

REGULAR BOARD MEETING AGENDA
Tuesday, September 22, 2020
7:00pm

A copy of the Public Board Meeting Agenda is available on the School District website at:

<http://www.comoxvalleyschools.ca>

Alternatively, copies are available on request from Marlene.Leach@sd71.bc.ca.

Public Board Meetings are recorded and live streamed on the School District's YouTube channel.

1. Call to Order

The Board of Education acknowledges that we are on the traditional territories of the K'ómoks First Nation. We would like to thank them for the privilege of living on their land and the gift of working with their children.

2. Adoption of Agenda

Recommendation:

THAT the Board of Education adopt the September 22, 2020 Regular Public Board Meeting Agenda as presented.

3. Board Elections

- A. Election of Board Chairperson
- B. Election of Board Vice-Chairperson
- C. Destruction of Ballots

Recommendation:

THAT the ballots from the Board elections be destroyed.

4. Board Meeting Minutes

Pg.4

Recommendation:

THAT the Board of Education adopt the September 01, 2020 Regular Public Board Meeting Minutes as presented.

5. Old Business

A. Seat Belts on School Buses Report

Pg.8

Tom Demeo, Superintendent

B. Trustee By-Election Update – Verbal Update
Nicole Bittante, Secretary-Treasurer

6. Report on In-Camera Meeting – September 22, 2020

- Other

7. Board Chair’s Report

8. Presentations / Delegations

i. **2019-20 Financial Statements Audit Opinion** - Office of the Auditor General of BC

9. Education Committee Meeting – No meeting in September

Next Education Committee Meeting:

TOPIC: School Start-Up

DATE: Tuesday, October 13, 2020

TIME: 6:30 pm

LOCATION: Mark R. Isfeld Secondary, Multipurpose Room

10. Strategic Direction

A. Superintendent

i. **September School Restart Update**

- o Federal Safe Return to Class Fund – Briefing Note

Pg.39

Recommendation

THAT the Board of Education receive the Federal Safe Return to Class Fund briefing note as presented.

ii. **District News**

Pg.41

iii. **Administrative Procedure 453 – Role of the Secretary-Treasurer**

Pg.43

B. Assistant Superintendent

i. **School Start Up/Enrolment Update**

C. Secretary-Treasurer

None

D. Human Resources

i. Retirements and Recognition

None

11. Board Standing Committee Reports

A. Audit Committee Board Report – September 15, 2020

Pg.46

i. 2019-20 Financial Statements

Recommendation:

THAT the Board of Education approve the 2019-20 audited financial statements as presented.

Recommendation:

THAT the Board of Education receive the Audit Committee Board Report as presented.

B. Facilities Committee Board Report – September 15, 2020

Pg.113

i. Club House at Turf Field – Briefing Note

Recommendation:

THAT the Board of Education approve the construction of a field house on the artificial turf field site at G.P. Vanier Secondary.

Recommendation:

THAT the Board of Education request that Senior Staff work with the Comox Valley Regional District to update the Turf Field Operating Agreement to reflect the change in assets at the turf field.

ii. Capital Projects – Briefing Note

Recommendation:

THAT the Board of Education receive the Capital Projects Update briefing note as presented.

Recommendation:

THAT the Board of Education receive the Facilities Committee Board Report as presented.

C. Policy Committee Board Report

None

12. Board Business

- A. Trustee Report: Union of BC Municipalities**
Sarah Jane Howe, Trustee (Village of Cumberland)

Pg.121

13. Board Correspondence

- A. Correspondence: from The Board of Education to Minister of Education, Rob Fleming – School Start-Up and 1701 Recommendation**
Tonia Frawley, Board Vice Chair

Pg.122

14. Public Question Period

15. Adjournment

REGULAR BOARD MEETING MINUTES
Tuesday, September 01, 2019
7:00pm

In Attendance at Mark R. Isfeld Secondary:

Trustees

Ian Hargreaves, Board Chair
Tonia Frawley, Vice Chair
Janice Caton, Trustee
Kat Hawksby, Trustee
Sarah Jane Howe, Trustee
Sheila McDonnell, Trustee
Michelle Waite, Trustee

Staff

Tom Demeo, Superintendent of Schools
Nicole Bittante, Secretary-Treasurer
Geoff Manning, Assistant Superintendent
Ian Heselgrave, Director of Operations
Esther Shatz, Director of Instruction (Student Services)
Allan Douglas, Director of Instructional Services K-12
Mary Lee, Communications Manager
Josh Porter, Director, Information Technology

Regrets:

Candice Hilton, Director of Finance

1. Call to Order

Chair Ian Hargreaves called the meeting to order at 7:00pm and acknowledged that the meeting is being held on the traditional territories of the K'ómoks First Nation.

2. Adoption of Agenda

Recommendation:

THAT the Board of Education adopt September 01, 2020 Regular Public Board Meeting Agenda as amended with the addition of the letter from the Comox District Teachers Association (CDTA).

CARRIED

3. Board Meeting Minutes

Recommendation:

THAT the Board of Education adopt the August 20, 2020 Regular Public Board Meeting Minutes as presented.

CARRIED

4. Old Business

None

5. Report on In-Camera Meeting – September 01, 2020

- Other

6. Board Chair's Report

Chair Hargreaves resigned as Chair and Trustee of The Board of Education of School District No. 71 (Comox Valley) effective immediately and left the meeting.

Motion: Janice Caton Trustee (City of Courtenay)

Recommendation:

THAT the Board of Education recess for ten minutes to go into an In-Camera meeting.

CARRIED

The Regular Public Board Meeting recessed at 7:10pm for an In-Camera meeting and reconvened at 7:24pm.

Secretary-Treasurer Nicole Bittante:

- Acknowledged the receipt of Ian Hargreaves resignation letter
- Explained the procedures going forward including:
 - A Board by-election will be required to replace the Area C Trustee
 - Vice Chair Tonia Frawley agreed to step-in as Interim Chair for the remainder of the meeting
 - The annual election for the positions of Chair and Vice Chair are typically held in November; it is up to the Board to decide whether to hold the election in November or sooner

Motion: Janice Caton Trustee (City of Courtenay)

Recommendation:

THAT the Board of Education continue this evening with Vice Chair Tonia Frawley as Interim Chair and the Board reconvene at a later date to decide the next steps.

CARRIED

7. Presentations / Delegations

None

8. Education Committee Meeting

None

9. Strategic Direction

A. Superintendent

i. September School Restart Plan

Board Information

B. Assistant Superintendent

None

C. Secretary-Treasurer

None

D. Human Resources

i. Retirements and Recognition

None

10. Board Standing Committee Reports

None

11. Board Business

A. Motion: Janice Caton, Trustee (City of Courtenay)

Recommendation:

THAT the Board of Education write a letter to the Ministry of Education advocating for greater flexibility for districts in providing alternative learning options and opportunities for their students that include hybrid delivery options and that the Ministry provide full funding regardless of the students choice of delivery.

CARRIED

B. Motion: Janice Caton, Trustee (City of Courtenay)

Recommendation:

THAT the Ministry of Education postpone the September 30th, 1701 student count this year as a result of the pandemic until a process that is reflective of the actual student numbers in schools is developed.

CARRIED

C. Motion: Janice Caton, Trustee (City of Courtenay)

Recommendation:

THAT the Board of Education request that the policy committee review and suggest changes to Board Policy 4.15 Regular Board Meetings regarding the voting requirements for extending the length of Board meetings from requiring a unanimous acceptance vote to a majority in favour of extension and that the suggested changes be brought back for discussion and consideration.

CARRIED

12. Board Correspondence

A. Correspondence: from **Comox District Teachers Association (CDTA)** to **Ian Hargreaves** – Hybrid Learning Models Concerns

13. Public Question Period

14. Meeting Adjourned – 9:00pm

Certified Correct:

Nicole Bittante, CPA, CA
Secretary-Treasurer

Tonia Frawley
Interim Board Chair



Comox Valley Schools

A Community of Learners

INNOVATIVE • INQUISITIVE • INCLUSIVE

Seat Belts on School Buses Report

July 2020

Background

At the December 17, 2019 Board of Education regular meeting a motion was passed which asked that the Superintendent of Schools review current research and judgement regarding the requirements for seat belts on school buses.

The following summary is intended to reflect the current research and expert options regarding the seat belt debate.

As research on the whole notion of seat belts on school buses was being conducted, it was discovered that Transport Canada had formed a task force on school bus safety. A finalized report was released in February 2020.

The task force reviewed the data on school bus safety and seat belts and identified opportunities to strengthen school bus safety. The task force included representatives from:

- Provincial and Territorial authorities
- School bus fleet operators and educational authorities
- Safety and advocacy groups
- Industry
- Academics

The report in its entirety is attached in the Appendix.

Task Force Report Highlights

A review of the task force report revealed some interesting data. According to the National Collision database, children travelling to school by school buses are 72 times safer than those travelling by car and 45 times safer than those walking or cycling. This is because school buses are built – inside and out – to protect children.¹

The greater concern is the risk to the safety of children outside the bus, entering and exiting. Consequently, the task force recommended 4 safety measures dealing with the exterior of the bus as having a greater impact on student safety than use of seat belts.

1. Infraction Cameras, to help prevent dangerous incidents caused by passing motorists;
2. Extended Stop Arms, to further deter motorists from passing while children are entering or leaving the bus;

¹ Report of the Task Force on School Bus Safety / Strengthen School Bus Safety in Canada / Feb 14, 2020

3. Exterior 360° Cameras, as a means of better detecting and protecting children and other vulnerable road users around the exterior of the bus; and
4. Automatic Emergency Braking, to help reduce the severity of a collision or avoid it entirely. Consideration should also be given to exploring ways to pair this feature with other technologies for increased safety.

It is recognized that seat belts can offer additional protection; however, there are operational concerns which must be considered such as: if seat belts are improperly used they could have a negative impact on safety. Concerns that seats need to be redesigned in order to allow the seat belts to work properly. It should be noted that if the design of the seat has been changed to accommodate seat belts, not wearing them at all times may be a greater risk to unbelted students than riding a bus with no retrofit and seat belts.

Overall, there were concerns around retrofitting current buses with seat belts. As such, Transportation Canada has assessed and developed strict guidelines around seat belts “retrofits”.

Many bus manufactures have indicated that their newest buses are “seat belt ready” thus eliminating the need for retrofit work to be done.

It should also be noted that adding seat belts increase the cost between \$8,000 - \$18,000 per bus. To retrofit a bus with seat belts would be between \$15,000 - \$36,000.

Local Context

School District 71 contracts all bussing services to Frist Student Canada. First Student is responsible for all maintenance and safety of all buses used to transport school district students.

There is no question that seat belts play an important role in keeping occupants safe in cars and light trucks. However, school buses are different by design, and use a different kind of safety restraint system. It works extremely well. The system is called compartmentalization. Compartmentalization relies on heavily padded, high-backed seats spaced closely together to absorb and disperse impact and create a protective area, much like the design of an egg carton. Compartmentalization is proven to be the best bus safety restraint system – demonstrated in both research and real-world performance to provide outstanding passenger protection.

Currently, there are no regulations requiring the mandatory use of seat belts on school buses. As that is the case, Frist Student has no intention at this point to retrofit its fleet with seat belts. Should the regulations and law change requiring seat belts, then Frist Student would comply. “Because it is the safest means, we all – as an industry- agree that we want as many students as possible to take the bus to and from school. Parents should know that as an industry, we have ongoing dialogue on how to even further enhance bus safety features. If a District decides they want seat belts, we will work with Districts and industry partners to make it happen.” (First Student Canada)

As SD71 does not own/provide buses for use to transport students daily the decision on the installation of seat belts on buses is a bit more complex. In our current situation, where we have a contracted service the agreement/contract would need to be modified to reflect the new requirement and the contract renegotiated.

School District 71 operates a small fleet of activity/mini buses. These buses have a maximum capacity of 24 students and all our current fleet have seat belts. It is our practice to only purchase activity buses with seat belts.

The decision to install seat belts is very complex as current buses must undergo extensive retrofit to properly install seat belts as per Transport Canada's new technical requirements, making sure students' safety is not compromised.

In addition to this complexity and costly matter is ensuring students specifically younger, are using seat belts properly, are adjusted correctly and are not being misused or unbuckled during the trip. This additional responsibility falls on the driver of the bus. Do the drivers have the ability and time to monitor and ensure each student is secured correctly for the duration of the trip?

Ultimately, should SD71 wish all students be transported in buses with seat belts, the current contract with the busing provider First Student would need to be modified and amended to reflect the change.

Conclusion/Summary

1. That SD71 continue with its current practices of only purchasing activity buses (24 passenger) with built in seat belts.
2. Review and monitor the current pilots which are being conducted in Kamloops and Ontario regarding seat belts on buses as well as the recently announced pilot in Nanaimo, BC.
3. Continue to follow the guidelines from the Ministry of Transportation and Transport Canada regarding seat belts on buses. Should they become mandatory, work with our contractor to ensure compliance.
4. Continue to work with our bus contractor around bus safety and seat belts, ensuring we are doing everything possible to make sure our students are transported as safely as possible.

Respectfully,

Tom Demeo
Superintendent of Schools/CEO

STRENGTHENING SCHOOL BUS SAFETY IN CANADA

**REPORT OF THE TASK FORCE
ON SCHOOL BUS SAFETY**

FEBRUARY 2020

STRENGTHENING SCHOOL BUS SAFETY IN CANADA

Developed by the Task Force on School Bus Safety

Presented to the Council of Ministers of Transportation and Highway Safety February 14, 2020

Cette publication est aussi disponible en français sous le titre *Renforcement de la sécurité des autobus scolaires au Canada*.

PDF

Cat. No. T22-243/2020E-PDF

ISBN 978-0-660-33892-7

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1 EXECUTIVE SUMMARY

School buses are the safest way to transport children to and from school, more so than any other means of transportation. That is because school buses are built – inside and out – to protect children. They are painted a distinctive shade of yellow, and are equipped with flashing red lights and a stop arm designed to help children get on and off the bus safely. Governed by some 40 federal regulations¹ and a robust set of standards, school buses also have a series of structural safety features built in that are specifically designed to safeguard children in the event of a collision. For example, they are mandated to have reinforced joints, high roof crush standards, electronic stability control to help prevent rollovers, window retention to mitigate ejection, emergency exit requirements, and a highly effective seat design referred to as compartmentalization.

Even with this excellent safety record, there is room for improvement. As school bus safety is a shared responsibility among federal, provincial and territorial (FPT) governments, school bus operators, and a diverse road safety community, on January 21, 2019, the FPT Council of Ministers Responsible for Transportation and Highway Safety (Council of Ministers) established an expert Task Force on School Bus Safety, comprised of FPT governments and the full range of school bus safety stakeholders, to identify opportunities to further strengthen school bus safety, with an emphasis on seatbelts.

In June 2019, the Standing Committee on Transport, Infrastructure and Communities published a report on bus passenger safety, noting that while buses - particularly school buses - are among the safest modes of transportation available, there are opportunities for improved safety. In parallel, early findings from the Task Force identified a range of opportunities to further strengthen school bus safety, including driver assistance, safety features outside the bus, and occupant protection measures.

1.1 Recommendations

Since then, the Task Force has studied these opportunities further, considered the key areas of risk, and developed a set of prioritized recommendations for the Council of Ministers to consider. Recognizing that the greatest risk to school children is outside the bus, either from the bus itself or from passing motorists (79% of school aged fatalities involving a school bus occur outside the bus, in or near school bus loading zones), the Task Force's consensus-based recommendations, informed by existing evidence, focus on supporting the bus driver with the driving task and deterring illegally passing motorists. Specifically, the Task Force recommends that all jurisdictions explore the application of the following safety measures based on their assessed needs:

1. **Infraction Cameras**, to help prevent dangerous incidents caused by passing motorists;
2. **Extended Stop Arms**, to further deter motorists from passing while children are entering or leaving the bus;
3. **Exterior 360° Cameras**, as a means of better detecting and protecting children and other vulnerable road users around the exterior of the bus; and
4. **Automatic Emergency Braking**, to help reduce the severity of a collision or avoid it entirely. Consideration should also be given to exploring ways to pair this feature with other technologies for increased safety.

True to its mandate, three-point seatbelts/occupant protection measures have been an important element of the Task Force review, with careful consideration given to the potential benefits and implications of installing and using seatbelts on school buses. Notably, school buses have a strong occupant protection record, owing largely to the extensive suite of protective safety features built into

¹ Transport Canada, <https://www.tc.gc.ca/eng/motorvehiclesafety/tp-tp2436-rs200407-menu-130.htm>

the bus. At the same time, there is acknowledgement that three-point seatbelts on school buses, when they are installed correctly and worn properly, can offer an additional layer of safety by reducing the risk of ejection and lowering the risk of serious injury, particularly in the context of collisions involving rollover, side-impact, or vertical lift scenarios. That is why a July 2018 regulatory requirement now governs how three-point seatbelts are installed on school buses. At present, such installation remains optional in recognition of the strong safety record of school buses and the considerations associated with seatbelt installation and use (e.g. consequences of misuse, emergency evacuations, liability). In view of the Task Force's ongoing efforts to work through these considerations (e.g. development of draft Guidelines for the Use of Seatbelts on School Buses, to be validated by way of a pilot with interested jurisdictions), there is merit in further exploring whether to move toward future mandatory seatbelt requirements, and in encouraging the development by manufacturers of other occupant protection features, such as energy-absorbing side-structure padding and inflatable "curtain" airbags.

Taken together, the recommendations set out above, paired with ongoing efforts to further explore options to strengthen occupant protection, will support improved safety outcomes for the 2.2 million Canadian school children² who travel to and from school every day on Canada's 51,670 school buses³.

² Estimate based on total student population numbers from Statistics Canada table 37-10-0007-01

³ Task Force on School Bus Safety jurisdictional assessment of fleet data – any missing values estimated with best available information

2 INTRODUCTION

School buses have an excellent safety record in Canada and are the safest way to transport children to and from school. At the same time, the importance of proactively reviewing and implementing measures to improve road safety cannot be overlooked, particularly in the context of safeguarding school children. This is why the Task Force on School Bus Safety was established in January 2019 with a commitment to take a fresh look at school bus safety, including the possibility - and implications - of mandating the installation of seatbelts on school buses.

Since then, the Task Force, which brings together federal/provincial/territorial (FPT) government representatives, safety associations, manufacturers, and school board representatives to support a cohesive pan-Canadian approach to this issue, has undertaken a comprehensive review of vehicle standards and vehicle operations, both inside and outside the bus, as well as a jurisdictional assessment of bus fleet composition and an assessment of operational and financial considerations for seatbelt installation and use.

This report is a culmination of the Task Force's findings to date and outlines a proposed way forward for school bus safety which is rooted in the following principles:

- commitment to transparency through early consultations and ongoing communication;
- thorough, evidence-based approach for an informed way forward;
- maintain public confidence in the credibility of Canada's motor vehicle safety regime; and
- continuous efforts to reduce fatalities and injuries on Canadian roads.

2.1 CONTEXT

Every school day throughout the country, over 50,000 school buses transport approximately 2.2 million children to and from school and activities, resulting in an estimated 792 million student trips annually across Canada.

Statistics derived from the National Collision Database show that children traveling to school by school bus are 72 times safer than those traveling to school by car, and 45 times safer than those walking and cycling to school. This exceptional level of safety afforded by school buses is in large part owing to extensive research conducted over decades in both Canada and the United States. This research has resulted in school buses that are equipped with unique occupant protection features, including electronic stability control to help prevent rollovers; stringent roof crush standards; window retention and emergency exit requirements; and compartmentalized seating (high-backed seats that are padded and closely spaced together). In addition, school buses are driven by trained, professional drivers, mostly during daylight hours and are not typically used in inclement weather.

There has been one school age fatality in a school bus in the last decade, and the number of school bus passenger deaths recorded since 1984 accounts for less than 1% of all motor vehicle related fatalities² involving school children in Canada. In fact, the greatest risk to the safety of children using school bus transportation is outside the bus, either from the bus itself or from the surrounding traffic. To address these dangers, buses are painted a distinctive shade of yellow to make them stand out. They have a set of warning lamps on the front and rear to indicate to drivers of other vehicles that the bus is stopped or stopping, and that children may be on the road. The bus also has a stop arm on the left-hand side to warn motorists that children are entering or leaving the bus and it is equipped with special mirrors. Many buses also have a pedestrian crossing control arm so that children will cross far enough in front of the bus that the driver can see them.

