



Comox Valley Schools

A Community of Learners

INNOVATIVE • INQUISITIVE • INCLUSIVE

Board of Education

Regular Public Board Meeting Minutes

Tuesday, September 28, 2021

7:00pm

School District No. 71 (Comox Valley)
607 Cumberland Road, Courtenay, BC V9N 7G5
250-334-5500

A COMMUNITY OF LEARNERS - INNOVATIVE ♦ INQUISITIVE ♦ INCLUSIVE

Vision

An inclusive learning community that embraces diversity, fosters relationships and empowers all learners to have a positive impact on the world.

Mission

To inspire engaged, compassionate, resilient lifelong learners and cultivate a collaborative community together.

We Value and Believe In

Trusting relationships based on respect, integrity and ethical behaviour

A commitment to Truth and Reconciliation with Indigenous peoples

Equity, inclusion, dignity, and acceptance for all

Global awareness and environmental stewardship

Innovation, creativity, problem-solving, and critical thinking

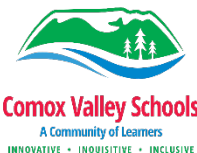
Accountability and shared responsibility

Open and engaging communication

Celebration of learning

Strategic Priorities

Educational Excellence
Community Engagement
Organizational Stability & Environmental Stewardship
Physical Health & Mental Well-Being



REGULAR BOARD MEETING MINUTES
Tuesday, September 28, 2021
7:00pm

In Attendance Via Virtual Zoom Meeting:

Trustees:

Sheila McDonnell, Board Chair
Michelle Waite, Vice Chair
Janice Caton, Trustee
Tonia Frawley, Trustee
Kat Hawksby, Trustee
Sarah Jane Howe, Trustee
Cristi May Sacht, Trustee (Via Zoom)

Staff:

Tom Demeo, Superintendent of Schools
Brenda Hooker, Secretary-Treasurer
Geoff Manning, Assistant Superintendent
Candice Hilton, Director of Finance
Ian Heselgrave, Director of Operations
Sean Lamoureux, Director of Inclusive Education
Vivian Collyer, Director of Instruction
Jay Dixon, Director of Instruction
Josh Porter, Director, Information Technology

Regrets: None

Recording Secretary: Heidi Bell, Sr. Executive Assistant

1. Call to Order

Board Chair, Sheila McDonnell called the meeting to order at 7:06 pm and acknowledged that the meeting is being held on the traditional territories of the K'ómoks First Nation.

2. Adoption of Agenda

Motion

THAT the Board of Education adopt the September 28, 2021 Regular Public Board Meeting Agenda as presented.

[Frawley/Howe]

CARRIED

3. Board Meeting Minutes

Pages 1-11

Motion:

THAT the Board of Education adopt the June 22, 2021 Regular Public Board Meeting Minutes as presented.

[Hawksby/Waite]

CARRIED

4. Unfinished Business

The Secretary-Treasurer spoke to a motion made on June 22, 2021, approving the Long-Range Facilities Plan (LRFP) 2021-2022 supporting option A. The motion stated, "In the fall, senior staff will be bringing forward some potential options and solutions for the Board to consider". These options will hopefully be brought forward in the October 2021 board meeting instead. Staff felt that October versus September would provide more accurate information around enrollment pressure as the timing is after the 1701 report is finalized.

5. Record of In-Camera Meeting Minutes

Page 12

- June 22, 2021 – Regular In-Camera Meeting Board Information

6. Board Chair's Report

Pages 13-14

The Board Chair welcomed everyone to the first board meeting of this school year and commends all staff and senior leaders for their work over the summer. The Board chair spoke to the new Truth and Reconciliation Day, September 30, 2021, and invited all board members to participate in many events available to honour the day.

Trustees were given a handmade moccasin (paperweight), as a symbol of the children and the difficult path we walk together. These gifts were made by the Little Bear, Kindergarten class at Ecole Puntledge Park Elementary.

7. Presentations / Delegations

- 2020-2021 Financial Statements Audit Opinion – Lenora Lee, Audit Engagement Partner, KPMG & Candice Hilton, Director of Finance**

Lenora Lee presented an overview of the Financial Statements Audit Opinion. The audit was a clean audit opinion, no changes were made after staff prepared the draft statements and there were no issues nor anomalies. This audit was conducted very smoothly.

The Director of Finance gave a slide show overview presentation of the 2020-2021 Year-End Financial Statement.

8. Education Committee Meeting

No meeting in September

Next Education Committee Meeting:

TOPIC: Pathways to Hope
DATE: October 12, 2021

TIME: 6:30 pm
LOCATION: School Board Office

9. Strategic Direction

A. Superintendent

i. School Start Up & District News – Verbal Update

- It was a relatively smooth school start up, with a good feeling in the schools.
- School sports have started up and we are all learning how to work around the new rules.
- Truth and Reconciliation Day – A statement was read to the board from Chief Nicole Rempel, K'ómoks First Nation. This statement will be shared with all students on Wednesday, September 29th.
- The Directors of Instruction shared examples of how our students, in all grades, are participating in different activities and learnings around Truth and Reconciliation.
- The Superintendent announced our new Communication Manager, Mr. Craig Sorokin.
- There is a change around COVID-19 communications from last year. Still waiting for final clarification and guidelines.
- Big Brothers and Sisters of Victoria are expanding their school-based mentoring program to include Valley View Elementary and Mark R. Isfeld Secondary.
- Miracle Beach Elementary has fundraised \$3500 for Terry Fox and Tour de Rock 2021 the goal was \$1800.
- Mark R. Isfeld Secondary held Spirit Week and raised over \$500 for Down Syndrome in support of a student.
- Aspen Park Elementary raised \$772 for Terry Fox.
- Aspen Park Elementary had a Cops for Cancer Tour de Rock visit. One of the students had her head shaved in honour of her friend who has cancer, with a goal of raising \$1000, so far, she has raised \$4100.
- The Director of Operations gave an update on capital projects and listed off all the summer projects which were completed.
- FESL Report – Strategic Annual Report has been completed and is online to view.
- Comox Valley Farm to School Learning Circle Final Report 2021, part one has been completed.
- Lake Trail Middle School introduced a waste free initiative, where they as a school are working to be a zero-waste community.
- New Directors were welcomed and introduced.

B. Assistant Superintendent

i. School Start up – Verbal Update

Enrollment has grown over the past 4 years and this year is no different. Waiting for the 1701 count to confirm, but in general we are up 100 students in elementary, 50 students in secondary and 150 students in NIDES. Overall schools have been able to accommodate these new students.

ii. Compost Pick-Up Proposal – Verbal Update

Over a year ago students gave a Zoom presentation on a compost pick-up proposal. Since then, 3 schools, Arden Elementary, Mark R. Isfeld and Lake Trail Community School have joined with Earth Warriors for their compost pick up needs. Earth Warriors might not have the compacity to pick up at all our schools.

C. Secretary-Treasurer

Pages 15-17

i. Ecole Puntledge Park Elementary Water Works Right-Of-Way Bylaw 2021

Motion:

THAT Ecole Puntledge Park Elementary Water Works Right-Of-Way Bylaw 2021 be given first reading.

[Frawley/Howe]

CARRIED

Motion:

THAT Ecole Puntledge Park Elementary Water Works Right-Of-Way Bylaw 2021 be given second reading.

[Waite/Hawksby]

CARRIED

Discussion

Motion:

THAT in accordance with Section 68 (4) of the School Act, all three readings of Ecole Puntledge Park Elementary Water Works Right-Of-Way Bylaw 2021 be given at tonight's meeting.

[Caton/Howe]

CARRIED Unanimous

Motion:

THAT Ecole Puntledge Park Elementary Water Works Right-Of-Way Bylaw 2021 be given third and final reading.

