) of Surplus (Deficit)</b>	<u>2,389,671</u>	<u>2,631,000</u>
<b>Budgeted Surplus (Deficit), for the year</b>	<u>\$ 329,507</u>	<u>\$ (58,836)</u>
<b>Budgeted Surplus (Deficit), for the year comprised of:</b>		
Capital Fund Surplus (Deficit)	<u>\$ 329,507</u>	<u>\$ (58,836)</u>
Budgeted Surplus (Deficit), for the year	<u>\$ 329,507</u>	<u>\$ (58,836)</u>

**15 Expense by Object**

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Amortization	\$ 27,790,925	\$ 25,807,374
Interest	113,648	61,698
Salaries and benefits	530,388,724	512,071,839
Services and supplies	66,919,295	79,909,429
	<u>\$ 625,212,592</u>	<u>\$ 617,850,340</u>

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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**16 Accumulated Surplus**

	30-Jun-20	30-Jun-19
Invested in Capital Assets	\$ 106,712,698	\$ 107,253,594
Local Capital Fund	10,385,062	9,897,980
Capital Fund Balance	117,097,760	117,151,574
Operations Spanning Future School Years	14,499,276	7,792,090
Anticipated Unusual Expenses Identified	2,876,397	2,503,785
Nature of Constraints on the Funds		
Donated Funds for School Programs	3,106,404	3,095,065
Special Grant for Schools and Mentorship	-	107,305
Special Grant for Special Education	692,284	1,479,601
Unspent Targeted Funding - Indigenous Education	64,498	
	3,863,185	4,681,971
Contingency Reserve	5,049,436	2,474,567
Unrestricted Operating Surplus	3,841,394	2,416,518
Accumulated Surplus	\$ 147,227,448	\$ 137,020,505

(in accordance with VBE Policy 19 - Accumulated Operating Surplus)

**17 Interfund Transfers**

Interfund Transfers between the operating, special purpose and capital funds for the year were as follows:

- \$4,147,591 from operating to capital for capital assets purchased
- \$286,339 from special purpose to capital for capital assets purchased
- \$2,317,890 from operating to capital for capital lease payments

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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**18 Prior Period Adjustment**

The School District has made a retroactive adjustment to the prior year's financial statements relating to an error where prepaid lease revenue for a ground lease was recorded as deferred capital revenue in the capital fund in prior periods. The original amount of the 99-year ground lease in 1998 was \$16,996,177. No adjustment has been made for amortization of deferred capital revenue in the years prior to 2018-2019 as there was no change to the Invested in Tangible Capital Assets balance in the capital fund as the recognition of income from the remaining balance of \$13,305,077, which has been reclassified from Deferred Capital Revenue to Unearned Revenue as shown in the table below, was recorded as Other Revenue.

	June 30, 2019 Previously Reported	Adjustment	June 30, 2019 Restated
Other Revenue	\$ 32,057,017	171,679	\$ 32,228,696
Amortization of Deferred Capital Revenue	17,466,107	(171,679)	17,294,428
Unearned Revenue	46,853,440	13,305,077	60,158,517
Deferred Capital Revenue	669,517,976	(13,305,077)	656,212,899

**19 Contingent Liabilities**

As per a directive from the Ministry of Education, any funding for Remedy with the Classroom Enhancement Fund requires an agreement for payout with the School District's teachers' associations. On June 30, 2020 the District did not have agreements with the teachers' associations, and the amount and likelihood of a payout are not measurable.

**20 Contingent Assets**

In fiscal 2018-19 the School District entered into an agreement with BC Hydro for the sale of an underground air parcel at Lord Roberts Annex for the construction of an electrical substation. As a result of that sale, a contingent asset exists in the form of a construction lease starting August 1, 2024. The issuance of the construction lease in 2024 is dependent on BC Hydro receiving a Certificate of Public Convenience and Necessity from the British Columbia Utilities Commission for the construction of the substation. Originally the construction lease was to commence in 2023 but the School District has provided notice of a one-year delay to BC Hydro as per the terms of the agreement. Contingent assets are not recorded in the financial statements.

**21 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.

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED JUNE 30, 2020**

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## **22 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. The School District is also related to key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the District. The key management personnel are the Board of Education, Superintendent of Schools and the Secretary Treasurer. All transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

## **23 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, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are held by recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates, term deposits, Senior Government Bonds and the Central Deposit Program of BC.

### **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.

**SCHOOL DISTRICT No. 39 (Vancouver)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR**  
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Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk because it invests solely in guaranteed investment certificates, term deposits, and Senior Government Bonds.

c) Liquidity risk

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

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

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

## **24 Significant Event**

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

# School District No. 39 (Vancouver)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2020 Actual	2019 Actual (Restated)
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	19,868,931		117,151,574	<b>137,020,505</b>	118,371,877
<b>Changes for the year</b>					
Surplus (Deficit) for the year	16,726,238	286,339	(6,805,634)	<b>10,206,943</b>	18,648,628
Interfund Transfers					
Tangible Capital Assets Purchased	(4,147,591)	(286,339)	4,433,930	-	
Other	(2,317,890)		2,317,890	-	
<b>Net Changes for the year</b>	<b>10,260,757</b>	-	<b>(53,814)</b>	<b>10,206,943</b>	<b>18,648,628</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>30,129,688</b>	-	<b>117,097,760</b>	<b>147,227,448</b>	137,020,505



# School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	471,867,772	<b>478,575,986</b>	461,968,200
Other	62,248	<b>62,249</b>	77,811
Federal Grants	2,280,857	<b>2,280,857</b>	2,259,914
Tuition	29,411,375	<b>29,951,775</b>	29,847,950
Other Revenue	6,288,413	<b>6,048,486</b>	6,519,772
Rentals and Leases	4,654,079	<b>4,288,039</b>	4,522,920
Investment Income	3,374,666	<b>2,706,834</b>	2,774,350
<b>Total Revenue</b>	<b>517,939,410</b>	<b>523,914,226</b>	<b>507,970,917</b>
<b>Expenses</b>			
Instruction	423,005,963	<b>419,298,454</b>	405,891,228
District Administration	22,991,533	<b>22,184,140</b>	22,990,328
Operations and Maintenance	64,244,831	<b>63,296,102</b>	63,042,732
Transportation and Housing	3,466,621	<b>2,409,292</b>	2,988,963
<b>Total Expense</b>	<b>513,708,948</b>	<b>507,187,988</b>	<b>494,913,251</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>4,230,462</b>	<b>16,726,238</b>	<b>13,057,666</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>2,389,671</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(4,319,280)	<b>(4,147,591)</b>	(3,350,003)
Tangible Capital Assets - Work in Progress			(181,796)
Other	(2,300,853)	<b>(2,317,890)</b>	(2,112,003)
<b>Total Net Transfers</b>	<b>(6,620,133)</b>	<b>(6,465,481)</b>	<b>(5,643,802)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>10,260,757</b>	<b>7,413,864</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>19,868,931</b>	<b>12,455,067</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>30,129,688</b>	<b>19,868,931</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>26,288,294</b>	17,452,413
Unrestricted		<b>3,841,394</b>	2,416,518
<b>Total Operating Surplus (Deficit), end of year</b>		<b>30,129,688</b>	<b>19,868,931</b>

# School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
<b>Provincial Grants - Ministry of Education</b>			
Operating Grant, Ministry of Education	456,347,893	<b>456,996,745</b>	451,134,199
Other Ministry of Education Grants			
Pay Equity	7,294,124	<b>7,294,124</b>	7,294,124
Funding for Graduated Adults	874,891	<b>1,642,050</b>	1,119,705
Transportation Supplement	53,423	<b>53,423</b>	53,423
Economic Stability Dividend			561,139
Carbon Tax Grant	452,355	<b>183,298</b>	478,280
Employer Health Tax Grant	4,112,510	<b>4,112,510</b>	1,249,709
Strategic Priorities - Mental Health Grant			30,000
Support Staff Wage Increase Funding	2,652,898	<b>2,652,898</b>	
Teachers' Labour Settlement Funding		<b>5,588,260</b>	
Foundation Skills Assessment	41,621	<b>41,621</b>	41,621
MyEd BC Travel			3,000
Dogwood 25	27,000		
Early Learning Framework Implementation	9,057	<b>9,057</b>	
Equity Scan	2,000	<b>2,000</b>	3,000
<b>Total Provincial Grants - Ministry of Education</b>	<b>471,867,772</b>	<b>478,575,986</b>	461,968,200
<b>Provincial Grants - Other</b>	<b>62,248</b>	<b>62,249</b>	77,811
<b>Federal Grants</b>	<b>2,280,857</b>	<b>2,280,857</b>	2,259,914
<b>Tuition</b>			
Summer School Fees	1,320,473	<b>1,321,138</b>	1,378,520
Continuing Education	943,684	<b>966,125</b>	1,011,750
International and Out of Province Students	27,147,218	<b>27,664,512</b>	27,457,680
<b>Total Tuition</b>	<b>29,411,375</b>	<b>29,951,775</b>	29,847,950
<b>Other Revenues</b>			
Other School District/Education Authorities	1,150,000	<b>1,150,000</b>	1,150,000
Miscellaneous			
Instructional Cafeteria Revenue	1,080,000	<b>774,397</b>	1,082,198
Other Grants	533,097	<b>679,583</b>	243,157
Miscellaneous Fees and Revenues	3,525,316	<b>3,444,506</b>	4,044,417
<b>Total Other Revenue</b>	<b>6,288,413</b>	<b>6,048,486</b>	6,519,772
<b>Rentals and Leases</b>	<b>4,654,079</b>	<b>4,288,039</b>	4,522,920
<b>Investment Income</b>	<b>3,374,666</b>	<b>2,706,834</b>	2,774,350
<b>Total Operating Revenue</b>	<b>517,939,410</b>	<b>523,914,226</b>	507,970,917

# School District No. 39 (Vancouver)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object  
Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
<b>Salaries</b>			
Teachers	226,929,527	<b>230,201,588</b>	222,087,465
Principals and Vice Principals	25,130,248	<b>24,915,066</b>	23,993,358
Educational Assistants	41,213,309	<b>40,720,409</b>	36,966,930
Support Staff	55,941,682	<b>55,348,489</b>	53,670,115
Other Professionals	11,004,578	<b>11,833,466</b>	9,885,282
Substitutes	10,626,084	<b>7,743,430</b>	10,151,901
<b>Total Salaries</b>	<b>370,845,428</b>	<b>370,762,448</b>	356,755,051
<b>Employee Benefits</b>	96,847,523	<b>98,063,910</b>	94,499,119
<b>Total Salaries and Benefits</b>	<b>467,692,951</b>	<b>468,826,358</b>	451,254,170
<b>Services and Supplies</b>			
Services	16,650,058	<b>14,127,461</b>	16,399,860
Student Transportation	3,581,798	<b>2,448,469</b>	2,999,259
Professional Development and Travel	1,281,971	<b>1,080,664</b>	1,247,070
Rentals and Leases	729,002	<b>696,123</b>	950,286
Dues and Fees	1,356,578	<b>1,141,145</b>	893,453
Insurance	1,111,736	<b>1,031,860</b>	907,774
Interest		<b>1,680</b>	328
Supplies	12,707,551	<b>10,085,406</b>	10,701,905
Utilities	8,597,303	<b>7,748,822</b>	9,559,146
<b>Total Services and Supplies</b>	<b>46,015,997</b>	<b>38,361,630</b>	43,659,081
<b>Total Operating Expense</b>	<b>513,708,948</b>	<b>507,187,988</b>	494,913,251

# School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	171,630,905	34,383	477,574	6,202,110	264,061	6,058,545	<b>184,667,578</b>
1.03 Career Programs	710,899	65,086		136,661	94,838	13,532	<b>1,021,016</b>
1.07 Library Services	5,439,709	843,321	19,146	250,725	161	168,793	<b>6,721,855</b>
1.08 Counselling	9,133,035	733,856			277,964	160,453	<b>10,305,308</b>
1.10 Special Education	21,840,618	2,283,499	36,280,410	525,826	9,431	622,252	<b>61,562,036</b>
1.30 English Language Learning	11,292,186	1,840,742	2,295,441	396,435	172,766	315,987	<b>16,313,557</b>
1.31 Indigenous Education	784,010	134,398	1,201,269	114,184	954	53,725	<b>2,288,540</b>
1.41 School Administration	89	16,878,079	130	10,323,773	3,692	45,545	<b>27,251,308</b>
1.60 Summer School	2,091,818	243,796	255,616	382,212	20,598	2,913	<b>2,996,953</b>
1.62 International and Out of Province Students	7,275,869	142,025	189,923	524,543	339,381	157,428	<b>8,629,169</b>
1.64 Other	1,831						<b>1,831</b>
<b>Total Function 1</b>	<b>230,200,969</b>	<b>23,199,185</b>	<b>40,719,509</b>	<b>18,856,469</b>	<b>1,183,846</b>	<b>7,599,173</b>	<b>321,759,151</b>
<b>4 District Administration</b>							
4.11 Educational Administration		1,657,043		318,491	1,873,627	1,081	<b>3,850,242</b>
4.40 School District Governance				64,441	672,049		<b>736,490</b>
4.41 Business Administration				3,341,719	4,894,451	28,743	<b>8,264,913</b>
<b>Total Function 4</b>	<b>-</b>	<b>1,657,043</b>	<b>-</b>	<b>3,724,651</b>	<b>7,440,127</b>	<b>29,824</b>	<b>12,851,645</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration		58,838		1,458,487	2,964,315	76,658	<b>4,558,298</b>
5.50 Maintenance Operations	619		900	27,958,120	235,163	37,775	<b>28,232,577</b>
5.52 Maintenance of Grounds				3,295,319	10,015		<b>3,305,334</b>
5.56 Utilities							<b>-</b>
<b>Total Function 5</b>	<b>619</b>	<b>58,838</b>	<b>900</b>	<b>32,711,926</b>	<b>3,209,493</b>	<b>114,433</b>	<b>36,096,209</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation				55,443			<b>55,443</b>
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,443</b>	<b>-</b>	<b>-</b>	<b>55,443</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>230,201,588</b>	<b>24,915,066</b>	<b>40,720,409</b>	<b>55,348,489</b>	<b>11,833,466</b>	<b>7,743,430</b>	<b>370,762,448</b>

# School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2020

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2020 Actual	2020 Budget	2019 Actual (Restated)
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	184,667,578	48,750,103	233,417,681	6,219,206	239,636,887	240,726,799	236,139,615
1.03 Career Programs	1,021,016	273,252	1,294,268	251,901	1,546,169	1,569,804	1,496,630
1.07 Library Services	6,721,855	1,786,166	8,508,021	484,354	8,992,375	9,200,321	8,880,481
1.08 Counselling	10,305,308	2,747,725	13,053,033	98,293	13,151,326	13,212,828	12,451,289
1.10 Special Education	61,562,036	17,462,322	79,024,358	874,026	79,898,384	81,078,902	73,880,053
1.30 English Language Learning	16,313,557	4,392,123	20,705,680	158,059	20,863,739	21,245,265	20,204,826
1.31 Indigenous Education	2,288,540	644,075	2,932,615	232,179	3,164,794	3,365,208	2,787,447
1.41 School Administration	27,251,308	6,912,196	34,163,504	922,631	35,086,135	35,422,194	33,978,715
1.60 Summer School	2,996,953	812,580	3,809,533	143,540	3,953,073	4,180,832	4,095,206
1.62 International and Out of Province Students	8,629,169	2,333,420	10,962,589	2,027,159	12,989,748	12,994,791	11,955,831
1.64 Other	1,831	-	1,831	13,993	15,824	9,019	21,135
<b>Total Function 1</b>	<b>321,759,151</b>	<b>86,113,962</b>	<b>407,873,113</b>	<b>11,425,341</b>	<b>419,298,454</b>	<b>423,005,963</b>	<b>405,891,228</b>
<b>4 District Administration</b>							
4.11 Educational Administration	3,850,242	917,177	4,767,419	1,214,963	5,982,382	6,806,896	6,154,649
4.40 School District Governance	736,490	123,177	859,667	160,563	1,020,230	1,056,775	805,884
4.41 Business Administration	8,264,913	2,145,292	10,410,205	4,771,323	15,181,528	15,127,862	16,029,795
<b>Total Function 4</b>	<b>12,851,645</b>	<b>3,185,646</b>	<b>16,037,291</b>	<b>6,146,849</b>	<b>22,184,140</b>	<b>22,991,533</b>	<b>22,990,328</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	4,558,298	1,167,816	5,726,114	1,731,004	7,457,118	6,817,074	6,618,116
5.50 Maintenance Operations	28,232,577	6,857,766	35,090,343	7,464,296	42,554,639	44,399,502	42,073,269
5.52 Maintenance of Grounds	3,305,334	722,316	4,027,650	1,765,921	5,793,571	4,663,247	4,984,621
5.56 Utilities	-	-	-	7,490,774	7,490,774	8,365,008	9,366,726
<b>Total Function 5</b>	<b>36,096,209</b>	<b>8,747,898</b>	<b>44,844,107</b>	<b>18,451,995</b>	<b>63,296,102</b>	<b>64,244,831</b>	<b>63,042,732</b>
<b>7 Transportation and Housing</b>							
7.70 Student Transportation	55,443	16,404	71,847	2,337,445	2,409,292	3,466,621	2,988,963
<b>Total Function 7</b>	<b>55,443</b>	<b>16,404</b>	<b>71,847</b>	<b>2,337,445</b>	<b>2,409,292</b>	<b>3,466,621</b>	<b>2,988,963</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>370,762,448</b>	<b>98,063,910</b>	<b>468,826,358</b>	<b>38,361,630</b>	<b>507,187,988</b>	<b>513,708,948</b>	<b>494,913,251</b>

# School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual	2019 Actual (Restated)
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education	69,243,819	<b>63,507,313</b>	65,062,404
Other	5,313,586	<b>6,407,735</b>	6,249,958
Other Revenue	24,916,319	<b>19,566,028</b>	25,253,531
Investment Income	1,105,961	<b>797,399</b>	881,098
<b>Total Revenue</b>	<b>100,579,685</b>	<b>90,278,475</b>	97,446,991
<b>Expenses</b>			
Instruction	96,155,996	<b>86,258,604</b>	93,144,877
District Administration	1,294,441	<b>1,273,596</b>	1,402,300
Operations and Maintenance	2,499,623	<b>2,459,936</b>	2,417,052
Transportation and Housing	49,242		
<b>Total Expense</b>	<b>99,999,302</b>	<b>89,992,136</b>	96,964,229
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>580,383</b>	<b>286,339</b>	482,762
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(580,383)	<b>(286,339)</b>	(477,274)
Other			(5,488)
<b>Total Net Transfers</b>	<b>(580,383)</b>	<b>(286,339)</b>	(482,762)
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	-
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	-

# School District No. 39 (Vancouver)

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

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>			11,442	560,032	2,163,440	10,611,085	51,476	40,040	29,760
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	2,237,985	1,707,675			8,348,341		627,577	219,898	658,282
Provincial Grants - Other				4,654	410	18,019,596			
Other									
Investment Income	14,757		285	10,536	55,839	283,718	4,450	830	3,990
	<u>2,252,742</u>	<u>1,707,675</u>	<u>285</u>	<u>15,190</u>	<u>8,404,590</u>	<u>18,303,314</u>	<u>632,027</u>	<u>220,728</u>	<u>662,272</u>
<b>Less:</b> Allocated to Revenue	2,252,742	1,433,882	-	37,520	8,082,073	17,613,438	631,295	229,307	430,770
Recovered									
Transfer to nonprofit organization									
<b>Deferred Revenue, end of year</b>	<u>-</u>	<u>273,793</u>	<u>11,727</u>	<u>537,702</u>	<u>2,485,957</u>	<u>11,300,961</u>	<u>52,208</u>	<u>31,461</u>	<u>261,262</u>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	2,237,985	1,433,882			8,025,239		626,845	228,477	426,780
Provincial Grants - Other									
Other Revenue				29,431	995	17,329,720			
Investment Income	14,757			8,089	55,839	283,718	4,450	830	3,990
	<u>2,252,742</u>	<u>1,433,882</u>	<u>-</u>	<u>37,520</u>	<u>8,082,073</u>	<u>17,613,438</u>	<u>631,295</u>	<u>229,307</u>	<u>430,770</u>
<b>Expenses</b>									
Salaries									
Teachers					1,776,178				107,379
Principals and Vice Principals					367,989				
Educational Assistants		1,113,024					467,510	876	
Support Staff	1,705,516				1,075,169	107,960	1,019	48,662	205
Other Professionals					70,417				
Substitutes					3,226			1,743	22,017
	<u>1,705,516</u>	<u>1,113,024</u>	<u>-</u>	<u>-</u>	<u>3,292,979</u>	<u>107,960</u>	<u>468,529</u>	<u>51,281</u>	<u>129,601</u>
Employee Benefits	398,178	320,858			910,696	13,328	136,488	14,612	28,801
Services and Supplies	149,048			37,520	3,803,007	17,447,271	26,278	163,414	248,526
	<u>2,252,742</u>	<u>1,433,882</u>	<u>-</u>	<u>37,520</u>	<u>8,006,682</u>	<u>17,568,559</u>	<u>631,295</u>	<u>229,307</u>	<u>406,928</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,391</u>	<u>44,879</u>	<u>-</u>	<u>-</u>	<u>23,842</u>
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased					(75,391)	(44,879)			(23,842)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,391)</u>	<u>(44,879)</u>	<u>-</u>	<u>-</u>	<u>(23,842)</u>
<b>Net Revenue (Expense)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**School District No. 39 (Vancouver)**