2.1.1 Roles and Responsibilities

School bus safety is a shared responsibility among FPT governments, owners/operators, school boards, and a diverse road safety community. The “yellow school bus” design familiar to Canadians is unique to Canada and the United States, with federally defined school bus classes and specific safety regulations. In both countries, standards committees comprised of industry and government officials working together (e.g. CSA D-250 Committee on School Bus Construction Standards) develop further technical specifications for the safety and durability of school buses. This approach is consistent with [Canada’s Road Safety Strategy 2025](#), in which FPT governments have committed to work together to support Vision Zero – zero fatalities, zero injuries – on Canada’s roads.

Transport Canada is responsible for establishing regulations and setting safety equipment requirements in the Canada Motor Vehicle Safety Standards, including specific safety requirements for buses, such as brake systems, window retention to help prevent passengers from being ejected in the event of a rollover collision, and electronic stability control, a technology mandated by Transport Canada in June 2017 to reduce the risk of rollovers on school buses and other vehicles. Similar to other classes of vehicles, school buses are also required to meet stringent requirements for lighting, tires, wheels and other safety equipment. Transport Canada works with all orders of government to keep these standards up to date, and performs tests to ensure compliance.

As set out in the *Motor Vehicle Safety Act*, manufacturers are responsible for certifying that their vehicles, including school buses are designed and constructed in accordance with federal safety requirements.

² National Collision Database

Provinces and territories are responsible for the enforcement of safety on Canada’s roads and highways. They prescribe driver and vehicle licensing requirements and rules of the road, such as seatbelt use and speed limits, and enforce the CSA D-250 school bus standard, which complements federal requirements (e.g. bus colour, crossing arm). Some provinces choose to delegate certain authorities to municipalities, leveraging their expert knowledge of local traffic conditions, while provincial requirements apply on rural roads.

In the current context, the decision rests with school bus owners/operators and school boards, together with provinces and territories, as to whether to install seatbelts on school buses, bearing in mind a complex set of operational considerations and risk factors set out below (e.g. misuse). Any such installation must comply with Transport Canada’s technical standard for school bus seatbelt installation without compromising the safety afforded by the existing compartmentalized seat design.

The Task Force on School Bus Safety is responsible for identifying and assessing potential measures to further improve school bus safety in Canada, with an emphasis on seatbelts, thereby supporting FPT Transport Ministers in establishing a cohesive pan-Canadian approach to the issue of school bus safety.

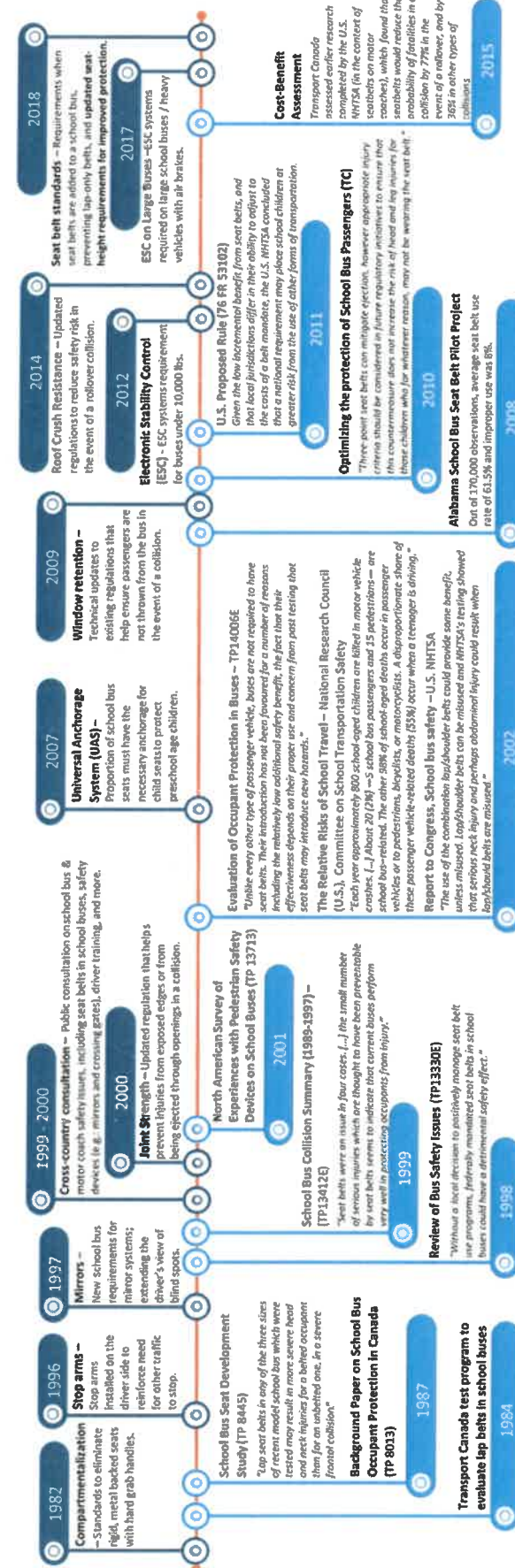
SCHOOL BUS SAFETY IS A SHARED RESPONSIBILITY AMONG FEDERAL AND PROVINCIAL/TERRITORIAL GOVERNMENTS AND OWNERS/OPERATORS

TRANSPORT CANADA	PROVINCES AND TERRITORIES
<ul style="list-style-type: none"> ➤ Establishes regulations (includes authority to mandate seatbelts) ➤ Sets safety equipment requirements in the Canada Motor Vehicle Safety Standards (e.g. electronic stability control, window retention) ➤ Establishes technical standards enshrined in regulation (e.g. July 2018 school bus seatbelts) 	<ul style="list-style-type: none"> ➤ Enforce safety on Canada’s roads and highways ➤ Prescribe driver and vehicle licensing requirements and rules of the road (e.g. seat belt use, speed limits) ➤ Enforce CSA D-250 school bus standard, which complements federal requirements (e.g. colour, crossing arm)
SCHOOL BUS OWNERS/OPERATORS/SCHOOL BOARDS	
<ul style="list-style-type: none"> ➤ Decide whether to install seatbelts on school buses (any such installation must comply with Transport Canada’s new technical requirement without compromising the safety afforded by compartmentalization) ➤ Consider important factors such as unintentional misuse, unbuckling, and belt adjustment ➤ Ensure protocols in place for proper use so as not to compromise the safety afforded by the existing design 	
MANUFACTURERS	
<ul style="list-style-type: none"> ➤ Certify that vehicles, including school buses, are designed and manufactured to comply with the requirements of federal safety standards 	

2.1.2 Progress

Over the last three decades, considerable progress has been made to enhance school bus safety through a number of collaborative initiatives among all orders of government and industry (Figure 1). These include a broad range of activities that span the full safety and security continuum, including legislation; regulations and standards; research and testing; and policy and programs. Highlights of these efforts are set out below, and explained on Transport Canada’s updated [School Bus Safety web page](#), which hosts an annotated inventory of the extensive body of research on this topic.

Figure 1 - Progress to enhance school bus safety



2.1.3 Legislation

Bill S-2 came into force on March 1, 2018, introducing extensive amendments to the *Motor Vehicle Safety Act*, including strengthening the federal Minister of Transport's enforcement and compliance authorities in the area of road safety. In particular, the amendments afford greater flexibility to keep pace with new and emerging technologies. This includes modernized Ministerial Order provisions for exempting, modifying, or suspending vehicle safety standards and regulations; an Administrative Monetary Penalty regime; and new powers to order recalls at no cost to the consumer. Transport Canada is working to implement the full range of legislative amendments to further the safety and security of Canada's road transportation network, including school bus safety.

2.1.4 Regulations and Standards

On July 11, 2018, closely aligned with the current regulatory approach in the U.S., Transport Canada published amendments to the *Motor Vehicle Safety Regulations* with a view to improving bus occupant safety. As part of this regulatory initiative, Transport Canada introduced technical requirements for school bus companies that choose to install seatbelts on school buses. This regulatory measure ensures that lap-only seatbelts cannot be installed, and that if a school bus operator chooses to install seatbelts, there is a technical standard for manufacturers to follow that ensures correct installation (e.g. they must include a three-point lap and shoulder belt, and be anchored a certain way). This helps ensure the safety afforded by the existing compartmentalized seat design is not compromised. Transport Canada is an active member of the Canadian Standards Association CSA D-250 Committee on School Bus Construction Standards to help ensure provincial/territorial regulations complement federal requirements.

In June 2017, Transport Canada published a regulatory amendment mandating electronic stability control (ESC) for heavy vehicles, including school buses. These control systems are a crash avoidance technology designed to reduce motor vehicle collisions by improving driver control, preventing rollovers, and enhancing directional stability. This regulatory amendment is in alignment with the U.S. However, unlike the U.S., Transport Canada requires that ESC be installed on school buses as well.

2.1.5 Research and Testing

Transport Canada's crash avoidance research program monitors motor vehicle technologies that are related to safety to provide the Department the scientific basis to develop standards and regulations. Because evidence shows that the majority of injuries and fatalities involving school buses take place outside the bus³, Transport Canada is assessing emerging vehicle technologies, including lane-keeping assist, lane departure warning, and automatic emergency braking. In addition, Transport Canada is continuing its research activities on sensors and camera technologies to support safety measures to protect pedestrians and cyclists around school buses and other heavy vehicles.

Transport Canada's Collision Investigations Team also has the mandate and expertise to conduct collision investigations and provides support to law enforcement for ongoing investigations, including vehicle inspections. Motor vehicle collision investigations allow Transport Canada to review existing safety standards and evaluate the need for further regulatory action under the *Motor Vehicle Safety Act*. To support these efforts, a pan-Canadian network of investigation teams was established in high-density traffic regions across Canada. In recent years, investigations have focused on crashes involving airbag deployments, moderately severe side impacts, and restrained rear occupants. Transport Canada also conducts special investigations of high-profile collisions, including incidents involving school buses.

³ National Collision Database

2.1.6 Policy and Programs

On June, 2018, Canada's Minister of Transport chaired a Roundtable on Distracted Driving which brought together provincial/territorial government representatives, industry partners, law enforcement, and telecommunications service providers. Taking action in this area, the Canadian Council of Motor Transport Administrators (CCMTA) worked with Transport Canada to: conduct a survey of electronic device use by drivers across Canada; estimate the impact of these devices on collisions; and examine distracting technologies currently available.

Building on this progress, FPT partners are working to implement a pan-Canadian action plan on distracted driving to support data collection, public awareness, and a consistent approach to penalties across jurisdictions. In addition, in February 2019, Transport Canada published guidelines with respect to the installation and use of in-vehicle video monitor displays to reduce the risk of driver distraction.

In September 2016, a task force was established to examine safety measures to help protect pedestrians and cyclists around heavy vehicles. Following extensive consultation with the road safety community, and support from all jurisdictions, the task force published [*Safety Measures for Cyclists and Pedestrians around Heavy Vehicles*](#) in Fall 2018, which serves as a springboard for action to support all jurisdictions as they address safety challenges within their communities. In particular, the report outlines 57 safety measures to better protect vulnerable road users, including visibility and conspicuity measures; intersection and cross-walk designs; and roadway and cycling infrastructure.

3 What We've Heard





In order to support the Task Force's mandate to examine school bus safety, members collectively undertook a jurisdictional assessment of bus fleet composition, as well as data collection on current safety features and an assessment of operational and financial considerations related to the installation of seatbelts on school buses. Although the emphasis was on seatbelts, efforts also focused on other safety measures and supporting communications/awareness strategies, including advanced driver assistance technologies, safety measures outside the bus, and occupant protection features to further improve school bus safety in Canada.

The findings from this assessment are presented below. Taken together, they provide a snapshot of school bus safety in Canada, with a view towards:

- strengthening the evidence base with statistics at a pan-Canadian level;
- developing Guidelines for the Use of Seatbelts on School Buses to help those implementing seatbelt programs ensure that seatbelts, if installed, are used properly and worn at all times by all passengers;
- identifying jurisdictions willing to undertake school bus seatbelt pilot projects; and
- presenting options for equipping new buses and retrofitting existing fleets with additional safety features.

3.1.1 Fleet Composition in Canada

There are six types of school buses available in Canada. The CSA D250 standard identifies these by category, as defined below:

Type of School Bus	Description	Registered in Canada
	A1 A conversion or body constructed on a cutaway front section with an original equipment manufacturer chassis, and a left side driver's door. The service door is behind the front wheels. Gross Vehicle Weight Rating (GVWR) of 4581 kg (10,100 lbs) or less.	1,665
	A2 Same as Type A1, but with a GVWR greater than 4581 kg.	11,295
	B A conversion or body constructed on a van, a front section vehicle chassis, or a stripped vehicle chassis, with a GVWR greater than 4581 kg.	139
	C A body installed on a flat back cowl chassis with a GVWR greater than 4,581 kg. The service door is behind the front wheels, and the engine is mounted in front of the windshield.	36,920
	D A body installed on a chassis with a GVWR greater than 4,581 kg, and an engine mounted: <ul style="list-style-type: none"> - Behind the windshield and beside the driver's seat; - At the back of the bus behind the rear wheels; or - Between the front and rear axle. 	1,169
MFSAB	Multifunction School Activity Bus designed to pick up and drop off students where there is no need to control traffic.	483
APPROX. 51,670 SCHOOL BUSES REGISTERED IN CANADA - AVERAGE AGE OF 6 YEARS		

In order to develop a shared understanding of fleet composition across Canada and inform future policy direction and regulatory action in this area, the Task Force surveyed provincial and territorial school bus safety authorities to collect data on a range of school bus characteristics, including the number of buses in service, age of the fleet, service areas, category/type of buses and the installation of safety features (e.g. seatbelts, lighting systems, electronic stability control). The following provides a summary of the key findings based on the Task Force’s jurisdictional assessment.

Canada’s School Bus Fleet by Province and Territory

Yukon

Fleet Age:
 0-5 Years 26 (43%)
 6-10 Years 19 (31%)
 +10 Years 15 (25%)

Vehicle Type:
 Type C 60 (100%)

Total 60

New Brunswick

Fleet Age:
 0-5 Years 537 (43%)
 6-10 Years 387 (31%)
 +10 Years 310 (25%)

Vehicle Type:
 Type A1 45 (4%)
 Type A2 248 (20%)
 Type B 4 (0%)
 Type C 903 (73%)
 Type D 22 (2%)
 MFSAB 13 (1%)

Total 1,234

Nunavut

Fleet Age:
 0-5 Years 52 (43%)
 6-10 Years 38 (32%)
 +10 Years 30 (25%)

Vehicle Type:
 Type A1 4 (3%)
 Type A2 24 (20%)
 Type C 89 (74%)
 Type D 2 (2%)
 MFSAB 1 (1%)

Total 120

Manitoba

Fleet Age:
 0-5 Years 554 (22%)
 6-10 Years 733 (29%)
 +10 Years 1,259 (49%)

Vehicle Type:
 Type A2 59 (2%)
 Type C 2,487 (98%)

Total 2,546

Alberta

Fleet Age:
 0-5 Years 2,810 (39%)
 6-10 Years 1,820 (26%)
 +10 Year 2,484 (35%)

Vehicle Type:
 Type A1 1,044 (15%)
 Type A2 456 (6%)
 Type B 89 (1%)
 Type C 5,098 (72%)
 Type D 106 (1%)
 MFSAB 321 (5%)

Total 7,114

Québec

Fleet Age:
 0-5 Years 5,497 (52%)
 6-10 Years 3,900 (37%)
 +10 Year 1,253 (12%)

Vehicle Type:
 Type A1 387 (4%)
 Type A2 2,138 (20%)
 Type B 32 (0%)
 Type C 7,794 (73%)
 Type D 188 (2%)
 MFSAB 111 (1%)

Total 10,650

Northwest Territories

Fleet Age:
 0-5 Years 32 (44%)
 6-10 Years 23 (32%)
 +10 Years 18 (25%)

Vehicle Type:
 Type A1 3 (4%)
 Type A2 15 (21%)
 Type C 53 (73%)
 Type D 1 (2%)
 MFSAB 1 (1%)

Total 73

Saskatchewan

Fleet Age:
 0-5 Years 836 (27%)
 6-10 Years 1,035 (34%)
 +10 Years 1,212 (39%)

Vehicle Type:
 Type A1 112 (4%)
 Type A2 619 (20%)
 Type B 9 (0%)
 Type C 2,256 (73%)
 Type D 54 (2%)
 MFSAB 32 (1%)

Total 3,083

Prince Edward Island

Fleet Age:
 0-5 Years 8 (2%)
 6-10 Years 134 (41%)
 +10 Years 181 (56%)

Vehicle Type:
 Type A2 323 (100%)

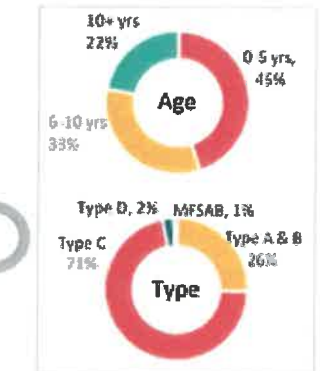
Total 323

Nova Scotia

Fleet Age:
 0-5 Years 787 (54%)
 6-10 Years 500 (34%)
 +10 Years 172 (12%)

Vehicle Type:
 Type A2 71 (5%)
 Type C 1,384 (95%)
 MFSAB 4 (0%)

Total 1,459



Newfoundland & Labrador

Fleet Age:
 0-5 Years 532 (53%)
 6-10 Years 224 (22%)
 +10 Years 253 (25%)

Vehicle Type:
 Type A1 70 (7%)
 Type A2 111 (11%)
 Type B 4 (0%)
 Type C 819 (81%)
 Type D 5 (0%)

Total 1,009

British Columbia

Fleet Age:
 0-5 Years 1,060 (33%)
 6-10 Years 1,075 (34%)
 +10 Years 1,031 (33%)

Vehicle Type:
 Type A2 328 (10%)
 Type C 2,070 (65%)
 Type D 768 (24%)

Total 3,166

Ontario

Fleet Age:
 0-5 Years 10,618 (51%)
 6-10 Years 7,096 (34%)
 +10 Year 3,119 (15%)

Vehicle Type:
 Type A2 6,903 (33%)
 Type C 13,930 (67%)

Total 20,833

*Estimates based on data from respondents across Canada, not all respondents had information on all data points for age and type. Missing values have been estimated with best available information.

In addition to those safety features that are already required and integral to the current bus design, such as emergency roof hatches, window retention, high roof crush standards, compartmentalized seats, the stop arm and bright yellow colour, other safety features currently found on the Canadian fleet include:

- Approximately 2% of school buses (small type only) are equipped with seatbelts. None of these seatbelt-equipped buses are among the Type C category, which account for the vast majority of the Canadian fleet (71%).
- An estimated 2% of buses in circulation are considered “seatbelt ready,” that is, they have been built to accommodate the aftermarket installation of seatbelts.
- Few buses on the road today are equipped with electronic stability control (ESC) technology to reduce the risk of rollover. This is owing to the very recent coming into force of mandatory ESC. As the fleet turns over, the ESC penetration will increase accordingly. There is no requirement to retrofit the existing fleet with this technology.

Routes

- Of the 36% of jurisdictions who provided information about the routes serviced by their fleets:
 - 45% of buses operate in an urban environment;
 - 51% commute in a rural setting; and
 - 4% travel on urban/rural mixed routes.

3.1.2 Safety Features – Looking Ahead

The following outlines a set of school bus safety measures that can provide an additional layer of safety. These are set out in three key areas of focus: **Driver Assistance**; **Safety Features Outside the Bus**; and **Occupant Protection**. Measures identified herein are at varying stages of maturity and have been labeled accordingly. This approach enables FPT Ministers to consider measures that can be adopted in the near term, as well as those that warrant further research and exploration.

3.1.2.1 Driver Assistance

School Bus drivers in Canada undergo specialized training prior to assuming their role. All provinces/territories require that school bus drivers have a particular class of commercial licence that qualifies them to drive a vehicle of that size and type, and all require some level of school bus-specific training that covers such topics as legal frameworks and responsibilities, driver condition (fatigue, impairment), defensive driving, passenger behaviour, vehicle safety features, and emergency procedures. The hours of training, however, vary greatly from one province/territory to the next. For example, some school bus driver training programs require a minimum of 6.5 hours of training, whereas others, such as the Province of Alberta (effective March 1, 2019), require that school bus drivers participate in a provincial Mandatory Entry Level Training program for commercial drivers, where school bus drivers must undergo 53.5 hours of training.

On January 21, 2019, the Council of Ministers responsible for Transportation and Highway Safety tasked the Canadian Council of Motor Transport Administrators (CCMTA) with developing a standard on entry-level training for commercial drivers by January 2020. This measure will help ensure that commercial drivers can develop the necessary skills and expertise to safely operate their vehicles across Canada. The standard would address topics such as basic driving techniques, off-road tasks/manoeuvres, knowledge of regulatory requirements (e.g. hours of service), and vehicle inspection activities. The standard would

be broad in scope, covering a wide range of drivers of heavy vehicles (e.g. trucks, motor coaches, transit buses). Consideration could be given to including school bus drivers in the future.