[Howe/Caton]

CARRIED

D. Human Resources

- i. Retirements and Recognition**
Board Information

Page 18

10. Board Standing Committee Reports

A. Finance Committee Board Report

No meeting in September

B. Audit Committee Board Report - September 16, 2021

Pages 19-89

i. 2020-2021 Audited Financial Statement

Motion:

THAT the Board of Education approve KPMG LLP's Report on the Financial Statement Audit for the year ending June 30, 2021.

[Frawley/Hawksby]

CARRIED

Motion:

THAT the Board of Education approve the 2020-2021 Audited Financial Statements.

[Frawley/Caton]

CARRIED

Motion:

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

[Frawley/Howe]

CARRIED

C. Policy Committee Board Report

No meeting in September

D. Facilities Committee Board Report – September 21, 2021

Pages 90-102

The Superintendent spoke to the name change for Mark R. Isfeld. The intent of the motion is to reflect the school, over 50% of students are in French Immersion.

Motion:

THAT the Board of Education approve the name change of Mark R. Isfeld Secondary School to Mark R. Isfeld Secondary School – Ecole Secondaire effective immediately.

[Howe/Waite]

CARRIED

Motion:

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

[Howe/Howksby]

CARRIED

11. Board Business

- A. The Secretary-Treasurer gave an update of the Grand Opening Ceremonies for Hornby Island Elementary and Lake Trail Community School.
Hornby Island Community School Grand Opening – Thursday, October 7th @ 1 pm
Lake Trail Community School Grand Opening – Friday, October 8th @ 9:30 am

12. Board Correspondence

- A. **Correspondence:** from the Board of Education to The Honourable Jennifer Whiteside, Minister of Education – Support for the BCSTA’s Capital Working Group’s Report, “The Case for Increased School Life Cycle Funding”
Sheila McDonnell, Trustee
Board Information Pages 103-104
- B. **Correspondence:** Select Standing Committee Presentation. Finance Committee Chair will present, accompanied by the Secretary-Treasurer. Pages 105-116

13. Public Question Period

DPAC – Will School District No. 71 consider the mask mandate for K-3 as the Vancouver School Board has just done? Also, would you consider reinstating cohorts if numbers of COVID exposures increase in our schools?

The Superintendent spoke to these questions. A recommendation was made to wait and follow any Public Health Orders or direction from the Ministry of Education. Last year, cohorts were put in place to assist contact tracing measures, if needed again for that purpose we could look at that; however, as a method of prevention I’m not so sure it would be the most effective method. We can revisit this topic at the next board meeting.

14. Meeting Adjourned – 8:52 pm

MOTION:

THAT the Board of Education adjourn this meeting.

[Frawley/Caton]

CARRIED

Board Approved on:
October 26, 2021

Certified Correct:



Brenda Hooker, CPA, CGA
Secretary-Treasurer



Sheila McDonnell
Board Chair



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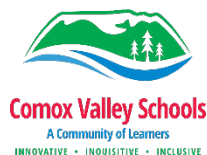
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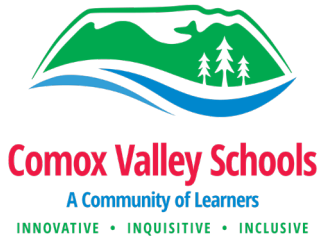
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REGULAR BOARD MEETING MINUTES
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In Attendance Via Virtual Zoom Meeting:

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Michelle Waite, Vice Chair
Janice Caton, Trustee
Tonia Frawley, Trustee
Kat Hawksby, Trustee
Sarah Jane Howe, Trustee
Cristi May Sacht, Trustee

Staff:

Tom Demeo, Superintendent of Schools
Brenda Hooker, Secretary-Treasurer
Geoff Manning, Assistant Superintendent
Candice Hilton, Director of Finance
Ian Heselgrave, Director of Operations
Esther Shatz, Director of Instruction (Student Services)
Allan Douglas, Director of Instructional Services K-12
Josh Porter, Director of Information Technology

Regrets: Paul Berry, Director of Instruction (Health & Safety)

Guests: Heid Bell, Sr. Executive Assistant

Recording Secretary: Marlene Leach, Sr. Executive Assistant

1. Call to Order

Board Chair, Sheila McDonnell called the meeting to order at 7:01pm and acknowledged that the meeting is being held on the traditional territories of the K'ómoks First Nation.

Chair McDonnell shared a statement on behalf of the Board to acknowledge the recent discovery of the unmarked, undocumented burial sites of 215 children at the former Kamloops residential school.

Page
1

2. Adoption of Agenda

Motion

THAT the Board of Education adopt the June 22, 2021 Regular Public Board Meeting Agenda as presented.

[Frawley/Waite]

CARRIED

3. Board Meeting Minutes

Pages
2-10

Motion:

THAT the Board of Education adopt the May 25, 2021 Regular Public Board Meeting Minutes as presented.

[Howe/Frawley]

CARRIED

4. Unfinished Business

A. Presentation of the Draft Comox Valley School District Environmental Inventory Report - Caitlin O’Neill, Field Technologist, Current Environmental Ltd.

Pages
11-29

Motion Carried September 24, 2019:

THAT the Board of Education direct the Superintendent to arrange an environmental assessment of our all SD71 properties, with a focus specially to identify areas of environmental sensitivity, vulnerable watersheds and streams, at-risk species and/or cultural significance.

CARRIED

Director of Operations, Ian Heselgrave introduced Caitlin O’Neill, Field Technologist for Current Environmental Ltd. Ms. O’Neill shared the process, objectives and findings of the draft report via PowerPoint.

If approved by the Board, the document will no longer be a DRAFT document. Trustee comments and questions were received and answered by staff. The report will be shared with schools to provide educational opportunities. Operations will use the report to inform upcoming and future work in the district. A prioritized list of actions is being developed with Current Environmental Ltd. and some funds will be devoted each year to take on this work through the Annual Facilities Grant (AFG) line item funding.

THAT the Board of Education receive the Draft Comox Valley School District Environmental Inventory Report.

[Waite/Caton]

CARRIED

5. Record of In-Camera Meeting Minutes

Page 30

- May 25, 2021 – Regular In-Camera Meeting Board Information

6. Board Chair’s Report

None

7. Presentations / Delegations

None

8. Education Committee Meeting – June 08, 2021

Page 31

Motion:

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

[Waite/Howe]

CARRIED

Next Education Committee Meeting:

TOPIC: TBD
DATE: Fall 2021
TIME: 6:30 pm
LOCATION: TBD

9. Strategic Direction

A. Superintendent

i. District News

Pages
32-34

- General

In addition to the District News, Superintendent, Tom Demeo shared the following:

- Education Minister's announcement for return to school in September leaning towards no cohorts, further cleaning details cleaning in August and a full return of extracurricular activities and gatherings. Families will be notified and are asked to refer to district website over the summer. Thank you to all staff and students, families, communities and others for their dedication and hard work this past year.
- Graduation ceremonies update.
- District staff retirement and recognitions this week; Thursday senior staff and Trustees will provide delivery of gifts to retirees' homes.
- Thank you to the Indigenous Education department and Elders for their work and support to families, community and each other during the discoveries of the remains of 215 children at the former residential school in Kamloops. There is a link in the District News on how the district has responded to this news.
- Further student scholarships and accomplishments will be posted on the district website. Congratulations to all.
- A special thank you and best wishes to directors Esther Schatz, Allan Douglas and Paul Berry for their contributions to the district.

B. Assistant Superintendent

i. **School Fees** – Briefing Note

Pages
35-40

Assistant Superintendent, Geoff Manning reviewed the briefing note, stating that the fees are in line with previous years. Trustee questions were answered including the Financial Hardship policy. Each school and the district have a Financial Hardship policy; no student will miss out on an opportunity due to financial hardship.