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

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	CommunityLINK Other	PRP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	354,475	1,225,636	1,726,164	100,204				831,416	60,318
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education	9,173,579	4,528,797	32,435,215	1,432,273	49,242	21,833	33,000		2,301,125
Provincial Grants - Other								157,500	
Other								718,640	
Investment Income	18,130			117,943	261	166	283	19,870	4,104
	9,191,709	4,528,797	32,435,215	1,550,216	49,503	21,999	33,283	896,010	2,305,229
<b>Less:</b> Allocated to Revenue	9,428,506	4,365,985	30,910,161	1,484,468	-	-	7,329	875,785	2,141,501
Recovered		1,225,636	1,726,164	100,204					
Transfer to nonprofit organization									
<b>Deferred Revenue, end of year</b>	<b>117,678</b>	<b>162,812</b>	<b>1,525,054</b>	<b>65,748</b>	<b>49,503</b>	<b>21,999</b>	<b>25,954</b>	<b>851,641</b>	<b>224,046</b>
<b>Revenues</b>									
Provincial Grants - Ministry of Education	9,410,376	4,365,985	30,910,161	1,366,525			7,294		2,137,397
Provincial Grants - Other								857,200	
Other Revenue								18,585	4,104
Investment Income	18,130			117,943			35		
	9,428,506	4,365,985	30,910,161	1,484,468	-	-	7,329	875,785	2,141,501
<b>Expenses</b>									
Salaries									
Teachers	443,220	237,898	24,483,968	459,789					1,449,841
Principals and Vice Principals									
Educational Assistants	2,566,846	2,005,767					958		67,843
Support Staff	1,119,555	56,085						423,056	54,739
Other Professionals	1,448,557	411,545							8,766
Substitutes	21,090	647,454		741,442			2,828		40,666
	5,599,268	3,358,749	24,483,968	1,201,231	-	-	3,786	423,056	1,621,855
Employee Benefits	1,470,849	907,286	6,426,193	283,237			914	46,105	426,408
Services and Supplies	2,352,117	99,950					2,629	406,194	91,105
	9,422,234	4,365,985	30,910,161	1,484,468	-	-	7,329	875,355	2,139,368
<b>Net Revenue (Expense) before Interfund Transfers</b>	<b>6,272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>430</b>	<b>2,133</b>
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(6,272)							(430)	(2,133)
	(6,272)	-	-	-	-	-	-	(430)	(2,133)
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# School District No. 39 (Vancouver)

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

	ERAC	CAYA	Assistive Technology AT-BC	PRCVI	Settlement Workers In School	Miscellaneous	TOTAL
	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	943,347	9,427,361	8,503,181	520,407	490,419	781,682	38,431,885
<b>Add:</b> Restricted Grants							
Provincial Grants - Ministry of Education				2,102,838			65,877,660
Provincial Grants - Other			3,641,505				3,799,005
Other	2,026,713	150				500,230	21,270,393
Investment Income	17,622	200,427	217,624	11,722	11,338	4,962	998,857
	2,044,335	200,577	3,859,129	2,114,560	11,338	505,192	91,945,915
<b>Less:</b> Allocated to Revenue	1,152,668	3,156,094	3,398,871	2,180,289	75,272	390,519	90,278,475
Recovered						87,250	3,139,254
Transfer to nonprofit organization	1,835,014						1,835,014
<b>Deferred Revenue, end of year</b>	-	<b>6,471,844</b>	<b>8,963,439</b>	<b>454,678</b>	<b>426,485</b>	<b>809,105</b>	<b>35,125,057</b>
<b>Revenues</b>							
Provincial Grants - Ministry of Education	161,800			2,168,567			63,507,313
Provincial Grants - Other		3,152,433	3,181,031		57,838	16,433	6,407,735
Other Revenue	973,246		216		6,096	369,124	19,566,028
Investment Income	17,622	3,661	217,624	11,722	11,338	4,962	797,399
	1,152,668	3,156,094	3,398,871	2,180,289	75,272	390,519	90,278,475
<b>Expenses</b>							
Salaries							
Teachers				194,819		28,171	29,181,263
Principals and Vice Principals							367,989
Educational Assistants					8,907	6,845	6,238,576
Support Staff	93,240	487,038	591,838	666,666	3,558	9,632	6,443,938
Other Professionals	133,326	306,722	750,103	202,479	428		3,332,343
Substitutes					462	32,025	1,512,953
	226,566	793,760	1,341,941	1,063,964	13,355	76,673	47,077,062
Employee Benefits	43,385	222,205	341,047	289,680	3,624	19,115	12,303,009
Services and Supplies	882,717	2,123,082	1,705,979	822,265	58,293	192,670	30,612,065
	1,152,668	3,139,047	3,388,967	2,175,909	75,272	288,458	89,992,136
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	17,047	9,904	4,380	-	102,061	286,339
<b>Interfund Transfers</b>							
Tangible Capital Assets Purchased		(17,047)	(9,904)	(4,380)		(102,061)	(286,339)
	-	(17,047)	(9,904)	(4,380)	-	(102,061)	(286,339)
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-

# School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

## Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget	2020 Actual			2019 Actual (Restated)
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Other Revenue	291,145	171,679	276,980	448,659	455,393
Rentals and Leases	1,312,908		1,253,020	1,253,020	1,032,784
Investment Income	441,567		377,130	377,130	289,900
Gain (Loss) on Disposal of Tangible Capital Assets				-	12,008,555
Amortization of Deferred Capital Revenue	19,176,608	19,148,025		19,148,025	17,294,428
<b>Total Revenue</b>	<b>21,222,228</b>	<b>19,319,704</b>	<b>1,907,130</b>	<b>21,226,834</b>	<b>31,081,060</b>
<b>Expenses</b>					
Operations and Maintenance	130,258		130,142	130,142	104,117
Amortization of Tangible Capital Assets					
Operations and Maintenance	27,842,527	27,790,919		27,790,919	25,807,374
Debt Services					
Capital Lease Interest	120,452		111,407	111,407	61,369
<b>Total Expense</b>	<b>28,093,237</b>	<b>27,790,919</b>	<b>241,549</b>	<b>28,032,468</b>	<b>25,972,860</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(6,871,009)</b>	<b>(8,471,215)</b>	<b>1,665,581</b>	<b>(6,805,634)</b>	<b>5,108,200</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	4,899,663	4,433,930		4,433,930	3,827,277
Tangible Capital Assets - Work in Progress				-	181,796
Capital Lease Payment	2,300,853		2,317,890	2,317,890	2,117,491
<b>Total Net Transfers</b>	<b>7,200,516</b>	<b>4,433,930</b>	<b>2,317,890</b>	<b>6,751,820</b>	<b>6,126,564</b>
<b>Other Adjustments to Fund Balances</b>					
Tangible Capital Assets Purchased from Local Capital		20,092	(20,092)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,269,814	(1,269,814)	-	
Principal Payment					
Capital Lease		2,206,483	(2,206,483)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>3,496,389</b>	<b>(3,496,389)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>329,507</b>	<b>(540,896)</b>	<b>487,082</b>	<b>(53,814)</b>	<b>11,234,764</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>107,253,594</b>	<b>9,897,980</b>	<b>117,151,574</b>	<b>105,916,810</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>106,712,698</b>	<b>10,385,062</b>	<b>117,097,760</b>	<b>117,151,574</b>

# School District No. 39 (Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	20,781,686	984,041,365	16,092,659	2,214,103	3,131,937	16,280,997	<b>1,042,542,747</b>
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Other		450,000	141,528				<b>591,528</b>
Operating Fund		207,616	1,984,526	597,551		1,357,898	<b>4,147,591</b>
Special Purpose Funds			124,945			161,394	<b>286,339</b>
Local Capital		20,092					<b>20,092</b>
Capital Lease						724,754	<b>724,754</b>
Transferred from Work in Progress		24,779,367	210,000				<b>24,989,367</b>
	-	25,457,075	2,460,999	597,551	-	2,244,046	<b>30,759,671</b>
Decrease:							
Deemed Disposals			1,245,902	448,923	551,245	4,831,635	<b>7,077,705</b>
	-	-	1,245,902	448,923	551,245	4,831,635	<b>7,077,705</b>
<b>Cost, end of year</b>	20,781,686	1,009,498,440	17,307,756	2,362,731	2,580,692	13,693,408	<b>1,066,224,713</b>
<b>Work in Progress, end of year</b>		125,833,866	296,373				<b>126,130,239</b>
<b>Cost and Work in Progress, end of year</b>	20,781,686	1,135,332,306	17,604,129	2,362,731	2,580,692	13,693,408	<b>1,192,354,952</b>
<b>Accumulated Amortization, beginning of year</b>		356,739,256	7,802,120	1,103,254	1,673,472	7,199,382	<b>374,517,484</b>
<b>Changes for the Year</b>							
Increase: Amortization for the Year		22,323,435	1,669,955	228,842	571,245	2,997,442	<b>27,790,919</b>
Decrease:							
Deemed Disposals			1,245,902	448,923	551,245	4,831,635	<b>7,077,705</b>
			-	1,245,902	551,245	4,831,635	<b>7,077,705</b>
<b>Accumulated Amortization, end of year</b>		379,062,691	8,226,173	883,173	1,693,472	5,365,189	<b>395,230,698</b>
<b>Tangible Capital Assets - Net</b>	<b>20,781,686</b>	<b>756,269,615</b>	<b>9,377,956</b>	<b>1,479,558</b>	<b>887,220</b>	<b>8,328,219</b>	<b>797,124,254</b>

**School District No. 39 (Vancouver)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
<b>Work in Progress, beginning of year</b>	72,826,298	3,407			72,829,705
<b>Changes for the Year</b>					
Increase:					
Deferred Capital Revenue - Bylaw	69,314,174	502,966			69,817,140
Deferred Capital Revenue - Other	7,202,947				7,202,947
Local Capital	1,269,814				1,269,814
	<u>77,786,935</u>	<u>502,966</u>	-	-	<u>78,289,901</u>
Decrease:					
Transferred to Tangible Capital Assets	24,779,367	210,000			24,989,367
	<u>24,779,367</u>	<u>210,000</u>	-	-	<u>24,989,367</u>
<b>Net Changes for the Year</b>	<u>53,007,568</u>	<u>292,966</u>	-	-	<u>53,300,534</u>
<b>Work in Progress, end of year</b>	<u><u>125,833,866</u></u>	<u><u>296,373</u></u>	-	-	<u><u>126,130,239</u></u>

# School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
<b>Deferred Capital Revenue, beginning of year</b>	538,805,672	9,382,283	14,019,924	<b>562,207,879</b>
Prior Period Adjustments				
Prepaid Ground Lease (Note 18)			(13,305,077)	<b>(13,305,077)</b>
<b>Deferred Capital Revenue, beginning of year, as restated</b>	<b>538,805,672</b>	<b>9,382,283</b>	<b>714,847</b>	<b>548,902,802</b>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Revenue - Capital Additions		591,528		<b>591,528</b>
Transferred from Work in Progress	24,340,871		466,699	<b>24,807,570</b>
	<b>24,340,871</b>	<b>591,528</b>	<b>466,699</b>	<b>25,399,098</b>
Decrease:				
Amortization of Deferred Capital Revenue	18,810,645	312,484	24,896	<b>19,148,025</b>
	<b>18,810,645</b>	<b>312,484</b>	<b>24,896</b>	<b>19,148,025</b>
<b>Net Changes for the Year</b>	<b>5,530,226</b>	<b>279,044</b>	<b>441,803</b>	<b>6,251,073</b>
<b>Deferred Capital Revenue, end of year</b>	<b>544,335,898</b>	<b>9,661,327</b>	<b>1,156,650</b>	<b>555,153,875</b>
<b>Work in Progress, beginning of year</b>	52,674,575	55,377	16,123,505	<b>68,853,457</b>
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Revenue - Work in Progress	69,817,140	96,111	7,106,836	<b>77,020,087</b>
	<b>69,817,140</b>	<b>96,111</b>	<b>7,106,836</b>	<b>77,020,087</b>
Decrease				
Transferred to Deferred Capital Revenue	24,340,871		466,699	<b>24,807,570</b>
	<b>24,340,871</b>	<b>-</b>	<b>466,699</b>	<b>24,807,570</b>
<b>Net Changes for the Year</b>	<b>45,476,269</b>	<b>96,111</b>	<b>6,640,137</b>	<b>52,212,517</b>
<b>Work in Progress, end of year</b>	<b>98,150,844</b>	<b>151,488</b>	<b>22,763,642</b>	<b>121,065,974</b>
<b>Total Deferred Capital Revenue, end of year</b>	<b>642,486,742</b>	<b>9,812,815</b>	<b>23,920,292</b>	<b>676,219,849</b>

# School District No. 39 (Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2020

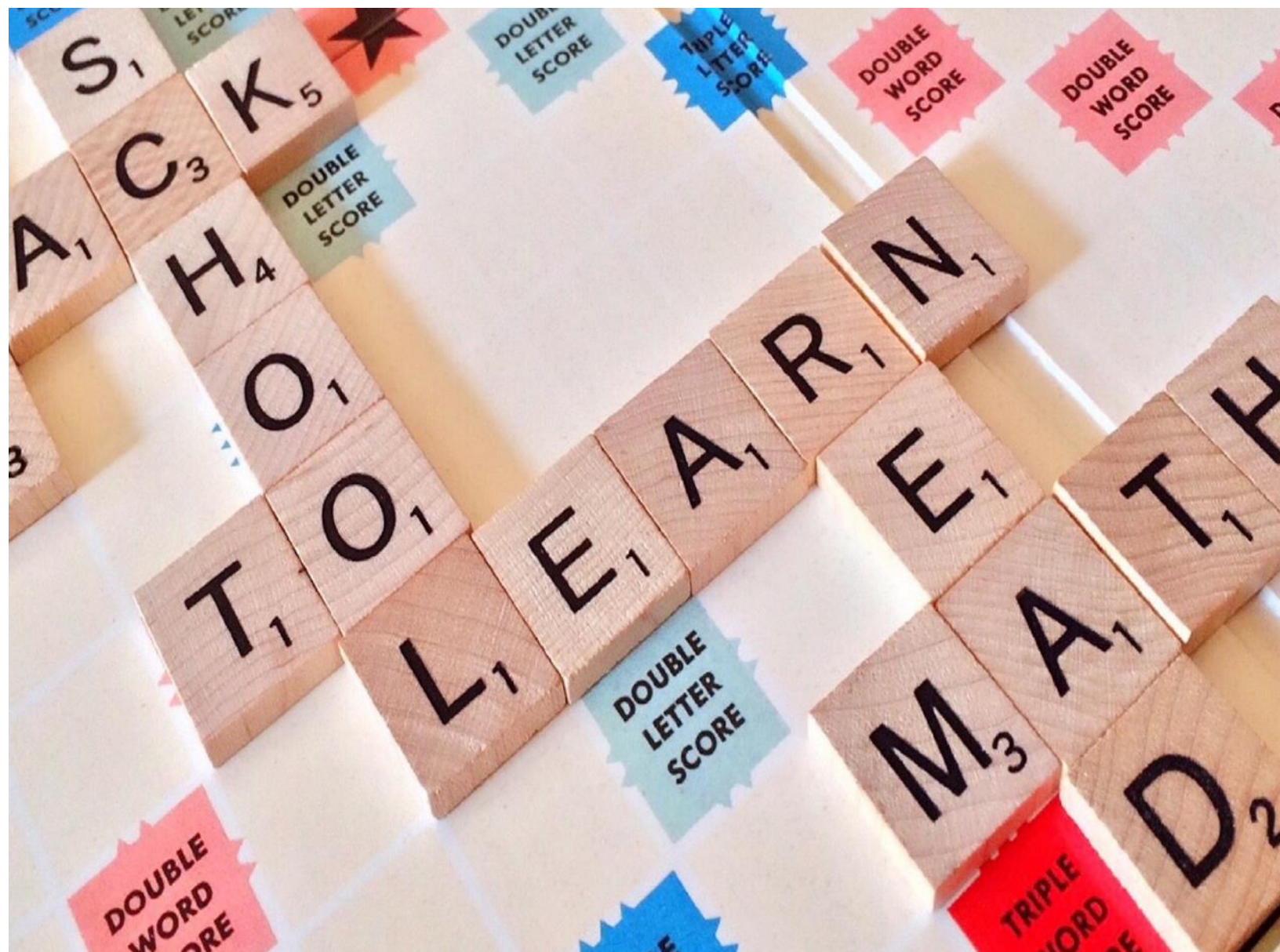
	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>		38,308,928	147,712			<b>38,456,640</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	69,909,191					<b>69,909,191</b>
Provincial Grants - Other			2,728,222			<b>2,728,222</b>
Other					7,106,836	<b>7,106,836</b>
Investment Income		1,007,234	15,277			<b>1,022,511</b>
Transfer project surplus to MEd Restricted (from) Bylaw	(4,239)	4,239				<b>-</b>
	<u>69,904,952</u>	<u>1,011,473</u>	<u>2,743,499</u>	<u>-</u>	<u>7,106,836</u>	<u><b>80,766,760</b></u>
Decrease:						
Transferred to DCR - Capital Additions			591,528			<b>591,528</b>
Transferred to DCR - Work in Progress	69,817,140	96,111			7,106,836	<b>77,020,087</b>
Insurance claim	86,652					<b>86,652</b>
	<u>69,903,792</u>	<u>96,111</u>	<u>591,528</u>	<u>-</u>	<u>7,106,836</u>	<u><b>77,698,267</b></u>
<b>Net Changes for the Year</b>	<u>1,160</u>	<u>915,362</u>	<u>2,151,971</u>	<u>-</u>	<u>-</u>	<u><b>3,068,493</b></u>
<b>Balance, end of year</b>	<u><b>1,160</b></u>	<u><b>39,224,290</b></u>	<u><b>2,299,683</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>41,525,133</b></u>



# SCHOOL DISTRICT NO. 39 (VANCOUVER)

Financial Statement Audit Findings Report

For the year ended June 30, 2020  
To be presented Sept. 16, 2020



This communication is prepared solely for the information of the Audit Committee and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication. All working papers and files, including reports, created by us during the audit are property of the Office of the Auditor General and are not subject to the Freedom of Information and Protection of Privacy Act.

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## AUDIT CONTACTS

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## AUDIT STATUS

We have almost completed our audit of the financial statements for the year ended June 30, 2020. We will issue our auditor’s report once we have completed our audit work on the outstanding items noted below. We will provide an update on the status of these items at our upcoming meeting. We anticipate being in a position to sign the auditor’s report in the form of the draft included in [Appendix A](#)

Outstanding item	Status as of September 9, 2020
Completion of certain procedures related to financial statement disclosure	Ongoing
Receipt of certain legal enquiry responses	Ongoing – requested responses by September 15, 2020
Subsequent event update procedures	To be performed up to the date of our audit report
Completion of certain quality control and Deputy Auditor General review procedures	Outstanding
Receipt of signed management representation letter	Due at audit completion
Approval of the financial statements by the Board of Education	Approval pending

# AUDIT MATTERS

## Results of audit risks identified in our audit plan

We conducted our audit in accordance with the audit plan presented to the Committee on June 17, 2020. The results of the audit risks identified as part of the audit plan are detailed below.