Advanced vehicle technologies, including automated safety features, have the potential to improve the safety of Canadians by helping the driver with certain elements of the driving task, thereby reducing the number and severity of collisions on our roads. Advanced driver assist systems (ADAS) can be applied in the context of school buses as a means to help mitigate the risk of driver error.

ADAS technologies are becoming more common and are available in many types of vehicles. Some examples include Automatic Emergency Braking (AEB), Lane Keeping Assist, Adaptive Cruise Control, Forward Collision Warning and Braking. The new technologies work to aid, warn and assist drivers in the driving task. Electronic stability control systems are another collision avoidance technology with proven safety benefits that are becoming increasingly prevalent in school buses as operators update their existing fleet.

Lane Keeping Assist and Adaptive Cruise Control technologies (to avoid a collision or lessen its impact) typically operate at set speeds (e.g. 70 km/hr for Lane Keeping Assist) and may not be suitable or cost-effective for school buses that make frequent stops on defined routes within a community.

AEB systems are recognized as an effective new vehicle safety technology with a practical application in school buses. Evidence shows these systems can improve safety by reducing the severity of rear-end collisions or helping to avoid them altogether. For example, there has been a 38% reduction of rear-end injury crashes in vehicles with AEB compared to those without (Fildes et al., 2015). The latest automatic emergency braking systems also have the ability to help avoid collisions with pedestrians, cyclists, and other vehicles crossing at intersections.

AEB systems are often paired with forward collision warning systems that sense when the vehicle ahead is slowing or stopped and alert the driver of the risk of a possible crash. While most systems use radar, some use a laser, or a camera. The system monitors the relative speed and following distance to the vehicle in front. When a vehicle gets too close to the vehicle in front, a signal (audible and/or visual) alerts the driver. Some systems offer collision warning with brake support. If the driver does not react after the collision warning has been given, the brake support function prepares the brake system to react quickly, and the brakes are applied slightly. A light jolt may be experienced. In the event of an imminent crash and the driver has not applied the brakes, some of the newer systems apply strong braking automatically to help reduce the impact of the crash. Many systems will also activate the seatbelt pre-tensioners, pre-charge airbag systems and brakes.

Recognizing that the greatest risk to the safety of children is outside the school bus, research efforts are underway relating to visibility and detection systems that provide in-vehicle warnings when there are nearby pedestrians. Transport Canada is actively conducting on-road field trials of new camera sensor technologies in collaboration with provincial/territorial, and municipal partners to evaluate their effectiveness and explore their applicability moving forward.

Using a single camera mounted on the windshield of a vehicle, these sensors can work in combination with AEB to identify an imminent collision and brake without any driver intervention. Passive warning systems also exist which alert the driver of a potentially dangerous situation so that the driver can take action to correct it.

3.1.2.2 Safety Features Outside the Bus

Statistics show that school children navigating outside the bus are far more vulnerable – either from the bus itself or from the surrounding traffic – than those riding inside the bus. According to the National Collision Database, of the (24) school aged fatalities involving a school bus between 1998 and 2017, 79% (19 instances) involved children outside the bus, in or near the school bus loading zone. Of these 19 exterior fatalities, 79% (15 instances) were caused by the school bus itself and 21% (4 casualties) were caused by another vehicle. Five (5) of the 24 fatalities over this 20 year period were school bus passengers. To address these dangers, school buses are designed with a series of exterior safety features. They are painted bright yellow to help them stand out. They have strategically placed flashing lights that warn other drivers of the presence of children on the road. The bus also has a stop arm on the left-hand side to prevent motorists from passing while children are entering or leaving the bus, and it is equipped with a series of special mirrors. Many buses also have a pedestrian crossing control arm so that children will cross far enough in front of the bus that the bus driver can see them.

School Age Fatalities Involving a School Bus	
School Bus Passenger	5
Pedestrian/Cyclist	19

Data for 1998 to 2017. Source: National Collision Database
 *Note: data filtered for school-related travel, ie, weekdays from Sept to June during school hours (6:00am-9:59am) and (2:00pm-5:59pm)

Despite the many external bus features aimed at keeping children safe and penalties in place for those who pass a school bus illegally, the safety of school children outside the bus can be improved with certain safety measures. Notable examples of exterior countermeasures include infraction cameras, exterior 360° cameras, and physical barriers, such as stop arm extenders and telescopic arms emanating from the rear of the bus.

While some additional external safety features require further study (e.g. rear telescopic arm), others, such as 360° cameras, and stop arm extenders that impose a physical barrier, are more widely available and have been shown to help deter passing motorists and significantly reduce violations. For example, a recent school bus safety pilot study⁴ in the U.S. saw a 89% reduction in violations with the implementation of extended stop arms on a sample grouping of school buses in Charlottesville, Virginia. Specifically, “[...] on the three test routes, there were 55 violations between May 7 and 18 without the use of the extended stop arms, but between May 21 and June 5, the number of violations were reduced to six, an 89 percent improvement.” In addition, many manufacturers now offer 360° exterior cameras that provide a full view around the exterior of the bus to detect and protect pedestrians. On their own, camera technologies and barrier arms that intentionally block adjacent lanes of traffic are effective add-on features to complement the current exterior bus design. Together, these features can form an effective system to help reduce dangerous infractions by passing motorists.

3.1.2.3 Occupant Protection

Evidence shows that school buses have a strong occupant safety record in Canada, meaning that children are safer traveling to and from school by school bus than by any other form of transportation. This is owing largely to the extensive occupant protection features built into the bus, including the highly effective seat design referred to as compartmentalization. As occupant protection features evolve and mature, add-on safety features, such as passenger airbags and seatbelts, can provide an additional layer of safety to complement the existing design.

⁴ www.cvilletomorrow.org (NB: information not available re. data collection methodology)

Studies show⁵ that compartmentalization is highly effective in protecting school bus passengers in rear and frontal collisions, but offers less protection for passengers who experience a side-impact collision, a rollover, or a vertical lift scenario. While the latter school bus collision scenarios are seen infrequently, there are opportunities to explore additional occupant protection countermeasures with a view to improving passenger safety in this context.

Preliminary investigation into improved side impact protection⁶ features suggest that energy absorbing side-structure padding and inflatable “curtain” airbags have been found to reduce head and chest injuries. Recognizing that these countermeasures can help mitigate the risk of head injury and ejection in rare collision scenarios (i.e. side impact, rollover), further work is needed to explore options to incorporate such features into the school bus, noting the challenges associated with identifying: a low profile design that is sufficiently energy-absorbent and does not interfere with or compromise existing safety features, such as compartmentalized seats and the bus structure; a model that can offer protection to all sizes of passengers (e.g. kindergarten students and high school students alike); and a cost-effective, tamper-resistant, low- (or no-) maintenance design. Further work is needed by manufacturers to help address these considerations.

School buses have unique occupant protection features that make them different – and safer – than light duty vehicles, even in the absence of seatbelts. At the same time, evidence shows⁷ that seatbelts – already an important feature of motor vehicle safety in Canada – can provide an additional layer of safety to the existing bus design by reducing the risk of ejection and lowering the risk of serious injury, particularly in the event of a severe collision such as a rollover, side impact, or vertical lift scenario.

Of note, a U.S. [Alabama] school bus cost-effectiveness study⁸ found that, based on a 61% seatbelt usage rate assessed through a 2009 school bus pilot⁹, the reductions of injuries and fatalities would result in 0.13 lives saved per year (a decrease from the 0.33 annual average), and would prevent 7.6 injuries annually (down from a 59.15 annual average). This translates to an annual 39% reduction in fatalities, and a 13% decline in injuries, on average.

Crash testing by the U.S. National Highway Traffic Safety Administration (NHTSA) found that three-point seatbelts may reduce the risk of moderate to serious injury by an estimated 30-35% in collision types with a high probability of ejection, and could lower the risk of serious to severe injury in frontal impacts by approximately 4-10%¹⁰. A NHTSA cost-effectiveness analysis estimates that three-point seatbelts on school buses could save 2 lives per year across the U.S., assuming 100% seatbelt usage nationwide¹¹. Applying this same methodology in a Canadian context, preliminary estimates suggest that the installation of seatbelts on school buses could save approximately 0.02 lives per year across Canada.

Recognizing that seatbelts can offer additional protection, in July 2018, Transport Canada published a technical standard for the optional installation of seatbelts on school buses. That said, seatbelts alone will not reduce the risk to zero and there are a number of operational concerns and risk factors to address in advance of any potential regulatory action to require seatbelt installation (e.g. potential misuse, impact of cost on bus purchases). These topics are discussed below under *Seatbelt Considerations*.

⁵ <https://www.tc.gc.ca/en/services/road/school-bus-safety/publications.html>

⁶ Internal Research Report: Optimizing the Protection of School Bus Passengers (2010), Transport Canada

⁷ <https://www.tc.gc.ca/en/services/road/school-bus-safety/publications.html>

⁸ Cost-Effectiveness of Lap/Shoulder Seat Belts on Large Alabama School Buses - Tuner, Lindly, and Brown, 2010

⁹ Brown and Turner 2009

¹⁰ 2008 NHTSA Final Rule to Upgrade School Bus Passenger Crash Protection in FMVSS Nos. 207, 208, 210, and 222

¹¹ 2010 NHTSA Response to Petition, Federal Register, 75(209), 66686-66698

For example, seatbelts, if used improperly, could have a negative impact on overall safety. Bus seats, must be stiffened¹² to some degree in order to work effectively with seatbelts, which runs counter to the principles of compartmentalization. This means that, even when equipped with three-point seatbelts, all school bus occupants must wear them properly, at all times, or there is greater risk to unbelted occupants. Any mandatory installation of seatbelts on school buses should be considered in a manner that does not compromise the safety provided by existing school bus occupant protection features and does not encourage the adoption of less safe modes of transportation.

Recognizing that, since July 2018, there is a technical requirement in place for the safe (optional) installation of seatbelts on school buses in Canada, the Task Force has developed a set of draft Guidelines for the Use of Seatbelts on School Buses based on the key findings, best practices and operational guidance developed by U.S. jurisdictions in support of their school bus seatbelt programs. A pilot project, in partnership with interested jurisdictions, will serve to validate and, as appropriate, augment the Guidelines to support Canadian jurisdictions in addressing the operational challenges identified above and below.

Seatbelt Considerations

With some school buses carrying up to 72 children, there are a number of operational challenges relative to seatbelts, including those associated with:

- seatbelt adjustment relative to the size of child;
- winter clothing and its impact on proper seatbelt use;
- misuse, compounded by children moving around in their seats or unbuckling;
- a potential increase in use of child seats (“car seats”) for small children who may not meet the minimum size requirement for school bus seatbelts* (in accordance with Transport Canada regulations, all school buses in Canada have a minimum number of seats equipped with special anchorage points to accommodate child seats);
- unfastening in emergency exit situations;
- loss of efficiency in routing solutions (additional time to secure seatbelts);
- driver liability/responsibility for ensuring children wear seatbelts, including securing and unbuckling students;
- contract impacts of increased cost of transportation; and
- funding challenges.

** Manufacturers now offer “integrated child seat” solutions with five-point harnesses for children 10kg-38kg.*

School bus owners/operators and school boards (together with provinces and territories) who have seatbelts installed on their school buses are ultimately responsible for ensuring that effective protocols are in place to mitigate these issues. The draft Task Force Guidelines for the Use of Seatbelts on School Buses have been developed to help address key operational concerns and are further supported by a strong culture of seatbelt use in Canada, where children have been conditioned to “buckle up” in a moving vehicle. In addition, the draft guidelines will serve to highlight additional training requirements for students, drivers, parents and schools.

¹² Internal Research Report: Optimizing the Protection of School Bus Passengers (2010), Transport Canada

3.1.3 Retrofit: Adding Seatbelts to the Existing Fleet

Some bus manufacturers in Canada are already producing new school buses that are “seatbelt ready.” The issue of retrofitting, however, continues to be the subject of debate, including as it relates to the risk of perceived inequity if some buses are equipped with seatbelts and others are not. Some manufacturers indicate that retrofitting a bus to include seatbelts is impossible on the basis that the integrity of the bus structure after market is difficult to assess, rendering the manufacturer unable to certify the safe anchorage of new seatbelt-equipped seats.

Other manufacturers confirm that their newer model buses are in fact designed to be “seatbelt ready” and would require minimal effort to retrofit with belted seats. Should newer model buses be required to be retrofitted, the retrofit would occur at a licensed school bus dealership, and be conducted in accordance with the manufacturers’ specifications, based on Transport Canada’s technical standard for the installation of seatbelts on school buses. In general, buses with a model year greater than 4 years old would be deemed ineligible for retrofit due to exposure and aging structural features.

3.1.4 Financial Considerations for Bus Purchase and Retrofit

In 2011, the U.S. published a report¹³ on the implications of mandating the installation of seatbelts on large school buses. It was found that the increased costs associated with the installation of seatbelts would result in fewer school bus purchases. This would lead to fewer children being transported in school buses, placing school children at greater risk from the use of alternate modes of transportation. NHTSA’s cost-effectiveness analysis estimates that three-point seatbelts on school buses could save two lives per year across the U.S. At the same time, it suggests an overall increase in school transportation fatalities as a result of the redistribution of students to other modes (e.g. passenger vehicle, walking, cycling).

In order to establish a baseline understanding of the financial aspects applicable to school buses in Canada, Task Force members, including manufacturers, provided information on the purchase cost for new school buses, along with the costs associated with retrofitting a bus with seatbelt-equipped seats, where possible.

Manufacturers and operators confirm that:

- Type C school buses, which account for approximately 71% of the Canadian fleet, cost between \$110,000 and \$120,000 to purchase new.
- New Type A school buses, which represent some 25% of the Canadian fleet, cost approximately \$75,000.
- Adding seatbelts increases the purchase price by \$8,000-\$18,000, depending upon factors such as bus size and number of seats. Adding integrated child seats for small children (as an alternative to traditional “car seats”) may increase this cost further.
- Retrofitting a bus to add seatbelt-equipped seats would cost in the range of \$15,000 - \$36,000 (depending on bus size, configuration, etc.), double the cost of a seatbelt “add-on” in a new bus.
- A limited number of buses are available for purchase “off the lot” at dealerships. The typical lead time to acquire a new bus is 2-4 months.

Based on a fleet turnover rate of 10% per year, the annual capital cost to install seatbelts on replacement buses is estimated at \$68M per year across Canada, not accounting for any additional

¹³ 2011 NHTSA Denial of Petition for Rulemaking

operational costs (e.g. human resources, maintenance costs). Moving forward, it will be important to explore the impact of these additional costs, including from a financial sustainability perspective.

To retrofit the entire existing fleet of buses 4 years old and newer, it would cost an estimated \$255M. However, according to manufacturers, not all buses in the 0-4 age range are indeed eligible for retrofit.

3.1.5 U.S. Approach to Seatbelts on School Buses

Canada's existing school bus seatbelt regulations align with equivalent U.S. regulations, which came into effect in November 2016 and outline a set of standards that manufacturers must follow when a school bus operator chooses to install seatbelts on its buses. This Canada-U.S. alignment is supported by extensive research, conducted over decades in both countries. This has culminated in a consistent Canada-U.S. approach to school bus safety, featuring compartmentalized seats that are specifically designed to protect school children in the event of a crash. At the same time, similar to Canada, the U.S. National Highway Traffic Safety Administration (NHTSA) supports the installation of three-point lap and shoulder belts on school buses for added protection in the event of a lateral or side collision. Following two separate U.S. collisions in 2016 involving fatalities, the U.S. National Transportation Safety Board recommended that states consider implementing lap-shoulder belts in school buses. The agency explained it as "closing the lid on the egg crate" of compartmentalization.

At the moment, eight states have introduced school bus seatbelt requirements within their jurisdiction, including Louisiana, Texas, California, Florida, New York, New Jersey, Arkansas, and Nevada. California and Florida are the only states that consistently implement this requirement, though it should be noted that Florida requires lap-only belts (which do not meet Canadian school bus standards), and that the provision of school transportation in the State of California is not mandatory for school boards. The rule in the other states is subject to available funding, and in practice, this means that the rule is often not implemented.

For additional context, in California, the installation of seatbelts on school buses has been viewed positively. When seatbelts were mandated on new buses in that state, retrofitting with seatbelts was not required and is permitted only if approved by the bus manufacturer. To ensure that all passengers are wearing their seatbelts properly, school bus drivers are allowed to get up out of their seats to buckle young children and are responsible for checking that everyone is properly buckled before driving away. While in transit, the driver is not liable if a child unbuckles their seatbelt. Prior to field trips, safety briefings are provided which include information on emergency exits, seatbelts, fire extinguishers, and first aid kits. Of note, one occurrence of an engine fire California¹⁴ demonstrated the effectiveness of this training when a three point seatbelt-equipped bus carrying 35 students was forced to evacuate. In terms of student behaviour, fleet operators note very isolated instances of misconduct involving the use of seatbelts and, historically, these cases were limited to buses that were fitted with lap-only belts (e.g. buckling the lap belt across the aisle preventing movement up and down the aisle).

The state also offers environmental grants to replace buses that were manufactured prior to 1992, in an effort to reduce air pollution resulting from older diesel buses. This has allowed operators to purchase new buses that are equipped with seatbelts.

¹⁴ McMahon, 3-Point Belts on Buses: Real World Experience Mitigates Most Concerns, 2015)

The table below summarizes seatbelt requirements in the U.S.

States	Lap belt only	Lap/shoulder belts	Additional information
Florida	✓		New school buses purchased since January 2001 had to be equipped with seatbelts or other federally-approved restraint system.
New York	✓		New York State does not mandate seatbelt use on school buses, leaving the decision to each school district.
New Jersey	✓	✓ *	*New buses built on or after Feb 21 st , 2019 require lap/shoulder belts.
California		✓	Requires all new school buses to have seatbelts but does not require school boards to provide school transportation (school buses are typically only available in affluent communities)
Nevada		✓	New school buses purchased by a school district as of July 1 st , 2019 must be equipped with lap/shoulder belts. The state's largest district which buys 100-110 school buses each year, estimates the capacity reduction from seatbelts and the cost of the restraint systems will have an annual cost impact of \$1.4 million to \$1.8 million.
Louisiana		✓	Subject to funding.
Texas		✓	Subject to funding.
Arkansas		✓	State law now mandates if 10 percent of a school district's electors sign a petition to outfit its buses with seatbelts, the district must propose a levy for the added cost. The issue would then be decided by voters during the annual school election

**Note: According to manufacturers, the latest seating designs offer maximum flexibility with up to three 3-point belted seating positions and the option of integrated child seating, resulting in little to no seating capacity loss.*

4 CONCLUSION

A review of evidence by the Task Force on School Bus Safety confirms that school buses continue to be the safest form of transportation for school children in Canada. At the same time, the work of the Task Force has served to underscore that school bus safety can be strengthened – and that success in this regard demands a cohesive, pan-Canadian approach.

Consistent with the direction from the federal, provincial, territorial (FPT) Council of Ministers Responsible for Transportation and Highway Safety in January 2019, the Task Force has identified a shortlist of opportunities to further improve school bus safety. Driven by the supporting evidence that confirms school children are at greater risk in or near the school bus loading zone than they are as school bus passengers, the Task Force focused on developing recommendations intended to help address this challenge. Specifically, the Task Force submits that consideration be given to adding the following safety features to school buses, and encourages all jurisdictions to explore the application of these measures based on their assessed needs:

1. **Infraction Cameras**, to help prevent dangerous incidents caused by passing motorists;
2. **Extended Stop Arms**, to further deter motorists from passing while children are entering or leaving the bus;
3. **Exterior 360° Cameras**, as a means of better detecting and protecting children and other vulnerable road users around the exterior of the bus; and
4. **Automatic Emergency Braking**, to help reduce the severity of a collision or avoid it entirely. Consideration should also be given to exploring ways to pair this feature with other technologies for increased safety.

Three-point seatbelts were also carefully considered in the context of this review, and the four recommended safety measures set out above were found to have a comparatively stronger safety case. At the same time, the Task Force recognizes that seatbelts can provide an additional layer of safety on school buses in certain rare but severe collision scenarios. As such, it would be prudent to continue working through the considerations associated with seatbelt installation and use (e.g. consequences of misuse, emergency evacuations, liability), and to encourage manufacturers to develop additional occupant protection features to complement the school bus design, such as energy-absorbing side-structure padding and inflatable “curtain” airbags.