Motion:

THAT the Board of Education approve the School Fees Schedules for the 2021-2022 school year as presented.

[Caton/Frawley]

CARRIED

ii. **Board Authority Authorized (BAA) Courses** – Briefing Note

Pages
41-77

Assistant Superintendent, Geoff Manning went over the five courses within the briefing note, including two existing courses (PE11 & PE12) that are rewrites using the new Ministry formula and documentation to match the new Ministry curricular guidelines. The other three courses are new and engaging, are based on student interest and demand and follow the district strategic plan.

Motion:

THAT the Board of Education approve all five BAA Courses as presented.

[Caton/Hawksby]

CARRIED

C. Secretary-Treasurer

i. **Boundary Adjustments** - Verbal Report

Secretary-Treasurer, Brenda Hooker provided information on the increasing enrollment that is exceeding the expectations presented in February. Some boundary adjustments may need to be considered. This is notice that some recommendations may be brought forward at the September board meeting around boundary catchments, new developments/subdivisions in the Valley and what their catchment schools would be.

ii. **K-12 Education Recovery Plan**

Pages
78-93

Secretary-Treasurer, Brenda Hooker shared last week's Ministry announcement around recovery funds and a recovery plan for the September school startup. These funds, available to all districts in B.C., include one for startup costs & COVID related expenses and one for mental health supports. The school district will receive \$227,000 for startup costs & COVID related expenses. The Ministry report is in the agenda package. Trustee questions were answered.

D. Human Resources

- i. Retirements and Recognition**
Board Information

Page
94

10. Board Standing Committee Reports

A. Finance Committee Board Report – June 15, 2021

Pages
95-98

Director of Finance, Candice Hilton provided a brief summary of both documents within the Board Report, noting the reasons for any variances between budgets to actual amounts. Secretary-Treasurer, Brenda Hooker advised that these projections are estimates only at one point in time. Trustee questions were answered.

Motion:

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

[Frawley/Howe]

CARRIED

B. Audit Committee Board Report – June 15, 2021

Pages
99-121

Audit Committee Chair Tonia Frawley shared details of the committee's first meeting. Lenora Lee, Audit Engagement Partner at KPMG will be leading the audit this summer. KPMG's Audit Planning Report is attached. The committee will report directly to the Board versus reporting to the Finance Committee as previously done. Secretary-Treasurer, Brenda Hooker advised that this will provide effective and direct communication to the Board.

Motion:

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

[Frawley/Howe]

CARRIED

C. Policy Committee Board Report – June 17, 2021

Pages
122-125

Policy Committee Chair, Michelle Waite provided information on the development of the Ad Hoc Committee and on draft Policy 24 – Equity and Non-Discrimination. There have been four virtual meetings in February, April and May. All those individuals involved in the process were thanked. Superintendent, Tom Demeo explained the process moving forward around consultation and feedback in the fall and the committee's future work. Trustee comments were received.

Motion:

THAT the Board of Education receive the Draft copy of Policy 24 and request that the Policy Committee through the Superintendent begin an engagement process with our Education and Community Partners requesting written feedback to the proposed policy. A proposed timeline of completion will be November 2021.

[Waite/Hawksby]

CARRIED

Motion:

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

[Waite/Hawksby]

CARRIED

D. Facilities Committee Board Report – June 21, 2021

Pages
126-242

Director of Operations, Ian Heselgrave highlighted the three main topics of the Facilities Committee meeting. The Environmental survey was covered in the presentation earlier in this meeting. The Five-Year Capital Plan submission format has changed this year as the Ministry made some modifications to the way it is submitted. The categories remain the same, however three board motions are required.

For the Long Range Facilities Plan (LRFP) 2021-2031, the recommendation is to adopt Option A, remain status quo, maintain a similar format in the district and acknowledge some pressure points/challenges. In the fall, senior staff will bring forward some potential options and solutions for the Board to consider. Trustee comments were received.

Motion:

THAT the Board of Education approve the 2022/23 Major Capital Plan submission.

[Caton/Howe]

CARRIED

Motion:

THAT the Board of Education approve the 2022/23 Minor Capital submission.

[Howe/Caton]

CARRIED

Motion:

THAT the Board of Education approve the Building Envelope Program submission.

[Howe/Waite]

CARRIED

Motion:

THAT the Board of Education approve the Long Range Facilities Plan (LRFP) 2021-2031, as presented, thus supporting Option A.

[Caton/May Sacht]

CARRIED

Motion:

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

[Howe/May Sacht]

CARRIED

11. Board Business

A. 2022-22 Board Meeting Schedule

Pages
243-244

Motion:

THAT the Board of Education suspend Regular Public Board Meetings during July and August 2021.

[Caton/May Sacht]

CARRIED

Trustee Caton inquired that Board has the option to meet if needed during July and August given a four-day notification; the Secretary-Treasurer confirmed this.

Motion:

THAT the Board of Education approve the 2021-22 Board Meeting Schedule as presented.

[Howe/Waite]

CARRIED

B. Motion – Write a letter to the Ministry of Education advocating for increased Annual Facility Grant funding.

Pages
245-246

Janice Caton, Trustee

Motion:

THAT the Board of Education for School District No.71 (Comox Valley) write a letter to the Minister of Education requesting the Ministry increase the funding for school districts for the Annual Facilities Grant and also forward the letter to BCSTA to include this as an emergent issue for consideration at the Provincial Council in October.

[Caton/Howe]

CARRIED

Trustee, Janice Caton read aloud the background information included in the briefing note. Secretary-Treasurer, Brenda Hooker assured that Operations does a great job maintaining district buildings, that they are doing the best they can with the funds available and that their work is very much appreciated. However, concerns with the rising costs of materials and supplies limits the projects that can be done. New Facility Condition Index (FCI) numbers will be coming in the fall. A Trustee question around AFG funding formula was received and answered by staff.

12. Board Correspondence

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <p>A. Correspondence: from SD71 to Minister of Education – Mental Health and Addictions
Sheila McDonnell, Board Chair
Board Information</p> | <p>Pages
247-248</p> |
| <p>B. Correspondence: from SD71 to Minister of Mental Health and Addictions – Mental Health and Addictions
Sheila McDonnell, Board Chair
Board Information</p> | <p>Pages
249-250</p> |
| <p>C. Correspondence: from SD71 to Minister of Health – Mental Health and Addictions
Sheila McDonnell, Board Chair
Board Information</p> | <p>Pages
251-252</p> |

13. Public Question Period

The Board and Senior Leaders provided closing comments and acknowledged the pending departures of three Directors (Esther Schatz, Paul Berry and Allan Douglas), thanking them for their contributions to the school district. Also recognized were the district's staff and community for all of their support during this challenging year.

14. Meeting Adjourned – 8:39pm

MOTION:

THAT the Board of Education adjourn this meeting.

[Frawley/Howe]

CARRIED

Board Approved on:
September 28, 2021

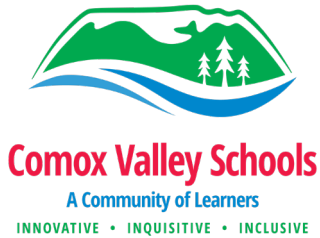
Certified Correct:



Brenda Hooker, CPA, CGA
Secretary-Treasurer



Sheila McDonnell
Board Chair



Comox Valley Schools

School District No. 71
Office of the Secretary Treasurer

RECORD OF IN-CAMERA MEETINGS

TO: Board of Education **DATE:** September 28, 2021
FROM: Office of the Secretary-Treasurer
RE: Record of In-Camera Meetings

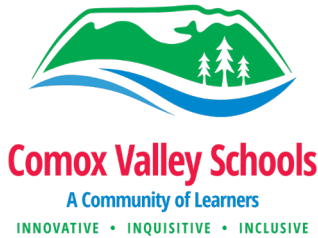
RECORD PURSUANT TO SECTION 72 OF THE *SCHOOL ACT*

Matters discussed and decisions reached at the Special and Regular In-Camera meetings held since the last such report:

June 22, 2021 – Regular In-Camera Meeting

1. Adoption of the May 25, 2021 Regular In-Camera Meeting Minutes
2. Receipt of and updates on two legal matters
3. Receipt of and updates on three land/property matters
4. Receipt of and updates on two other matters

The meeting was called to order at 6:02pm and adjourned at 6:40pm.