### Presumed significant audit risks

Canadian auditing standards require all auditors to address two significant audit risks during an audit: management override of controls and fraudulent revenue recognition.

#### MANAGEMENT OVERRIDE OF CONTROLS

---

There is a presumption for all entities that there will always be a significant risk of material misstatement of the financial statements due to management override of controls.

#### AUDIT RESPONSE

---

Our audit work included procedures to address this risk, including:

- testing journal entries
- assessing estimates
- evaluating unusual transactions
- incorporating an element of unpredictability in our procedures, such as testing a sample of COVID-19 related expenditures
- inquiring about fraud risks and occurrences

#### FINDINGS

---

Our audit procedures did not identify any transactions which would suggest management override of controls.

## REVENUE RECOGNITION

---

There is a presumed risk of fraud around revenue recognition for all entities. This risk, unless refuted, is required by auditing standards to be identified as a significant risk.

## AUDIT RESPONSE

---

- Performing substantive analytical procedures over revenue.
- Substantively sampling and testing the details of revenue transaction balances.
- Performing cut-off testing of revenue recorded for a period before and after year-end.

## FINDINGS

---

Our procedures did not identify any fraud in revenue recognition.

## Areas of audit focus

### IMPACT ON SD39 DUE TO COVID-19

---

The COVID-19 pandemic has disrupted many aspects of people's day-to-day lives, including their personal health and well-being, their jobs, and the education of their children. COVID-19 has changed the way the district operates and delivers education. These changes came abruptly, and without much time for planning. From a financial standpoint, the impact of COVID-19 on the district's revenue and expenses, staffing, internal controls, external service providers, and the ability of management to prepare for the financial statement audit is unclear. The full impact of the pandemic on the school district's financial information is not yet known.

### AUDIT RESPONSE

---

- Working with management to monitor the situation, including any new district pandemic requirements; and changes to district staffing, transactions, and significant financial processes
- Working with management to adjust our audit plan as needed, in order to obtain the evidence that we require for our audit
- Designing audit procedures to ensure that the impact of COVID-19 on the operations and balances of the district are reflected in the financial statements and notes
- Monitoring the status of the COVID-19 pandemic and direction from the Provincial Health Officer and the BC Centre for Disease Control for health and safety issues
- Monitoring direction from the Ministry of Education for changes to deadlines and requirements

### FINDINGS

---

We reviewed COVID-19 impact and any government responses and direction. Management included disclosure in the significant event note. The disclosure is appropriate, and we have no outstanding audit issues.

## ACCOUNTING FOR GOVERNMENT TRANSFERS AND RESTRICTED CONTRIBUTIONS

---

There is currently a difference in interpretation of Canadian Public Sector Accounting Standards between the Province of British Columbia and the Office of the Auditor General. As a result of this difference, when the school district accounts for deferred capital revenue as instructed by the Province under Section 23.1 of the *Budget Transparency and Accountability Act*, it is not in accordance with Canadian Public Sector Accounting Standards (PSAS). This accounting treatment overstates the net debt indicator in the financial statements and understates accumulated surplus (refer to Appendix H).

### AUDIT RESPONSE

---

- The method of accounting for deferred capital revenue will result in a qualified audit opinion for the school district.
- We will review management's quantification of the impact of not accounting for deferred capital revenue in accordance with PSAS. This quantification will be included in the audit opinion.

### FINDINGS

---

See the qualified audit opinion in Appendix A.

### MANAGEMENT ESTIMATE OF EMPLOYEE FUTURE BENEFITS LIABILITY

---

Accounting for employee future benefits is complex. To address this risk, management relies upon valuations prepared by an actuary.

Due to the complexity of this estimate, as well as the nature of estimates in general, liabilities and expenses may be over or under stated by a material amount.

### AUDIT RESPONSE

---

- We will review the estimate to ensure that assumptions used to determine employee future benefits are reasonable.
- We will perform procedures for reliance on actuarial experts.
- We will review the employee future benefit accounting and note disclosures for compliance with public sector accounting standard requirements.
- We will test, on a sample basis, the source data provided by management to the actuary, which is used by the actuary to make their estimate and produce their report.

### FINDINGS

---

We have no outstanding audit issues.

## ACCOUNTING FOR TANGIBLE CAPITAL ASSETS

---

The school district incurs a number of costs each year to both maintain facilities and make improvements. Spending is both capital and expense in nature, and judgement is required to determine whether to expense or capitalize amounts.

### AUDIT RESPONSE

---

- Perform substantive testing of capital asset additions to ensure transactions and balances are reasonable.
- Perform substantive and analytical procedures on services and supplies expenses to search for items that are potentially tangible capital assets.
- Review the actual usage of tangible capital asset additions and ensure that the method used for amortizing tangible capital assets reasonably reflects this use.
- Monitor the quantum of annual tangible capital asset purchases that are under the threshold for capitalizing and estimate and report the impact of this treatment, if significant.

### FINDINGS

---

We identified non-material differences relating to capital vs. expense decisions, and have included those in Appendix D.



## **Basis of accounting**

The financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* (BTAA) as directed by Treasury Board. This section requires that the financial statements be prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) except in regard to the accounting for restricted contributions as set out through Restricted Contributions Regulation 198/2011 (the Regulation). This Regulation requires School District No. 39 (Vancouver) to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction the contribution is subject to is met and requires School District No. 39 (Vancouver) to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. PSAS requires that these grants be fully recognized into revenue unless there is a stipulation that creates a liability.

We note that School District No. 39 (Vancouver) does not have the ability to avoid application of the Regulation, as directed by Treasury Board. We wish to bring to the Committee's attention the qualification of this year's auditor's report reflecting the impact of adherence to the Regulation.

## **Significant accounting policies and financial statement disclosures**

Significant accounting principles and policies are disclosed in the notes to the financial statements. Within the context of the audit, management has represented to us that there have not been any material changes in the accounting principles and policies during the year.

There are no significant accounting policy and/or disclosure matters that we believe should be brought to the attention of the Committee.

## Significant accounting estimates

Management has the responsibility for applying judgement in preparing the accounting estimates and disclosures contained within the financial statements.

Accounting estimate matters we believe should be brought to the attention of the Committee are as follows:

### EMPLOYEE FUTURE BENEFITS LIABILITY

---

- Key assumptions within the estimate include the discount rate, the interest rate, inflation and pay increases, along with assumed life expectancy on retirement of the members of the plan.
- Management has engaged an actuarial firm to calculate the future benefit obligation.
- Management provides the actuary with the underlying information regarding the plan participants, which is used in making this estimate.

### OAG COMMENTS ON MANAGEMENT'S ASSUMPTIONS

---

- Management has appropriate processes in place to ensure the information provided to the actuary in respect of this estimate is accurate. Testing of data provided to the actuary was done for the 2019 audit.
- The actuarial firm engaged to prepare this estimate was independent of management and a member in good standing of the Canadian Institute of Actuaries.
- There are no indications of possible management bias within this estimate.

# SUMMARY OF AUDIT FINDINGS

## Misstatements and significant audit adjustments

Misstatements represent audit findings for which we do not agree with the amount, classification, presentation, or disclosure of items in the financial statements. A misstatement may arise from an error or fraud and other irregularities. An error refers to an unintentional misstatement in financial statements, including an omission of amount or error. Fraud and other irregularities refer to an intentional misstatement in financial statements, including an omission of an amount or a disclosure, or to a misstatement arising from theft of the entity's asset.

In conducting our procedures, we may identify misstatements that require adjustments to the recorded amounts. These audit adjustments are discussed with management who determine if an adjustment should be recorded.

There were non-trivial adjustments to the financial statements for the year ended June 30, 2020. We have summarized all adjusted differences found during the audit and their impact on the financial statements in Appendix C. None of the differences identified were as a result of fraud or other irregularities.

There are uncorrected non-trivial misstatements of the financial statements for the year ended June 30, 2020 in addition to the qualification of the financial statements as described in our audit opinion. In accordance with professional standards, we are required to request those charged with governance to correct these misstatements. We have summarized these uncorrected misstatements in Appendix D. None of the differences identified were as a result of fraud or other irregularities.

## Significant deficiencies in internal control

The responsibility for the design and maintenance of an appropriate system of internal control to provide reasonable assurance that the accounting systems provide timely, accurate and reliable financial information and to safeguard School District No. 39 (Vancouver)'s assets is part of management's overall responsibility for the day-to-day operations of School District No. 39 (Vancouver).

As auditors, we obtain a sufficient understanding of internal controls to plan the audit. The understanding includes knowledge about the design of policies and procedures and whether they have been implemented, but it does not necessarily extend to evaluating the operating effectiveness of these policies and procedures. We only evaluate and test those internal controls on which we plan to rely during our audit.

## | SUMMARY OF AUDIT FINDINGS

Our audit is not designed, nor should it be expected, to allow us to provide an opinion on the systems of internal controls.

However, in the course of our examination, certain opportunities for improvement in internal controls came to our attention. Our Management Letter, including management's response is included in Appendix E.

## OTHER MATTERS

### Communications with the Minister

We will be sending the Independent Auditor's Report to the Minister of Education.

### Illegal and fraudulent acts

Audit standards require we enquire of management on whether there were any illegal or possible illegal acts, or fraud or suspected fraud that they are aware of. However, improper conduct is usually carefully concealed and consequently, the probability is not high that our regular audit work, however diligently performed, will bring it to light. Management has also provided us with a written representation that they have disclosed to us all information of which they are aware that is related to any illegal or possible illegal acts of fraud or suspected fraud (Appendix F). As a standard practice, we will discuss the results of this enquiry with you at the Audit Committee meeting.

We wish to reconfirm whether the Committee is aware of any known, suspected, or alleged incidents of fraud.

### Related party transactions

Testing of financial records and discussions with management did not reveal any significant related party transactions that were not in the normal course of operations.

### Independence

As external auditors of School District No. 39 (Vancouver), we are required to be independent in accordance with Canadian professional requirements. These standards require that we disclose to the Committee all relationships that, in our professional judgement, may reasonably be thought to bear on our independence. As of September 9, 2020, we are not aware of any relationships or non-audit services between School District No. 39 (Vancouver) and us that, in our professional judgement, may reasonably be thought to bear on our independence. See Appendix G.

### Continuing as your auditors

Each year, the Auditor General must provide the Select Standing Committee on Public Accounts with a plan for the appointment of auditors for government organizations and trust funds for the next three years.

The most recent plan, tabled in March 2020, indicated that the Auditor General will cease to be the direct auditor of School District No. 39 (Vancouver) after this year. The Auditor General does plan to perform oversight procedures starting in the year ending June 30, 2023, for a minimum of two years.

To check for your entity, review Appendix A of the OAG Financial Statement Audit Coverage Plan at:

<http://www.bcauditor.com/about-us/financial-statement-audit-coverage-plans>

## **Our commitment to audit quality**

The Office of the Auditor General of BC applies Canadian professional auditing standards<sup>1</sup> and accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our system of quality control involves our structure, leadership, assigned roles and responsibilities, manuals, administrative and personnel policies, and most importantly, our culture. In this respect, the Auditor General has complied with the independence and other ethical requirements of the code of professional conduct of the Chartered Professional Accountants of BC, which are founded on fundamental principles of professional behaviour, integrity and due care, professional competence, confidentiality, and objectivity.

We believe our values help us achieve both audit quality and audit efficiency. After the audit, we will ask management and others for feedback on how the audit went and what improvements we can make to our quality assurance processes.

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<sup>1</sup> Canadian Standard on Quality Control CSQC 1

# APPENDIX A: DRAFT INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT

*To the Members of the Board of Education of School District No. 39 (Vancouver), and  
To the Minister of Education, Province of British Columbia*

### ***Qualified Opinion***

I have audited the accompanying financial statements of School District No. 39 (Vancouver) “the entity”, which comprise the statement of financial position as at June 30, 2020, and the statements of operations, changes in net debt, and cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of School District No. 39 (Vancouver) as at June 30, 2020, and the results of its operations, change in its net debt, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

### ***Basis for Qualified Opinion***

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2 to the Financial Statements, the entity’s accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, the entity’s method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such, the entity’s method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had the entity made an adjustment for this departure in the current year, as at June 30, 2020, the liability for deferred revenue would have been lower by \$20 million, the liability for deferred capital revenue would have been lower by \$555 million, revenue, annual surplus and accumulated surplus would have been higher by \$575 million and net debt would have been lower by \$575 million.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

### ***Other Accompanying Information***

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the unaudited schedules and the financial statement discussion and analysis, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report, I obtained the unaudited schedules and the financial statement discussion and analysis. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the unaudited schedules and the financial statement discussion and analysis affected by this departure from PSAS.



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

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

## ***Auditor's Responsibilities for the Audit of Financial Statements***

My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions

are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Russ Jones, FCPA, FCA, ICD.D  
Deputy Auditor General

Victoria, British Columbia, Canada  
[Date]

## APPENDIX B: REQUIRED COMMUNICATIONS

Required communication	Audit planning presentation	Audit results presentation	Comments
Our responsibilities under Canadian GAAS	✓	•	
Our audit strategy and audit scope	✓	•	
Fraud risk factors	✓	•	
Going concern matters	•	✓	None
Significant estimates or judgments	•	✓	See <a href="#">Audit Matters</a> Section
Audit adjustments	•	✓	See <a href="#">Appendix C</a>
Unadjusted misstatements	•	✓	See <a href="#">Appendix D</a>
Omitted disclosures	•	✓	None
Disagreements with management	•	✓	None
Consultations with other accountants or experts	•	✓	Reliance on actuaries in regard to employee future benefits
Significant difficulties encountered during the audit	•	✓	None
Significant deficiencies in internal control	•	✓	See <a href="#">Appendix E</a>
Any relationships which may affect our independence	•	✓	See <a href="#">Appendix G</a>
Any illegal acts identified during the audit	•	✓	See <a href="#">Others Matters</a> Section
Any fraud or possible fraudulent acts identified during the audit	•	✓	See <a href="#">Other Matters</a> Section
Significant transactions with related parties not consistent with ordinary business	•	✓	See <a href="#">Other Matters</a> Section
Non-compliance with laws or regulations identified during the audit	•	✓	None
Limitations of scope over our audit, if any	•	✓	See <a href="#">Appendix A</a>
Written representations made by management	•	✓	See <a href="#">Appendix F</a>
Any modifications to our opinion, if required	•	✓	See <a href="#">Appendix A</a>

## APPENDIX C: SUMMARY OF AUDIT DIFFERENCES—ADJUSTED

Description	Accounts Affected	Statement of Operations Entry to correct – Debit (Credit)		Statement of Financial Position Entry to correct – Debit (Credit)		
		Revenue	Expenses	Assets	Liabilities	Equity
	Deferred Capital Revenue				16,996,177	
	Accumulated Amortization of DCR				(3,862,777)	
To reclassify prepaid lease revenue from Deferred Capital Revenue to Unearned Revenue	Unearned Revenue				(13,133,400)	
	Amortization of DCR	171,679				
	Other Revenue	(171,679)				

## APPENDIX D: SUMMARY OF AUDIT DIFFERENCES—UNADJUSTED

Description	Accounts Affected	Statement of Operations Entry to correct – Debit (Credit)		Statement of Financial Position Entry to correct – Debit (Credit)		
		Revenue	Expenses	Assets	Liabilities	Equity
To record the impact of the district following Treasury Board's regulation related to restricted contributions which is not in accordance with PSAS.	Deferred Capital Revenue				555,153,875	
	Amortization of DCR	19,148,025				
	Provincial Grant Revenue	(574,301,900)				
To recognize deferred revenue that is not in accordance with PSAS	Deferred revenue				20,263,294	
	Revenue	(20,263,294)				
To reverse accounts receivable related to seismic projects that have not been formally requested for payment from the Ministry as at yearend.	Deferred Revenue				1,349,000	
	Accounts receivable			(1,349,000)		

To recognize school generated funds that are not in accordance with PSAS (most likely estimate)	Deferred Revenue		5,650,480	
	Revenue	(5,650,480)		
To correct classification of computer purchases by capitalizing instead of expensing (most likely estimate)	Tangible Capital Assets		806,123	
	Amortization Expense	1,765,339		
	Services and Supplies Expense	(2,571,462)		
	Tangible Capital Assets		4,898,662	
To correct classification of leases from operating to capital	Lease Liability		(1,175,193)	
	Amortization expense	3,424,254		
	Expense	(3,723,469)		
	Accumulated Amortization		(3,424,254)	



## APPENDIX E: MANAGEMENT LETTER

September 8, 2020

### VIA E-MAIL

Suzanne Hoffman  
Superintendent  
School District No.39 (Vancouver)  
1580 West Broadway  
Vancouver, B.C. V6J 5K8

Dear Ms. Hoffman:

### Re: Financial Audit Findings and Recommendations – School District No.39 (Vancouver)

Our office has completed the audit of the financial statements of School District No. 39 (Vancouver) for the year ended June 30, 2020. The audit was carried out in accordance with Canadian generally accepted auditing standards. It was not a study designed specifically to determine if internal control is adequate for management's purposes or to identify and disclose defalcations or other irregularities.

As a result of the audit, we have a number of observations and recommendations. Other matters which arose during the audit were either satisfactorily resolved or were of a relatively insignificant nature.

Included for your information is the status of prior year recommendations.

We wish to express our appreciation for the excellent cooperation we received from your staff during the course of the audit.

Yours truly,

Russ Jones, FCPA, FCA, ICD.D  
Deputy Auditor General

CH/ah  
Attachment

cc: J. David Green, Secretary-Treasurer  
Shehzad Somji, Assistant Secretary-Treasurer



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*This report has been prepared solely for the use of management and should not be distributed to others outside the entity without our prior written consent. We disclaim any liability to any third party who may rely upon this report.*



# 1. CURRENT YEAR FINDINGS

## Logical Access Management- User Access review

Periodic review of active and inactive accounts is a key control in logical access management and reduces the risk of unauthorized access to information.

School District No. 39 (Vancouver) has an established process to add new users, modify existing users, and terminate user accounts. In conducting our audit work, however, we confirmed with the Manager of Information Systems that periodic user access reviews of PeopleSoft Financials and Supply Chain Management (FSCM) user accounts are not carried out.

The lack of periodic user access review as a detective control could result in inappropriate user access levels not being identified, and consequently the risk that inappropriate access to system information is occurring.

### Recommendation

*We recommend that periodic user access reviews be carried out to ensure users access levels are assigned appropriately, in accordance with their current roles and responsibilities.*

### MANAGEMENT'S RESPONSE

A process to conduct periodic access reviews is currently underway and should be in place by the end of December 2020.

## 2. STATUS OF PRIOR YEAR RECOMMENDATIONS

Prior Year Recommendations	Current Year Observations
<p><b>Contract Management Recommendation:</b></p> <p><i>We recommend that the School District:</i></p> <ul style="list-style-type: none"> <li>i. <i>Review current contract management policies and procedures.</i></li> <li>ii. <i>Establish a centralized contract management system.</i></li> <li>iii. <i>Ensure there are signed copies of current contracts and renewals on file.</i></li> </ul> <p><b>Management Response 2020</b></p> <p>We are continuing to build the contract data base in Microsoft Teams and have advised key staff members that we require fully executed copies of contracts before they are stored in the data base.</p> <p>Staff is meeting with Ricoh Canada on Sept 10 to view their contract management system as a replacement for our current Microsoft Teams data base, the Ricoh contract management system could potentially integrate the management of contracts District wide.</p> <p>Staff also met in late July to start a draft contract management policy/procedure and we are still working on its development, with the hope of a first Draft being sent to SMT for review by the end of September.</p>	<p>This issue is partially resolved.</p> <p>We observed that Vancouver School Board (VSB) has made some improvements in the process of establishing a central location for all executed contracts.</p>
<p><b>Employee Overpayments Recommendation:</b></p> <p><i>We recommend the School District review payroll practices to minimize the risk that payroll overpayments occur.</i></p> <p><i>We recommend the School District review the limitation that is restricting them from adjusting subsequent pay when an overpayment error has occurred.</i></p> <p><i>We recommend the School District document their practices for identifying and following up on payroll overpayments and ensure that they are adequate to detect all overpayments.</i></p>	<p>This issue is partially resolved.</p> <p>We observed that VSB is planning to implement a change in September 2020 for the bi-weekly pay groups, so that they would be paid one week after the pay period end date instead of on the pay period end</p>

**Management Response 2020**

The payroll alignment project will significantly reduce the number of overpayments. As mentioned in last year’s response that because of the teacher provincial collective agreement language where we have to pay in advance most overpayments result from not capturing absences, leaves and terminations that occur during the pay period and are not due to administrative errors. Staff will endeavor to find ways to improve the reporting of absences, leaves and terminations. We will continue to evaluate the overpayment situation and continue to implement appropriate collection procedures.

date. This is expected to reduce the incidents of overpayments with this pay group.