Collaborative FPT efforts across these areas will lay the foundation for improved school bus safety outcomes, while ensuring that the level of safety afforded by the current design is not compromised.

Moving forward, FPT partners, together with key stakeholders, will continue working to promote a consistent, transparent approach to enhancing school bus safety. Transport Canada will provide regular updates to the Department’s web presence regarding current and future school bus safety initiatives, and the publication of key school bus safety-related [research](#).

5 ANNEX A: Members of the School Bus Safety Task Force

Members of the Steering Committee

Organization	Names
Transport Canada	Michael DeJong, Co-chair
Saskatchewan	Kwei Quaye, Co-chair
CCMTA	Allison Fradette, Executive Director
Prince Edward Island	Doug MacEwen
Ontario	Derek Deazeley Ryan Bailey Jason Burke
Manitoba	Sheila Champagne
Newfoundland and Labrador	Krista Cull
New Brunswick	Cynthia Reese
Alberta	Wendy Doyle
Nunavut	John Hawkins
Quebec	Lyne Vézina Marie-Michele Dion
Yukon	Ryan Parry
Nova Scotia	Peter Hackett
Northwest Territories	Stephen Loutitt
British Columbia	Cole Delisle Patricia Boyle

Members of the Advisory Panel

	Organization	Representative(s)
Chair	Transport Canada	Ibrahima Sow, Director of Road Safety Programs
Fleet Operators	Stock Transportation	Terri Lowe, COO
	Ontario School Bus Association	Michele O'Bright, Association Director Alex Bugeya, Safety and Legislation Consultant Robert Monster, Safety & Legislation Consultant
	Student Transportation of Eastern Ontario (STEO)	Janet Murray, General Manager
	Student Transportation Association of Saskatchewan	President, Trish Anderson
	Consortium de transport scolaire d'Ottawa	Patrick Pharand, Director
	Fédération des transporteurs par autobus (FTA)	Luc Lafrance, President and CEO
	Independent School Bus Operators Association (ISBOA)	Frank Healey, President Rob Murphy, Vice-President Brian Crow
	Pacific Western	Murray Glass, Vice-President, Student Transportation
	Sudbury Student Consortium	Renee Boucher, Executive Director
	Transportation Services at Grand Erie District School Board	Philip Kuckyt, Manager
	Windsor Essex Student Transportation Services	Gabrielle McMillan, General Manager
	Niagara Student Transportation Services	Lori Powell, Executive Director
	Halton Student Transportation Services	Karen Lacroix, General Manager
	Renfrew Country Joint Transportation Consortium	Robert White, General Manager
	Huron Perth Student Transportation Services	Janice White, General Manager
	Wellington-Dufferin Student Transportation Services	David Frier, CAO
	Northwestern Ontario Student Services Consortium	Judi Green, General Manager
	Consortium de transport scolaire de l'Est	P. Rouleau, Directeur
	Chatham-Kent and Lambton Counties School Bus Info	Patti Authier, Transportation Coordinator
	Ottawa School Bus	Vicky Kyriaco, General Manager
Bus Manufacturers	Girardin Blue Bird	Michel Daneault, Vice-President
	Leeds Transit	Kelly Backholm, President & National Sales Manager
	The Lion Electric Co.	Yannick Poulin, Chef de l'exploitation, COO Yves Desjardins, Product Architect
	IC Bus	Joe Labonte, Product Safety Compliance Officer
	Safe Fleet	Christopher Akiyama, Vice President
	Rosco Vision Systems	Dave McDonald, Vice President
	Daimler	Ricky Stanley, Senior Designer
Daimler	David Cook, Senior Engineer	
School Boards	Canadian School Boards Association	Laurie French, President Nancy Pynch-Worthylake, Executive Director
	Saskatchewan School Board Association	Shawn Davidson, President
	Manitoba School Boards Association	Alan Campbell, President
	La Fédération des commissions scolaires du Québec (FCSQ)	Alain Fortier, President
	Campbell River School District	Richard Franklin, Board Chair
	Toronto Catholic District School Board	Kevin Hodgkinson, General Manager
	Conseil scolaire catholique de district des Grandes Rivières	Linda Geno, Coordonnatrice des services du transport scolaire

	CLASS Shared School Services Chatham-Kent Lambton Kent District School Boards	Kent Orr, General Manager
	Saskatchewan School Board Association	Catherine Vu, Director of Corporate Services
Coroners	Chief Coroner of Ontario	Dr. Dirk Huyer, Chief Coroner for Ontario
	Chief Coroner of Nova Scotia	Matthew Bowes, Chief Medical Examiner
Safety Groups and Key Partners	Saskatchewan Working Advisory Group on Bus Safety	Phil Benson, Saskatchewan Association of School Board Officials Darren McKee, Saskatchewan School Board Association Ben Grebinski, League of Educational Administrators, Directors and Superintendents of Saskatchewan Josh Kramer, Ministry of Education
	Saskatchewan Government Insurance (SGI)	Ron Foord, Director, Carrier & Vehicle Standards Services
	Canada Standards Association (CSA)	Ken MacLean, Chair
	Canadian Association of Road Safety Professionals (CARSP)	Rob Wilkinson, Coordinator of Safer Roads Ottawa
	Traffic Injury Research Foundation (TIRF)	Mavis Johnson, Community Development Advisor
	Canadian Automobile Association (CAA)	Jason Kerr, Senior Director of Government Relations
	Canadian Association Of Chiefs Of Police (CACP)	Charles (Chuck) Cox, Chief Superintendent
	Canada Safety Council	Raynald Marchand, General Manager
	School Bus Safety Awareness Nova Scotia	Jackie Norman, President and CEO
	Motor Coach Canada	Jennifer Fox, Director, Regulatory Affaires
	Ontario Safety League (OSL)	Brian Patterson, President and CEO
	Manitoba Association of School Business Officials	Roger VanDeKerckhove, Provincial Transportation Director
	Nova Scotia Transportation and Infrastructure Renewal	Bradley Bryden, Motor Carrier Division
	Government of Alberta	Chris Yanitski, Vehicle Standards Engineer
	Association of Student Transportation Services of BC	Robyn Stephenson, President Frank Marasco, Association Manager
	Western Canada Bus	Doug De Hoop, Vice President and GM
	Alberta Education	Rick Grebenstein, Senior Manager, Transportation
	Alberta Transportation	Joan Mmbaga, Senior Policy Advisor
	Ministry of Education BC	Michael Nyikes, Director, Program and Policies Unit, Capital Management Branch
	Ministère des Transports du Québec	Catherine Bouillon, Agente de recherche en droit Marie-Eve Lancup, Agente de recherche en droit
	Société de l'assurance automobile du Québec (SAAQ)	Nathalie Drouin, Conseillère en sécurité routière
	Student Transportation Association of Alberta (STAA)	Lisa Weder, President
	Alberta Student Transportation Advisory Council (ASTAC)	Scott Hucal, Chair
	Ontario Ministry of Transportation	Ryan Bailey, Special Projects, Road Safety Policy Office
	Government of Saskatchewan, Ministry of Education	Sheldon Ramstead, Executive Director
	Labour Union	UNIFOR

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All the regulations below are available at this address: <https://www.tc.gc.ca/eng/acts-regulations/regulations.htm>

- Motor Vehicle Safety Regulations
- Motor Vehicle Restraint Systems and Booster Seats Safety Regulations
- Motor Vehicle Tire Safety Regulations

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www.federalregister.gov/documents/2008/10/21/E8-24755/federal-motor-vehicle-safety-standards-seating-systems-occupant-crash-protection-seat-belt-assembly.

TO: Board of Education **DATE:** September 22, 2020
FROM: Tom Demeo
RE: Federal Safe Return to Class Fund

Purpose

To provide the Board of Education with an update on the Federal Safe Return to Class Fund.

Background

Comox Valley Schools received approximately 3.4 million dollars as part of the Federal Safe Return to Class Fund. This money will be allocated to Districts' in 2 payments; one immediately and the other later this school year. However, the District has been told that it can prepare a spending plan which allocates the whole amount up front.

The funds must be in alignment with our Restart plan, and may be used for:

- Implementation and support of online and learning options
- Hiring additional teachers and support staff
- Mental Health Support for students and staff
- Providing outdoor learning spaces
- Supporting increase health and safety measures
- Health and Safety supplies, including ventilation
- Additional PPE
- Additional Transportation costs

District Response

The District met with its partner groups to discuss and share ideas as well as to ask for any feedback regarding the allocation of funds. Based on these meetings and feedback, the following plan was developed.

Comox Valley Schools Federal Safe Return to Class Fund Spending Plan:

Total Funding **\$3,400,000**

Spending Plan	FTE	\$\$\$
Support Staff		
Custodians	7.00	\$469,000
Custodians – 12 month top up	1.20	\$ 80,400
Youth and Family Program Workers	4.00	\$200,000
Teachers		
Secondary – ILC	3.00	\$294,000
Islands	1.00	\$ 98,000
Connections	10.00	\$980,000
Outreach Counsellor	0.50	\$ 49,000
Counsellors	0.50	\$ 49,000
Health and Safety		\$500,000
Outdoor Learning Spaces		\$300,000
Laptop Carts		\$108,000
Bus Route		\$ 60,000
Mental Health Resources		<u>\$ 50,000</u>
		\$3,237,400
Balance Left		\$162,600

We will be required to report to the Ministry on the spending plan by early November.

Recommendation

It is recommended that the Board of Education receive this briefing note for information.

Respectfully submitted,

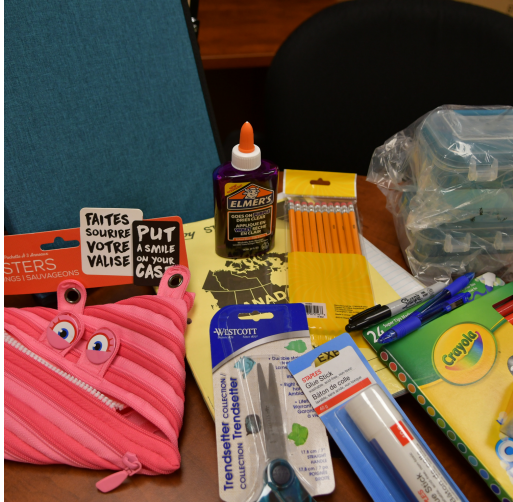
Tom Demeo

Tom Demeo
Superintendent of Schools

BACK



PACKS



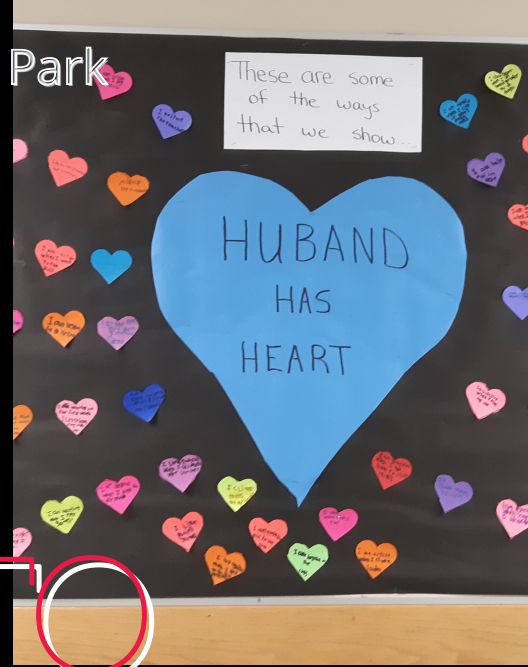
Jiffy Lube and Staples teamed up again to donate 200 packs filled with school supplies for elementary & secondary students. This is the third year the District has received this generous gift from the local business community.



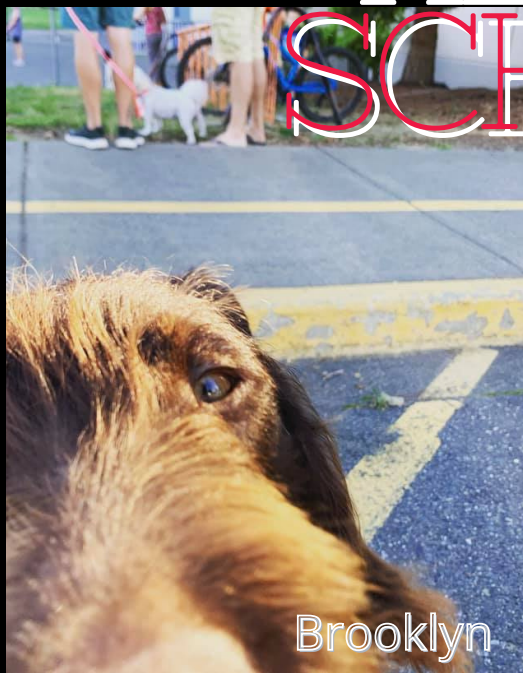
Aspen Park



Huband Park



RETURN TO SCHOOL 2020



Brooklyn



Ecole Puntledge Park



Ecole Robb Road⁴²



Miracle Beach

ROLE OF THE SECRETARY TREASURER/CHIEF FINANCIAL OFFICER

Background

The Secretary-Treasurer is the Chief Financial Officer and member of the Senior Leadership Team. The position leads the business operations and supports the Superintendent in meeting the goals of the strategic plan. The work of business operations will be guided by the District's vision, mission, motto, values and belief statements. The Secretary Treasurer will support the Superintendent in fulfilling the general and specific aspects of the role description for the Superintendent as defined in the School Act and Board policy.

Procedure

The Secretary Treasurer is responsible and accountable to the Superintendent, has statutory responsibilities to the Board and a shared responsibility for sound Board governance. The Secretary Treasurer works closely with a variety of personnel and groups and provides for:

1. Leadership Practices

- 1.1. Provides leadership in the development of the annual operating, special purpose funds and capital budgets within Ministry parameters and in response to Superintendent or Board direction.
- 1.2. Provides leadership in the business and corporate affairs of the District, including the provision of current information and analysis when advising the Board in relevant areas.
- 1.3. Provides advice and input to management and leadership groups and the Superintendent regarding general operating procedures of the District, system wide organizational planning and policy development and recruitment, and selection and reassignment of administrative and management staff.
- 1.4. Works to achieve goals approved by the Superintendent or Board for the finance, payroll, maintenance operations, technology and the District.
- 1.5. Monitors the achievement of the goals established for the finance, payroll, maintenance operations, technology and those related to the duties of this position.
- 1.6. Develops and implements a personal professional development plan for their ongoing professional improvement.
- 1.7. Acts, advocates and liaises, with community and parent organizations, individual parents and citizens, other Districts, government and government agencies and organizations, to effectively administer the business and corporate affairs of the District.

2. Planning and Reporting

- 2.1. Provides advice and input to management and leadership groups and the Superintendent regarding general operating procedures of the District, system wide organizational planning and policy development and recruitment, and selection and

reassignment of administrative and management staff.

- 2.2. Prepares new Board policy drafts and monitors the effectiveness and appropriateness of Board policies related to business and corporate operations.
- 2.3. Establishes, monitors and manages procurement procedures, inventory control mechanisms, financial control and audit systems, and receipt and disbursement of funds.
- 2.4. Designs budget processes which ensures transparency and understanding of financial information and allows for informed stakeholder input.
- 2.5. Working with the Superintendent, prepares a draft budget that accounts for action plans arising from the strategic plan.

3. Corporate Secretary and Treasurer

- 3.1. Performs the duties as the corporate officer of the Board including, but not limited to, administering oaths, affixing the corporate seal, taking and signing affidavits, preparing and circulating minutes of Board meetings, and ensuring that contracts between the Board and second parties conform to legal requirements.
- 3.2. Allocates school operating and capital budgets, monitor school financial procedures and direct and assist school and District administrative and management personnel in financial matters.
- 3.3. Ensures accuracy of recording of Board proceedings at meetings (minutes).
- 3.4. Provides leadership in the development of contracts, agreements, and partnerships with outside agencies/corporations.
- 3.5. Provides for the fiscal management of the District in accordance with the terms and or conditions of any funding received by the District under the School Act or any other applicable legislation.
- 3.6. Produces financial reports in compliance and accordance with all legal, ministerial and Board mandates and timelines.
- 3.7. Provides school sites and district managers with budget information to assist them with the management of their budgets, monitors and takes corrective action with departments that have not achieved the financial objectives.
- 3.8. Ensures the operation of the district is fiscally responsible.
- 3.9. Ensures the district is supported by an appropriate financial system, process and procedures and internal controls.
- 3.10. Acts as chief electoral officer for the election of trustees.
- 3.11. Prepares board orientation materials and provides financial governance professional development.
- 3.12. Ensures appropriate insurance policies are in place for the District.

4. FOIPPA and PIPA Coordinator

- 4.1. Ensures the maintenance, transparency, and access of records in accordance with the Freedom of Information and Protection of Privacy legislation act (FOIPPA) and Personal Information Protection Act (PIPA).

5. Personnel Functions

- 5.1. Recruit, assign and coordinate personnel, services and resources to effectively lead and manage the business affairs of the District.
- 5.2. Works collaboratively in negotiating collective agreements.
- 5.3. Administers collective agreements in accordance with provincial mandates.
- 5.4. Provides for the supervision and evaluation of “direct reports”.

6. Board and System Relations

- 6.1. Establishes and maintains positive professional working relations with the Board and all staff.
- 6.2. Undertakes actions to be viewed positively and garner the support of those with whom they work most directly in carrying out their responsibilities.
- 6.3. Ensures that financial and operational information is provided so the district can be effectively managed.
- 6.4. Contributes to the district culture which facilitates positive results, effectively handles emergencies, and deals with decisions in a team oriented, collaborative and cohesive fashion.
- 6.5. Exhibits a high level of personal, professional and organizational integrity.
- 6.6. Submits Board reports in an accurate and timely manner in preparation for regular Board and Board Committee meetings.

7. Other Duties and Obligations

- 7.1. Performs other duties assigned by the Superintendent after consultation with the incumbent and/or other duties assigned by the Board.

Reference: Sections 22, 23, 24, 65, 67, 69, 85 School Act
School Regulation 265/89

Adopted: June 20, 2017
Revised: June 25, 2019
Revised: August 7, 2020

**AUDIT COMMITTEE
BOARD REPORT**

Date: Tuesday, September 15, 2020
Time: 3:00pm - 4:00pm
Venue: via TEAMS Virtual Meeting

Committee Members:

Tonia Frawley: Chairperson
Sarah Jane Howe: Trustee
Nicole Bittante, Secretary-Treasurer
Candice Hilton, Director of Finance
Jessica MacLean, Public Member

Tom Demeo, Superintendent
Geoff Manning, Assistant Superintendent
Ian Heselgrave, Director of Operations
Debra Oakman, Public Member

Guests:

Lisa Moore, Office of the Auditor General of BC
Mark Vinnish, Office of the Auditor General of BC
Cathie Collins, Manager of Finance

Recording Secretary: Marlene Leach, Senior Executive Assistant

A. WELCOME

The Chair welcomed the Committee and acknowledged the traditional territory of the K’omoks First Nation.

The meeting was called to order at 3:05pm and a round of introductions took place online. Secretary-Treasurer, Nicole Bittante left the meeting at 3:10pm.

B. ITEMS FOR DISCUSSION

1. 2019-20 Financial Statements

Candice Hilton, Director of Finance, provided an overview of the financial statements.

2. Audit Committee Year End Report 2020

The Office of the Auditor General of BC reviewed the “Report on the Financial Statement Audit for the Year Ending June 30, 2020.”

Secretary-Treasurer, Nicole Bittante returned to the meeting at 3:40pm.

C. ITEMS FOR RECOMMENDATION

1. 2019-20 Financial Statements

The Audit Committee recommends:

THAT the Board of Education approve the 2019-20 audited financial statements.

2. Audit Committee Year End Report 2020

The Audit Committee recommends:

THAT the Board of Education receive the Office of the Auditor General's Report on the Financial Statement Audit for the year ending June 30, 2020.

D. ITEMS FOR INFORMATION

1. Auditing Services Request for Proposals (RFP)

Director of Finance, Candice Hilton provided information about the auditing services RFP that is currently posted to BCBid.

E. ADJOURNMENT

The meeting was adjourned at 3:50pm.