Comox Valley Schools

School District No. 71

Board of Education

BOARD CHAIR'S REPORT

TO: Board of Education

DATE: September 28, 2021

FROM: Sheila McDonnell, Board Chair

First, I am very pleased to welcome everyone to our first Board meeting of the new school year. It is not the year we were looking towards as we wrapped up in June, with vaccinations well underway and covid under control. Delta has thrown us a huge challenge as it developed strength over the late summer, meaning many Ministry directives were received by districts in the days just before start up. I want to commend all our staff for their continued resilience and responsiveness to changing situations and protocols. We are so appreciative of our senior team, who worked hard throughout the summer with plans, contingencies and then plans B, C, D etc. We welcomed three new district leaders Sean Lamoureux, Vivian Collyer and Jay Dixon, who quickly immersed themselves – and we are grateful to Esther Shatz, Allan Douglas and Paul Berry, who generously shared their knowledge and experience to ensure smooth transitions. We are grateful, too, to all our educational and operational staff, who have worked to make the school year start a great one. Over the summer, SD71 colleagues were busy with school upgrades, completion of two new schools, professional development, lesson planning, team building, enrolling new students and hiring staff. In spite of the continued presence of covid, the overall sense has been positive and the welcome back to our lovely students, eager to learn and play together, brings hope for an excellent year.

This week, we join others in recognizing the first National Day for Truth and Reconciliation. As with Remembrance Day, this is not a day for celebration, but rather one for sober reflection, for honouring the children abused and lost in the Residential Institution system, for learning about the ongoing impacts for indigenous families and communities. It is a time to make personal and collective commitments to making change, to implementing the 94 Calls to Action and UNDRIP and actively working to dismantle systemic barriers and racism. There are many resources to help us on this path. On Thursday, we are invited to join a Spirit Walk, from Harmston Park between 12-7. There are special presentations on radio, tv, websites including CBC, APTN, the Orange Shirt Day Society and the National Centre for Truth and Reconciliation. For ongoing learning, there are so many events offered- online courses, library talks and book clubs, language courses (NIC), experiential learnings such as the Blanket project and The Village. I encourage everyone to spend Thursday to engage with listening, learning and reflecting on the deep wounds of this tragic colonial history and our determination to move on together.

The Honourable Dr Murray Sinclair, chair of the Truth and Reconciliation Commission, notes that education was a significant tool in oppression and cultural genocide – and that education is now an essential part of the path forward. We must deepen our responsibility to change the future for indigenous students. As a reminder of this duty, we have been gifted with a moccasin, symbol of the children and the difficult path forward that we walk together. These are given to us by the Little Bears, with teacher Colleen Devlin and helpers, at Ecole Puntledge Park. It is truly heartbreaking to imagine the

pain of the children taken to the schools. Every school in our district will have special activities this week to honour and learn, and indigenous history and ways of learning are embedded in curriculum and practices throughout the year. I am so thankful for everyone in our Indigenous Education program, the staff, elders, community agencies and partners, families and the students themselves that help make change and model the path for us.

From my heart,

Respectfully submitted,

Sheila McDonnell

Sheila McDonnell
Trustee

THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

ECOLE PUNTLEDGE PARK ELEMENTARY WATER WORKS RIGHT-OF-WAY BYLAW 2021

WHEREAS a board of education may dispose of land or improvements owned or administered by the board under the authority of Section 96(3) of the School Act, subject to the Orders of the Minister of Education (the "**Minister**"), and the granting of a statutory right-of-way is a disposal of an interest in land;

AND WHEREAS the Minister issued Order M193/08 (the "**Order**") effective September 3, 2008 requiring fee simple sales and leases of land or improvements for a term of ten years or more to be specifically approved by the Minister, unless the transferee is an independent school or another school board, but the Order does not require the Minister's approval for the granting of a statutory right-of-way;

AND WHEREAS Section 65(5) of the *School Act* requires a board of education to exercise a power with respect to the acquisition or disposal of property only by bylaw;

AND WHEREAS:

- (i) The Board of Education of School District No. 71 (Comox Valley) (the "**Board**") owns the land and improvements known as Ecole Puntledge Park Elementary (the "**Property**");
- (ii) the Property is facility number _____ ;
- (iii) the address of the Property is 401 Willemar Avenue, Courtenay, British Columbia, V9N 3L3;
- (iv) the legal description of the Property is:

Parcel Identifier: 005-501-946 Amended Lot 2 (DD 58092N), Section 79, Comox District, Plan 8249 Except Part in Plan VIP72063;
- (v) the Board requires municipal water services for the Property from The Corporation of the City of Courtenay (the "**City**"), and the City has asked the Board to grant to the City a statutory right-of-way (the "**Statutory Rights-of-Way**") to permit them to construct, install, use, maintain, service and replace water meter and storm drainage works in the area of the Property outlined in bold on Explanatory Plan EPP112227, a reduced copy of which is attached hereto as Schedule A; and
- (vi) the Board is satisfied that it would be in the best interests of the Board to grant the Statutory Right-of-Way and that the granting of the Statutory Right-of-Way will not interfere with the Board's use of the Property for educational purposes.

NOW THEREFORE IT IS HEREBY ENACTED as a Bylaw of the Board that the granting of the Statutory Right-of-Way to the City be and is hereby approved, and that the Secretary-Treasurer be and is hereby authorized, on behalf of the Board, to execute and deliver the Statutory Right-of-Way in such form and with such amendments thereto as the Secretary-Treasurer may, in her discretion, consider advisable, and all related and ancillary documents required to complete the granting of the Statutory Right-of-Way.

This Bylaw may be cited as "School District No. 71 (Comox Valley) Ecole Puntledge Park Elementary Water Works Right-of-Way Bylaw 2021".

Read a first time this ____ day of _____ 2021.

Read a second time this ____ day of _____ 2021.

Upon unanimous agreement of the Trustees of the Board in attendance, this Bylaw was read a third time on _____ 2021, and finally passed and adopted this ____ day of _____ 2021.

Chairperson of the Board

Corporate Seal

Secretary-Treasurer

I HEREBY CERTIFY this to be a true original of School District No. 71 (Comox Valley) Ecole Puntledge Park Elementary Water Works Right-of-Way Bylaw 2021, adopted by the Board the ____ day of _____ 2021.

Secretary-Treasurer

SCHEDULE A

PLAN EPP112227

**EXPLANATORY PLAN OF STATUTORY
RIGHT OF WAY OVER PART OF
AMENDED LOT 2 (DD 58092N),
SECTION 79, COMOX DISTRICT,
PLAN 8249, EXCEPT PART IN
PLAN VIP72063**

PURSUANT TO SECTION 99 (1)(e) OF THE LAND TITLE ACT
BCGS 92F.065

SCALE: 1:150

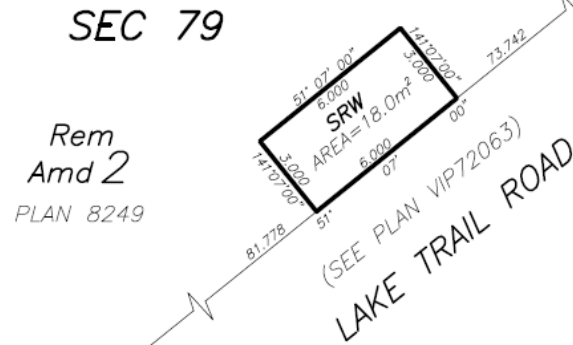
ALL DISTANCES ARE IN METRES



THE INTENDED PLOT SIZE OF THIS PLAN IS 280mm
IN HEIGHT BY 432mm IN WIDTH WHEN
PLOTTED AT A SCALE OF 1:150.