VSB is unable to make similar changes to teachers’ payments, as they are set in provincial bargaining.

VSB has overpayment monitoring procedures in place.

We expect this issue to be resolved in 2021 fiscal year.

**Review of Journal Entries**

**Recommendation:**

*We recommend that management perform a monthly review of the internal financial statements. As part of this review, manual journal entries posted during the month should also be reviewed against supporting documentation. This review should be by someone senior to the person posting the entries and documented through reviewer sign-offs.*

This issue is resolved.

**Management Response 2020**

Issue is resolved

**Capitalization Policy**

**Recommendation:**

*We recommend that management periodically review the total capital expenditures being expensed to determine whether the total dollar amount is significant. In order to minimize the administrative burden, purchases of similar capital items (e.g. all small equipment purchases) can be combined into a single pooled asset, capitalized and amortized over the appropriate useful life.*

This issue is resolved.

We have observed a decreasing trend each year at VSB of capital items being expensed.

**Management Response 2020**

Issue is resolved

**Restricted Cash at Schools**

**Recommendation:**

*We recommend that VSB attempt to standardize the reporting to identify specific categories on hand (scholarship, fieldtrip funds, transcript proceeds, etc.) which will then prompt the schools to track the source, purpose and amount of cash balances received to appropriately differentiate between restricted and unrestricted balances.*

**Management Response 2020**

The District does have these categories set up in SchoolCash. For fiscal 2021 we plan to make a change from the current way certain SGF's are accounted for by moving the ones that don't meet the definition of a deferred contribution to the operating fund (Fund 14) where we record miscellaneous grants and other funds that also don't meet the definition of deferred revenue. We will continue to record those SGF's that meet the definition of a deferred contribution in a Special Purpose Fund (Fund 32). Because SchoolCash activity can be recorded in both Fund 14 and Fund 32, the contributions can be linked by a common Program number.

This issue is unresolved.

We observed that a significant portion of school generated funds recorded as deferred contributions did not have adequate support to meet the definition under Public Sector Accounting Standards. These amounts have been included on our summary of unadjusted differences.

**IT Security Policy**

**Recommendation:**

*It is recommended that a formal IT security policy be prepared and made available to all relevant users.*

**Management Response 2020**

We continue to update our IT standards and guidelines. Due to resource availability and evolving priorities we have postponed the Identity and Access Management project until the next fiscal year and will be carrying over the funds for that project. We have also submitted a budget request for a new position for an exempt staff whose role will be dedicated to coordinate Privacy and Compliance within the District.

This issue is resolved.

We observed that VSB maintains IT standards and guidelines, containing key controls around IT security, and makes them available to all users.

<p><b>IT Change Management</b>  <b>Recommendation:</b>  <i>We recommend that control procedures be implemented to ensure the program change approver be a separate individual from the program change developer. This will ensure that the requested change is designed and tested appropriately and functioning properly before implementing the change into production. We also recommend that access should be restricted to fewer developers.</i></p> <p><b>Management Response 2020</b>                  We have demonstrated that there is a segregation of duties within Change Management for our PeopleSoft applications.</p>	<p>This issue is resolved.</p>
<p><b>IT Password Age</b>  <b>Recommendation:</b>  <i>We recommend that a minimum password age be set so that passwords cannot be changed until they are more than a certain number of days old; or that a minimum period of time be instated before a password can be reused. This will ensure that passwords used by the user in the past cannot be re-used until a pre-specified period of time has passed.</i></p> <p><b>Management Response 2020</b>                  We have just implemented changes about password complexity, password history checking and Azure AD password management that has been communicated to all staff.</p>	<p>This issue is unresolved.</p> <p>There remains no minimum password age requirement.</p>
<p><b>IT Account Lockout Threshold</b>  <b>Recommendation:</b>  <i>We recommend that the system lock an account after three failed login attempts.</i></p> <p><b>Management Response 2020</b>                  The PeopleSoft HCM and Financial systems do lock out a user after 3 unsuccessful login attempts. This threshold has not been applied to our active directory accounts.</p>	<p>This issue is partially resolved.</p> <p>We observed that the account lockout threshold is in effect for PeopleSoft applications, but there is no lockout threshold for VSB's active directory.</p>

# APPENDIX F: MANAGEMENT REPRESENTATION LETTER

[Date]

Russ Jones, FCPA, FCA, ICD.D  
Deputy Auditor General of British Columbia  
623 Fort Street  
Victoria, B.C. V8V 1G1

Dear Mr. Jones:

## **Re: Management Representation Letter**

We are providing this letter in connection with your audit of the financial statements of School District No. 39 (Vancouver) for the year then ended June 30, 2020, for the purpose of expressing an opinion as to whether the financial statements present fairly in all material respects, the financial position, results of operations, changes in net debt, and cash flows of School District No. 39 (Vancouver) in accordance with Canadian Public Sector Accounting Standards (PSAS).

We acknowledge that your audit is planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express a professional opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls, and related data to the extent you consider necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, errors, or other irregularities.

## **Management's responsibilities**

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 10, 2020. In particular, we confirm to you the following:

- We are responsible for the preparation of the financial statements in accordance with Section 23.1 of the *Budget Transparency and Accountability Act*, which conforms to PSAS except as modified by Treasury Board regulations.
- We are responsible for designing, implementing, and maintaining an effective system of internal control over financial reporting, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In this regard, we are responsible for establishing policies and procedures that pertain to the maintenance of accounting systems and records, the authorization of receipts and disbursements, and the safeguarding of assets,

and for reporting financial information in accordance with Section 23.1 of the *Budget Transparency and Accountability Act*.

- We are responsible for complying with legislative and other authorities that govern School District No. 39 (Vancouver).
- We have provided you with all relevant information and access, as agreed in the terms of the audit engagement.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

We confirm the following representations:

## Preparation of financial statements

Except where modifications by Treasury Board result in conflicts with PSAS, the financial statements include all disclosures necessary for fair presentation in accordance with PSAS. In addition, the financial statements have been prepared on a basis consistent with that of the preceding year.

We have appropriately reconciled our books and records (for example, general ledger accounts) underlying the financial statements to their related supporting information (for example, subledger or third party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. There were no material unreconciled differences or material items in the general ledger suspense accounts that should have been adjusted or reclassified to another account balance. There were no material items in the general ledger suspense accounts written off to a statement of financial position account that should have been written off to an operations account, nor were there such items written off to an operations account that should have been written off to a statement of financial position account. All intracompany accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.

## Accounting policies

We confirm that we have reviewed School District No. 39 (Vancouver)'s accounting policies and, with regard to the possible alternative policies, our selection and application of accounting policies and estimation techniques used for the preparation and presentation of the financial statements are appropriate in School District No. 39 (Vancouver)'s particular circumstances. Except where modifications by Treasury Board result in conflicts with PSAS, the accounting policies applied, present fairly in all material respects the School District No.39 (Vancouver)'s financial position, operations, changes in net debt and cash flow in accordance with PSAS.

## Internal controls over financial reporting

We have designed disclosure controls and procedures to ensure that material information related to School District No. 39 (Vancouver), is made known to us by others.

We have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the accounting requirements of PSAS.

We have disclosed to you all deficiencies in the design or operation of internal control over financial reporting, that we are aware of as at June 30, 2020.

## Disclosure of information

We have provided you with access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation, and other matters, including:

- contracts and related data;
- information regarding significant transactions and arrangements that are outside the normal course of business;
- minutes of the meetings of the board of directors, committees of directors, and management;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

## Completeness of transactions

All contractual arrangements entered into by School District No. 39 (Vancouver) with third parties have been properly reflected in the accounting records and/or have been disclosed to you where material (or potentially material) to the financial statements. We have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

## Fraud

We have disclosed to you:

- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all information of which we are aware that is related to fraud, or suspected fraud, affecting School District No. 39 (Vancouver) and involving management,



- employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements; and
- all information related to any allegations of fraud, or suspected fraud, that could affect the School District No. 39 (Vancouver)'s financial statements, and that was communicated by employees, former employees, analysts, regulators, or others.

## Compliance with laws and regulations

We have disclosed to you all aspects of laws, regulations, and contractual agreements that may affect the financial statements, including actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

We are not aware of any illegal or possibly illegal acts committed by School District No. 39 (Vancouver)'s directors, officers, or employees acting on School District No. 39 (Vancouver)'s behalf.

All transactions of the School District No. 39 (Vancouver) have been within its statutory powers and enabling legislation.

## Accounting estimates and fair value measurements

We are responsible for all significant estimates and judgements affecting the financial statements. These include fair value measurements and disclosures. Significant estimates and judgements and their underlying assumptions, methods, procedures, and the source and reliability of supporting data are reasonable, based on applicable requirements of PSAS and appropriately disclosed in the financial statements. The procedures and methods used in developing assumptions, estimates, and judgements are appropriate and have been consistently applied in the periods presented.

For recorded or disclosed amounts in the financial statements that incorporate fair value measurements, we confirm the following:

- The measurement methods are appropriate and consistently applied.
- The significant assumptions used in determining fair value measurements represent our best estimates, are reasonable, and have been consistently applied.
- No subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements.
- The significant assumptions used in determining fair value measurements are consistent with our planned courses of action.
- We have no plans or intentions that have not been disclosed to you that may materially affect the recorded or disclosed fair values of assets or liabilities.

Significant estimates and measurement uncertainties known to management that are required to be disclosed in accordance with The CPA Canada Public Sector Accounting Handbook, Section PS 2130, Measurement uncertainty, have been appropriately disclosed.

## Related parties

We confirm that we have disclosed to you the identity of School District No. 39 (Vancouver)'s related parties as defined by Canada Public Sector Accounting Handbook, Section PS 2200, Related party disclosures.

We confirm that we have disclosed to you all transactions between School District No. 39 (Vancouver) and related parties, including:

- transactions in the normal course of operations;
- transactions outside the normal course of operations;
- non-monetary transactions;
- transactions for nil consideration; and
- guarantees in respect of related parties.

We are not aware of any conflicts of interest involving School District No. 39 (Vancouver) arising from any of the related party transactions as disclosed to you.

## Going concern

We are not aware of any events or circumstances that may cast doubt on School District No. 39 (Vancouver)'s ability to continue as a going concern and we confirm that we consider the going concern assumption appropriate in the preparation of the financial statements. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in School District No. 39 (Vancouver)'s financial statements (for example, to dispose of the School District or to cease operations).

## Assets and liabilities

Except where modifications by Treasury Board result in conflicts with PSAS, we have recorded or disclosed, as appropriate, all assets, in accordance with PSAS.

We confirm that School District No. 39 (Vancouver) has satisfactory title or control over all aforementioned assets. All liens or encumbrances on School District No. 39 (Vancouver)'s assets and assets pledged as collateral, to the extent material, have been disclosed in the financial statements.

Trade receivables and loan receivables recorded in the financial statements represent bona fide claims against debtors for sales or other charges arising on or before the statement of financial position date and are not subject to discount except for normal cash discounts. Receivables classified as current do not include any material amounts that are collectible

after one year. All receivables have been appropriately reduced to their estimated net realizable value.

Except where modifications by Treasury Board result in conflicts with PSAS, we have recorded or disclosed, as appropriate, all liabilities, in accordance with PSAS. All liabilities and contingencies, including those associated with guarantees, whether written or oral, under which School District No. 39 (Vancouver) is contingently liable in accordance with the CPA Canadian Public Sector Accounting Handbook, Section PS 3300, Contingent liabilities, have been disclosed to you and are appropriately reflected in the financial statements.

## Environmental matters

We confirm that we have disclosed to you all liabilities and contingencies arising from environmental matters.

Liabilities or contingencies related to environmental matters have been recognized, measured, and disclosed, as appropriate, in the financial statements.

We have considered the effect of environmental matters, and the carrying value of the relevant assets is recognized, measured, and disclosed, as appropriate, in the financial statements.

All commitments related to environmental matters have been measured and disclosed as appropriate, in the financial statements.

## Budgetary data

We have included budgetary data in our financial statements, which is relevant to the users of financial statements and consistent with that originally planned and approved by the Board of Education on February 27, 2020. Planned results and amounts were presented for the same scope of activities and on a basis consistent with that used for actual results.

## Taxes

We are responsible to ensure School District No. 39 (Vancouver) is in compliance with laws and regulations associated with reporting and remittance of taxes in all jurisdictions in which it operates.

We confirm that we have disclosed to you all jurisdictions in which School District No. 39 (Vancouver) operates and the respective reporting requirements under any tax regime.

School District No. 39 (Vancouver) has determined it is not subject to income taxes in any jurisdiction in which it operates.

## Minutes

All matters requiring disclosure to or approval of the Board of Education have been brought before them at appropriate meetings and are reflected in the minutes.

## General

There are no proposals, arrangements, or actions completed, in process, or contemplated that would result in the suspension or termination of any material part of School District No. 39 (Vancouver)'s operations.

Information relative to any matters handled on behalf of School District No. 39 (Vancouver) by any legal counsel, including all correspondence and other files, has been made available to you.

## Litigation and claims

All known actual or possible litigation and claims, which existed at the statement of financial position date or exist now, have been disclosed to you and have been accounted for and disclosed in accordance with PSAS, whether or not they have been discussed with legal counsel.

## Misstatements detected during the audit

Certain representations in this letter are described as being limited to those matters that are material. Solely for the purpose of this letter, the term "material" means any items referred to in this letter, individually or in the aggregate that are more than \$12,800,000. Items are also considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, make it probable that the judgement of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm that the financial statements are free of material misstatements, including omissions.

Except where modifications by Treasury Board result in conflicts with PSAS, the effects of the uncorrected misstatements in the financial statements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The adjusted misstatements identified during your audit have been approved by us and adjusted in the financial statements.

## Events after the statement of financial position date

We have identified all events that occurred between the date of the statement of financial position and the date of this letter that may require adjustment of, or disclosure in, the financial statements, and we have made such adjustment or disclosure.

## Use of experts

We assume responsibility for the findings of experts in evaluating the employee future benefits and have adequately considered the qualifications of the experts in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to experts 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 or objectivity of the experts.

## Restricted assets and revenues

All assets and revenues subject to restrictions are disclosed in the financial statements.

All externally restricted inflows have been recognized as revenue in the year in which the resources were used for the purposes specified. All externally restricted inflows received for which the criterion has not been met have been reported as liabilities and will not be recognized as revenue until such time as the resources are used for the purposes specified.

## Tangible capital assets

All charges to tangible capital asset accounts represented the actual cost of additions to tangible capital assets or the fair value at the date of contribution.

All contributed tangible capital assets have been recorded at fair value at the date of the contribution.

No significant tangible capital asset additions were charged to repairs and maintenance or other expense accounts.

Book values of tangible capital assets sold, destroyed, abandoned, or otherwise disposed of have been eliminated from the accounts.

Tangible capital assets controlled by School District No. 39 (Vancouver) are being depreciated on a systemic basis over their estimated useful lives, and the provision for depreciation was calculated on a basis consistent with that of the previous financial statement period.

All lease agreements covering assets leased by or from School District No. 39 (Vancouver) have been disclosed to you and classified as leased tangible capital assets or operating leases.

Leased tangible capital assets are being amortized on a systemic basis over the period of expected use.

There have been no events, conditions, or changes in circumstances that indicated that a tangible capital asset no longer contributes to School District No. 39 (Vancouver)'s ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value. We believe that the carrying amount of School District No. 39 (Vancouver)'s long-lived tangible capital assets is fully recoverable in accordance with CPA Canada Public Sector Accounting Handbook, Section PS 3150, Tangible capital assets.

## Deferred revenue

Except where modifications by Treasury Board result in conflicts with PSAS, all material amounts of deferred revenue meet the definition of a liability in accordance with Canadian Public Sector Accounting Standards and were appropriately recorded in the books and records.

## Retirement benefits, post-employment benefits, compensated absences, and termination benefits

All arrangements to provide retirement benefits, post-employment benefits, compensated absences and termination benefits have been identified to you and have been included in the actuarial valuation as required.

School District No. 39 (Vancouver)'s actuaries have been provided with all information required to complete their valuation as at March 31, 2019 and their extrapolations to March 31, 2020.

We confirm that the extrapolations are accurate and include the proper reflection of the effects of changes and events occurring subsequent to the most recent valuation that had a material effect on the extrapolations.

The employee future benefit costs, assets, and obligations have been determined, accounted for, and disclosed in accordance with CPA Canadian Public Sector Accounting Handbook, Section PS 3250, Retirement benefits and Section PS 3255 Post-employee benefits, compensated absences and termination benefits. In particular:

The significant accounting policies that School District No. 39 (Vancouver) has adopted in applying CPA Canada Public Sector Accounting Handbook, Section PS 3250 and Section PS 3255 are accurately and completely disclosed in the notes to the financial statements.

The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.

The disclosure of the School District No. 39 (Vancouver)'s share of the risks and benefits under joint benefit plans, the total financial status of any joint plans, significant policies, and a description of the unique nature and terms of any joint plans are accurate and complete.

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 benefit costs and obligations, and such as, they have been communicated to you and to the actuary.

## Other items

We have disclosed to you any documents that include your auditor's report and the audited financial statements that we intend to make public. The management discussion and analysis to be included in the School District No. 39 (Vancouver)'s annual report are consistent with the audited financial statements.

Yours truly,

School District No. 39 (Vancouver)

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Suzanne Hoffman, Superintendent

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J. David Green, Secretary Treasurer

# APPENDIX G: LETTER OF INDEPENDENCE

September 9, 2020

Barb Parrott  
Chair, Audit Committee  
School District No. 39 (Vancouver)  
1580 West Broadway  
Vancouver, B.C. V6J 5K8

Dear Ms. Parrott:

## Re: **Letter of Independence**

We have been engaged to audit the financial statements of School District No. 39 (Vancouver) for the year ended June 30, 2020.

The intent of this letter is to communicate all relationships between School District No. 39 (Vancouver) and the Office of the Auditor General of British Columbia (the Office) that, in our professional judgement, may reasonably be thought to bear on our independence. In addition, we communicate to you the total fees charged to the entity for non-audit services during the last year.

In determining which relationships to report, we considered the relevant rules and related interpretations prescribed by the Chartered Professional Accountants of British Columbia and applicable legislation, covering such matters as:

- holding a financial interest, either directly or indirectly, in a client;
- holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- personal or business relationships of immediate family or close relatives, either directly or indirectly, with a client;
- economic dependence on a client; and
- provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you and the Audit Committee regarding independence matters, since September 11, 2019, the date of our last letter.



In order to establish a framework for the comments that follow, we have summarized the fees paid by School District No. 39 (Vancouver) to the Office for significant professional services for the period September 11, 2019 to September 9, 2020.

### Annual Audit Services

June 30, 2019 Audit	\$75,000
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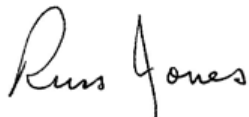
We are not aware of any relationship between School District No. 39 (Vancouver) and us that in our professional judgement may reasonably be thought to bear on our independence, which has occurred during this period.

Canadian auditing standards require that we confirm our independence to the Finance Committee in the context of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia. Accordingly, we hereby confirm that we are independent with respect to School District No. 39 (Vancouver) within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of September 9, 2020.

This report is intended solely for the use of the Audit Committee, management, and others within School District No. 39 (Vancouver) and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions the Audit Committee may have regarding our independence.