Audited Financial Statements of

School District No. 71 (Comox Valley)

And Independent Auditors' Report thereon

June 30, 2020

School District No. 71 (Comox Valley)

June 30, 2020

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School District No. 71 (Comox Valley)

MANAGEMENT REPORT

DRAFT

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 71 (Comox Valley) 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. 71 (Comox Valley) (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, The 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. 71 (Comox Valley) 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. 71 (Comox Valley)

DRAFT

Signature of the Comptroller of Education _____ Date Signed _____
Signature of the Superintendent _____ Date Signed _____

Signature of the Secretary Treasurer

Date Signed

School District No. 71 (Comox Valley)

Statement of Financial Position

As at June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	25,577,556	23,452,942
Accounts Receivable		
Due from Province - Ministry of Education	4,361,035	1,713,756
Other (Note 4)	468,762	555,977
Total Financial Assets	30,407,353	25,722,675
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	12,011,670	9,188,567
Unearned Revenue (Note 6)	1,599,395	2,162,948
Deferred Revenue (Note 7)	1,864,136	1,572,785
Deferred Capital Revenue (Note 8)	110,801,430	102,239,252
Employee Future Benefits (Note 9)	4,063,871	4,126,343
Capital Lease Obligations (Note 10)	-	22,101
Total Liabilities	130,340,502	119,311,996
Net Debt	(99,933,149)	(93,589,321)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	143,021,353	132,997,024
Prepaid Expenses	637,198	697,689
Total Non-Financial Assets	143,658,551	133,694,713
Accumulated Surplus (Deficit) (Note 20)	43,725,402	40,105,392

Contractual Obligations (Note 16)

Approved by the Board

DRAFT

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

School District No. 71 (Comox Valley)

Statement of Operations
Year Ended June 30, 2020

	2020 Budget (Note 18)	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	95,993,796	97,410,333	91,480,990
Tuition	2,770,000	2,828,612	3,092,617
Other Revenue	3,329,860	3,409,754	3,779,100
Rentals and Leases	150,000	126,505	142,491
Investment Income	445,000	351,540	439,984
Amortization of Deferred Capital Revenue	4,103,595	4,148,666	3,770,382
Total Revenue	<u>106,792,251</u>	<u>108,275,410</u>	<u>102,705,564</u>
Expenses (Note 19)			
Instruction	84,657,750	82,996,651	80,648,877
District Administration	3,763,973	3,374,093	3,405,057
Operations and Maintenance	16,327,401	16,398,668	15,304,674
Transportation and Housing	2,051,280	1,885,532	1,994,874
Debt Services	456	456	4,034
Total Expense	<u>106,800,860</u>	<u>104,655,400</u>	<u>101,357,516</u>
Surplus (Deficit) for the year	<u>(8,609)</u>	<u>3,620,010</u>	<u>1,348,048</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		40,105,392	38,757,344
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>43,725,402</u></u>	<u>40,105,392</u>

School District No. 71 (Comox Valley)

Statement of Changes in Net Debt

Year Ended June 30, 2020

	2020 Budget (Note 18) \$	2020 Actual \$	2019 Actual \$
Surplus (Deficit) for the year	(8,609)	3,620,010	1,348,048
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(6,291,646)	(15,760,431)	(17,178,500)
Amortization of Tangible Capital Assets	5,495,196	5,736,102	5,197,646
Write-down carrying value of Tangible Capital Assets			25,484
Total Effect of change in Tangible Capital Assets	<u>(796,450)</u>	<u>(10,024,329)</u>	<u>(11,955,370)</u>
Acquisition of Prepaid Expenses		(637,198)	(697,689)
Use of Prepaid Expenses		697,689	692,989
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>60,491</u>	<u>(4,700)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(805,059)</u>	<u>(6,343,828)</u>	<u>(10,612,022)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(6,343,828)	(10,612,022)
Net Debt, beginning of year		(93,589,321)	(82,977,299)
Net Debt, end of year		<u>(99,933,149)</u>	<u>(93,589,321)</u>

School District No. 71 (Comox Valley)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2020

	2020 Actual	2019 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	3,620,010	1,348,048
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(2,560,064)	46,977
Prepaid Expenses	60,491	(4,700)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,823,103	(1,191,156)
Unearned Revenue	(563,553)	(125,724)
Deferred Revenue	291,351	(331,961)
Employee Future Benefits	(62,472)	125,673
Amortization of Tangible Capital Assets	5,736,102	5,197,646
Amortization of Deferred Capital Revenue	(4,148,666)	(3,770,382)
Total Operating Transactions	<u>5,196,302</u>	<u>1,294,421</u>
Capital Transactions		
Tangible Capital Assets Purchased	(6,446,434)	(14,226,926)
Tangible Capital Assets -WIP Purchased	(9,313,997)	(2,951,574)
Principal Payment on Capital Lease Obligation	(22,101)	(133,436)
Total Capital Transactions	<u>(15,782,532)</u>	<u>(17,311,936)</u>
Financing Transactions		
Capital Revenue Received	12,710,844	13,252,709
Total Financing Transactions	<u>12,710,844</u>	<u>13,252,709</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,124,614</u>	<u>(2,764,806)</u>
Cash and Cash Equivalents, beginning of year	<u>23,452,942</u>	<u>26,217,748</u>
Cash and Cash Equivalents, end of year	<u>25,577,556</u>	<u>23,452,942</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	<u>25,577,556</u>	<u>23,452,942</u>
	<u>25,577,556</u>	<u>23,452,942</u>
Supplementary Cash Flow Information (Note 23)		

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 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. 71 (Comox Valley)", and operates as "School District No. 71 (Comox Valley)." 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. 71 (Comox Valley) is exempt from federal and provincial corporate income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instruction in March 2020 and the 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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 with regards to the accounting for government transfers as set out in Notes 2(e), 2(f) and 2(m).

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

As noted in notes 2(e) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction that the contribution is subject to is met and 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. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

a) Basis of Accounting *(continued)*

The impact of these differences on the financial statements of the School District are as follows:

Year-ended June 30, 2020

- increase in annual surplus by \$99,129,118

As at June 30, 2020:

- increase in accumulated surplus by \$99,129,118
- decrease in deferred revenue by \$131,124
- decrease in deferred capital revenue by \$98,997,994

b) Cash and Cash Equivalents

Cash and cash equivalents include cash in the bank, deposits in the Provincial Ministry of Finance Central Deposit Program, and highly liquid 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.

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods. Revenue will be recognized in that future period when the courses are provided.

e) Deferred 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 (m).

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

f) Deferred Capital Revenue

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the Statement of Operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2 (a) for the impact of this policy on the financial statements.

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

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

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

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

h) Liability for Contaminated Sites

Contamination is 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.

At this time the School District has determined there are no liabilities for contaminated sites.

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

i) Tangible Capital Assets *(continued)*

- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise.

Estimated useful life is as follows:

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incidental 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 executor costs, e.g., insurance, maintenance costs, etc. 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

Payments for insurance, subscriptions, membership and maintenance contracts for use within the School District are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

m) 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 life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

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

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

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

n) 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 and Vice-Principals employed under a Principals and Vice-Principals contract are categorized as Principals and Vice-Principals.
- Superintendent, Secretary-Treasurer, Directors, Managers, 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.

o) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and other liabilities.

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. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

o) Financial Instruments *(continued)*

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

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

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

p) Measurement Uncertainty

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

q) Future Changes in Accounting Policies

PS 3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2021. A liability will be recognized when, as at the financial reporting date:

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

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

q) Future Changes in Accounting Policies *(continued)*

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

A modified retroactive application has been recommended by Government pending approval in the Fall of 2020. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

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

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

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 3 CASH AND CASH EQUIVALENTS

	2020	2019
School Generated Funds	\$ 854,796	\$ 773,392
District Funds	17,725,539	15,923,478
Restricted Funds - Teacher Salary Deferral Program	181,677	110,199
BC Ministry of Finance Central Deposit Program	6,815,544	6,645,873
	\$ 25,577,556	\$ 23,452,942

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2020	2019
Due from Federal Government	\$ 318,133	\$ 220,076
Other	150,629	335,901
	\$ 468,762	\$ 555,977

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2020	2019
Trade payables	\$ 2,595,458	\$ 2,058,246
Salaries and benefits payable	2,333,597	2,268,214
Accrued vacation payable	558,777	452,409
Other	6,523,838	4,409,698
	\$ 12,011,670	\$ 9,188,567

NOTE 6 UNEARNED REVENUE

	2020	2019
Balance, beginning of year	\$ 2,162,948	\$ 2,288,672
Tuition fees received	2,265,059	2,966,893
Tuition fees recognized	(2,828,612)	(3,092,617)
Balance, end of year	\$ 1,599,395	\$ 2,162,948

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

	2020	2019
Balance, beginning of year	\$ 1,572,785	\$ 1,904,746
Grants received:		
Provincial Grants - Ministry of Education	11,121,912	10,635,995
School Generated Funds	2,498,563	2,735,764
Other	144,959	210,032
Subtotal	13,765,434	13,581,791
Revenue recognized:	(13,474,083)	(13,786,313)
Revenue recovered:	-	(127,439)
Subtotal	(13,474,083)	(13,913,752)
Balance, end of year	\$ 1,864,136	\$ 1,572,785

NOTE 8 DEFERRED CAPITAL REVENUE

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

	2020	2019
<u>Deferred capital revenue - subject to amortization</u>		
Balance, beginning of year	\$ 99,154,762	\$ 66,376,895
Provincial Grants - Ministry of Education	2,502,158	10,370,516
Transfer in from deferred revenue - WIP	1,489,740	26,203,217
Write off/down of Buildings and Sites	-	(291,243)
Amortization of deferred capital revenue	(4,148,666)	(3,770,382)
Write off/down of Buildings and Sites	-	265,759
Balance, end of year	\$ 98,997,994	\$ 99,154,762

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 8 **DEFERRED CAPITAL REVENUE (Continued)**

	2020	2019
<u>Deferred capital revenue - work in progress</u>		
Work in progress, beginning of year	\$ 3,084,490	\$ 26,336,133
Transfer in from deferred capital revenue - Unspent	9,313,997	2,951,574
Transfer to deferred capital revenue	(1,489,740)	(26,203,217)
Balance, end of year	\$ 10,908,747	\$ 3,084,490

	2020	2019
<u>Deferred capital revenue - unspent</u>		
Unspent deferred capital revenue, beginning of year	\$ -	\$ 69,381
Provincial Grants - Ministry of Education	11,727,576	13,252,709
Provincial Grants - Other	893,268	-
Other	90,000	-
Transfer to deferred capital revenue - subject to amortization	(2,502,158)	(10,370,516)
Transfer to deferred capital revenue - work in progress	(9,313,997)	(2,951,574)
Balance, end of year	\$ 894,689	\$ -

Total deferred capital revenue balance, end of year	\$ 110,801,430	\$ 102,239,252
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NOTE 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.

	2020	2019
<i>Reconciliation of Accrued Benefit Obligation</i>		
Accrued Benefit Obligation - April 1	\$ 3,416,857	\$ 3,226,938
Service Cost	273,649	280,473
Interest Cost	85,760	91,425
Benefit Payments	(278,119)	(134,889)
Actuarial (Gain) Loss	(193,696)	(47,090)
Accrued Benefit Obligation - March 31	\$ 3,304,451	\$ 3,416,857

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 9 **EMPLOYEE FUTURE BENEFITS (Continued)**

	2020	2019
<i>Reconciliation of Funded Status at End of Fiscal Year</i>		
Accrued Benefit Obligation - March 31	\$ 3,304,451	\$ 3,416,857
Funded Status - Surplus (Deficit)	(3,304,451)	(3,416,857)
Employer Contributions after Measurement Date	40,396	16,965
Benefits Expense After Measurement Date	(90,836)	(89,852)
Unamortized Net Actuarial (Gain) Loss	(708,980)	(636,599)
Accrued Benefit Asset (Liability) - June 30	\$ (4,063,871)	\$ (4,126,343)

<i>Reconciliation of Change in Accrued Benefit Liability</i>		
Accrued Benefit Liability (Asset) - July 1	\$ 4,126,343	\$ 4,000,670
Net Expense for Fiscal Year	239,078	253,134
Employer Contributions	(301,551)	(127,461)
Accrued Benefit Liability (Asset) - June 30	\$ 4,063,871	\$ 4,126,343

<i>Components of Net Benefit Expense</i>		
Service Cost	\$ 276,944	\$ 278,767
Interest Cost	83,449	90,009
Amortization of Net Actuarial (Gain)/Loss	(121,315)	(115,641)
Net Benefit Expense (Income)	\$ 239,078	\$ 253,135

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

	June 30, 2020	June 30, 2019
Discount Rate - April 1	2.50%	2.75%
Discount Rate - March 31	2.25%	2.50%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	8.3 years	8.3

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 10 CAPITAL LEASE OBLIGATIONS

Capital leases for the purchase of computer hardware with MacQuarie Equipment Finance are no longer outstanding as the remaining lease expired on June 30, 2020 and was not renewed.

Total interest expense for the year was \$456 (2019 - \$4,034)

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:	June 30, 2020	June 30, 2019
Sites	\$ 14,151,889	\$ 14,151,889
Buildings	121,720,049	115,075,330
Furniture & Equipment	3,790,052	1,069,398
Vehicles	1,188,225	845,891
Computer Hardware	2,171,138	1,854,516
Total	\$ 143,021,353	\$ 132,997,024

June 30, 2020

Cost:	Balance at July 1, 2019	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2020
Sites	\$ 14,151,889	\$ -	\$ -	\$ -	\$ 14,151,889
Buildings	202,102,151	3,515,868	-	7,696,919	213,314,938
Furniture & Equipment	1,313,527	2,863,521	86,473	127,338	4,217,913
Vehicles	1,231,789	490,014	-	-	1,721,803
Computer Hardware	4,207,097	1,066,771	1,979,475	-	3,294,393
Total	\$ 223,006,453	\$ 7,936,174	\$ 2,065,948	7,824,257	\$ 236,700,936

June 30, 2020

Accumulated Amortization:	Balance at July 1, 2019	Additions	Disposals	Balance at June 30, 2020
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	87,026,821	4,568,068	-	91,594,889
Furniture & Equipment	244,129	270,205	86,473	427,861
Vehicles	385,898	147,680	-	533,578
Computer Hardware	2,352,581	750,149	1,979,475	1,123,255
Total	\$ 90,009,429	\$ 5,736,102	\$ 2,065,948	\$ 93,679,583

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2019

Cost:	Balance at July 1, 2018	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$ 14,151,889	\$ -	\$ -	\$ -	\$ 14,151,889
Buildings	187,327,691	38,383,964	291,243	(23,318,261)	202,102,151
Furniture & Equipment	793,674	519,853	-	-	1,313,527
Vehicles	860,846	370,943	-	-	1,231,789
Computer Hardware	5,018,698	1,222,001	2,033,602	-	4,207,097
Total	\$ 208,152,798	\$ 40,496,761	\$ 2,324,845	\$ (23,318,261)	\$ 223,006,453

June 30, 2019

Accumulated Amortization:	Balance at July 1, 2018	Additions	Disposals	Balance at June 30, 2019
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	83,227,506	4,065,074	265,759	87,026,821
Furniture & Equipment	138,769	105,360	-	244,129
Vehicles	281,266	104,632	-	385,898
Computer Hardware	3,463,603	922,580	2,033,602	2,352,581
Total	\$ 87,111,144	\$ 5,197,646	\$ 2,299,361	\$ 90,009,429

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

During the 2016-17 school year land legally described as Lot 2, Plan VIP81287 was exchanged with the Corporation of the City of Courtenay and concurrently sold to the Comox Valley Regional District. Proceeds were recorded as \$600,000 cash and \$265,000 prepaid rent, resulting in a gain on disposal. The prepaid rent will not be utilized until the sale of a second parcel of land to the Comox Valley Regional District completes which is expected to occur by June 30, 2021. Upon completion of this sale, the District will receive proceeds of \$700,000, of which \$600,000 will be recorded as cash, and \$100,000 as prepaid rent.

NOTE 13 WRITE-OFF OF BUILDING

On August 26, 2018 Hornby Island Community School was substantially damaged by fire leaving the school inoperable and unsafe to carry out classroom instruction. As a result of this event, approximately one-third of the school was demolished. The portion of the school that was demolished was built in 1983 and was not fully amortized. One-third of the original cost of the school was written off (\$291,243), resulting in recognition of unamortized deferred capital revenue in the amount of \$25,484.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 14 **EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusted 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 has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has 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 funding surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

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

The School District paid \$6,992,962 for employer contributions to the plans for the year ended June 30, 2020 (2019: \$7,108,906).

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). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 15 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 16 CONTRACTUAL OBLIGATIONS

The School District has entered into multiple-year contracts for the construction of tangible capital assets, specifically the structural seismic mitigation to Lake Trail Middle School. This contractual obligation will become a liability in the future when the terms of the contracts are met. The Lake Trail Middle School capital project funding agreement estimates the maximum potential project funding to be \$25,672,195. As of June 30, 2020, \$9,905,706 has been spent and recorded as work in progress with an expected project completion date of August 31, 2021.

On May 23, 2017 the School District entered into a multiple-year contract for transportation services. This contract commenced September 1, 2017 for a minimum duration of five years. Assuming that factors relating directly to pricing remain consistent with the 2019-20 school year, contractual costs can be estimated and incrementally increased by at least 2.5% annually based on the contract terms.

	2021		2022
Transportation Contract	\$ 1,949,687	\$	1,998,429

NOTE 17 CONTINGENCIES

The School District, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material or adverse effect on the School District's financial position.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 18 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 25, 2020.

	AMENDED			
	Annual Budget	Annual Budget	Change	
Revenues				
Provincial Grants				
Ministry of Education	\$ 95,993,796	\$ 92,046,564	\$ (3,947,232)	
Tuition	2,770,000	4,670,000	1,900,000	
Other Revenue	3,329,860	3,212,083	(117,777)	
Rentals and Leases	150,000	150,000	-	
Investment Income	445,000	420,000	(25,000)	
Amortization of Deferred Capital Revenue	4,103,595	4,078,441	(25,154)	
Total Revenue	\$ 106,792,251	\$ 104,577,088	\$ (2,215,163)	
Expenses				
Instruction	\$ 84,657,750	\$ 82,736,394	\$ (1,921,356)	
District Administration	3,763,973	3,768,950	4,977	
Operations and Maintenance	16,327,401	15,778,167	(549,234)	
Transportation and Housing	2,051,280	1,948,739	(102,541)	
Debt Services	456	456	-	
Total Expense	\$ 106,800,860	\$ 104,232,706	\$ (2,568,154)	
Net Revenue (Expense)	\$ (8,609)	344,382	352,991	
Budgeted Allocation of Surplus	3,641,924	-	(3,641,924)	
Budgeted Surplus (Deficit) for the year	\$ 3,633,315	\$ 344,382	\$ (3,288,933)	

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 19 EXPENSE BY OBJECT

	2020	2019
Salaries and benefits	\$ 84,407,735	\$ 80,029,272
Services and supplies	14,511,563	16,130,598
Amortization	5,736,102	5,197,646
	\$ 104,655,400	\$ 101,357,516

NOTE 20 ACCUMULATED SURPLUS

The School District has established a number of funds to demonstrate compliance with legislation and to reflect the School District’s intentions to undertake certain future activities.

The Operating Fund accounts for the School District’s operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund carried forward from previous years.

The Capital Fund accounts for the School District’s investment in its existing capital infrastructure, including the existing buildings, furniture, vehicles, computers and equipment. It also reflects intentions to make future capital asset purchases.

The Special Purpose Funds account for grants and contributions received which are directed by agreement with a third party towards specific activities.

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2020, were as follows:

- \$ 1,637,926 was transferred from the operating fund to the capital fund for the purchase of capital assets;
- \$ 4,700,372 was transferred from the operating fund to local capital.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 20 **ACCUMULATED SURPLUS (Continued)**

	2020	2019
Operating Fund		
Internally restricted (appropriated):		
Net School Surpluses	\$ 310,430	\$ 145,025
Mental Health Grant	11,411	24,890
LEA Capacity Building Grant	6,850	6,850
Aboriginal Education	165,333	-
Purchase Order Commitments	342,378	-
District/Program Initiatives	1,197,918	19,789
Modulars/Furniture	300,000	250,000
Board Operating Reserve	1,746,210	1,688,654
Subtotal (internally restricted)	\$ 4,080,530	\$ 2,135,208
Unrestricted operating surplus	-	3,195,372
Total available for future operations	\$ 4,080,530	\$ 5,330,580
 Capital Fund		
Invested in tangible capital assets	\$ 33,032,630	\$ 30,735,674
Local Capital	6,530,257	4,039,138
	\$ 39,562,887	\$ 34,774,812
Total Accumulated Surplus	\$ 43,643,417	\$ 40,105,392

The local capital surplus has been internally restricted by the Board for:

Information Technology Reserve	\$ 595,348
Lake Trail Seismic Project - Board Contribution	1,000,000
Contingency Reserve	685,669
Board Office - Prepaid Rent and Updates	1,630,598
Youth Trades Tools/Equipment Replacement	47,506
Equipment Initiatives - 21st Century Learning	19,138
Furniture and Equipment	94,242
Fine Arts Equipment	30,862
Accessibility	29,441
Fleet	54,622
Facility Reserve	1,300,000
Laptop Carts	44,817
Classroom Renovations - Miracle Beach	50,000
Classroom Renovations - Cumberland	150,000
Modulars - Cumberland	246,048
Modulars - Royston	451,966
Washrooms - Royston	100,000
	\$ 6,530,257

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 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.