LEGEND

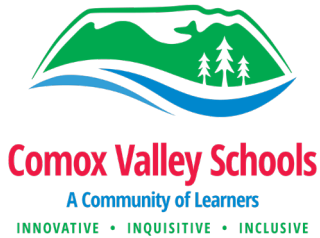
BEARINGS ARE ASTRONOMIC AND
ARE DERIVED FROM PLAN VIP72063



THIS PLAN IS BASED ON THE FOLLOWING LAND
TITLE AND SURVEY AUTHORITY OF BC RECORDS:
PLANS 8249 AND VIP72063
MICHAEL J HANSEN, BCLS 815
DATED THIS 3rd DAY OF JUNE, 2021

THIS PLAN LIES WITHIN THE COMOX VALLEY
REGIONAL DISTRICT AND THE CITY OF COURTENAY

McChamney Associates
Professional Land Surveyors
1211 Ryan Road
Courtenay, B.C. V9N 3R6
Ph : 250-338-5495
File : 05770-SRW



TO: Board of Education

DATE: September 28, 2021

RE: **Human Resources - Retirements and Recognition**

Retirements

David Krotz, Custodian, Highland Secondary, will retire effective October 31, 2021 after 11 years of service with the district.

Debbie Cole, Senior Custodian, Maintenance Department, retired effective May 31, 2021 after 33 years of service with the district.

Shannon Bavis-Knox, Teacher, Inclusive Education, retired effective June 30, 2021 after 19 years of service with the district.

Laurie DeRycke, Senior Custodian, Queneesh Elementary, will retire effective October 29, 2021 after 22 years of service with the district.

Linda Meyers, Administrative Assistant, Inclusive Education, will retire effective October 31, 2021 after 23 years of service with the district.

Brenda Geddes, Teacher, Inclusive Education, retired effective June 30, 2021 after 30 years of service with the district.

**AUDIT COMMITTEE
BOARD REPORT**

Date: Thursday, September 16, 2021
Time: 3:00pm - 4:30pm
Venue: Zoom virtual meeting

Committee Members:

Tonia Frawley, Chairperson
Sheila McDonnell, Board Chair
Candice Hilton, Director of Finance
Jessica MacLean, Public Member
Debra Oakman, Public Member

Tom Demeo, Superintendent
Brenda Hooker, Secretary-Treasurer
Geoff Manning, Assistant Superintendent
Ian Heselgrave, Director of Operations

Regrets:

Cristi May Sacht, Trustee
Janice Caton, Trustee

Guests:

Lenora Lee, Audit Engagement Partner, KPMG LLP
Cathie Collins, Manager of Finance

Recording Secretary: Marlene Leach, Senior Executive Assistant

A. WELCOME

Chair, Tonia Frawley called the meeting to order at 3:07pm and acknowledged the traditional territory of the K'omoks First Nation.

B. INTRODUCTIONS

None

C. ITEMS FOR DISCUSSION

1. 2020-21 Audited Financial Statements

The Audit Committee Recommends:

THAT the Board of Education approve the 2020-21 audited financial statements as presented.

Candice Hilton, Director of Finance shared a PowerPoint presentation and provided an overview of the financial statements included in the Audit Committee agenda.

2. 2020-21 Financial Statement Discussion and Analysis

Candice Hilton, Director of Finance noted the Financial Statement Discussion and Analysis report prepared by Secretary-Treasurer, Brenda Hooker, is an expanded version of the detailed notes for information and should be used in conjunction with the financial statements.

Brenda Hooker, Secretary-Treasurer answered questions from the committee members.

3. Audit Findings Report for the Year Ended June 30, 2021

The Audit Committee Recommends:

THAT the Board of Education receive KPMG LLP's Report on the Financial Statement Audit for the year ending June 30, 2021.

Lenora Lee, Audit Engagement Partner of KPMG LLP provided an overview of each topic contained in the Audit Findings Report, including the Executive Summary, What's New in Fiscal 2021 Impacting Financial Reporting, Areas of Audit Focus, Significant Accounting Policies and Practices, New Auditing Standard, Control and Other Observations, Accumulated Operating Surplus Policy, and the Appendices.

Brenda Hooker, Secretary-Treasurer thanked KPMG for their valuable work and thanked the public members for their contributions as well. Lenora Lee answered questions from the committee members.

D. ITEMS FOR INFORMATION

NONE

E. FUTURE AGENDA ITEMS

NONE

F. ADJOURNMENT

The meeting was adjourned at 3:56pm.

Audited Financial Statements of

School District No. 71 (Comox Valley)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 71 (Comox Valley)

June 30, 2021

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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, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 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



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 71 (Comox Valley), and
To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 71 (Comox Valley) (the Entity), which comprise:

- the statement of financial position as at June 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2021 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2 to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



Other Information

Management is responsible for the other information. Other information comprises:

- Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document.
- Unaudited Schedules 1-4 attached to the audited financial statements.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditors' report thereon, included in the Financial Statement Discussion and Analysis document and Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Other Matter – Comparative Information

The financial statements for the year ended March 31, 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on September 24, 2020 based on Canadian Public Sector Accounting Standards.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada

DATE

School District No. 71 (Comox Valley)

Statement of Financial Position

As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	30,834,542	25,577,556
Accounts Receivable		
Due from Province - Ministry of Education	1,415,579	4,361,035
Due from Province - Other	99,252	-
Other (Note 4)	640,131	468,762
Total Financial Assets	32,989,504	30,407,353
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education	8,959	-
Other (Note 5)	13,666,917	12,011,670
Unearned Revenue (Note 6)	2,229,696	1,599,395
Deferred Revenue (Note 7)	1,853,793	1,864,136
Deferred Capital Revenue (Note 8)	126,040,567	110,801,430
Employee Future Benefits (Note 9)	4,049,278	4,063,871
Total Liabilities	147,849,210	130,340,502
Net Debt	(114,859,706)	(99,933,149)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	163,086,356	143,021,353
Prepaid Expenses	925,803	637,198
Total Non-Financial Assets	164,012,159	143,658,551
Accumulated Surplus (Deficit) (Note 19)	49,152,453	43,725,402

Contractual Obligations (Note 15)

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 2

Statement of Operations
Year Ended June 30, 2021

	2021 Budget (Note 17) \$	2021 Actual \$	2020 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	109,675,210	111,494,482	97,410,333
Other		215,600	
Tuition	1,404,000	1,623,154	2,828,612
Other Revenue	1,536,490	2,256,785	3,409,754
Rentals and Leases	36,000	28,527	126,505
Investment Income	220,500	213,465	351,540
Gain (Loss) on Disposal of Tangible Capital Assets (Note 12)		399,000	
Amortization of Deferred Capital Revenue	4,147,320	4,345,125	4,148,666
Total Revenue	<u>117,019,520</u>	<u>120,576,138</u>	<u>108,275,410</u>
Expenses (Note 18)			
Instruction	94,997,321	92,017,371	82,996,651
District Administration	3,891,235	3,648,525	3,374,093
Operations and Maintenance	17,001,232	17,497,489	16,398,668
Transportation and Housing	2,082,701	1,985,702	1,885,532
Debt Services			456
Total Expense	<u>117,972,489</u>	<u>115,149,087</u>	<u>104,655,400</u>
Surplus (Deficit) for the year	<u>(952,969)</u>	<u>5,427,051</u>	<u>3,620,010</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		43,725,402	40,105,392
Accumulated Surplus (Deficit) from Operations, end of year		<u>49,152,453</u>	<u>43,725,402</u>