Yours truly,



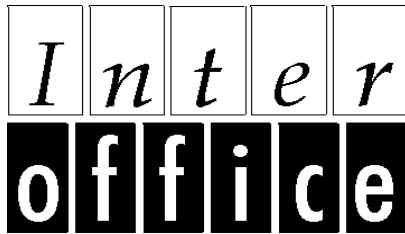
Russ Jones, FCPA, FCA, ICD.D  
Deputy Auditor General

CS/ah

## APPENDIX H: RELEVANT PUBLICATIONS

In June 2014, we published a guide to help readers of financial statements – specifically those who are not familiar with public sector financial statements – improve their ability to review and interpret government financial reports. You can find this report here:

<https://www.bcauditor.com/pubs/2014/special/understanding-canadian-public-sector-financial-statements>



# Memorandum

vancouver school board



Date: September 16, 2020

**ITEM 2.3**

To: Finance Committee

From: J. David Green, Secretary-Treasurer  
Shehzad Somji, Assistant Secretary Treasurer

Re: **Return to School Grants – Provincial and Federal**

## REFERENCE TO STRATEGIC PLAN:

**Goal 1: Engage our learners through innovative teaching and learning practices.**

**Objectives:**

- Provide increased opportunities to connect students to their learning.

**Goal 3: Create a culture of care and shared social responsibility.**

**Objectives:**

- Encourage and enhance practices that support cultural, emotional, physical and mental well-being.

**Goal 4: Provide effective leadership, governance and stewardship**

**Objectives:**

- Effectively utilize school district resources and facilities.

## INTRODUCTION:

With the Provincial Government announcing a return to in class instruction for students for September, a Safe Return to School Grant was also announced to help districts implement new health and safety measures. In addition, the Federal Government has also announced a grant for each Province and Territory to help them in supporting their return to school plans.

## ANALYSIS:

### **Provincial Safe Return to School Grant**

The Province is investing \$45.6 million to help districts implement the new health and safety measures. The Grant is allocated in the categories in the chart below and districts are to use the funding provided for each category in that specific category. Transferring funding from one category to another is not permitted.

The categories and funding amounts for the Province and the Vancouver School Board is as follows:

	<b>VSB</b>	<b>Province</b>
Investment for more staff and staff time for cleaning schools	\$ 1,946,484	\$ 23,000,000
Improving and increasing access to hand hygiene, including installation of non-touch faucets to existing sinks	776,055	9,200,000
Cleaning supplies	431,612	5,100,000
Face masks and shields	195,598	2,200,000
Support for remote learning, such as technology loans or software to support students with disabilities or complex needs	206,405	3,000,000
Independent schools	-	3,100,000
<b>Total Funding</b>	<b>\$ 3,556,154</b>	<b>\$ 45,600,000</b>

The District received 7.8% of the total available grant and has spent the following amounts as of the date of writing this report:

	<b>Allocation</b>	<b>Spending as of Sept. 3, 2020</b>	<b>Remaining</b>
Investment for more staff and staff time for cleaning schools	\$ 1,946,484	\$ 1,000,000	\$ 946,484
Improving and increasing access to hand hygiene, including installation of non-touch faucets to existing sinks	776,055	204,354	571,701
Cleaning Supplies	431,612		431,612
Face masks and shields	195,598	195,598	-
Support for remote learning, such as technology loans or software to support students with disabilities or complex needs	206,405	12,687	193,718
	<b>\$ 3,556,154</b>	<b>\$ 1,412,639</b>	<b>\$ 2,143,515</b>

School districts are required to report to the Ministry how the grant has been spent since the Safe Return to School Grant is being disbursed as a Special Purpose Fund.

### **Federal Safe Return to Class Fund**

The Federal Government Safe Return to Class Fund is a \$2.0 billion grant for the Provinces and Territories of which \$242.36 million was been allocated to British Columbia. The Provincial Government released the allocation of the Federal Safe Return to Class Fund to school districts on September 3<sup>rd</sup>. The fund will be allocated in two phases – one for September and the second being announced (likely for January 2021) when the Province receives confirmation from the Federal government that the funding is forthcoming.

For phase one, the Province received \$121.2 million and is allocating:

- \$101.1 million to public school districts
- \$7.96 million to independent schools
- \$12.1 million holdback for emerging COVID-related issues between September and December 2020.

The general guidance provided by the Province on how the Federal funding should be spent is outlined in the following four categories:

### **Learning resources and supports**

- Implementation of online and remote learning options including internet access / Wi-Fi hubs for Indigenous communities
- Hiring additional teachers and staff, including staff to support Indigenous students remaining in their communities and for those students transitioning back into the classroom over the school year
- Health and safety training for staff
- Mental health support for staff and students

### **Health and safety**

- Increasing staff and covering salary costs for additional hours needed to meet health and safety guidelines in schools
- Installing plexiglass and other barriers, providing outdoor learning spaces, and adapting classrooms and school buses to minimize physical contact
- Increasing hand hygiene, including additional hand sanitizing stations, installing touchless faucets or additional supplies
- Improving air systems in schools, such as HVAC and ventilation improvements, portable air scrubbers and increased utility costs
- Purchasing additional cleaning supplies such as sprayers or fogger machines for frequent cleaning and disinfecting high-touch surfaces
- Purchasing additional masks, face shields or other personal protective equipment, as needed

### **Transportation**

- Cover additional transportation costs to accommodate new schedules
- Student and route tracking and planning technology
- Alternate bus transportation strategies

### **Before and after school childcare**

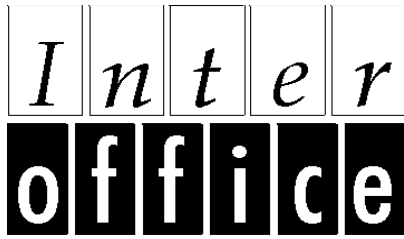
- Opening up more space and covering the cleaning costs for before and after school care so that groups can be smaller, and to ensure students can remain within their learning groups
- Additional staff to support before and after school care during the pandemic

The District's share of phase one funding is \$9,177,259. Staff are working on developing the spending plan for this fund.

School districts are required to report to the Ministry how these have been spent since the Federal Return to Class Fund is being disbursed as a Special Purpose Fund.

**RECOMMENDATION:**

This report is provided for information.



# Memorandum

vancouver school board



Date: Sept. 16, 2020

To: Finance Committee

From: J. David Green, Secretary-Treasurer  
Shehzad Somji, Assistant Secretary-Treasurer

**ITEM 2.4**

Re: **Financial Statement Discussion and Analysis**

## REFERENCE TO STRATEGIC PLAN:

**Goal 4:** Provide effective leadership, governance and stewardship

### Objectives:

- Develop and implement a long-term financial planning model.
- Effectively utilize school district resources and facilities.
- Support effective communication, engagement and community partnerships.

## INTRODUCTION:

This report is provided for information.

## BACKGROUND:

The Ministry of Education, Ministry of Finance and Office of the Auditor General worked with representatives of the BC School Trustees' Association (BCSTA), BC School Superintendents' Association (BCSSA) and BC Association of School Business Officials (BCASBO), collectively referred to as the Financial Health Working Group, to develop Financial Health Guidelines to be implemented in school districts for the 2018-2019 school year. One component of these guidelines is for districts to prepare a Financial Statement Discussion and Analysis (FSD&A) that will be presented once the year-end audited financial statements are approved.

The Office of the Auditor General of British Columbia (OAG) released a report in June 2014 titled *Understanding Canadian Public Sector Financial Statements*. In this report, the Auditor General presented information on the importance of the FSD&A and some guidance around its preparation. The full report is [here](#).

Now that the financial audit of the District is finalized, the Financial Statement Disclosure and Analysis is being prepared for posting to the District website and for submission to the Ministry at the end of September along with the financial statements.

## DISCUSSION:

The FSD&A summarizes the District's financial activities for the fiscal period July 1, 2019 to June 30, 2020 based on known facts, decisions or conditions. This FSD&A should be read in conjunction with the recently approved audited financial statements. The FSD&A is still in the process of being finalized but staff wanted to show the Finance Committee the work that has gone into it up to now.

**RECOMMENDATION:**

This report is provided for information only.

Hyperlink: [Financial Statement Discussion and Analysis](#) for the Year Ended June 30, 2020



# FINANCIAL STATEMENT **Discussion and Analysis**

*for the year ended June 30, 2020*



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The following is a discussion and analysis of the Vancouver School District’s financial results for the fiscal year ended June 30, 2020. This report is a summary of the District’s financial activities based on currently known facts, decisions, or conditions. The financial results for the current year are discussed in comparison with the financial results for the fiscal year ended June 30, 2019 and the amended annual budget for 2019-2020. This report should be read in conjunction with the District’s 2019-2020 audited financial statements.

## Overview of the School District

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The Vancouver School Board (District) is one of the most diverse public-school systems in Canada. It is home to some of the poorest and richest postal codes in the country. The District’s annual enrolment is approximately 51,000 students from Kindergarten to Grade 12, and it also provides educational programs and services to over 2,000 adult students and 1,800 international students. The District invests significant resources in a broad range of programs to meet the diverse learning needs of all students in fulfillment of the District’s vision to **“inspire student success by providing an innovative, caring and responsive learning environment.”** With this vision in mind the Vancouver School Board is committed to providing the highest quality learning experience for all students, helping them to reach their intellectual, social, and physical potential in a safe and inclusive environment. Vancouver schools are involved in a wide range of partnerships with cultural, arts and service organizations. The District also offers a multitude of services and program options to meet student interests and needs.

The District’s financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards, as developed by the Public Sector Accounting Board, except regarding the accounting for government transfers.



The Vancouver Board of Education is comprised of nine elected trustees and an appointed student trustee. The Board’s work is divided among [five standing committees](#) to facilitate comprehensive discussion of school district matters. Collectively, the Board sets education policies within the district as mandated by the *School Act*.

## VSB2021 Strategic Plan

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The [VSB2021 Strategic Plan](#) was developed in consultation with the district's partners including students, families, staff and stakeholders. It sets out a clear and shared vision for the future of public education in the Vancouver School District. The vision of inspiring student success by providing an innovative, caring, and responsive learning environment is guided by the following principles:



**The following goals were also developed based on the themes that emerged during the public engagement process:**

**Goal 1:** Engage our learners through innovative teaching and learning practices.

**Goal 2:** Build capacity in our community through strengthening collective leadership.

**Goal 3:** Create a culture of care and shared social responsibility.

**Goal 4:** Provide effective leadership, governance, and stewardship.

## COVID-19 Pandemic

---

The District's operations have been impacted by the COVID-19 pandemic declared in March by the World Health Organization. That declaration prompted the Province of British Columbia to declare a state of emergency and the Public Health Office issued orders that shut down the Province in the last quarter of the school year. Students and school staff did not attend school after Spring Break until June when a partial return to in-class instruction came into effect.

As explained in other sections of this Financial Statement Discussion & Analysis the impact of the pandemic is far-reaching. Additional costs necessitated by new public health orders for enhanced cleaning in school buildings, safety signage and physical distancing requirements had a significant impact on District operations as schools were reopened in June. The move to remote learning for students at the start of the pandemic resulted in a distribution of technology to families who did not have access to Wi-Fi or devices. The District also experienced lost revenue when rentals of facilities and fields were suspended, and cafeterias were closed. Lower interest rates resulted in less investment income in the last few months of the fiscal year. Refunds were provided to some students in the International Student Program who had registered for a second term experience. Offsetting the added costs and lost revenues were significant

savings in staff on call replacements, transportation costs for contracted bus service for the District's students with diverse learning needs, savings in cafeteria food purchases and lower utilities costs.

As the pandemic is on-going, these impacts will continue. The District set aside a \$1.0 million fund in its 2020-2021 budget to help address the negative impacts caused by the pandemic. After the year end both the Provincial Government and the Federal Government have provided funding to help districts in managing the added costs expected to be incurred as schools fully reopen in September. The District's share of those government grants is approximately \$3.6 million from the Province and \$18.4 million from Ottawa.

## Funding – Student Enrolment

---

The School District is funded primarily through an Operating Grant received from the Ministry of Education. The Operating Grant is based on student enrolment, confirmed in a provincial process called 1701 in September, February, May, and July. The District receives a fixed amount per full-time equivalent (FTE) student. This fixed amount is different for different categories of students, as illustrated below:

	Per FTE Funding		
	2018-19	2019-20	2020-21
Standard and Alternate	7,423	7,468	7,560
Continuing Education	7,423	7,468	7,560
Distributed Learning	6,100	6,100	6,100
Non-Graduated Adults	4,696	4,773	4,823

For each identified student with unique needs, the District receives a supplementary grant on top of the basic per pupil grant to provide the added resources needed to ensure schools can respond to the needs of diverse learners. The amount received is shown in the following table:

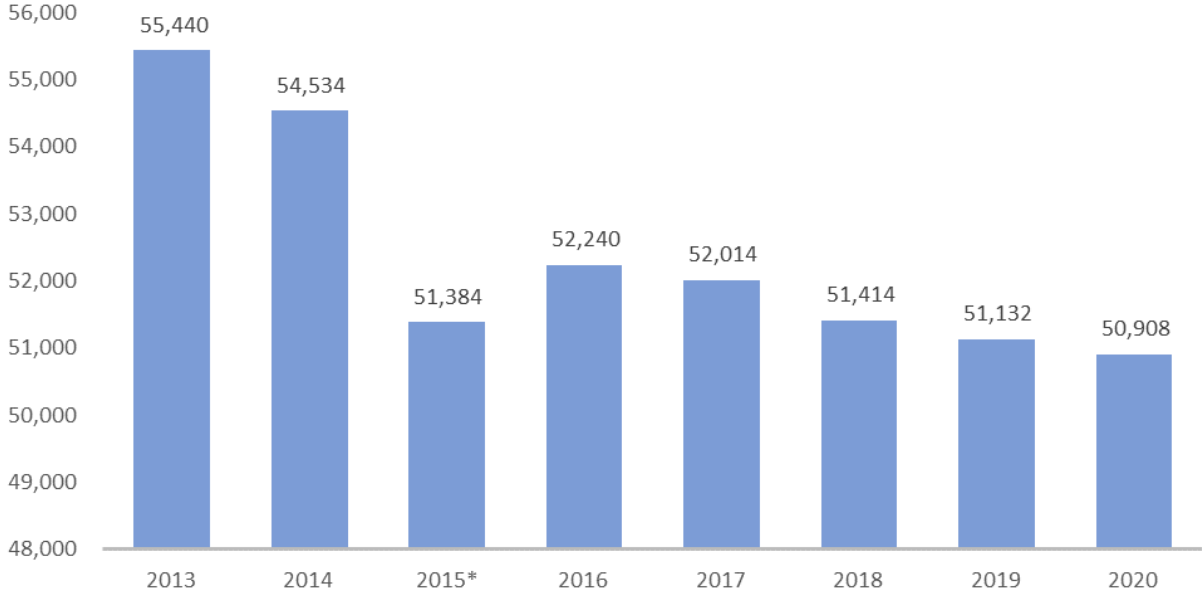
	Unique Student Needs Supplementary Funding Per FTE		
	2018-19	2019-20	2020-21
Students with Special Needs - Level 1	38,800	42,400	43,000
Students with Special Needs - Level 2	19,400	20,200	20,400
Students with Special Needs - Level 3	9,800	10,250	10,300
English/French Language Learning	1,420	1,495	1,520
Indigenous Education	1,230	1,450	1,500

In grades Kindergarten through nine, one student equates to one FTE. At the secondary level, in grades ten through twelve, students are funded based on the percentage of full-time enrolment, with eight courses equaling a full-time student. Students in high school can take more or less than a full course load, or seek alternative opportunities outside of school, such as driver training or work experience to meet their course credit requirements. This results in some degree of variability in funding for secondary students, which poses a significant challenge that must be considered throughout the financial planning process.



The impact of the uncertainty of the student FTE enrolment has the potential to influence decisions with regards to potential course offerings, required staffing levels and even predictions as to future capacity requirements needed within the District's eighteen secondary schools, seventy-seven elementary schools, twelve annexes, and two adult education centers. Each spring, the District undertakes a comprehensive process of reviewing population data to identify trends, a review of new municipal development approvals, and incorporates local knowledge to develop an estimate of elementary and secondary student FTE for the coming budget year. The number of students enrolled directly impacts the number of staff needed. As staff salaries and benefits make up a significant proportion of School District expenses, a reliable estimate of student FTE is crucial to the integrity of the financial plan. As illustrated in the chart below, the District's full year funded enrolment has been on a steady decline over the years.

Funded FTE Enrolment



\*Summer school was cancelled in the 2014-15 school year due to labor negotiation job action.



# Financial Highlights

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The District uses fund accounting and each of these funds has restrictions on accounting for revenues and expenditures. There are three funds that are reported in the financial statements:

OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND
Includes revenue and expense related to the daily operation of the District, including school and administrative functions.	Funding is restricted for a specific purpose and includes school generated funds. These funds do not report a surplus as revenues are only recognized when the related expenditure occurs. There may be a deficit in this fund which is then transferred to the Operating Fund or Capital Fund depending on the nature of the expenditure.	This fund includes financial activities for tangible capital assets. The Ministry of Education provides capital funding which is accounted for using the deferral accounting methodology whereby capital revenue is recorded over the life of the related asset to match the amortization expense recorded in the financial statements. Therefore, the revenue reported in the financial statements does not match the actual capital funding received in a year.

## Statement of Financial Position

The following table provides a comparative analysis of the District’s net financial position for fiscal years ending June 30, 2020 and June 30, 2019 along with the year over year dollar and percentage changes. The variances are explained below.

	2020	2019	Variance	% Change
<b>Financial Assets</b>				
Cash and Cash Equivalents	252,446,220	240,548,009	11,898,211	4.9%
Accounts Receivable				
Due from Province - Ministry of Education	10,146,510	4,942,307	5,204,203	105.3%
Due from Province - Other	168,200	132,675	35,525	26.8%
Other	5,167,290	7,046,469	(1,879,179)	-26.7%
Portfolio Investments	712,341	996,966	(284,625)	-28.5%
<b>Total Financial Assets</b>	<b>268,640,561</b>	<b>253,666,426</b>	<b>14,974,135</b>	<b>5.9%</b>
<b>Liabilities</b>				
Accounts Payable & Accrued Liabilities				
Due from Province - Ministry of Education	173,857	185,434	(11,577)	-6.2%
Due from Province - Other	4,050,173	3,741,338	308,835	8.3%
Other	74,080,929	70,347,072	3,733,857	5.3%
Unearned Revenue	57,368,400	60,158,517	(2,790,117)	-4.6%
Deferred Revenue	35,125,057	38,431,885	(3,306,828)	-8.6%
Deferred Capital Revenue	717,744,982	656,212,899	61,532,083	9.4%
Employee Future Benefits	29,545,276	27,947,342	1,597,934	5.7%
Capital Lease Obligations	2,098,085	3,579,816	(1,481,731)	-41.4%
Other Liabilities	1,349,000	1,686,023	(337,023)	-20.0%
<b>Total Liabilities</b>	<b>921,535,759</b>	<b>862,290,326</b>	<b>59,245,433</b>	<b>6.9%</b>
<b>Net Financial Assets (Debt)</b>	<b>(652,895,198)</b>	<b>(608,623,900)</b>	<b>(44,271,298)</b>	<b>7.3%</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	797,124,254	740,854,968	56,269,286	7.6%
Prepaid Expenses	2,137,471	3,855,200	(1,717,729)	-44.6%
Supplies Inventory	860,921	934,237	(73,316)	-7.8%
<b>Total Non-Financial Assets</b>	<b>800,122,646</b>	<b>745,644,405</b>	<b>54,478,241</b>	<b>7.3%</b>
<b>Accumulated Surplus (Deficit)</b>	<b>147,227,448</b>	<b>137,020,505</b>	<b>10,206,943</b>	<b>7.4%</b>

**Cash** increased by \$11.9 million primarily due to the \$10.2 million surplus for the year and the difference of \$1.7 million between the year over year increase in operating transactions of \$6.2 million, the year over year decrease in capital and financing transactions of \$4.8 million, and the \$0.3 million increase in investing transactions (see Statement 5 of the Financial Statements). Included in the cash balance is the restricted amount related to the sale of an underground airspace parcel to BC Hydro in 2018. That amount has increased in the current year by \$1.8 million of interest income.