NOTE 22 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in the Central Deposit Program with the Province and in recognized British Columbia institutions.

b) Market risk

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in the Central Deposit Program with the Province and in recognized British Columbia institutions.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 22 **RISK MANAGEMENT (Continued)**

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due. The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2019 related to credit, market or liquidity risks.

NOTE 23 **SUPPLEMENTARY CASH FLOW INFORMATION**

Interest collected and paid during the year was as follows:

		2020		2019
Interest collected	\$	351,540	\$	439,984
Interest paid		456		4,034

School District No. 71 (Comox Valley)

Schedule 1 (Unaudited)

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
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	5,330,580		34,774,812	40,105,392	38,757,344
Changes for the year					
Surplus (Deficit) for the year	5,088,248		(1,468,238)	3,620,010	1,348,048
Interfund Transfers					
Tangible Capital Assets Purchased	(1,637,926)		1,637,926	-	
Local Capital	(4,700,372)		4,700,372	-	
Net Changes for the year	(1,250,050)	-	4,870,060	3,620,010	1,348,048
Accumulated Surplus (Deficit), end of year - Statement 2	4,080,530	-	39,644,872	43,725,402	40,105,392

School District No. 71 (Comox Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2020

	2020 Budget (Note 18) \$	2020 Actual \$	2019 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	84,891,868	86,434,556	80,690,831
Tuition	2,770,000	2,828,612	3,092,617
Other Revenue	559,083	925,540	800,702
Rentals and Leases	150,000	126,505	142,491
Investment Income	375,000	217,794	329,939
Total Revenue	88,745,951	90,533,007	85,056,580
Expenses			
Instruction	71,135,473	69,872,996	67,212,992
District Administration	3,763,973	3,374,093	3,405,057
Operations and Maintenance	10,481,777	10,312,138	9,756,600
Transportation and Housing	2,051,280	1,885,532	1,994,874
Total Expense	87,432,503	85,444,759	82,369,523
Operating Surplus (Deficit) for the year	1,313,448	5,088,248	2,687,057
Budgeted Appropriation (Retirement) of Surplus (Deficit)	3,641,924		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(255,000)	(1,637,926)	(1,804,241)
Local Capital	(4,700,372)	(4,700,372)	(1,560,000)
Total Net Transfers	(4,955,372)	(6,338,298)	(3,364,241)
Total Operating Surplus (Deficit), for the year	-	(1,250,050)	(677,184)
Operating Surplus (Deficit), beginning of year		5,330,580	6,007,764
Operating Surplus (Deficit), end of year		4,080,530	5,330,580
Operating Surplus (Deficit), end of year			
Internally Restricted		4,080,530	2,135,208
Unrestricted		-	3,195,372
Total Operating Surplus (Deficit), end of year		4,080,530	5,330,580

School District No. 71 (Comox Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2020

	2020 Budget (Note 18)	2020 Actual	2019 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	82,876,217	83,472,347	79,370,609
ISC/LEA Recovery	(129,083)	(146,001)	(129,083)
Other Ministry of Education Grants			
Pay Equity	451,831	451,831	451,831
Funding for Graduated Adults	112,762	167,068	112,118
Transportation Supplement	421,375	421,375	421,375
Economic Stability Dividend			94,877
Carbon Tax Grant	60,000	59,287	59,287
Employer Health Tax Grant	611,726	611,726	185,891
Strategic Priorities - Mental Health Grant			33,000
Support Staff Benefits Grant	77,661	77,661	63,112
BCTEA - LEA Capacity Building Grant			6,850
Support Staff Wage Increase Funding	357,738	357,738	
Teachers' Labour Settlement Funding		912,883	
FSA Exam Marking	18,964	15,964	18,964
Other Ministry of Education Grants		-	2,000
Early Learning Grant	32,677	32,677	-
Total Provincial Grants - Ministry of Education	84,891,868	86,434,556	80,690,831
Tuition			
International and Out of Province Students	2,770,000	2,828,612	3,092,617
Total Tuition	2,770,000	2,828,612	3,092,617
Other Revenues			
Funding from First Nations	129,083	146,001	129,083
Miscellaneous			
Instructional Cafeteria	120,000	95,991	136,784
Other Miscellaneous	310,000	683,548	534,835
Total Other Revenue	559,083	925,540	800,702
Rentals and Leases	150,000	126,505	142,491
Investment Income	375,000	217,794	329,939
Total Operating Revenue	88,745,951	90,533,007	85,056,580

School District No. 71 (Comox Valley)

Schedule 2B (Unaudited)

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

	2020 Budget (Note 18)	2020 Actual	2019 Actual
	\$	\$	\$
Salaries			
Teachers	34,855,588	35,945,125	33,559,087
Principals and Vice Principals	5,113,767	4,994,211	4,878,982
Educational Assistants	5,665,398	5,605,122	5,049,291
Support Staff	8,239,656	8,050,315	7,205,327
Other Professionals	2,877,843	2,953,909	2,686,669
Substitutes	2,575,177	2,066,415	2,934,699
Total Salaries	59,327,429	59,615,097	56,314,055
Employee Benefits	14,472,584	14,309,070	13,498,095
Total Salaries and Benefits	73,800,013	73,924,167	69,812,150
Services and Supplies			
Services	2,792,207	2,273,147	2,511,957
Student Transportation	2,035,255	1,870,141	1,980,241
Professional Development and Travel	717,500	488,838	711,875
Dues and Fees	72,900	68,728	58,649
Insurance	202,300	189,321	179,027
Supplies	5,881,328	4,918,763	5,339,108
Utilities	1,931,000	1,711,654	1,776,516
Total Services and Supplies	13,632,490	11,520,592	12,557,373
Total Operating Expense	87,432,503	85,444,759	82,369,523

School District No. 71 (Comox Valley)

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
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	28,348,766	599,729	-	41,707	-	1,268,554	30,258,756
1.03 Career Programs	513,658	-	158,051	-	-	10,847	682,556
1.07 Library Services	241,872	-	-	703,465	-	36,603	981,940
1.08 Counselling	1,542,775	-	-	-	-	3,898	1,546,673
1.10 Special Education	4,046,515	124,715	4,702,504	76,672	178,574	237,944	9,366,924
1.30 English Language Learning	156,030	-	-	-	-	415	156,445
1.31 Indigenous Education	253,519	132,504	711,959	131,577	53,615	9,821	1,292,995
1.41 School Administration	-	3,905,171	-	1,747,428	-	215,759	5,868,358
1.62 International and Out of Province Students	841,990	232,092	-	134,915	208,707	30,967	1,448,671
1.64 Other	-	-	32,608	82,589	-	2,198	117,395
Total Function 1	35,945,125	4,994,211	5,605,122	2,918,353	440,896	1,817,006	51,720,713
4 District Administration							
4.11 Educational Administration	-	-	-	-	876,120	-	876,120
4.40 School District Governance	-	-	-	-	181,433	-	181,433
4.41 Business Administration	-	-	-	368,875	916,437	-	1,285,312
Total Function 4	-	-	-	368,875	1,973,990	-	2,342,865
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	-	525,978	-	525,978
5.50 Maintenance Operations	-	-	-	4,295,684	-	249,409	4,545,093
5.52 Maintenance of Grounds	-	-	-	467,403	-	-	467,403
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	4,763,087	525,978	249,409	5,538,474
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	-	13,045	-	13,045
7.70 Student Transportation	-	-	-	-	-	-	-
Total Function 7	-	-	-	-	13,045	-	13,045
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	35,945,125	4,994,211	5,605,122	8,050,315	2,953,909	2,066,415	59,615,097

School District No. 71 (Comox Valley)

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 (Note 18)	2019 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	30,258,756	7,746,565	38,005,321	3,198,257	41,203,578	42,835,321	40,756,388
1.03 Career Programs	682,556	150,754	833,310	257,447	1,090,757	1,168,676	1,030,355
1.07 Library Services	981,940	226,629	1,208,569	313,594	1,522,163	1,557,015	1,363,457
1.08 Counselling	1,546,673	365,732	1,912,405	211	1,912,616	1,730,314	1,882,003
1.10 Special Education	9,366,924	2,224,447	11,591,371	114,516	11,705,887	11,579,734	10,786,226
1.30 English Language Learning	156,445	38,195	194,640	877	195,517	172,990	175,852
1.31 Indigenous Education	1,292,995	285,572	1,578,567	238,249	1,816,816	1,982,149	1,798,863
1.41 School Administration	5,868,358	1,283,147	7,151,505	662,807	7,814,312	7,332,618	6,889,989
1.62 International and Out of Province Students	1,448,671	336,837	1,785,508	514,430	2,299,938	2,420,070	2,124,051
1.64 Other	117,395	29,308	146,703	164,709	311,412	356,586	405,808
Total Function 1	51,720,713	12,687,186	64,407,899	5,465,097	69,872,996	71,135,473	67,212,992
4 District Administration							
4.11 Educational Administration	876,120	136,217	1,012,337	43,030	1,055,367	1,050,848	1,103,725
4.40 School District Governance	181,433	22,232	203,665	66,468	270,133	353,582	378,940
4.41 Business Administration	1,285,312	267,451	1,552,763	495,830	2,048,593	2,359,543	1,922,392
Total Function 4	2,342,865	425,900	2,768,765	605,328	3,374,093	3,763,973	3,405,057
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	525,978	104,935	630,913	338,963	969,876	1,019,674	857,223
5.50 Maintenance Operations	4,545,093	999,421	5,544,514	1,327,122	6,871,636	6,780,721	6,581,463
5.52 Maintenance of Grounds	467,403	89,283	556,686	202,286	758,972	750,382	541,398
5.56 Utilities	-	-	-	1,711,654	1,711,654	1,931,000	1,776,516
Total Function 5	5,538,474	1,193,639	6,732,113	3,580,025	10,312,138	10,481,777	9,756,600
7 Transportation and Housing							
7.41 Transportation and Housing Administration	13,045	2,345	15,390	5,687	21,077	23,025	20,268
7.70 Student Transportation	-	-	-	1,864,455	1,864,455	2,028,255	1,974,606
Total Function 7	13,045	2,345	15,390	1,870,142	1,885,532	2,051,280	1,994,874
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	59,615,097	14,309,070	73,924,167	11,520,592	85,444,759	87,432,503	82,369,523

School District No. 71 (Comox Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2020

	2020 Budget (Note 18)	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	11,101,928	10,975,777	10,790,159
Other Revenue	2,770,777	2,484,214	2,978,398
Investment Income	-	14,092	17,756
Total Revenue	13,872,705	13,474,083	13,786,313
Expenses			
Instruction	13,522,277	13,123,655	13,435,885
Operations and Maintenance	350,428	350,428	350,428
Total Expense	13,872,705	13,474,083	13,786,313
Special Purpose Surplus (Deficit) for the year	-	-	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 71 (Comox Valley)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			776,069	700,947					
Add: Restricted Grants									
Provincial Grants - Ministry of Education	350,428	302,555			160,790	39,686	195,944	604,563	1,650,966
Other			34,751	2,498,563					
Investment Income			13,872						
	350,428	302,555	48,623	2,498,563	160,790	39,686	195,944	604,563	1,650,966
Less: Allocated to Revenue	350,428	302,555	65,807	2,361,156	160,790	39,686	185,411	604,563	1,556,130
Deferred Revenue, end of year	-	-	758,885	838,354	-	-	10,533	-	94,836
Revenues									
Provincial Grants - Ministry of Education	350,428	302,555			160,790	39,686	185,411	604,563	1,556,130
Other Revenue			51,935	2,361,156					
Investment Income			13,872						
	350,428	302,555	65,807	2,361,156	160,790	39,686	185,411	604,563	1,556,130
Expenses									
Salaries									
Teachers							22,860		
Principals and Vice Principals							22,416		274,319
Educational Assistants		241,642						297,990	652,305
Support Staff	268,898				120,187	29,962	132	2,402	142,183
Substitutes		7,062			69		4,086	976	175,208
	268,898	248,704	-	-	120,256	29,962	49,494	301,368	1,244,015
Employee Benefits	59,158	53,851			29,009	6,833	11,542	74,480	299,115
Services and Supplies	22,372		65,807	2,361,156	11,525	2,891	124,375	228,715	13,000
	350,428	302,555	65,807	2,361,156	160,790	39,686	185,411	604,563	1,556,130
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 71 (Comox Valley)

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

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Professional Development	CVCF Student Travel	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year						95,769		1,572,785
Add: Restricted Grants								
Provincial Grants - Ministry of Education	7,673,037	103,177	1,904	28,500	10,362			11,121,912
Other						70,339	25,777	2,629,430
Investment Income							220	14,092
	7,673,037	103,177	1,904	28,500	10,362	70,339	25,997	13,765,434
Less: Allocated to Revenue	7,673,037	103,177	-	-	-	60,869	10,474	13,474,083
Deferred Revenue, end of year	-	-	1,904	28,500	10,362	105,239	15,523	1,864,136
Revenues								
Provincial Grants - Ministry of Education	7,673,037	103,177						10,975,777
Other Revenue						60,869	10,254	2,484,214
Investment Income							220	14,092
	7,673,037	103,177	-	-	-	60,869	10,474	13,474,083
Expenses								
Salaries								
Teachers	5,850,029							5,872,889
Principals and Vice Principals								296,735
Educational Assistants								1,191,937
Support Staff								563,764
Substitutes	300,529	11,239						499,169
	6,150,558	11,239	-	-	-	-	-	8,424,494
Employee Benefits	1,522,479	2,607						2,059,074
Services and Supplies		89,331				60,869	10,474	2,990,515
	7,673,037	103,177	-	-	-	60,869	10,474	13,474,083
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 71 (Comox Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2020

	2020 Budget (Note 18)	2020 Actual			2019 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	70,000		119,654	119,654	92,289
Amortization of Deferred Capital Revenue	4,103,595	4,148,666		4,148,666	3,770,382
Total Revenue	4,173,595	4,148,666	119,654	4,268,320	3,862,671
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,495,196	5,736,102		5,736,102	5,197,646
Debt Services					
Capital Lease Interest	456		456	456	4,034
Total Expense	5,495,652	5,736,102	456	5,736,558	5,201,680
Capital Surplus (Deficit) for the year	(1,322,057)	(1,587,436)	119,198	(1,468,238)	(1,339,009)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	255,000	1,637,926		1,637,926	1,804,241
Local Capital	4,700,372		4,700,372	4,700,372	1,560,000
Total Net Transfers	4,955,372	1,637,926	4,700,372	6,338,298	3,364,241
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,306,350	(2,306,350)	-	
Principal Payment					
Capital Lease		22,101	(22,101)	-	
Total Other Adjustments to Fund Balances		2,328,451	(2,328,451)	-	
Total Capital Surplus (Deficit) for the year	3,633,315	2,378,941	2,491,119	4,870,060	2,025,232
Capital Surplus (Deficit), beginning of year		30,735,674	4,039,138	34,774,812	32,749,580
Capital Surplus (Deficit), end of year		33,114,615	6,530,257	39,644,872	34,774,812

School District No. 71 (Comox Valley)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2020

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	14,151,889	199,017,661	1,313,527	1,231,789	-	4,207,097	219,921,963
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,128,676	1,373,482				2,502,158
Operating Fund		223,154	992,043	223,444		199,285	1,637,926
Local Capital		674,298	497,996	266,570		867,486	2,306,350
Transferred from Work in Progress		1,489,740					1,489,740
	-	3,515,868	2,863,521	490,014	-	1,066,771	7,936,174
Decrease:							
Deemed Disposals			86,473			1,979,475	2,065,948
	-	-	86,473	-	-	1,979,475	2,065,948
Cost, end of year	14,151,889	202,533,529	4,090,575	1,721,803	-	3,294,393	225,792,189
Work in Progress, end of year		10,781,409	127,338				10,908,747
Cost and Work in Progress, end of year	14,151,889	213,314,938	4,217,913	1,721,803	-	3,294,393	236,700,936
Accumulated Amortization, beginning of year		87,026,821	244,129	385,898	-	2,352,581	90,009,429
Changes for the Year							
Increase: Amortization for the Year		4,568,068	270,205	147,680		750,149	5,736,102
Decrease:							
Deemed Disposals			86,473			1,979,475	2,065,948
		-	86,473	-	-	1,979,475	2,065,948
Accumulated Amortization, end of year		91,594,889	427,861	533,578	-	1,123,255	93,679,583
Tangible Capital Assets - Net	14,151,889	121,720,049	3,790,052	1,188,225	-	2,171,138	143,021,353

School District No. 71 (Comox Valley)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2020

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	3,084,490				3,084,490
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	9,098,080	127,338			9,225,418
Deferred Capital Revenue - Other	88,579				88,579
	<u>9,186,659</u>	<u>127,338</u>	<u>-</u>	<u>-</u>	<u>9,313,997</u>
Decrease:					
Transferred to Tangible Capital Assets	1,489,740				1,489,740
	<u>1,489,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,489,740</u>
Net Changes for the Year	<u>7,696,919</u>	<u>127,338</u>	<u>-</u>	<u>-</u>	<u>7,824,257</u>
Work in Progress, end of year	<u>10,781,409</u>	<u>127,338</u>	<u>-</u>	<u>-</u>	<u>10,908,747</u>

School District No. 71 (Comox Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2020

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 95,013,113	\$ 4,141,649	\$	\$ 99,154,762
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,502,158			2,502,158
Transferred from Work in Progress	1,489,740			1,489,740
	<u>3,991,898</u>	-	-	<u>3,991,898</u>
Decrease:				
Amortization of Deferred Capital Revenue	4,012,198	136,468		4,148,666
	<u>4,012,198</u>	<u>136,468</u>	-	<u>4,148,666</u>
Net Changes for the Year	<u>(20,300)</u>	<u>(136,468)</u>	-	<u>(156,768)</u>
Deferred Capital Revenue, end of year	<u>94,992,813</u>	<u>4,005,181</u>	-	<u>98,997,994</u>
Work in Progress, beginning of year	3,084,490			3,084,490
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	9,225,418	88,579		9,313,997
	<u>9,225,418</u>	<u>88,579</u>	-	<u>9,313,997</u>
Decrease				
Transferred to Deferred Capital Revenue	1,489,740			1,489,740
	<u>1,489,740</u>	-	-	<u>1,489,740</u>
Net Changes for the Year	<u>7,735,678</u>	<u>88,579</u>	-	<u>7,824,257</u>
Work in Progress, end of year	<u>10,820,168</u>	<u>88,579</u>	-	<u>10,908,747</u>
Total Deferred Capital Revenue, end of year	<u>105,812,981</u>	<u>4,093,760</u>	-	<u>109,906,741</u>

School District No. 71 (Comox Valley)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2020

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-					-
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	11,727,576					11,727,576
Provincial Grants - Other			893,268			893,268
Other					90,000	90,000
	11,727,576	-	893,268	-	90,000	12,710,844
Decrease:						
Transferred to DCR - Capital Additions	2,502,158					2,502,158
Transferred to DCR - Work in Progress	9,225,418		88,579			9,313,997
	11,727,576	-	88,579	-	-	11,816,155
Net Changes for the Year	-	-	804,689	-	90,000	894,689
Balance, end of year	-	-	804,689	-	90,000	894,689

Financial Statement Discussion and Analysis

For the Year Ended June 30, 2020



Comox Valley Schools

A Community of Learners

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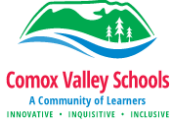
School District No.71 (Comox Valley)

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Prepared by the Secretary-Treasurer for
School District No. 71 (Comox Valley)



School District No. 71 (Comox Valley)

Financial Statement Discussion & Analysis

Year Ended June 30, 2020

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Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2020. The report is a summary of the School District's financial activities based on current known facts, decisions, or conditions. The results of the current year are discussions in comparison with the prior year, with an emphasis placed on the current year. The financial statements illustrate, in financial terms, how resources have been allocated and consumed during the School District's fiscal year ended June 30. This report should be read in conjunction with the School District's financial statements for the same period.

About BC School District Financial Statements

BC School District financial statements are prepared in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of BC which requires that financial statements are prepared in accordance with Canadian public sector accounting standards with some exceptions as explained in Note 2 to the Financial Statements. Public sector accounting emphasizes accountability, not profitability. School District Financial Statements have a prescribed common format and they are consolidated into the Provincial Financial Statements.