School District No. 71 (Comox Valley)

Statement of Changes in Net Debt

Year Ended June 30, 2021

	2021 Budget (Note 17) \$	2021 Actual \$	2020 Actual \$
Surplus (Deficit) for the year	(952,969)	5,427,051	3,620,010
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(8,754,453)	(26,252,829)	(15,760,431)
Amortization of Tangible Capital Assets	5,771,997	6,187,826	5,736,102
Total Effect of change in Tangible Capital Assets	(2,982,456)	(20,065,003)	(10,024,329)
Acquisition of Prepaid Expenses		(925,803)	(637,198)
Use of Prepaid Expenses		637,198	697,689
Total Effect of change in Other Non-Financial Assets	-	(288,605)	60,491
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(3,935,425)</u>	(14,926,557)	(6,343,828)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(14,926,557)	(6,343,828)
Net Debt, beginning of year		(99,933,149)	(93,589,321)
Net Debt, end of year		<u>(114,859,706)</u>	<u>(99,933,149)</u>

School District No. 71 (Comox Valley)

Statement of Cash Flows
Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	5,427,051	3,620,010
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,674,835	(2,560,064)
Prepaid Expenses	(288,605)	60,491
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,664,206	2,823,103
Unearned Revenue	630,301	(563,553)
Deferred Revenue	(10,343)	291,351
Employee Future Benefits	(14,593)	(62,472)
Loss (Gain) on Disposal of Tangible Capital Assets	(399,000)	
Amortization of Tangible Capital Assets	6,187,826	5,736,102
Amortization of Deferred Capital Revenue	(4,345,125)	(4,148,666)
Total Operating Transactions	11,526,553	5,196,302
Capital Transactions		
Tangible Capital Assets Purchased	(8,805,785)	(6,446,434)
Tangible Capital Assets -WIP Purchased	(17,447,044)	(9,313,997)
District Portion of Proceeds on Disposal (Note 12)	399,000	
Principal Payment on Capital Lease Obligation	-	(22,101)
Total Capital Transactions	(25,853,829)	(15,782,532)
Financing Transactions		
Capital Revenue Received	19,584,262	12,710,844
Total Financing Transactions	19,584,262	12,710,844
Net Increase (Decrease) in Cash and Cash Equivalents	5,256,986	2,124,614
Cash and Cash Equivalents, beginning of year	25,577,556	23,452,942
Cash and Cash Equivalents, end of year	30,834,542	25,577,556
Cash and Cash Equivalents, end of year, is made up of:		
Cash	30,834,542	25,577,556
	30,834,542	25,577,556
Supplementary Cash Flow Information (Note 22)		

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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, 2020 and full-time beginning Sept 1, 2020 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 School 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, 2021

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

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).

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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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.

h) Liability for Contaminated Sites

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

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

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

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

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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.
- 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

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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, utilities, 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 (see Note 19 – Accumulated Surplus).

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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

m) Revenue Recognition (*continued*)

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.

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.

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, Assistant 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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.

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. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

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

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. 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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, 2022. A liability will be recognized when, as at the financial reporting date:

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

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

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

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

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

Revenue from transactions with no performance obligations should be recognized when 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, 2021

NOTE 3 CASH AND CASH EQUIVALENTS

	2021	2020
School Generated Funds	\$ 799,972	\$ 854,796
District Funds	13,734,679	17,725,539
Restricted Funds - Teacher Salary Deferral Program	247,790	181,677
BC Ministry of Finance Central Deposit Program	16,052,101	6,815,544
	\$ 30,834,542	\$ 25,577,556

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2021	2020
Due from Federal Government	\$ 371,681	\$ 318,133
Other	268,450	150,629
	\$ 640,131	\$ 468,762

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2021	2020
Trade payables	\$ 4,678,845	\$ 2,595,458
Salaries and benefits payable	2,804,541	2,333,597
Accrued vacation payable	509,783	558,777
Other	5,673,748	6,523,838
	\$ 13,666,917	\$ 12,011,670

NOTE 6 UNEARNED REVENUE

	2021	2020
Balance, beginning of year	\$ 1,599,395	\$ 2,162,948
Tuition fees received	2,253,455	2,265,059
Tuition fees recognized	(1,623,154)	(2,828,612)
Balance, end of year	\$ 2,229,696	\$ 1,599,395

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

	2021	2020
Balance, beginning of year	\$ 1,864,136	\$ 1,572,785
Grants received:		
Provincial Grants - Ministry of Education	15,642,551	11,121,912
School Generated Funds	1,452,179	2,498,563
Other	5,303	144,959
Subtotal	17,100,033	13,765,434
Revenue recognized:	(17,015,540)	(13,474,083)
Revenue recovered:	(94,836)	-
Subtotal	(17,110,376)	(13,474,083)
Balance, end of year	\$ 1,853,793	\$ 1,864,136

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.

	2021	2020
<u>Deferred capital revenue - subject to amortization</u>		
Balance, beginning of year	\$ 98,997,994	\$ 99,154,762
Provincial Grants - Ministry of Education	3,730,907	2,502,158
Transfer in from deferred revenue - WIP	215,917	1,489,740
Write off/down of Buildings and Sites	-	-
Amortization of deferred capital revenue	(4,345,125)	(4,148,666)
Balance, end of year	\$ 98,599,693	\$ 98,997,994

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

	2021	2020
Deferred capital revenue - work in progress		
Work in progress, beginning of year	\$ 10,908,747	\$ 3,084,490
Transfer in from deferred capital revenue - Unspent	16,447,044	9,313,997
Transfer to deferred capital revenue	(215,917)	(1,489,740)
	\$ 27,139,874	\$ 10,908,747

	2021	2020
Deferred capital revenue - unspent		
Unspent deferred capital revenue, beginning of year	\$ 894,689	\$ -
Provincial Grants - Ministry of Education	19,169,010	11,727,576
Provincial Grants - Other	99,252	893,268
Other	15,000	90,000
MEd Restricted Portion of Proceeds on Disposal	301,000	-
Transfer to deferred capital revenue	(3,730,907)	(2,502,158)
- subject to amortization		
Transfer to deferred capital revenue - work in progress	(16,447,044)	(9,313,997)
	\$ 301,000	\$ 894,689

Total deferred capital revenue balance, end of year	\$ 126,040,567	\$ 110,801,430
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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.