<b>Investment Type</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>
BMO Bank of Montreal - Operating Accounts	47,133,941	31,878,956	15,254,985
Provincial CDS Program	137,154,054	142,289,364	(5,135,310)
Provincial CDS Program - restricted capital	68,158,225	66,379,689	1,778,536
<b>Total</b>	<b>252,446,220</b>	<b>240,548,009</b>	<b>11,898,211</b>

*Accounts Receivable* is comprised of three categories of receivables – Due from Ministry of Education, Due from Province, and Other.

<b>Description</b>	<b>2020</b>	<b>2019</b>	<b>Variance</b>
Due from Province - Ministry of Education	10,146,510	4,942,307	5,204,203
Due from Province - Other	168,200	132,675	35,525
Other	5,167,290	7,046,469	(1,879,179)
<b>Total</b>	<b>15,482,000</b>	<b>12,121,451</b>	<b>3,360,548</b>

The receivable from the Ministry of Education is funding for capital projects that the District has requested but was not received prior to June 30, 2020. The \$5.2 million increase year-over-year is due to the timing of when the payment was received.

The amount that is receivable from the Province is for funding for Assistive Technology – BC.

The Other category is shown in the following table and the significant balances are for amounts due from the City of Vancouver for childcare space and other receivables, which includes invoices to various organizations along with insurance claims that the District is waiting for reimbursement.

<b>Description</b>	<b>2020</b>	<b>2019</b>	<b>Variance</b>
Due from Federal Government	1,151,655	370,893	780,762
Due from Municipalities	2,417,238	3,616,639	(1,199,401)
Due from Other School Districts	4,213	75,490	(71,278)
Rentals and Leases	176,404	330,826	(154,422)
Other Receivables	1,420,786	3,005,814	(1,585,028)
Allowance for Doubtful Accounts	(3,006)	(353,193)	350,187
<b>Total</b>	<b>5,167,290</b>	<b>7,046,469</b>	<b>(1,879,179)</b>

*Accounts Payable and Accrued Liabilities* is comprised of three categories – Due to Ministry of Education, Due to Province, and Other.

Description	2020	2019	Variance
Due to Province - Ministry of Education	173,857	185,434	(11,577)
Due to Province - Other	4,050,173	3,741,338	308,835
Other	74,080,929	70,347,072	3,733,857
Total	78,304,959	74,273,844	4,031,115

The payable to the Ministry of Education is for MyEdBC usage fees.

The amount payable to the Province is for service agreements for the PeopleSoft Financials and HCM programs the District uses for accounting, personnel, and payroll.

The Other category is shown in the following table.

Description	2020	2019	Variance
Accrued vacation pay	9,605,585	8,935,601	669,984
Other	12,069,687	12,397,073	(327,386)
Salaries and benefits payable	36,631,590	34,910,522	1,721,068
Trade payables	15,774,067	14,103,876	1,670,191
Total	74,080,929	70,347,072	3,733,857

The increase in Salaries and benefits payable is due to the Employer Health Tax, while the increase in Trade payables relates to capital projects.

**Unearned Revenue** represents amounts that have been collected by the District in advance of providing the related programming or service. Unearned revenue also includes the unamortized balance of \$13.3 million for a 99-year ground lease previously recorded as Deferred Capital Revenue (see Note 6 & Note 18 of the Financial Statements). These unearned revenues represent International Student Tuition Fees and prepaid Program of Choice fees. The decrease of \$2.8 million from the prior year is due to declines in tuition fees received (refunds) from international students, and rental and lease facilities (closures), both due to the COVID-19 pandemic.

**Deferred Revenue** represents amounts advanced on grant awards and unspent school generated funds, or unspent funds held in trust for the schools. The amounts will be recognized as revenue and spent in future years as eligible expenses are incurred.

### Deferred Revenue

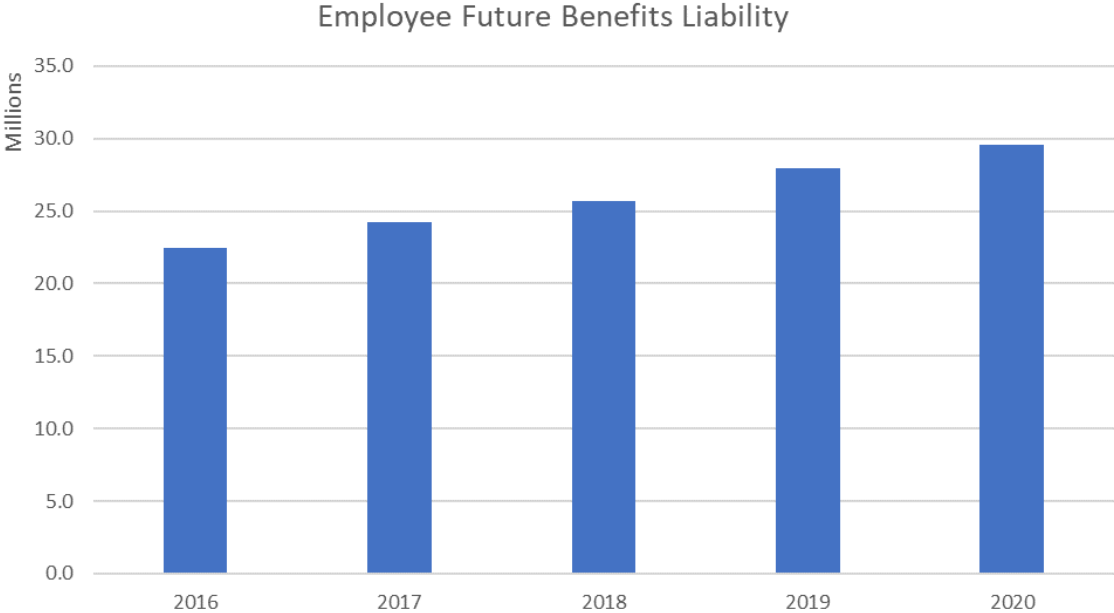
Description	2020	2019	Change
Learning Improvement Fund	273,793	-	273,793
Indigenous Education Technology	11,727	11,442	285
Scholarships and Bursaries	537,702	560,032	(22,330)
Special Education Technology	2,485,957	2,163,440	322,517
School Generated Funds	11,300,961	10,611,085	689,876
Strong Start	52,208	51,476	732
Ready, Set, Learn	31,461	40,040	(8,579)
OLEP	261,262	29,760	231,502
CommunityLINK	117,678	354,475	(236,797)
Classroom Enhancement Fund	1,753,614	3,052,004	(1,298,390)
First Nation Student Transportation	49,503	-	49,503
Mental Health in Schools	21,999	-	21,999
Changing Results for Young Children	25,954	-	25,954
CommunityLINK - Other	851,641	831,416	20,225
Provincial Resource Programs	224,046	60,318	163,728
Educational Resource Acquisition Consortium	-	943,347	(943,347)
Communication Assistance for Youth & Adults	6,471,844	9,427,361	(2,955,517)
Assistive Technology BC	8,963,439	8,503,181	460,258
Provincial Resource Centre for the Visually Impaired	454,678	520,407	(65,729)
Settlement Workers in School	426,485	490,419	(63,934)
Miscellaneous	809,105	781,682	27,423
<b>Total Deferred Revenue</b>	<b>35,125,057</b>	<b>38,431,885</b>	<b>(3,306,828)</b>

*Deferred Capital Revenue* relates to capital grant funds received in prior years which have been spent on capital projects. As a requirement of Treasury Board Regulation 198/2011, the grant revenue is recorded as deferred capital revenue (a liability) and over time this liability is drawn down and recognized as revenue over the expected life of the asset acquired. The balance in Deferred Capital Revenue increases annually by any new provincial grant funding received and is reduced by the annual recognition of capital grant revenue over the life of each capital project. The balance in Deferred Capital Revenue is explained in the following table:

### Deferred Capital Revenues

Description	2020	2019	Change
Deferred Capital Revenue - Opening Balance	656,212,899	599,129,507	57,083,392
Prior Period Adjustment - Prepaid Ground Lease	-	(13,305,077)	13,305,077
Additions - New Grant Funding received	80,766,760	87,854,576	(7,087,816)
Current Year Recognition of Deferred Grant Revenue	(19,234,677)	(17,466,107)	(1,768,570)
<b>Closing Deferred Capital Revenue Balance</b>	<b>717,744,982</b>	<b>656,212,899</b>	<b>61,532,083</b>

**Employee Future Benefits** liability measures the estimated future cost to the District to provide employee benefits such as retirement allowances, vacation, sick pay, and maternity leave benefits. The annual increase is linear and predictable, suggesting that the cost of benefits increases over time as wages increase and the workforce ages. The Province provides this amount annually to the District based on actuarial valuations.



**Capital Lease Obligations** decreased due to technology leases expiring during the year.

**Other Liabilities** are estimated costs for the removal of asbestos for active construction projects.

**Tangible Capital Assets** - The District undertakes capital work each year by upgrading and extending the life of its existing buildings, or the construction of new buildings or replacement projects. Most of this work is tied to the Seismic Mitigation Program. The funds expended on these capital projects, as well as those spent on furniture and equipment, vehicles and computer hardware and software are capitalized as Tangible Capital Assets. The costs of these assets are amortized over their expected useful lives.

These assets are deemed to be disposed at the end of their useful life and the asset value and corresponding accumulated amortization are removed from the asset register. The District’s Tangible Capital Asset balances are recorded in the schedule below:

**Tangible Capital Assets**

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2020	2019
Cost, beginning of year	20,781,686	984,041,365	16,092,659	2,214,103	3,131,937	16,280,997	1,042,542,747	911,807,433
Additions	-	25,457,075	2,460,999	597,551	-	2,244,046	30,759,671	134,044,096
Disposals	-	-	1,245,902	448,923	551,245	4,831,635	7,077,705	3,308,782
Cost, end of year	20,781,686	1,009,498,440	17,307,756	2,362,731	2,580,692	13,693,408	1,066,224,713	1,042,542,747
Add: WIP Balance	-	125,833,866	296,373	-	-	-	126,130,239	72,829,705
Cost and WIP, end of year	20,781,686	1,135,332,306	17,604,129	2,362,731	2,580,692	13,693,408	1,192,354,952	1,115,372,452
Accumulated Amortization - Opening	-	356,739,256	7,802,120	1,103,254	1,673,472	7,199,382	374,517,484	351,952,447
Amortization Expense	-	22,323,435	1,669,955	228,842	571,245	2,997,442	27,790,919	25,807,374
Deemed Disposal Recapture	-	-	1,245,902	448,923	551,245	4,831,635	7,077,705	3,242,337
Accumulated Amortization - Closing	-	379,062,691	8,226,173	883,173	1,693,472	5,365,189	395,230,698	374,517,484
Tangible Capital Assets - Net Book Value	20,781,686	756,269,615	9,377,956	1,479,558	887,220	8,328,219	797,124,254	740,854,968



## Statement of Operations – Consolidated

Statement 2 explains the changes in the operating results of the District in the current year and includes the revenues and expenses for all three funds. The following schedule shows the consolidated results of operations of the District and each fund statement is reviewed below separately.

	Budget 2020	Actual 2020	Variance to Budget	Actual 2019	Variance to 2019
<b>Revenues</b>					
Provincial Grants	546,487,425	548,553,283	2,065,858	533,358,373	15,194,910
Federal Grants	2,280,857	2,280,857	-	2,259,914	20,943
Tuition	29,411,375	29,951,775	540,400	29,847,950	103,825
Other Revenue	31,495,877	26,063,173	(5,432,704)	32,228,696	(6,165,523)
Rentals and Leases	5,966,987	5,541,059	(425,928)	5,555,704	(14,645)
Investment Income	4,922,194	3,881,363	(1,040,831)	3,945,348	(63,985)
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	-	12,008,555	(12,008,555)
Amortization of Deferred Capital Revenue	19,176,608	19,148,025	(28,583)	17,294,428	1,853,597
<b>Total Revenue</b>	<b>639,741,323</b>	<b>635,419,535</b>	<b>(4,321,788)</b>	<b>636,498,968</b>	<b>(1,079,433)</b>
<b>Expenses</b>					
Instruction	519,161,959	505,557,058	(13,604,901)	499,036,105	6,520,953
District Administration	24,285,974	23,457,736	(828,238)	24,392,628	(934,892)
Operations and Maintenance	94,717,239	93,677,099	(1,040,140)	91,371,275	2,305,824
Transportation and Housing	3,515,863	2,409,292	(1,106,571)	2,988,963	(579,671)
Debt Services	120,452	111,407	(9,045)	61,369	50,038
<b>Total Expense</b>	<b>641,801,487</b>	<b>625,212,592</b>	<b>(16,588,895)</b>	<b>617,850,340</b>	<b>7,362,252</b>
<b>Surplus (Deficit) for the year</b>	<b>(2,060,164)</b>	<b>10,206,943</b>	<b>12,267,107</b>	<b>18,648,628</b>	<b>(8,441,685)</b>

The District has a \$10.2 million surplus for the period ending June 30, 2020 (\$18.6 million – 2019) as reported in the Statement of Operations between all the funds as consolidated revenues exceeded consolidated expenses for the year. The surplus from the Operating Fund is \$10.3 million (\$7.4 million – 2019) and the Capital Fund reported a \$0.1 million deficit (\$11.2 million surplus – 2019). There is no surplus or deficit in the Special Purpose Fund.

## Statement of Operations – Operating Fund

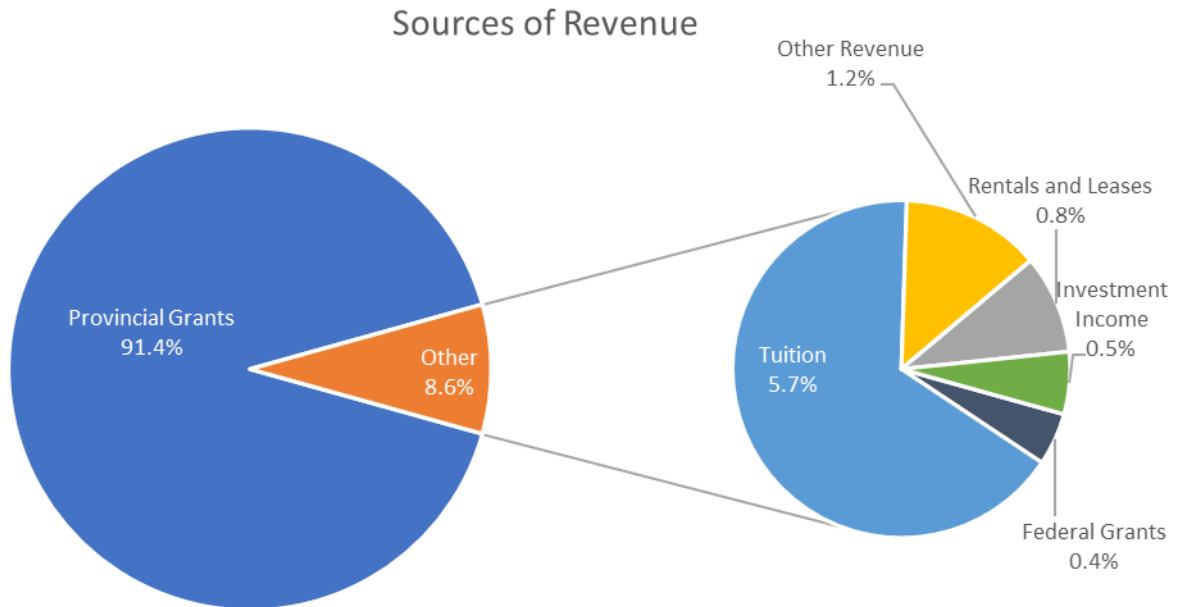
This statement reflects the day-to-day operations of the District for the year. The following schedule compares the results for the period ending June 30, 2020 against the budget for the year and the results for the prior year.



	Budget 2020	Actual 2020	Variance to Budget	Actual 2019	Variance to 2019
<b>Revenues</b>					
Provincial Grants	471,930,020	478,638,235	6,708,215	462,046,011	16,592,224
Federal Grants	2,280,857	2,280,857	-	2,259,914	20,943
Tuition	29,411,375	29,951,775	540,400	29,847,950	103,825
Other Revenue	6,288,413	6,048,486	(239,927)	6,519,772	(471,286)
Rentals and Leases	4,654,079	4,288,039	(366,040)	4,522,920	(234,881)
Investment Income	3,374,666	2,706,834	(667,832)	2,774,350	(67,516)
<b>Total Revenue</b>	<b>517,939,410</b>	<b>523,914,226</b>	<b>5,974,816</b>	<b>507,970,917</b>	<b>15,943,309</b>
<b>Expenses</b>					
<b>Salaries</b>					
Teachers	226,929,527	230,201,588	3,272,061	222,087,465	8,114,123
Principals and Vice Principals	25,130,248	24,915,066	(215,182)	23,993,358	921,708
Educational Assistants	41,213,309	40,720,409	(492,900)	36,966,930	3,753,479
Support Staff	55,941,682	55,348,489	(593,193)	53,670,115	1,678,374
Other Professionals	11,004,578	11,833,466	828,888	9,885,282	1,948,184
Substitutes	10,626,084	7,743,430	(2,882,654)	10,151,901	(2,408,471)
Total Salaries	370,845,428	370,762,448	(82,980)	356,755,051	14,007,397
<b>Employee Benefits</b>	<b>96,847,523</b>	<b>98,063,910</b>	<b>1,216,387</b>	<b>94,499,119</b>	<b>3,564,791</b>
<b>Total Salaries and Benefits</b>	<b>467,692,951</b>	<b>468,826,358</b>	<b>1,133,407</b>	<b>451,254,170</b>	<b>17,572,188</b>
<b>Services and Supplies</b>					
Services	16,650,058	14,127,461	(2,522,597)	16,399,860	(2,272,399)
Student Transportation	3,581,798	2,448,469	(1,133,329)	2,999,259	(550,790)
Professional Development and Travel	1,281,971	1,080,664	(201,307)	1,247,070	(166,406)
Rentals and Leases	729,002	696,123	(32,879)	950,286	(254,163)
Dues and Fees	1,356,578	1,141,145	(215,433)	893,453	247,692
Insurance	1,111,736	1,031,860	(79,876)	907,774	124,086
Interest	-	1,680	1,680	328	1,352
Supplies	12,707,551	10,085,406	(2,622,145)	10,701,905	(616,499)
Utilities	8,597,303	7,748,822	(848,481)	9,559,146	(1,810,324)
<b>Total Services and Supplies</b>	<b>46,015,997</b>	<b>38,361,630</b>	<b>(7,654,367)</b>	<b>43,659,081</b>	<b>(5,297,451)</b>
<b>Total Operating Expense</b>	<b>513,708,948</b>	<b>507,187,988</b>	<b>(6,520,960)</b>	<b>494,913,251</b>	<b>12,274,737</b>
<b>Surplus (Deficit) for the year</b>	<b>4,230,462</b>	<b>16,726,238</b>	<b>12,495,776</b>	<b>13,057,666</b>	<b>3,668,572</b>
<b>Budget Appropriation</b>	<b>2,389,671</b>				
<b>Net Transfers to (from) other funds</b>	<b>(6,620,133)</b>	<b>(6,465,481)</b>	<b>154,652</b>	<b>(5,643,802)</b>	<b>(821,679)</b>
<b>Total Operating Surplus</b>	<b>-</b>	<b>10,260,757</b>		<b>7,413,864</b>	

## Revenues

Most of the revenue for general operations is received from the Ministry of Education through grant funding (91%). The remaining \$45.3 million, or 9%, is received through tuition fees for summer school and international education, rentals and leases of school district property, investment income and some federal grants.



Revenue	Current Year Actual to Budget Comparison	2020 to 2019 Comparison
<b>Provincial Grants</b>	Current year operating grant revenue exceeded budget as after approval of the amended budget the Ministry announced funding for the February enrolment recount (\$0.6 million) and funding for the Teachers Labour Settlement (\$5.6 million). Also, the District had higher Graduated Adult enrolment (\$0.8million), which was offset by the elimination of the Carbon Tax Grant in calendar year 2020 (\$0.3 million).	The per pupil grant increased from \$7,423 per FTE to \$7,468 per FTE (\$2.2 million) and the supplementary funding for unique student needs increased (\$3.2 million). Regular student enrolment decreased by 226 FTE but was offset by an increase in unique student needs enrolment. Other differences include labour settlement funding (\$7.7 million) and the Employer Health Grant (\$4.1 million).