Further, Financial Statements of BC School Districts are reported as a consolidation of three separate funds: Operating, Special Purpose and Capital. In the financial statements, these three separated funds are reported collectively in statements 1 through 5 and separately in schedules 2 (Operating Fund), 3 (Special Purpose Funds) and 4 (Capital Fund). To gain a full understanding of statements 1 through 5, it is important to also review each of the funds separately.

Composition of the Financial Statements

The two key statements are:

- A **Statement of Financial Position** (page 6), which summarizes the assets and liabilities at June 30th. This provides an indication of the financial health of the District.
- A **Statement of Operations** (page 7), which summarizes the revenues received and expenses incurred during the twelve months between July 1 and June 30. This provides an indication of the funding received by the District and how the funding was spent.

The Statement of Changes in Net Debt, the Statement of Cash Flows and the notes to the financial statements provide further analysis of the District's finances.

The District manages its financial activities in three distinct areas, being the

- Operating fund;
- Special purpose funds; and the
- Capital fund.

The schedules at the end of the notes to the financial statements are in a format prescribed by the Ministry of Education. These schedules provide more detail specific to each of these funds. The balances in these schedules are consistent, when combined, with the financial statements.

Schedule 1 (page 32) illustrates the sum of the funds.

Schedule 2 (page 33) provides detail on the **Operating Fund**.

The Operating Fund accounts for the District's operating grants and other operating revenues. Legislation requires that the District present a balanced budget for the Operating Fund, whereby budgeted expenditures do not exceed the total of the budgeted revenues and any surplus in the operating fund carried forward from previous years.

Schedule 3 (page 38) provides detail on the **Special Purpose Funds**.

The Special Purpose Funds account for grants and contributions that are directed by agreement with a third party towards specific activities. As these are targeted grants, any unspent funding is typically accounted for as deferred revenue, not as accumulated surplus.

Schedule 4 (page 41) provides detail on the **Capital Fund**.

The capital fund accounts for:

- The capital assets of the District, including sites, buildings, furniture & equipment, vehicles, computer software and computer hardware.
- Grants directed by agreement with a third party for the purchase of capital assets.
- Funds restricted by the Board for future capital asset purchases (local capital).

STATEMENT OF FINANCIAL POSITION (All funds)

Statement 1– page 6.

This statement summarizes the assets and liabilities at June 30, 2020. This provides an indication of the financial health of the school district.

	2019-20	2018-19	\$ Change	% Change
Financial Assets	\$ 30,407,353	\$ 25,722,675	\$ 4,684,678	18%
Non Financial Assets	143,658,551	133,694,713	9,963,838	7%
Total Assets	174,065,904	159,417,388	14,648,516	9%
Liabilities	130,340,502	119,311,996	11,028,506	9%
Accumulated Surplus	\$ 43,725,402	\$ 40,105,392	\$ 3,620,010	9%

Financial Assets

Financial assets are assets that can be used to discharge liabilities and provide working capital funds in the normal course of operations.

The increase in financial assets of \$4.68 million from 2018-19 resulted from changes in the following accounts:

Cash and Cash Equivalents

At June 30, 2020, the District held \$25.58 million in cash. Of this amount, \$6.82 million has been deposited in the Province's Central Deposit Program, and District funds of \$17.73 million are made up of the local capital surplus, operating surplus, deferred revenue, and the teacher summer savings plan funds.

Cash and Cash Equivalents	June 30, 2020	June 30, 2019
School Generated Funds	\$ 854,796	\$ 773,392
District Funds	17,725,539	15,923,478
Restricted Funds - Teacher Salary Deferral Program	181,677	110,199
BC Ministry of Finance Central Deposit Program	6,815,544	6,645,873
Total Cash and Cash Equivalents	\$ 25,577,556	\$ 23,452,942

Accounts Receivable

Accounts receivable at June 30, 2020 include a \$4.36 million receivable from the Province – Ministry of Education for the Lake Trail Middle School seismic upgrade and the Hornby Island School replacement, as well as \$0.13 million in receivables from the Province for other capital projects. Other miscellaneous funds owing to the District include GST receivable and other trade receivables.

Accounts Receivable	June 30, 2020	June 30, 2019
Due from Province	\$ 4,361,035	\$ 1,713,756
Other	468,762	555,977
Total Accounts Receivable	\$ 4,829,797	\$ 2,269,733

Non-Financial Assets

Non-financial assets are tangible assets that are used in the operations of the District and are not readily converted to cash.

Tangible Capital Assets

Tangible capital assets include land, buildings, equipment, vehicles and computer hardware that are used in the operations of the District. These assets are amortized over their estimated useful lives to arrive at a net value of \$143.02 million as at June 30, 2020. The increase of \$10.02 million over the prior year is comprised of new assets purchased totalling \$15.76 million less amortization of \$5.74 million.

Capital activity during the year included the seismic work on Lake Trail Middle School, boiler replacements at Highland Secondary, Mark Isfeld Secondary, Queneesh Elementary, and Puntledge Park Elementary, a mechanical upgrade at Cumberland Community School, the installation of modular buildings at Royston Elementary and Miracle Beach Elementary, the creation of additional classrooms at Cumberland Community School, Huband Elementary and Courtenay Elementary, and the purchase of vehicles, laptops, computers and technology.

Prepaid Expenses

Prepaid expenses represent insurance, licenses, and materials that are for the following year and total \$0.38 million at June 30, 2020. There is an additional \$0.26 million in prepaid rent that is associated with the sale of land adjacent to the School Board office to the Comox Valley Regional District. The sale took place in 2016-17 and the prepaid rent will not be utilized the sale of a second parcel of land to the Comox Valley Regional District completes in 2021.

Financial Liabilities

Financial liabilities are obligations of the District to others arising from prior transactions, the settlement of which will require the use of current and future financial assets.

The increase in liabilities of \$11.03 million from 2018-19 resulted from changes in the following accounts:

Accounts Payable and Accrued Liabilities

The District's accounts payable and accrued liabilities represent expenses which have been incurred but not yet paid. The increase of \$2.82 million from 2018-19 is mainly because of a \$1.5 million construction invoice that was accrued at June 30th. As well, there was an increase in holdbacks relating to capital projects of \$0.73 million.

Accounts Payable and Accrued Liabilities	June 30, 2020	June 30, 2019
Trade and other amounts payable	\$ 2,595,458	\$ 2,058,246
Salaries and benefits payable	2,333,597	2,268,214
Accrued vacation payable	558,777	452,409
Accrued wages and benefits	290,993	318,344
Summer savings plan	3,008,664	2,627,209
Deferred salary leave	181,677	110,199
Deferred homestay revenues	950,100	1,151,625
Other accrued liabilities	2,092,404	202,321
Total Accounts Payable and Accrued Liabilities	\$ 12,011,670	\$ 9,188,567

Unearned Revenue

The District receives payment of tuition fees for international students in advance of the student commencing their studies in the District. These fees are recognized as earned revenue when the program is provided to the student. The unearned revenue of \$1.6 million represents international student fees received prior to June 30, 2020 for tuition in the 2020-21 school year.

Deferred Revenue

Deferred revenue represents the unspent portion of grants which are targeted for a specific purpose.

Deferred Revenue	June 30, 2020	June 30, 2019
School generated funds - amounts raised by schools for specific projects, such as class trips, school fees and other fundraising	\$ 838,354	\$ 700,947
Scholarships and bursaries - balances administered by the District and amounts awarded but not yet claimed	758,885	776,069
Professional development - contractual funds set aside for support staff, principals/vice-principals and exempt staff	105,239	95,769
Other unspent targeted funds	161,658	-
Total Deferred Revenue	\$ 1,864,136	\$ 1,572,785

The increase in the current year is due to the fact that there are surpluses in a number of targeted funds this year due to COVID-19.

Deferred Capital Revenue and Tangible Capital Assets

The deferred capital revenue balance is closely linked to the tangible capital asset balance. Tangible capital assets are items owned by the District which have a lifespan of more than one year. This includes school buildings, sites, furniture, and most computer equipment.

The majority of the District's capital expenditure, such as the construction of new schools, is funded through specific grants provided by the Ministry of Education. Once an asset is built or acquired and is in use, the cost of that asset is amortized over the expected life of that asset. Any grants targeted towards the acquisition of that asset are also amortized over the expected life of that asset.

After allowing for amortization, the District has \$143.02 million of tangible capital assets. Of this, \$110.8 million (being the deferred capital revenue balance) of assets were purchased through targeted grants. The remainder was funded through operating grants and other non-targeted funding.

This inclusion of deferred capital revenue is not consistent with generally accepted accounting principles. The inclusion of this balance is a requirement of the Provincial Government. This is explained in more detail in note 2 to the financial statements.

The capital fund section, included later in this document, provides a more detailed explanation of the accounting for capital assets and associated grants.

Employee Future Benefits

The employee future benefits liability of \$4.06 million accounts for amounts or benefits owed to current employees as a result of past service. The liability amount is calculated by actuaries based on the District's number of employees, age, length of service, contract terms, and established actuarial assumptions.

Most of this amount accounts for retirement benefits earned by current employees. Support staff and certain members of school and district administration are entitled to a one-time payment from the District on their retirement. The amount of payment depends on years of service and final salary.

The District sets aside a liability each year to reflect expected future payments on retirement. The amount set aside during the year is reflected as an expense and is based on the service to date of employees. The liability is reduced when employees retire, and payments are disbursed.

The remainder of the employee future benefits liability is associated with overtime, accumulated sick time, and death benefits earned but not yet paid.

Net Financial Assets (Debt)

This is the difference between the District's financial assets and liabilities at a point in time. It implies that the District has a net debt of \$99.93 million. This is heavily skewed by the deferred capital revenue liability of \$110.80 million. As there is no future cash flow associated with the deferred capital revenue balance, a more meaningful measure of net financial assets or debt excludes that balance, giving a revised figure of net financial assets of \$10.87 million.

Accumulated Surplus

Accumulated surplus is represented by the accumulated surplus from operations which is made up of both unrestricted and restricted operating reserves. Also included in accumulated surplus are capital funds which include investment in capital funds and capital reserves (local capital), as well as any unspent funds in special purpose funds that must be restricted for a specific purpose. Schedule 1 in the Financial Statements (Schedule of Changes in Accumulated Surplus (Deficit) by Fund) details the changes in each fund.

Broken down by fund, the accumulated surplus is comprised of the following amounts:

Accumulated Surplus	June 30, 2020	June 30, 2019
Operating Fund	\$ 4,080,530	\$ 5,330,580
Special Purpose Fund	-	-
Capital Fund - local capital (amounts available to spend on future capital asset purchases)	6,530,257	4,039,138
Capital Fund - invested in tangible capital assets (the cost of assets owned by the district, net of amortization and targeted grants)	33,114,615	30,735,674
Total Accumulated Surplus	\$ 43,725,402	\$ 40,105,392

The operating fund surplus consists of internally restricted funds. Internally restricted operating surplus consists of school surpluses to be held at school sites for future operating expenditures, district/program initiatives, grants received from external sources that are targeted for a specific use, funds held for future portable/furniture needs, outstanding purchase orders and commitments, and the Board Operating Reserve (per Board Policy 18 - Accumulated Operating Surplus and Internally Restricted Funds).

Capital fund surpluses include amounts invested in tangible assets and local capital reserves. Invested in tangible capital assets represents the net book value of capital assets that have been paid from District revenues and have not been funded by the Province or external contributions. Local capital reserves have been set aside for future replacement of District assets and have not been funded by the Province or external contributions.

STATEMENT OF OPERATIONS (All funds)

Statement 2 – page 7

The Statement of Operations summarizes the revenues received and expenses incurred by the District during the twelve months between July 1 and June 30 for all three funds.

Year Ended	June 30, 2020	June 30, 2019
Total Revenues	108,275,410	102,705,564
Total Expenses	104,655,400	101,357,516
Surplus for the year	\$ 3,620,010	\$ 1,348,048

Ministry of Education grant funding increased from 2019 by \$5.93 million. This is a result of increased enrolment and increased funding to offset provincially bargained wage and benefit increases.

Expenses increased from 2019 by \$3.29 million as wage increases were implemented, and additional educational resources were allocated.

Overall, the District's revenues exceeded its expenditures by \$3.62 million. Broken down by fund, this variance arises as follows:

Fund	Surplus / (deficit) for the year	Commentary
Operating Fund	\$ 5,088,248	See discussion and analysis in the Operating Fund section of this document.
Special Purpose Funds	-	Expenditures were equal to revenues.
Capital Fund	\$ (1,468,238)	The cost of capital assets purchased during the year was greater than the net balance of asset amortization and amortization of deferred capital revenue. This essentially means that the District invested more in purchasing tangible capital assets during the year than it consumed through wear and tear of existing capital assets.
Total Surplus	\$ 3,620,010	

Revenues, expenses, and surpluses for each of the individual funds are discussed in more detail below.

OPERATING FUND

Overview

Operating fund transactions are reported in the following schedules in the financial statements. Columns with figures for the amended budget, year to June 30, 2020 and year to June 30, 2019 are shown.

Schedule	Page	Overview
2	33	Summarizes the revenues and expenses of the operating fund. Also indicates the amounts spent on capital assets and transferred to the Local Capital fund.
2A	34	Outlines in more detail the operating revenues earned by the District.
2B	35	Summarizes salaries by employee group and other operating costs.
2C	36-37	Provides the same information as in 2B, broken down in more detail to show each program the funds were spent on.

Revenues

Revenues are reported by type for the District. The following table compares actual revenues by category to the budget.

Revenue	2019-20 Actual \$\$	2019-20 Budget \$\$	Variance \$\$	Variance %
Provincial Grants	\$ 86,434,556	\$ 84,891,868	\$ 1,542,688	1.82%
Tuition	2,828,612	2,770,000	58,612	2.12%
Other Revenue	925,540	559,083	366,457	65.55%
Rentals and Leases	126,505	150,000	(23,495)	-15.66%
Investment Income	217,794	375,000	(157,206)	-41.92%
Total Revenue	\$ 90,533,007	\$ 88,745,951	\$ 1,787,056	2.01%

Provincial Grants – Ministry of Education

96% of the District's operating funding is from the Ministry of Education. Most of this funding is calculated based on student enrolment and certain identified special needs of those students.

Enrolment has been increasing in the District for the last 5 years, resulting in additional operating grant revenues from the Ministry of Education.

The increase in Provincial Grants of \$1.54 million (1.82%) from what was budgeted was due to additional grants received from the Province during the year that were not known and budgeted for. These grants are received during the year and are recorded individually. They are detailed on Schedule 2A.

Tuition Fees - International Student Program

The District hosts an international program. International students live with homestay families in the region and attend District schools. The students pay a fee to the School District. The increase from what was budgeted is not significant.

Other Revenue

Other revenue includes Local Education Agreement (LEA) funding from First Nations, Instructional Cafeteria revenue, and other miscellaneous revenues received during the year. The increase in other revenue of \$0.37 million (65.55%) from what was budgeted was due to the receipt of Fortis BC rebates for boiler replacements and an increase in Industry Training Authority (ITA) revenues.

Rentals and Leases

Rentals and leases revenue include rentals of facility space for external programs and operations such as childcare facilities and youth groups. The decrease from what was budgeted is not significant.

Investment Income

Investment income is interest earned on operating revenue. The decrease from budget is due to decreases in the interest rates due to COVID-19.

Overall, the total revenue for the year was \$1.79 million (2.01%) more than what was budgeted, mainly due to increased enrolment.

The following table compares actual revenues for 2019-20 to actual revenues for the prior year.

Revenue	2019-20 Actual \$\$	2018-19 Actual \$\$	Variance \$\$	Variance %
Provincial Grants	\$ 86,434,556	\$ 80,690,831	\$ 5,743,725	7.12%
Tuition	2,828,612	3,092,617	(264,005)	-8.54%
Other Revenue	925,540	800,702	124,838	15.59%
Rentals and Leases	126,505	142,491	(15,986)	-11.22%
Investment Income	217,794	329,939	(112,145)	-33.99%
Total Revenue	\$ 90,533,007	\$ 85,056,580	\$ 5,476,427	6.44%

Overall, the total revenues for the year were \$5.48 million (6.44%) more than the prior year. This is mainly due to increased enrolment.

Operating Expenditures

Expenditures are reported by function for the District. The table below summarizes total expense by function for the year to June 30, 2020.

Function	2019-20 \$\$	2019-20 % of total
Instruction	\$ 69,872,996	81.8%
District Administration	3,374,093	3.9%
Operations and Maintenance	10,312,138	12.1%
Transportation	1,885,532	2.2%
Total	\$ 85,444,759	100.0%

Instruction

This function incorporates all programs related to the instruction of students, including regular instruction, Career Programs, Library Services, Counselling, Special Education, English Language Learning, Indigenous Education, School Administration, and International Programs.

District Administration

This function incorporates the cost of all programs related to district governance and district administration of educational, business, human resource and labour relations activities.

Operations and Maintenance

This function incorporates all programs related to the district's responsibility for the operation, maintenance and safety of sites, buildings, furniture and equipment, and computer equipment. Also included is the cost of maintenance for vehicles used by employees.

Transportation

This function includes programs involving the transportation of students.

The following table compares actual expenditure by function to the budget.

Function	2019-20 Actual \$\$	2019-20 Budget \$\$	Variance \$\$	Variance %
Instruction	\$ 69,872,996	\$ 71,135,473	\$ (1,262,477)	-1.77%
District Administration	3,374,093	3,763,973	(389,880)	-10.36%
Operations and Maintenance	10,312,138	10,481,777	(169,639)	-1.62%
Transportation	1,885,532	2,051,280	(165,748)	-8.08%
Total	\$ 85,444,759	\$ 87,432,503	\$ (1,987,744)	-2.27%

Costs related to the Instruction function were \$1.26 million (1.77%) less than what was budgeted for, mainly due to COVID-19. Substitute costs were significantly less due to no replacements required for the last 4 months of the school year. As well, supplies and services budgets were not fully spent due to COVID-19.

Overall, the variance in expenditures from budget in 2019-20 is \$1.99 million (2.27%).

The following table compares actual expenditures for 2019-20 to actual expenditures by function for the prior year.

Function	2019-20 Actual \$\$	2017-18 Actual \$\$	Variance \$\$	Variance %
Instruction	\$ 69,872,996	\$ 67,212,992	2,660,004	3.96%
District Administration	3,374,093	3,405,057	(30,964)	-0.91%
Operations and Maintenance	10,312,138	9,756,600	555,538	5.69%
Transportation	1,885,532	1,994,874	(109,342)	-5.48%
Total	\$ 85,444,759	\$ 82,369,523	3,075,236	3.73%

Instruction expenses have increased over the prior year by \$2.66 million (3.96%) due to increased enrolment, increased teacher staffing, and wage increases for both teachers and support staff.

Operations and maintenance expenses have increased over the prior year by \$0.56 million (5.69%) due to salary increases approved by BCPSEA and the Board, the addition of an administrative assistant position, additional trades positions added, and additional supply budgets to support the maintenance and upkeep of the facilities in the district.

Transportation expenses have decreased over the prior year by \$0.11 million (5.48%) due to reduction in transportation services for the last 4 months of the year due to COVID-19.

Operating Surplus

The operating surplus for the year as at June 30, 2020 is \$4.08 million. This is calculated on Schedule 2, on page 33 of the financial statements.

The annual operating surplus is \$5.09 million, which is reduced by transfers during the year that were approved by the Board. These included a \$4.70 million transfer to Local Capital, and an additional \$1.64 million of operating funds that were used to purchase capital assets. This results in an annual operating deficit of \$1.25 million. The operating surplus at the beginning of the year was \$5.33 million, so the net effect at the end of the year is an operating surplus of \$4.08 million.

SPECIAL PURPOSE FUNDS

Overview

Transactions within the special purpose funds are reported in the following schedules in the financial statements.

Schedule	Page	Overview
3	38	Summarizes the total revenues and expenses of all special purpose funds. Also indicates the amounts spent on capital assets and transferred to the Local Capital fund.
3A	39-40	Outlines, by each group of funds, the grants received and expenses for the year to June 30, 2020.

These schedules include funds received from the Ministry of Education or other sources that have designated for a specific purpose.

Year Ended	June 30, 2020	June 30, 2019
Total Revenues	\$ 13,474,083	\$ 13,786,313
Total Expenses	13,474,083	13,786,313
Surplus for the year	\$ -	\$ -

Special Purpose Funds include School Generated Funds, Annual Facilities Grant, Learning Improvement Fund, Strong Start, Ready, Set, Learn, Official Languages in Education Protocol (OLEP), Scholarships and Bursaries, Community Link, First Nation Student Transportation, Mental Health in Schools, Changing Results for Young Children, Professional Development, Comox Valley Community Foundation Student Travel, and the Classroom Enhancement Fund.