	2021	2020
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	\$ 3,304,451	\$ 3,416,857
Service Cost	286,830	273,649
Interest Cost	76,515	85,760
Benefit Payments	(240,023)	(278,119)
Actuarial (Gain) Loss	(188,837)	(193,696)
	\$ 3,238,936	\$ 3,304,451

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

	2021	2020
<i>Reconciliation of Funded Status at End of Fiscal Year</i>		
Accrued Benefit Obligation - March 31	\$ 3,238,936	\$ 3,304,451
Funded Status - Surplus (Deficit)	(3,238,936)	(3,304,451)
Employer Contributions after Measurement Date	38,048	40,396
Benefits Expense After Measurement Date	(92,763)	(90,836)
Unamortized Net Actuarial (Gain) Loss	(755,627)	(708,980)
Accrued Benefit Asset (Liability) - June 30	\$ (4,049,278)	\$ (4,063,871)

<i>Reconciliation of Change in Accrued Benefit Liability</i>		
Accrued Benefit Liability (Asset) - July 1	\$ 4,063,871	\$ 4,126,343
Net Expense for Fiscal Year	223,081	239,078
Employer Contributions	(237,674)	(301,550)
Accrued Benefit Liability (Asset) - June 30	\$ 4,049,278	\$ 4,063,871

<i>Components of Net Benefit Expense</i>		
Service Cost	\$ 286,999	\$ 276,944
Interest Cost	78,272	83,449
Amortization of Net Actuarial (Gain)/Loss	(142,190)	(121,315)
Net Benefit Expense (Income)	\$ 223,081	\$ 239,078

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

	June 30, 2021	June 30, 2020
Discount Rate - April 1	2.25%	2.50%
Discount Rate - March 31	2.50%	2.25%
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 years

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

There was no interest expense for the year ending 2021 (2020 - \$456)

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:	June 30, 2021	June 30, 2020
Sites	\$ 14,151,889	\$ 14,151,889
Buildings	138,676,231	121,720,049
Furniture & Equipment	5,809,522	3,790,052
Vehicles	1,346,531	1,188,225
Computer Hardware	3,102,183	2,171,138
Total	\$ 163,086,356	\$ 143,021,353

June 30, 2021

Cost:	Balance at July 1, 2020	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2021
Sites	\$ 14,151,889	\$ -	\$ -	\$ -	\$ 14,151,889
Buildings	213,314,938	4,266,355	531,133	17,341,701	234,391,861
Furniture & Equipment	4,217,913	2,672,739	-	(110,574)	6,780,078
Vehicles	1,721,803	346,273	30,539	-	2,037,537
Computer Hardware	3,294,393	1,736,335	272,225	-	4,758,503
Total	\$ 236,700,936	\$ 9,021,702	\$ 833,897	17,231,127	\$ 262,119,868

June 30, 2021

Accumulated Amortization:	Balance at July 1, 2020	Additions	Disposals	Balance at June 30, 2021
Sites	\$ -	\$ -	\$ -	-
Buildings	91,594,889	4,651,874	531,133	95,715,630
Furniture & Equipment	427,861	542,695	-	970,556
Vehicles	533,578	187,967	30,539	691,006
Computer Hardware	1,123,255	805,290	272,225	1,656,320
Total	\$ 93,679,583	\$ 6,187,826	\$ 833,897	\$ 99,033,512

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 **TANGIBLE CAPITAL ASSETS** *(Continued)*

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

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 then gain on disposal. The prepaid rent will be utilized after the sale of the School Board Office to the Comox Valley Regional District completes which occurred on June 18, 2021. Upon completion of this sale, the District received proceeds of \$700,000, of which \$600,000 was recorded as cash, and \$100,000 as prepaid rent. As the original building construction was funded by the Board and the addition construction was funded by both Board funds and Ministry of Education capital funds a portion of the cash proceeds has been restricted as Ministry of Education Restricted Capital. Cash proceeds of \$600,000 were allocated 43% to the Ministry of Education Restricted Capital and 57% to Local Capital, resulting in a Gain on Disposal. The Prepaid Rent will begin to be amortized in the 2021/22 school year over the life of the 99 year lease agreement.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 13 **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, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As of December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 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.

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 \$7,749,786 for employer contributions to the plans for the year ended June 30, 2021 (2020: \$6,992,962).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in the last quarter of 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, 2021

NOTE 14 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 15 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, 2021, \$21,385,362 has been spent and recorded as work in progress with an expected school 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 2020-21 school year, contractual costs can be estimated and incrementally increased by at least 2.5% annually based on the contract terms.

	2022
Transportation Contract	\$ 1,974,000

NOTE 16 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, 2021

NOTE 17 BUDGET FIGURES

Budget figures were approved by the Board through the adoption of an amended annual budget on February 23, 2021. Differences between the amended and original budget adopted May 26, 2020 are presented below.

	AMENDED			
	Annual Budget	Annual Budget	Annual Budget	Change
Revenues				
Provincial Grants				
Ministry of Education	\$ 109,675,210	\$ 98,588,741	\$	(11,086,469)
Tuition	1,404,000	1,935,000		531,000
Other Revenue	1,536,490	2,003,309		466,819
Rentals and Leases	36,000	150,000		114,000
Investment Income	220,500	335,000		114,500
Amortization of Deferred Capital Revenue	4,147,320	4,193,501		46,181
Total Revenue	\$ 117,019,520	\$ 107,205,551	\$	(9,813,969)
Expenses				
Instruction	\$ 94,997,321	\$ 84,332,101	\$	(10,665,220)
District Administration	3,891,235	3,815,652		(75,583)
Operations and Maintenance	17,001,232	16,798,729		(202,503)
Transportation and Housing	2,082,701	2,082,211		(490)
Total Expense	\$ 117,972,489	\$ 107,028,693	\$	(10,943,796)
Net Revenue (Expense)	\$ (952,969)	176,858		1,129,827
Budgeted Allocation of Surplus	2,333,079	-		(2,333,079)
Budgeted Surplus (Deficit) for the year	\$ 1,380,110	\$ 176,858	\$	(1,203,252)

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 18 EXPENSE BY OBJECT

	2021	2020
Salaries and benefits	\$ 93,645,602	\$ 84,407,735
Services and supplies	15,315,659	14,511,563
Amortization	6,187,826	5,736,102
	\$ 115,149,087	\$ 104,655,400

NOTE 19 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, 2021, were as follows:

- \$454,407 was transferred from the operating fund to the capital fund for the purchase of capital assets;
- \$1,316,397 was transferred from the special purpose fund to the capital fund for the purchase of capital assets;
- \$1,560,000 was transferred from the operating fund to local capital.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 19 ACCUMULATED SURPLUS (Continued)

	2021	2020
Operating Fund		
Internally restricted (appropriated):		
Net School Surpluses	\$ 195,886	\$ 310,430
Mental Health Grant	-	11,411
LEA Capacity Building Grant	6,840	6,850
Indigenous Education	299,678	165,333
Purchase Order Commitments	270,432	342,378
District/Program Initiatives	74,945	1,197,918
Modulars/Furniture	550,000	300,000
Outdoor Classrooms	720,000	-
Accessibility/Entrance Renewals	300,000	-
Board Office Reserve	500,000	-
Enhanced Cleaning & HVAC Upgrades	642,338	-
School Fire Suppression project	700,000	-
Future Capital Project Pre-Engineering & Design	100,000	-
Holdback Funds Learning Impacts & Mental Health	525,696	-
Teacher Mentorship	133,879	-
Board Operating Reserve	2,575,213	1,746,210
Subtotal (internally restricted)	\$ 7,594,907	\$ 4,080,530
Unrestricted operating surplus	-	-
	-	-
 Total available for future operations	 \$ 7,594,907	 \$ 4,080,530
 Capital Fund		
Invested in tangible capital assets	\$ 37,346,792	\$ 33,114,615
Local Capital	4,210,754	6,530,257
	\$ 41,557,546	\$ 39,644,872
 Total Accumulated Surplus	 \$ 49,152,453	 \$ 43,725,402

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 19 ACCUMULATED SURPLUS (Continued)

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

Information Technology Reserve	\$	31,249
Contingency Reserve		71,240
Board Office - Prepaid Rent and Updates		2,479,598
Youth Trades Tools/Equipment Replacement		37,620
Furniture and Equipment		90,068
Fine Arts Equipment		30,862
Copier and Printer Fleet Replacement		46,580
Facility Reserve		1,300,000
Classroom Renovations		123,537
	<u>\$</u>	<u>4,210,754</u>

NOTE 20 ECONOMIC DEPENDENCE

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

NOTE 21 RISK MANAGEMENT

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

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

a) Credit risk

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed 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, 2021

NOTE 21 **RISK MANAGEMENT (Continued)**

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.

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 2020 related to credit, market or liquidity risks.