<b>Tuition Revenue</b>	Higher international education program tuition holdback related to withdrawals.	Increase in international education program enrolment (14 FTE).
<b>Other Revenue</b>	Loss of cafeteria sales due to the pandemic (\$0.5 million) was offset by additional grants and donations (\$0.1 million), and the sale of old vehicles and equipment (\$0.1 million).	Loss of cafeteria sales due to the pandemic (\$0.5 million).
<b>Rentals and Leases</b>	Loss of revenue due to the pandemic (\$0.5 million) was offset by an increase in rental rates (\$0.1 million).	Loss of revenue due to the pandemic (\$0.5 million) was offset by an increase in rental rates (\$0.1 million).
<b>Investment Income</b>	Interest rate environment decreasing during the pandemic provided lower revenue. The Bank of Canada lowered the bank rate 150 basis points in a 3-week period.	Decreased revenue due to decreasing interest rate environment during the pandemic was offset by a higher investment balance compared to 2018-2019.

### Expenses

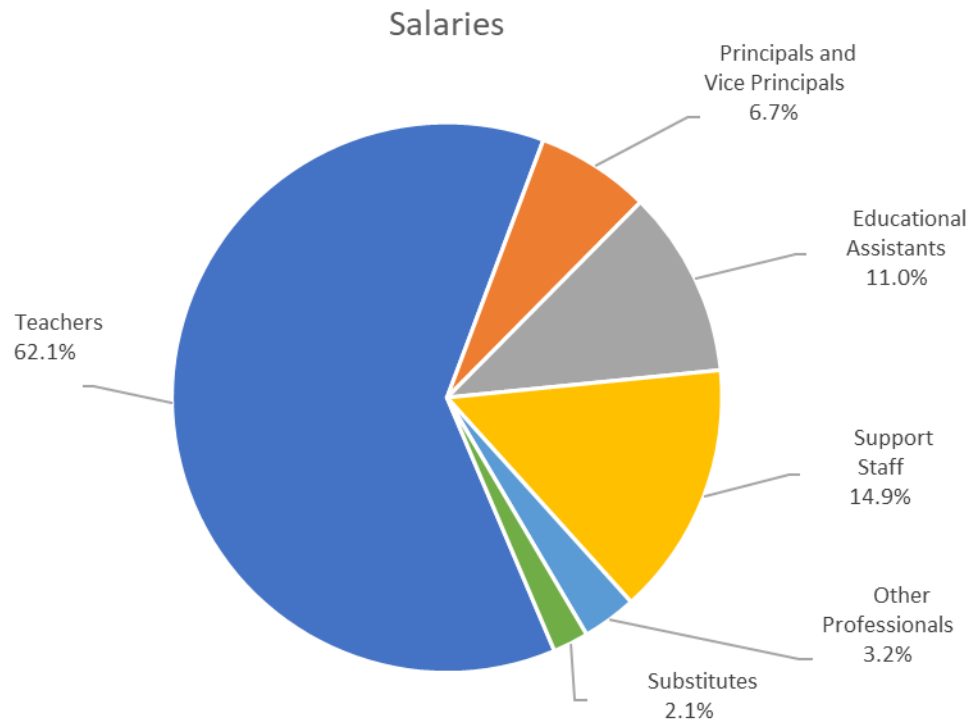
Staff Salaries and Benefits account for 92.4% of the operating expenses of the District, which is higher than the 91.2% in the prior year. A review of the last five years shows the proportion of expenses for Salaries and Benefits has been gradually declining from a high of 92.8% in 2014 to 92.4 % in 2020.

Salaries & Benefits as a proportion of Total Operating Costs



## Salaries and Benefits

As shown in the chart below, the bulk of the salaries paid by the District in 2019-2020 was for Teachers, followed by Support Staff and then Educational Assistants.



**Teachers' salaries** were over budget due to a negotiated wage increase (\$4.5 million) which was reached after the amended annual budget was established. This was offset by savings in on-call staff during the pandemic (\$1.2 million).

In addition to the above reasons, the increase from the prior year was due to increased enrolment driven staffing (\$1.1 million), average salary increasing from \$80,512 to \$81,508 (\$2.8 million), additional positions approved by the Board through the budget process (\$0.6 million), and one-time positions from special funding (\$0.3 million)

**Principals and Vice Principals salaries** ended the year under budget due to savings in on-call administrators during the pandemic. The increase from the prior year was attributable to the wage increase approved by the Public Sector

Employer's Council and positions being filled for the entire school year.

**Educational Assistants** salaries were under budget due to savings in on-call staff during the pandemic.

The increase from the prior year was due to a negotiated salary increase (\$0.8 million), increased staffing due to higher special needs enrolment and demand (\$0.6 million), and the improved ability to fill vacant positions (\$2.1 million).

**Support Staff** salaries were under budget due to savings in on-call staff during the pandemic (\$0.2 million), lower transfer of costs from AFG (\$0.2 million) and lower sick replacement (\$0.2 million).

The increase from prior year was due to annual wage lifts that are tied to collective agreements (\$1.1 million), one-time positions from special funding (\$0.3 million) and filling prior year vacancies (\$0.3 million).

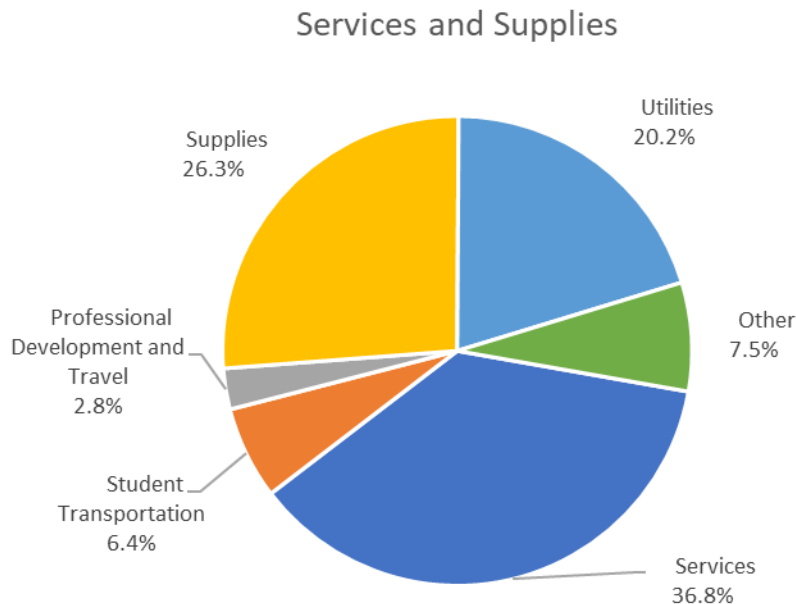
**Other Professionals** salaries were over budget due to an increase in vacation and leaves balances and payouts (\$0.5 million) and severance (\$0.3 million). The change from the prior year was a

result of a wage increase approved by the Public Sector Employer’s Council (\$1.5 million), new positions approved by the Board (\$0.2 million), and higher vacation liability and payouts due to the pandemic (\$0.2 million).

**Substitutes** salaries were under budget for the current year and decreased from the prior year, due to savings in on-call staff during the pandemic.

### Services and Supplies

As shown previously, the District spent 7.6% of the funds received on daily operations in 2019-2020 with a significant proportion being used for Services, Supplies and Utilities as shown in the following chart.



**Services** were under budget for the year primarily due to decreased use of services during the pandemic (\$0.8 million), savings from the Next Generation Network the Province realized and passed along to districts (\$0.3 million), labour negotiations completed under budget (\$0.3 million), delaying the implementation of software projects (\$0.7 million), the budget for the McBride Elementary Human Rights Case spent on labour and supplies (\$0.2 million), and the confined space assessment project carrying

into 2020-2021 (\$0.2 million). Compared to the prior year, 2019-2020 had lower costs for contracted services.

**Student Transportation** expenses were under budget due to reduced student participation in the second school term (\$0.4 million) and services being discontinued during the pandemic (\$0.7 million).

Compared to 2018-2019, without the impact of the pandemic, higher costs were due to inflation for bussing services (\$0.2 million).

**Professional Development and Travel** expenses were under budget for the year and lower than prior year due to the pandemic, realizing \$0.1 million in savings and another \$0.1 million delayed to 2020-2021.

**Supplies** came in less than budget mostly due to the delay in ongoing spending such as school account balances (\$1.2 million), school supplies bulk order (\$0.4 million) and food program supplies (\$0.4 million) due to the pandemic. Also impacted by the pandemic were the budgeted one-time purchases (\$0.6 million) for special education support and District Resource computers. Compared to 2018-2019, the delay in ongoing spending mentioned above was offset by the cost of international education students' MSP fees (actual cost \$0.5 million), pandemic related supplies (\$0.6 million), and a larger transfer from AFG (\$0.3 million).

**Utilities** were lower than budget due to savings from school closures during the pandemic (\$0.8 million). Compared to 2018-2019 when the natural gas price rose significantly after the Enbridge pipeline explosion, 2019-2020 has a lower cost of \$1.8 million.

**Rentals and Leases** were on budget for the year but lower than prior year due to a sale and leaseback agreement that was established as a declining balance expense, which means that every year the expense of this transaction is less than the previous year (\$0.3 million). This was offset by additional leases for replacing the District's aging fleet of vehicles (\$0.1 million).

**Dues and Fees** were under budget for the year due to International Education students MSP fees recorded under the Supplies category (budget \$0.3 million), which was offset by an unbudgeted arbitration award for the Best Efforts arbitration (\$0.1 million).

Compared to the prior year, 2019-2020 expense was higher due to the arbitration award for the Best Efforts arbitration (\$0.1 million) and additional subscription fees for library services (\$0.1 million).

**Insurance** costs for the District were lower than budgeted due to lower fleet vehicle insurance premiums (\$0.1 million). Compared to 2018-2019 a one-time Optional Building Program fee was paid in 2019-2020 (\$0.1 million).

**Interest** was unbudgeted and expense was due to CRA and school banking transactions.

## Accumulated Surplus (Operations)

With the Board of Education having responsibility for protecting the District from financial forecasting risk and unforeseen circumstances that could negatively impact the education of students, an Accumulated Operating Surplus policy has been developed.

The policy allows the Board to restrict spending of the surplus for the following purposes:

- Operations spanning future school years
- Anticipated unusual expenses
- Fund constraints
- Contingency reserve



Any amount of the accumulated operating surplus that is not restricted will be held as an unrestricted operating surplus and be used for working capital purposes, or emergency funds for unforeseen costs.

Use of this policy will reduce the volatility of fluctuating funding amounts in the District with the declining student population forecasted.

Schedule 2 of the audited financial statements reflects a net operating surplus of \$10.3 million for the year ending June 30, 2020 after transfers for capital projects. With an opening accumulated surplus balance of \$19.9 million, the District’s accumulated operating surplus balance is \$30.1 million as at June 30, 2020. Application of the policy results in the accumulated operating surplus balances as follows:

<b>Accumulated Surplus</b>		
<b>Purpose</b>	<b>June 2020</b>	<b>June 2019</b>
Invested in Capital Assets	106,712,698	107,253,594
Local Capital Fund	10,385,062	9,897,980
	<u>117,097,760</u>	<u>117,151,574</u>
Operations spanning future school years	14,499,276	7,792,090
Anticipated unusual expenses	2,876,397	2,503,785
Fund constraints	3,863,185	4,681,971
Contingency reserve	5,049,436	2,474,567
Unrestricted operating surplus	3,841,394	2,416,518
	<u>30,129,688</u>	<u>19,868,931</u>
Accumulated Surplus	<u>147,227,448</u>	<u>137,020,505</u>

### Special Purpose Funds

Special purpose funds are funds received by the District and are designated for specific use. The District receives funds from the Ministry of Education, the Federal government and from other sources. The different types of special purpose funds and their intended use are listed below.

<b>MINISTRY OF EDUCATION FUNDING</b>					
<b>Fund</b>	<b>Current Year</b>	<b>Prior Year</b>	<b>Difference</b>	<b>Deferred Revenue Balance</b>	<b>Intended Use</b>
Annual Facility Grant (AFG)	2,252,742	2,242,391	10,351	-	Routine maintenance of school facilities, especially regarding roofs.
Learning Improvement Fund (LIF)	1,433,882	1,725,642	(291,760)	273,793	Supplementary funding to school districts for additional teacher assistants and other paraprofessionals and/or additional services to students.

Indigenous Education Technology	-	-	-	11,727	
Special Education Technology (SET-BC)	8,082,073	7,972,166	109,907	2,485,957	Provincial program established to help school districts in using technology to support the diverse needs of students.
Strong Start	631,295	626,955	4,340	52,208	A free early learning program located in schools, for preschool children accompanied by parent, other adult family member or caregiver, created through an agreement between school districts and the Ministry of Education.
Ready, Set, Learn	229,307	229,813	(506)	31,461	Intended for families and their three- to five-year-old children, Ready, Set, Learn is all about providing valuable information about how to support a young child's early learning and development. It also develops positive connections between families, the school system and local community agencies.
Community LINK	9,428,506	9,153,614	274,892	117,678	To support programs and services to improve educational performance of vulnerable students, including both academic achievement and social functioning.
CEF – Overhead	4,365,985	4,529,730	(163,745)	162,812	Funding to implement the Memorandum of Understanding re: Letter of Understanding No. 17.
CEF - Staffing	30,910,161	30,058,567	851,594	1,525,054	
CEF - Remedy	1,484,468	2,925,385	(1,440,917)	65,748	
First Nation Student Transportation	-	-	-	49,503	To ensure all First Nation Students ordinarily resident on-reserve and enrolled in BC Public Schools get to and from those BC Public Schools safely and ensure participation in extracurricular activities outside of school hours.
Mental Health in Schools	-	-	-	21,999	To support mental health initiatives, resources, and/or programs for students, educators and/or families within their school communities.

Changing Results for Young Children	7,329	-	7,329	25,954	To support district capacity building in high quality early learning and care experiences for children.
Provincial Resource Program (PRP)	2,141,501	2,159,411	(17,910)	224,046	To help districts to meet the educational needs of students to continue learning while in hospitals, treatment centers or containment centers. Other PRP facilities provide specific services for students with special needs throughout the province, either on an outreach basis or within a provincial center.
Educational Resource Acquisition Consortium (ERAC)	1,152,668	2,883,058	(1,730,390)	-	A member-based organization providing services to the K-12 education sector in British Columbia and the Yukon. Dissolved in December 2019.
Communication Assistance for Youth and Adults (CAYA)	3,156,094	3,006,832	149,262	6,471,844	A province wide service program that supports adults aged 19 year and older who require an augmentative/ alternative communication system due to a severe communication disability.
Assistive Technology BC (AT-BC)	3,398,871	2,949,510	449,361	8,963,439	Provides assistive technology resources to make learning environments usable for people with disabilities.
Provincial Resource Centre for the Visually Impaired (PRCVI)	2,180,289	2,157,655	22,634	454,678	Outreach program that supports school districts' goal of ensuring equitable access and enhanced educational opportunities for students with visual impairments.

FEDERAL FUNDING					
Fund	Current Year	Prior Year	Difference	Deferred Revenue Balance	Intended Use
French Language (OLEP)	430,770	658,979	(228,209)	261,262	All Federal Funds received by school districts must be spent entirely in support of French Immersion Programs or Core French Courses.

<b>Settlement Workers in Schools (SWIS)</b>	75,272	67,728	7,544	426,485	School based settlement service for immigrants, refugees, and other eligible clients to meet their immediate settlement or ongoing needs after their arrival in Canada.
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<b>OTHER FUNDING</b>					
<b>Fund</b>	<b>Current Year</b>	<b>Prior Year</b>	<b>Difference</b>	<b>Deferred Revenue Balance</b>	<b>Intended Use</b>
<b>Community LINK Other</b>	875,785	810,920	64,865	851,641	To support programs and services to improve educational performance of vulnerable students, including both academic achievement and social functioning.
<b>Miscellaneous</b>	390,519	1,125,561	(735,042)	809,105	Most of these funds are for career education.
<b>Scholarships and Bursaries</b>	37,520	96,500	(58,980)	537,702	To give to students
<b>School Generated Funds</b>	17,613,438	22,066,574	(4,453,136)	11,300,961	For various purposes



## Capital Fund

The balance in the Capital Fund at any year end is the surplus from capital operations over time that is invested in tangible capital assets and the local capital funds the District has generated. At the end of June 2020, the balance in the Capital Fund was \$117.1 million, consisting of \$106.7 million of Invested in Tangible Capital Assets and \$10.4 million in Local Capital (see Schedule 4 of the financial statements).

Specific balances in the Capital Fund are as follows:

Description	2020	2019	Change
Bylaw capital	1,160	-	1,160
Restricted capital	39,224,290	38,308,928	915,362
Other Provincial capital	2,299,683	147,712	2,151,971
Local capital	10,385,062	9,897,980	487,082
<b>Total</b>	<b>51,910,195</b>	<b>48,354,620</b>	<b>3,555,575</b>

**Bylaw capital:** This balance is receivable from the Ministry of Education.

**(Ministry) Restricted capital:** These are funds held on behalf of the Ministry of Education. The balance increased by \$0.9 million due to interest earned on proceeds from the 2018 sale of a subsurface air parcel at the Lord Roberts Annex school site.

**Other Provincial capital:** Increased by \$2.2 million as funds were provided by the Ministry of Children and Family Development for the construction of new childcare space.

**Local capital:** Increased by \$0.5 million due to rental revenue, and interest earned on proceeds from the 2018 sale of a subsurface air parcel at the Lord Roberts Annex school site.

### Funds Restricted in Local Capital:

Local capital funds have been restricted for the following purposes:

Project	2020	2019	Change
Carryforward Balance	9,897,980	128,330	9,769,650
Dr. George M. Weir Elementary Upgrade Project	930,000	1,364,102	(434,102)
Maple Grove Elementary Upgrade Project	371,259	-	371,259
New school in Coal Harbour	315,636	12,075,000	(11,759,364)
Capital project costs incurred prior to receiving Ministry approval	(1,129,814)	(3,669,452)	2,539,638
<b>Total</b>	<b>10,385,062</b>	<b>9,897,980</b>	<b>487,082</b>

All funds in the local capital fund are restricted. The upgrade and partial replacement project for Dr. George M. Weir Elementary is estimated to be completed in 2022. The new elementary school in Coal

Harbour is planned for completion in 2024. Prior to receiving Ministry approval for a capital project all project expenditures are funded by local capital.

## **Major Capital Projects**

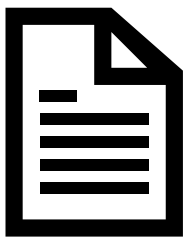
### **Seismic Replacement**

The following nine schools are currently under construction with expected occupancy:

- Maple Grove Elementary – Fall 2020
- Sir Sandford Fleming Elementary – Fall 2020
- Lord Tennyson Elementary – December 2020
- Lord Selkirk Elementary – April 2021
- General Wolfe Elementary – September 2021
- Lord Byng Secondary – September 2021
- Chief Maquinna Elementary – October 2021
- Sir Matthew Begbie Elementary – January 2022
- Bayview Elementary – January 2022

The construction of David Lloyd George Elementary is scheduled to start in September 2020. Four projects are currently in the design / tender phase: Eric Hamber Secondary, Edith Cavell Elementary, Dr. George M. Weir Elementary, David Livingstone Elementary.

### **Project Definition Reports (PDR)**



The preparation of project definition reports is in various stages for five projects: Killarney Secondary, David Thompson Secondary, Henry Hudson Elementary, False Creek Elementary and Sir Wilfred Grenfell Elementary. Sir Guy Carleton Elementary is no longer being considered for seismic upgrading as a business case could not be generated as either an enrolling site or a swing space site.