Classroom Enhancement Funds

The grants from the Classroom Enhancement Funds (three components) totalled \$9.43 million. These grants are intended to offset the additional costs associated with the restoration of historical collective agreement language regarding class size and composition.

Direct costs associated with required staffing levels that address class size and composition are accounted for within the 'Classroom Enhancement Fund – Staffing' fund. They include:

- 58.8 FTE additional enrolling teachers needed to offset the reduction in class sizes;
- 16.1 FTE additional non-enrolling teachers for additional support; and
- TTOC wages to remedy other requirements of the restored language.

Indirect costs, or overhead, associated with these required changes are accounted for within the 'Classroom Enhancement Fund – Overhead' fund. They include:

- TTOC coverage for sick and other leaves for the additional teachers; and
- Additional support staff needed for the increased number of classes.

To receive the grants, the District must be able to demonstrate to the Provincial Government that the associated direct or indirect costs are the result of the restoration of the collective agreement language.

After best efforts have been applied, certain classes exceed the class size and composition limits outlined in the Collective Agreement. The District is required to provide remedy, typically in the form of additional preparation time or collaboration time to teachers of such classes. The 'Classroom Enhancement Fund – Remedies' fund provides grant funding to cover the associated expense.

The Classroom Enhancement Funds, although new in the 2017-18 year, are a core part of the District's funding. They fund approximately 18% of the District's teachers.

CAPITAL FUND

Overview

The capital fund, including the local capital fund, accounts for assets owned by the District and the funds used to acquire them.

Provincial grants targeted for the purchase of assets – for example, a grant to renovate a school – are recorded in the capital fund. If an asset is purchased using operating funds, then the cost of the asset is treated as a transfer from the operating fund to the capital fund.

Capital funding from the Province is accounted for using deferral funding whereby capital revenue is recorded in the financial statements over the life of the related asset to match the amortization expense recorded similarly. Therefore, capital fund revenue is not equal to the actual capital funding received in the year.

The Province does not provide capital grants for asset acquisitions such as computer equipment, school furniture and equipment, vehicles, maintenance equipment, photocopiers, classroom renovations or district administration buildings. The only source of funding available for these assets is typically operating funds. To set aside funds to allow the future purchase of major assets, the Board may transfer funds from the operating fund to the local capital fund.

Schedule	Page	Overview
4	41	Summarizes amortization, local capital balances, and transfers to the capital fund from other funds. Also shows the budgeted amounts and prior year amounts.
4A	42	Outlines: - the cost of assets acquired during the year; - the amortization of assets by asset class; - the original cost of assets owned by the District, by asset class; - the total amortization of each asset class. This is an estimate of the value of the wear-and-tear of assets over their lifetime; - the net book value of assets, being the cost less amortization.
4B	43	Outlines the costs to date on construction which is still in progress at June 30, 2020. The only major project in progress at June 30, 2020 is the Lake Trail Seismic upgrade.
4C	44	Accounts for targeted funding spent on the acquisition of capital assets.
4D	45	Accounts for funding received which is targeted towards capital asset purchases and which has yet to be spent.

Capital Assets

Schedule 4A summarizes the capital assets owned by the District.

Net book value (cost less amortization) of tangible capital assets

Net Book Value	June 30, 2020	June 30, 2019
Sites	\$ 14,151,889	\$ 14,151,889
Buildings	121,720,049	115,075,330
Furniture & Equipment	3,790,052	1,069,398
Vehicles	1,188,225	845,891
Computer Hardware	2,171,138	1,854,516
Total	\$ 143,021,353	\$ 132,997,024

The District has \$143.02 million of funds invested in its capital infrastructure. The majority of the District’s capital assets are the school buildings (\$121.72 million).

The cost of the land that the District’s schools are located on is \$14.15 million.

The District also has significant investment in vehicles, furniture and equipment (school furniture, shop equipment, etc.) and computer hardware, including servers and student and staff computers.

These net costs represent the historical cost net of accumulated amortization of all District capital assets, they do not reflect current market value.

Deferred Capital Revenue

Schedule 4C accounts for grants received for capital asset purchases that have been spent. Schedule 4D accounts for grants received for capital asset purchases that have yet to be spent.

Schedule 4D illustrates that \$11.73 million of grants were received in the year to June 30, 2020 from the Ministry of Education in the form of bylaw capital. This includes the annual facilities capital grant.

The \$11.73 million of bylaw capital that was spent on completed projects is then accounted for as deferred capital revenue on Schedule 4C – either as Capital Additions or as Work in Progress. Deferred capital revenue balances are accumulated over the years and amortized over the estimated lifespan of the assets acquired with the grant money. The deferred capital revenue balance was reduced by \$4.01 million in the year to June 30, 2020 to reflect this amortization.

Schedule 4D also shows that the District has \$0.8 million in ‘Other Provincial Capital’. This relates to unspent grants received for the construction of the childcare facility on Denman Island.

Historically, the Province has provided targeted funding for major school renovations and replacements. The Province does not typically provide targeted funding for any other capital assets, including the purchase of technology, classroom furniture and equipment, administrative buildings, and maintenance equipment.

The deferred capital revenue balance at June 30, 2020 is \$109.91 million, indicating 77% of the District’s assets were purchased with targeted grant funding.

Capital Projects

During 2019-20, approximately \$18.84 million was spent on capital projects. Some of these projects include:

- Lake Trail Middle School seismic upgrade
- Hornby Island School replacement
- Mechanical upgrades at Mark Isfeld Secondary and Cumberland Community School
- Boiler replacements at Highland Secondary, Mark Isfeld Secondary, and Ecole Puntledge Park Elementary
- Annual Facilities Grant projects (roofing, paint, paving, flooring, lighting, fire/PA/phone upgrades)
- Technology and network infrastructure upgrades

Two modular classrooms were installed at Miracle Beach Elementary and Royston Elementary. Three additional classrooms were created at Cumberland Community School, one additional classroom was created at Huband Elementary and one at Courtenay Elementary. These additions were due to enrolment growth in these areas.

Significant investment in network and classroom technology continues to be a priority for the District.

Local Capital

The Board's local capital fund is comprised of previous property sale transactions and transfers from operating funds which are approved by the Board through the preliminary budget process. During the 2019-20 year, \$4.70 million was transferred for the following purposes:

Amount \$	Purpose
\$ 100,000	Vehicle fleet - replacement
50,000	District copiers - replacement
80,000	Transportation - additional van
30,000	Trades tools and equipment - replacement
250,000	School board office renovation/update
800,000	Technology reserve
250,000	G.P. Vanier seismic upgrade - contingency
2,400,000	Facility Reserve
80,000	Grounds upgrades
160,000	Backhoe replacement
30,000	Accessibility
20,000	Lighting upgrades
200,000	Classrooms - furnitures, blinds, projectors
20,000	Flooring
50,000	Fine Arts
150,372	VOIP - schools
30,000	Cafeteria equipment
\$ 4,700,372	Total Transferred

The Local Capital balance as at June 30, 2020 of \$6.53 million represents the accumulated surplus in the Capital Fund over which the District has discretion for allocation to strategic capital projects. These projects include:

Purpose	Amount \$
Information technology reserve	\$ 595,348
Equipment Initiatives - 21st Century Learning	19,138
Youth Trades Tools/Equipment Replacement	47,506
Lake Trail Seismic project - Board contribution	1,000,000
Furniture and Equipment	94,242
Modulars - Royston/Cumberland	698,014
Contingency reserve	685,669
Board Office - prepaid rent and updates	1,630,598
Fine Arts Equipment	30,862
Accessibility	29,441
Facility Reserve	1,300,000
Laptop Carts	44,817
Classroom Renovations - Miracle Beach/Cumberland	200,000
Washrooms - Royston	100,000
Vehicle Fleet	54,622
Total Local Capital Surplus	\$ 6,530,257



RISKS AND UNCERTAINTIES

COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has 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 on June 1 with new health and safety guidelines.

The ongoing impact of the pandemic presents uncertainty over 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 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.

Enrolment and Staffing Growth

Student enrolment is the critical factor in the District's operating funding from the Province. Accurate estimates of enrolment are key to staff and space capacity planning, as well as District budgeting.

Increasing enrolment in the District, combined with the implementation of the Memorandum of Agreement (MoA) resulting in smaller class sizes, a greater number of teacher full-time equivalents (FTE) have needed to be added than would previously have been required. As the district grows, additional classroom space needs to be created. This growth brings with it a financial risk in how to provide for these additional resources under the current Ministry of Education funding envelope.

Capital Projects

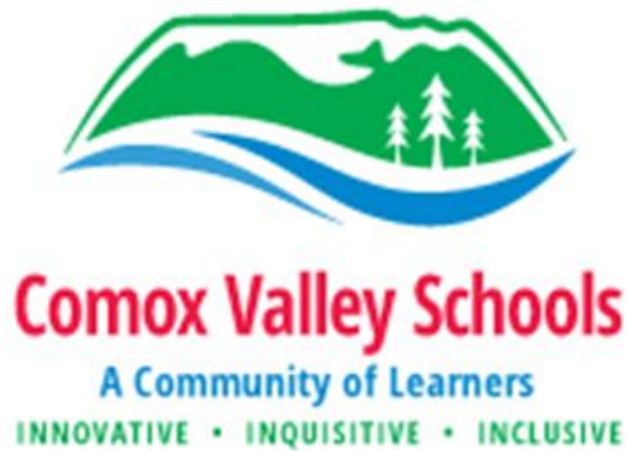
Due to their magnitude, capital projects have the potential to significantly impact the financial position of the district. There is no process to assess the risk of the entire capital program; individual project risk assessments must be done on a continuous basis.

Project agreements with the Ministry of Education such as the Lake Trail Seismic project contain contingencies to mitigate financial risk. Smaller projects consider contingency requirements when building the overall project budget and are managed internally.

Contacting School District Financial Management

This report is designed to provide SD71 stakeholders with a general overview of SD71 finances and to demonstrate the District's accountability for the money it receives.

If you have questions about this report or need additional financial information, please contact the Secretary-Treasurer's office.



FACILITIES COMMITTEE
BOARD REPORT

Date: Tuesday, September 15, 2020
Time: 2:00pm
Venue: School Board Office, Board Room

Committee Members:

Tonia Frawley: Trustee
Michelle Waite: Trustee
Nicole Bittante, Secretary-Treasurer
Ian Heselgrave, Director of Operations
Geoff Manning, Assistant Superintendent

Guest: Sarah Jane Howe, Trustee

Recording Secretary: Marlene Leach, Senior Executive Assistant

A. WELCOME

Trustee Waite chaired the meeting, welcomed the Committee members and called the meeting to order at 2:02pm.

B. ITEMS DISCUSSED

1. Club House at Turf Field - Briefing Note

Director of Operations, Ian Heselgrave, provided an overview of the briefing note.

The Facilities Committee recommends:

THAT the Board of Education approve the construction of a field house on the artificial turf field site at G.P. Vanier Secondary.

THAT the Board of Education request that Senior Staff work with the Comox Valley Regional District to update the Turf Field Operating Agreement to reflect the change in assets at the turf field.

C. ITEMS FOR INFORMATION

1. Capital Projects – Briefing Note

Director of Operations, Ian Heselgrave, provided an overview of the briefing note.

The Facilities Committee recommends:

THAT the Board of Education receive the Capital Projects Update briefing note as provided.

2. Long Range Facilities Plan (LRFP)

The Director of Operations provided an update on the LRFP and explained that given the current COVID-19 pandemic, the new LRFP will be revisited in January 2021.

D. FUTURE MEETINGS/AGENDA ITEMS

Next Meeting - November TBD

E. ADJOURNMENT

The meeting was adjourned at 2:47pm.

BRIEFING NOTE

TO: Board of Education **DATE:** Sep 22nd, 2020
FROM: Ian Heselgrave, Director of Operations
RE: **Club House at Turf Field Update – September 2020**

Purpose

To update the Board of Education on the status of the Club House at the Turf Field Project as at September 2020.

Background

On September 1st 2014 the artificial turf field at GP Vanier opened for play. This project was the result of a partnership with the Comox Valley Regional District and the Comox Valley United Soccer Club (CVUSC). The field has been an incredible success. It is used extensively by GP Vanier PE classes throughout the day and is loaded with local soccer players every evening and weekend. It has allowed high level training to continue throughout the soggy winter months when grass fields are generally 'unplayable'. In 2016 CVUSC approached SD 71 and the CVRD with a request to construct a field house adjacent to the artificial turf field. In February 2016 the Board of Education consented to Administration working with the CVRD towards the construction of a field house.

Discussion

The primary reason the Soccer Club approached SD 71 and the CVRD with a request to build a club house is that the only washrooms or change areas available to players, coaches, referees and fans are located within the Comox Valley Sports Centre. The club house will include washrooms, change rooms, and storage space. It will be of a similar design, though reduced in size, to the club house located at the Valley View fields adjacent to Mark Isfeld Secondary. The CVUSC initial proposal agreed that all costs associated with the construction of the facility will be borne by the soccer club. The club house will become the property of SD 71 and could be used by a variety of user groups through a booking system with preferred access by the soccer club during soccer club times at the field. The current operating agreement will likely have to be amended to reflect the change in assets at the turf field. The construction of this facility is of direct benefit to SD 71 and will fulfil a need for washrooms and change room space.

This project has evolved slowly as the Soccer Club is relying upon community volunteers and master's soccer players to develop the site plans, raise funds and line up local trades and suppliers willing to support the project. CVUSC is now close to being ready to build and the CVRD Board voted in August 2020 to support the construction of the club house and awarded \$115,000 in funding.

Recommendation

It is recommended that the Board of Education approve the construction of a field house on the artificial turf field site at GP Vanier and that the Board of Education direct Administration to work with the CVRD to update the Turf Field Operating Agreement to recognize the change in assets at the turf field.

Respectfully submitted,

Ian Heselgrave

Ian Heselgrave
Director of Operations



Proposed club house

Turf field

BRIEFING NOTE

TO: Board of Education
FROM: Ian Heselgrave, Director of Operations
RE: **Capital Projects Update – September 2020**

DATE: Sep 22nd, 2020

Purpose

To update the Board of Education on capital projects as at September 2020.

Update on Capital Projects

Lake Trail Middle School – Seismic Upgrade

The Construction Management firm for this project is Heatherbrae Builders Ltd. The construction work is focused on two main work areas: the South addition on Lake Trail road (mainly the admin and elective areas of the school) and the North Addition behind the gym (mainly classrooms). The project continues at a good pace and remains on schedule and budget. The project is largely unaffected by COVID-19 as most of the work is outside and there are ample supplies on hand.



South Addition



North Addition

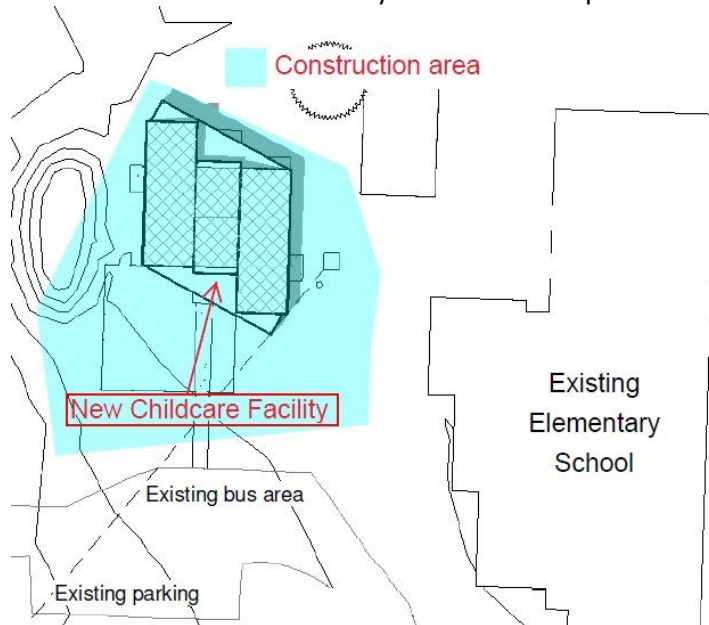
Hornby Island School Replacement

The Construction Management firm for this project is AFC Construction Ltd. The work on the school started in May 2020 and is progressing well. The excavation, foundation and slab were completed by late June 2020 in advance of the complete tender package being issued in order to avoid the summer ferry rush. This proved a very successful strategy with that work being completed on time and on budget. The project tender process was completed this summer and the main trade packages are all under contract with the full construction costs equaling the approved Ministry budget. The school walls are being framed and the project is progressing well.



Denman Island Child Care Facility

The second round of tendering was successful - on August 27th, 2020, the District and MKM Projects (Prime Contractor) entered into a CCDC 2 Contract. There was a total of eight tender submission with MKM coming in at the lowest submitted price. The contractor has begun mobilizing to site, setting up their construction fence and laydown area. Completion of the facility is slated for February 2021.



Cumberland Community School (Beaufort Building) Fire Sprinkler Upgrade

Ridgeline Mechanical (Prime Contractor) is well underway with the fire sprinkler upgrade at Cumberland Community School. The project is 25% complete and on track to be finished by the New Year. The contractor will be working after school hours with a dedicated morning Custodian scheduled for surface cleaning prior to school start.

Mark Isfeld Secondary mechanical upgrade phase 2

The project was completed on time and budget and has resulted in a significant improvement to the school ventilation system.

Recommendation

It is recommended that this briefing note be received by the Board of Education as information.

Respectfully submitted,

Ian Heselgrave

Ian Heselgrave
Director of Operations

TO: Board of Education **DATE:** September 22, 2020
FROM: Sarah Jane Howe, Trustee
RE: **Union of BC Municipalities**

On Monday, September 14th, several School District No. 71 (Comox Valley) representatives were guests invited on behalf of the Village of Cumberland to participate in collaborative discussions with the Union of BC Municipalities and the Ministry of Education. The main topics were concerning the Village's increasing population growth and present challenges, including limited school spaces and building capacity as the student population correspondingly continues to grow. Other items of discussion included an overview of the district's grounds (as to what stages they are in), some possible solutions for the increasing need of child care space and how the school district could have conversations with the Ministry of Education and the Village of Cumberland to further address these concerns. I want to formally thank the Village of Cumberland and the Ministry of Education for including us in these thoughtful and collaborative discussions.

Respectfully submitted,

Sarah Jane Howe

Sarah Jane Howe
Trustee



Comox Valley Schools

A Community of Learners

INNOVATIVE • INQUISITIVE • INCLUSIVE

Comox Valley Schools

School District No. 71

Board of Education

607 Cumberland Road
Courtenay, B.C. V9N 7G5

Fax (250) 334 5552

Telephone (250) 334 5500

September 14, 2020

The Honourable Rob Fleming
Minister of Education
PO Box 9045 Stn Prov Govt
Victoria, BC
V8W 9E2

Dear Minister Fleming,

On behalf of the Board of Education of School District No. 71 (Comox Valley), we would like to thank you very much for the work that you and the Ministry staff are doing to enable the BC Public Education system to deliver safe and effective programs for all students this fall. We appreciate the additional resources made available to support compliance with safety protocols and best practices identified by the Office of Provincial Health to prepare schools for the return of students.

We acknowledge and thank the Ministry for allowing individual school districts to exercise flexibility with the federal funding allocations during this difficult and unique time; this allows school districts the ability to continue to address the individual needs within their communities and to be responsive to the educational preferences of families.

Moving forward we would encourage the Ministry to continue to allow school districts to exercise flexibility over funding allocation and program development so that we can better respond to the needs of our communities.

As a result of the varying educational options that many families are choosing during the pandemic, the Board of Education of School District No. 71 (Comox Valley) strongly suggests that the Ministry provide full funding regardless of the students choice of delivery and further, that the Ministry defer the September 30, 1701 enrollment count this year until an alternative, accurate mechanism can be satisfactorily developed to account for the varying choices that families are making, such as delaying school entry dates and/or delivery methods of education.

The rationale for this request is that as per the Ministry's suggestions, many school boards are allowing students and families the flexibility to make choices between distributed/distance/remote learning and the more traditional bricks and mortar education. It is imperative that funding is not lost to one side or the other. It also reflects that the differentials in funding between distributed learning and school-based delivery are no longer tenable as on-line learning has evolved from paper-based correspondence programs having minimal teacher-support to interactive, supportive learning platforms integrated and used interchangeably by many students.

We appreciate the Ministry's consideration regarding our request, and once again thank everyone involved at the Ministry of Education for their continued hard work and dedication to all students in our school district.

Respectfully,

A handwritten signature in black ink that reads "Tonia Frawley". The signature is written in a cursive style with a large, sweeping initial "T".

Tonia Frawley
Board Vice Chair
The Board of Education of School District No. 71 (Comox Valley)

TF:ml