## Future New School Construction



**Coal Harbour Elementary:** This project includes a new school on a secured site next to the Coal Harbour Community Centre, as part of a larger City of Vancouver mixed-use development that would include childcare and non-market housing. The final revision to the Project Definition Report (PDR) was completed in June 2019. The construction of the school will be funded entirely by the District from the proceeds of the sale of the subsurface air parcel at Lord Roberts Annex to BC Hydro in 2018. This is reflected in the Capital Project Funding Agreement which is in the final stages of approval. This project is expected to be completed in time for occupancy by students in September 2024.

## School Enhancement Funded Projects (SEP)

The School Enhancement Program provides funding to help districts extend the life of their facilities through a wide range of improvement projects, including:

- Electrical upgrades (power supply, distribution systems)
- Energy upgrades (LED lighting, high-efficiency boilers)
- Health and Safety upgrades (fire systems, indoor air quality)
- Mechanical upgrades (heating, ventilation, plumbing)
- Building enclosure upgrades (roofing, exterior walls, windows)
- Washroom upgrades
- Flooring upgrades



The following project was completed during the year:

Project	Funding	Actuals
<i>Elevator construction</i>		
Sir Richard McBride Elementary	300,000	366,884

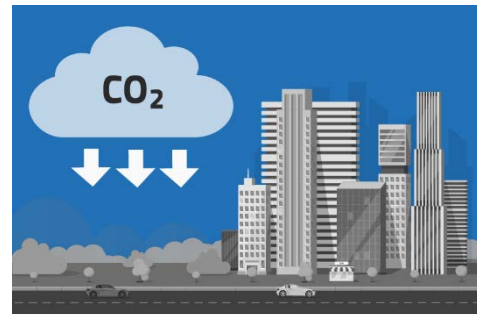
The following projects are in progress:

Project	Funding	Spending to June 2020	Expected Completion
<i>Fire System Upgrade</i>			
General Wolfe Elementary	760,000	211,434	March 2021
Sir Winston Churchill Secondary	225,000	225,000	March 2021
<i>Fire Suppression System Upgrades</i>			
Edith Cavell Elementary	152,150	-	March 2021
<i>Plumbing upgrades</i>			
Lord Selkirk Elementary	199,693	-	March 2021
Edith Cavell Elementary	123,283	-	March 2021
Chief Maquinna Elementary	127,406	-	March 2021
Lord Byng Secondary	159,832	-	March 2021
General Wolfe Elementary	173,415	-	March 2021
<b>Total</b>	<b>1,920,779</b>	<b>436,434</b>	

### Carbon Neutral Capital Funded Projects (CNCP)

Provides specific funding to energy efficiency projects that lower the School District’s carbon emissions.

- **Lord Roberts Elementary:** \$355,467 boiler upgrade and heat plant replacement. Natural Gas estimated savings – 663 GJ per year. Project scheduled to be completed by March 31, 2021.
- **Hastings Elementary:** \$432,033 boiler upgrade and heat plant replacement. Natural Gas estimated savings – 1,090 GJ per year. Project scheduled to be completed by March 31, 2021.
- **Eric Hamber Secondary:** \$20,000 direct digital control (DCC) upgrade and heat, ventilation, and air conditioning (HVAC) control system upgrade. Project scheduled to be completed by March 31, 2021.
- **Norquay Elementary:** \$364,000 heat, ventilation, and air conditioning (HVAC) upgrade. Project scheduled to be completed by March 31, 2021.
- **Lord Selkirk Elementary:** \$396,000 heat, ventilation, and air conditioning (HVAC) upgrade. Project scheduled to be completed by March 31, 2021.





### Playground Equipment Program (PEP)

Annual funding program to purchase and install new or replacement playground equipment. The program will provide capital funding grants of two different amounts - \$90,000 for standard playground equipment, and \$125,000 for universally accessible playground equipment.

- ***Queen Victoria Annex:*** Funding grant of \$125,000. Scheduled to be completed by March 31, 2021.
- ***Walter Moberly Elementary:*** Funding grant of \$125,000. Scheduled to be completed by March 31, 2021.



## Annual Facility Grant (AFG)

The Annual Facility Grant is funding provided by the Ministry of Education for designated school capital or maintenance upgrades. \$10.8 million was provided to fund the following projects in 2020-2021.

	No. of Schools	Amount
Disabled Access	1	50,000
Electrical System Upgrade	28	1,565,000
Facility Upgrade	51	3,970,499
Functional Improvement	49	1,806,097
Health and Safety Upgrade	6	26,500
Mechanical System Upgrade	58	932,967
Roof Replacement	13	1,999,016
Site Upgrade	47	384,328
Technology Infrastructure Upgrade	10	100,000
Total		<u>10,834,407</u>

## Childcare Centres



As part of the seismic upgrades, the Vancouver School District has entered into agreements with the City of Vancouver to build new childcare facilities within various schools. Costs associated with constructing these childcare facilities are to be funded by the City of Vancouver.

- **Lord Nelson Elementary:** The first school in the Vancouver School District to enter into this agreement in November 2015. Project cost: \$6.8 million.
- **Sir Sandford Fleming Elementary:** Entered into agreement with the City of Vancouver in November 2017. Project cost: \$7.4 million.
- **Lord Tennyson Elementary:** Entered into agreement with the City of Vancouver in October 2018. Project cost: \$8.3 million.
- **David Lloyd George:** Project is at construction phase. Occupancy expected December 2022. Project cost: \$7.5 million.

- **Coal Harbour:** Project is at design phase. Occupancy expected September 2024. Project cost: \$10.4 million
- **Eric Hamber:** Project is at design phase. Occupancy expected September 2023. Project cost: \$8.2 million.

## Risk Factors

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There are several risk factors that may have a monetary impact on the District, ranging from enrolment changes, unexpected cost pressures and lost revenues. The District undertook a comprehensive enterprise wide risk assessment in 2018 and 2019 and has identified 23 key areas of risk. The impact of the pandemic has added to these risk areas. Some of the major areas of risk for the District are outlined below.

**COVID-19 Pandemic** – The pandemic is ongoing and will remain a concern until pharmaceutical companies can develop a vaccine and governments distribute it. As schools reopen in September the future is uncertain and many areas of the District’s operations will remain exposed to financial challenges.

**Organizational Capacity** – The most significant risk factor identified in the KPMG assessment in 2018 was organizational capacity. The additional capacity placed on the organization and staff resulting from the pandemic is a concern moving forward, particularly around mental health and the need to hire additional staff to address needs created by the pandemic. There is an increased awareness of privacy and security issues around technology being distributed to students and staff. Also, the need to stay informed of Ministry and Provincial health and safety directions has resulted in staff being hired in order to update District messaging to schools.

**Ministry Funding** – The new funding model which was expected to be in effect for the 2020-2021 school year was only partially implemented when the Ministry announced preliminary grants to school districts in March while the pandemic was declared by the World Health Organization. Several grants which had previously been funded separately were rolled into the basic per pupil amount. These were the Employer Health Tax refund, the Carbon Tax refund, and the Service Improvement Allocation for CUPE. As a result, districts will receive less funding than what they had anticipated receiving for the 2020-2021 school year.

The funding announcement in March was based on projected enrolments supplied to the Ministry in February. With the onset of the pandemic, the District is expecting lower enrolment funding for 2020-2021 due to a reduced summer school program and a higher number of students taking Distance Learning courses where the funding for those students is less than the funding for students attending at schools.

**International Education** – The District relies to a great extent on International Education enrolment to supplement Ministry of Education funding. Many of the students who enroll in the program do not come to the Province until just before the start of the school year. The Federal Government issued Order in Council 17 in March which prohibited foreign nationals from entering Canada and international students who had study permits issued after March 18, 2020 were impacted by the Order. While the projected enrollment in the 2020-2021 budget had already been reduced due to the concerns around the pandemic, a further reduction is likely as the Federal ban remains in effect.

**Facilities** – The District operates 77 elementary schools, 18 secondary schools, 12 annexes, 8 District Schools (leased or district program sites), 6 District Support Facilities and 3 properties on which businesses operate for a total of 124 active facilities. The Long-Range Facilities Plan has identified the District has many older buildings with significant seismic safety concerns and deferred maintenance requirements. The capital approval process takes time and resources to get new capital projects up and running, and the Ministry continues to request that school districts contribute more local funds towards capital projects.

**Recruitment and Retention** – School districts across the Province are facing significant challenges in the recruitment and retention of qualified staff. The reinstatement of class size and composition language with the Collective Agreement has created additional demand for qualified teachers and support staff. The pandemic has caused more staff to request medical accommodations which, if approved, may increase the need for more recruitment.

**Technology Requirements** – The demand for technology hardware, software and system utilization continues at a rapid pace. Providing the required services and ensuring that information is secure and protected necessitates allocating more financial resources. Technology in support of education will allow the District to implement the paradigm shift and transformational education required to be at the forefront and on the cutting-edge in the 21<sup>st</sup> century. Technology in support of the Framework for Enhancing Student Learning and more real-time reporting on student progress is a crucial undertaking. The MyEdBC student administration system requires enhancements to meet the ongoing needs for improved data and reporting. System security remains a high concern. With that in mind new positions in the LIT Department will need to be created. While a multi-year plan has been developed for some aspects of the District's requirements, additional resources will need to continue to be directed in this area.

## Contacting Management

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This financial report is designed to provide the District's stakeholders with a more detailed overview of the District's financial statements for the year ended June 30, 2020 and related facility matters and the seismic mitigation program. It is intended to demonstrate increased accountability for the public funds received.

If you have questions about this financial report, please contact the Office of the Secretary-Treasurer at 604.713.5080.



# FINANCE COMMITTEE

The meeting will start shortly

September 16, 2020

The meeting is being held on the traditional unceded territory of the Musqueam, Squamish and Tsleil-Waututh Nations.



## Live-streamed

The meeting is being live-streamed and the audio and visual recording will also be available to the public for viewing after the meeting.

The footage of the meeting may be viewed inside and outside of Canada.

# Meeting Decorum

The Board has a strong commitment to ethical conduct. This includes the responsibility of committee members to conduct themselves with appropriate decorum and professionalism. As Chair of the Committee it is my responsibility to see that decorum is maintained. To do that I ask that:

- i. All members/delegates request to speak through the chair;
- ii. Civility towards others is maintained as stakeholder representatives and Trustees share perspectives and participate in debate;
- iii. Staff be able to submit objective reports without influence or pressure as their work is acknowledged and appreciated;
- iv. Committee members refrain from personal inflammatory/accusatory language/action;
- v. Committee Members, Trustees, representatives and /staff present themselves in a professional and courteous manner.

# Committee Roll Call

- Please all unmute
- Once your name is called please confirm your presence and mute yourself

# ITEM 2.1

## 2019 – 2020 Financial Statements

J. David Green, Secretary Treasurer

# Audit Opinion

- Qualified opinion due to accounting treatment for deferred revenue
  - Recorded as deferred revenue and recognized as income over the life of the asset – requirement of Province of British Columbia Treasury Board Regulation 198/2011
  - PSAS – record contribution as revenue when received
  - All districts receive a qualified opinion from the OAG since inception of standard – April 1, 2012

# Net Financial Assets

	2020	2019	Increase (Decrease)
Cash & Cash Equivalents	\$ 252.4	\$ 240.5	\$ 11.9
Due from Ministry of Education	10.2	4.9	5.3
Accounts Receivable - Other	5.3	7.2	(1.9)
Portfolio Investments	0.7	1.0	(0.3)
	<b>\$ 268.6</b>	<b>\$ 253.6</b>	<b>\$ 15.0</b>

- Cash & Cash Equivalents
  - \$10.2 million from surplus
- Due from Ministry
  - Increase due to timing of payments funding various capital projects
- Accounts Receivable
  - Amount due from CoV for childcare spaces



# Liabilities

	2020	2019 (Restated)	Increase (Decrease)
Deferred Capital Revenue	\$ 717.7	\$ 656.2	\$ 61.5
Unearned Revenue	57.4	60.2	(2.8)
Accounts Payable - Other	74.1	70.4	3.7
Deferred Revenue	35.1	38.4	(3.3)
Due to Province	4.2	3.9	0.3
Capital Lease Obligations	2.1	3.6	(1.5)
Employee Future Benefits	29.5	27.9	1.6
Other Liabilities	1.4	1.7	(0.3)
	<b>\$ 921.5</b>	<b>\$ 862.3</b>	<b>\$ 59.2</b>

- Deferred Capital Revenue
  - Funds received for seismic and childcare projects
- Unearned Revenue
  - Due to decline in tuition fees from international students and loss of rental revenue due to COVID-19
- Accounts Payable
  - \$1.5 m trades payable
  - \$2.1 m Employer Health Tax

# Accumulated Surplus – Board Policy 19

<b>Purpose</b>	<b>June 2020</b>	<b>June 2019</b>
Invested in Capital Assets	\$ 106,712,698	\$ 107,253,594
Local Capital Fund	10,385,062	9,897,980
Capital Fund Balance	117,097,760	117,151,574
Operations Spanning Future School Years	14,499,276	7,792,090
Anticipated Unusual Expenses Identified	2,876,397	2,503,785
Nature of Constraints on the Funds	3,863,185	4,681,971
Contingency Reserve	5,049,436	2,474,567
Unrestricted Operating Surplus	3,841,394	2,416,518
	30,129,688	19,868,931
<b>Accumulated Surplus</b>	<b>\$ 147,227,448</b>	<b>\$ 137,020,505</b>

# Actual 2020 compared to Amended Annual Budget

COVID-19 Savings	\$ 5,905,285
COVID-19 Spending	(1,156,080)
COVID-19 Loss of Revenue	(1,580,555)
Increased Rental/Lease/Tuition	2,386,326
Increased Enrolment	1,956,905
Salary Savings	581,402
Benefit Savings	1,357,577
Exempt Wage Lift	(1,286,460)
Lease Payments	1,217,512
NGN Savings	346,806
PeopleSoft Finance Upgrade	300,000
School Supplies Bulk Order Delay	315,767
Miscellaneous Savings	455,463
Unspent School Balances	1,850,480
	<u>\$ 12,650,428</u>

# COVID-19 Financial Impact Summary

	<u>June 12th Est.</u>	<u>June 30th</u>
COVID-19 Related Cost Saving	\$ 4,414,386	\$ 5,855,285
Additional Revenue for Childcare Snacks	50,000	50,000
	<b>4,464,386</b>	<b>5,905,285</b>
Loss of Revenue	(1,519,194)	(1,580,555)
COVID-19 Related Spending	(1,153,069)	(1,106,080)
Cost of Childcare Snacks	(50,000)	(50,000)
	<b>(2,722,263)</b>	<b>(2,736,635)</b>
	<b>\$ 1,742,123</b>	<b>\$ 3,168,649</b>

# COVID-19 Cost Savings

<b>COVID-19 Related Cost Saving</b>	<b>June 12th Est.</b>	<b>June 30th</b>
On Call Staff Savings		
Teacher/TTOC	\$ 2,064,983	\$ 3,649,196
Education Assistants	492,773	559,123
Support Staff	44,330	165,184
Excluded		122,713
	<hr/>	<hr/>
	2,602,086	4,496,216
Pro-D and Travel	255,770	163,468
Student Transportation	1,044,262	730,113
Garbage and Utilities	249,124	357,504
Cafeteria Food Costs	-	-
Indigenous Education	55,848	-
Wellness - Health Risk Assessment Consulting	96,778	-
Long Range Facilities Engagement	69,520	69,520
Other Supplies and Banking Fees	90,998	88,463
	<hr/>	<hr/>
	<b>\$ 4,464,386</b>	<b>\$ 5,905,285</b>

# COVID-19 – Revenue Loss

<b>Loss of Revenue</b>	<b>June 12th Est.</b>	<b>June 30th</b>
Cafeteria	\$ (201,082)	\$ (262,443)
Rental & Parking Revenue	(503,508)	(503,508)
Interest Income	(638,240)	(638,240)
International Education	(101,502)	(101,502)
IB Fees Returned to Schools	(12,409)	(12,409)
Printing Revenue	(62,453)	(62,453)
	<b>\$ (1,519,194)</b>	<b>\$ (1,580,555)</b>

# COVID-19 – Additional Spending

<b>COVID-19 Related Spending</b>	<b>June 12th Est.</b>	<b>June 30th</b>
Additional Custodial and Maintenance	\$ (606,380)	\$ (267,731)
Cleaning and Safety Supplies	(476,093)	(524,645)
Additional Auto Allowance & Vehicle Lease	(54,474)	(57,462)
Additional Employee Assistant Plan	(35,560)	(35,560)
Computer Purchases	(18,715)	(258,835)
Security/Patrol Services	(11,847)	(11,847)
	<b>\$ (1,203,069)</b>	<b>\$ (1,156,080)</b>

# QUESTIONS?

## ITEM 2.1

### 2019 – 2020 Financial Statements



# ITEM 2.2

## Budget Update – International Student Program Enrolment

Shehzad Somji, Assistant Secretary Treasurer

# International Student Enrolment

Budgeted enrolment	1,499
Enrolment at Sept 15th	<u>1,347</u>
Difference	152
Budget Impact	<u>\$ 2,280,000</u>

# QUESTIONS?

## ITEM 2.2

# Budget Update – International Student Program Enrolment

# ITEM 2.3

## Return to School Grant Update (Provincial and Federal)

Shehzad Somji, Assistant Secretary Treasurer

# Provincial – Safe Return to School Grant

	<b>VSB</b>	<b>Province</b>
Investment for more staff and staff time for cleaning schools	\$ 1,946,484	\$ 23,000,000
Improving and increasing access to hand hygiene, including installation of non-touch faucets to existing sinks	776,055	9,200,000
Cleaning supplies	431,612	5,100,000
Face masks and shields	195,598	2,200,000
Support for remote learning, such as technology loans or software to support students with disabilities or complex needs	206,405	3,000,000
Independent schools	-	3,100,000
<b>Total Funding</b>	<b>\$ 3,556,154</b>	<b>\$ 45,600,000</b>

# Safe Return to School Grant – Spending-to-date

	Allocation	Spending as of Sept. 3, 2020	Remaining
Investment for more staff and staff time for cleaning schools	\$ 1,946,484	\$ 1,000,000	\$ 946,484
Improving and increasing access to hand hygiene, including installation of non-touch faucets to existing sinks	776,055	204,354	571,701
Cleaning Supplies	431,612		431,612
Face masks and shields	195,598	195,598	-
Support for remote learning, such as technology loans or software to support students with disabilities or complex needs	206,405	12,687	193,718
	<b>\$ 3,556,154</b>	<b>\$ 1,412,639</b>	<b>\$ 2,143,515</b>

# Federal – Safe Return to Class Fund

- For phase one, the Province received \$121.2 million and is allocating:
  - \$ 101.1 million to public school districts
  - \$ 7.96 million to independent schools
  - \$ 12.1 million holdback for emerging COVID-related issues between September and December 2020.
- Spending should be used for:
  - Learning resources and supports
  - Health and safety
  - Transportation
  - Before-and after-school care
- VSB share of Phase 1 funding - \$9.2 million
  - Spending plan is being developed based on the District's K-12 Restart Plan

# COVID-19 Budget

Budget		\$ 1,000,000
Spending as of September 15, 2020		
Reusable Masks	67,233	
Employee Wellness	112,068	
O365 Office Administrator	107,000	
IT Service Delivery Supervisor	107,000	
Counsellors - 2 days early	72,000	
Hand Sanitizer	228,476	
Faucet Replacement	34,429	
Grounds - riding 1 per vehicle	38,300	
Grounds - Fencing	6,466	
Cleaning Supplies	20,645	
Other	40,853	834,470
		<hr/>
<b>Balance Remaining</b>		<b>\$ 165,530</b>



# QUESTIONS?

## ITEM 2.3

### Return to School Grant Update (Provincial and Federal)

# ITEM 2.4

## Financial Statement Discussion and Analysis

Shehzad Somji, Assistant Secretary Treasurer

# Financial Statement Discussion & Analysis

- Summarizes the District's financial activities for the year based on known facts, decisions and conditions
- Highlights some of the impacts of the pandemic and risk factors going forward
- Will be submitted to the Ministry of Education with the Financial Statements at the end of the month

# QUESTIONS?

## ITEM 2.4

# Financial Statement Discussion and Analysis

# Information Item Requests

# Date and Time of Next Meeting

November 25, 2020 at 5:00 PM

Thank you for your time,

# The End