NOTE 22 **SUPPLEMENTARY CASH FLOW INFORMATION**

Interest collected and paid during the year was as follows:

	2021		2020
Interest collected	\$ 213,465	\$	351,540
Interest paid	-		456

School District No. 71 (Comox Valley)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2021

	Operating Fund	Special Purpose Fund	Capital Fund	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,080,530		39,644,872	43,725,402	40,105,392
Changes for the year					
Surplus (Deficit) for the year	5,528,784	1,316,397	(1,418,130)	5,427,051	3,620,010
Interfund Transfers					
Tangible Capital Assets Purchased	(454,407)	(1,316,397)	1,770,804	-	
Local Capital	(1,560,000)		1,560,000	-	
Net Changes for the year	3,514,377	-	1,912,674	5,427,051	3,620,010
Accumulated Surplus (Deficit), end of year - Statement 2	7,594,907	-	41,557,546	49,152,453	43,725,402

School District No. 71 (Comox Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

	2021 Budget (Note 17) \$	2021 Actual \$	2020 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	94,008,867	95,951,648	86,434,556
Other		215,600	
Tuition	1,404,000	1,623,154	2,828,612
Other Revenue	691,990	789,382	925,540
Rentals and Leases	36,000	28,527	126,505
Investment Income	180,000	182,591	217,794
Total Revenue	<u>96,320,857</u>	<u>98,790,902</u>	<u>90,533,007</u>
Expenses			
Instruction	79,678,097	76,670,560	69,872,996
District Administration	3,891,235	3,648,525	3,374,093
Operations and Maintenance	10,878,807	10,959,235	10,312,138
Transportation and Housing	2,080,797	1,983,798	1,885,532
Total Expense	<u>96,528,936</u>	<u>93,262,118</u>	<u>85,444,759</u>
Operating Surplus (Deficit) for the year	<u>(208,079)</u>	<u>5,528,784</u>	<u>5,088,248</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>2,333,079</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(565,000)	(454,407)	(1,637,926)
Local Capital	(1,560,000)	(1,560,000)	(4,700,372)
Total Net Transfers	<u>(2,125,000)</u>	<u>(2,014,407)</u>	<u>(6,338,298)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>3,514,377</u>	<u>(1,250,050)</u>
Operating Surplus (Deficit), beginning of year		4,080,530	5,330,580
Operating Surplus (Deficit), end of year		<u>7,594,907</u>	<u>4,080,530</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		<u>7,594,907</u>	4,080,530
Total Operating Surplus (Deficit), end of year		<u><u>7,594,907</u></u>	<u>4,080,530</u>

School District No. 71 (Comox Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	90,665,285	92,492,731	83,472,347
ISC/LEA Recovery	(175,262)	(154,961)	(146,001)
Other Ministry of Education Grants			
Pay Equity	451,831	451,831	451,831
Funding for Graduated Adults	135,000	230,034	167,068
Student Transportation Fund	421,375	421,375	421,375
Carbon Tax Grant			59,287
Employer Health Tax Grant			611,726
Support Staff Benefits Grant	111,041	111,041	77,661
Support Staff Wage Increase Funding			357,738
Teachers' Labour Settlement Funding	2,210,956	2,210,956	912,883
Early Career Mentorship Funding	170,000	170,000	
FSA Scorer Grant	15,964	15,964	15,964
Early Learning Grant	2,677	2,677	32,677
Total Provincial Grants - Ministry of Education	94,008,867	95,951,648	86,434,556
Provincial Grants - Other	-	215,600	-
Tuition			
International and Out of Province Students	1,404,000	1,623,154	2,828,612
Total Tuition	1,404,000	1,623,154	2,828,612
Other Revenues			
Funding from First Nations	175,262	154,961	146,001
Miscellaneous			
Instructional Cafeteria	120,000	55,024	95,991
Other Miscellaneous	396,728	579,397	683,548
Total Other Revenue	691,990	789,382	925,540
Rentals and Leases	36,000	28,527	126,505
Investment Income	180,000	182,591	217,794
Total Operating Revenue	96,320,857	98,790,902	90,533,007

School District No. 71 (Comox Valley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
	\$	\$	\$
Salaries			
Teachers	39,906,305	39,320,849	35,945,125
Principals and Vice Principals	5,370,410	5,270,358	4,994,211
Educational Assistants	6,306,411	5,921,174	5,605,122
Support Staff	8,539,127	8,127,471	8,050,315
Other Professionals	3,071,031	3,182,317	2,953,909
Substitutes	2,774,695	3,057,669	2,066,415
Total Salaries	65,967,979	64,879,838	59,615,097
Employee Benefits	16,060,813	15,447,539	14,309,070
Total Salaries and Benefits	82,028,792	80,327,377	73,924,167
Services and Supplies			
Services	3,157,357	3,139,062	2,273,147
Student Transportation	2,063,962	1,966,901	1,870,141
Professional Development and Travel	625,260	357,477	488,838
Dues and Fees	83,400	65,158	68,728
Insurance	202,800	199,811	189,321
Supplies	6,303,673	5,198,272	4,918,763
Utilities	2,063,692	2,008,060	1,711,654
Total Services and Supplies	14,500,144	12,934,741	11,520,592
Total Operating Expense	96,528,936	93,262,118	85,444,759

School District No. 71 (Comox Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	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	32,066,579	712,267		54,207		2,397,258	35,230,311
1.03 Career Programs	608,316		194,583			7,367	810,266
1.07 Library Services	128,947			697,971		42,813	869,731
1.08 Counselling	1,505,955					3,790	1,509,745
1.10 Special Education	4,119,251	131,708	4,957,505	83,454	187,640	276,229	9,755,787
1.30 English Language Learning	185,797						185,797
1.31 Indigenous Education	275,916	138,856	709,187	116,215	94,108	1,847	1,336,129
1.41 School Administration		4,155,819		1,804,145		162,319	6,122,283
1.62 International and Out of Province Students	430,088	131,708		89,790	224,209	26,070	901,865
1.64 Other			59,899	79,482		3,098	142,479
Total Function 1	39,320,849	5,270,358	5,921,174	2,925,264	505,957	2,920,791	56,864,393
4 District Administration							
4.11 Educational Administration					959,076		959,076
4.40 School District Governance					183,348		183,348
4.41 Business Administration				353,392	969,508		1,322,900
Total Function 4	-	-	-	353,392	2,111,932	-	2,465,324
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration					550,060		550,060
5.50 Maintenance Operations				4,379,121		136,878	4,515,999
5.52 Maintenance of Grounds				469,694			469,694
5.56 Utilities							-
Total Function 5	-	-	-	4,848,815	550,060	136,878	5,535,753
7 Transportation and Housing							
7.41 Transportation and Housing Administration					14,368		14,368
7.70 Student Transportation							-
Total Function 7	-	-	-	-	14,368	-	14,368
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	39,320,849	5,270,358	5,921,174	8,127,471	3,182,317	3,057,669	64,879,838

School District No. 71 (Comox Valley)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2021

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2021 Actual	2021 Budget (Note 17)	2020 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	35,230,311	8,714,852	43,945,163	3,790,698	47,735,861	49,985,594	41,203,578
1.03 Career Programs	810,266	183,866	994,132	287,767	1,281,899	1,256,772	1,090,757
1.07 Library Services	869,731	210,909	1,080,640	363,316	1,443,956	1,595,732	1,522,163
1.08 Counselling	1,509,745	367,017	1,876,762	177	1,876,939	1,844,016	1,912,616
1.10 Special Education	9,755,787	2,358,967	12,114,754	114,275	12,229,029	12,438,480	11,705,887
1.30 English Language Learning	185,797	43,828	229,625	451	230,076	157,870	195,517
1.31 Indigenous Education	1,336,129	316,099	1,652,228	516,667	2,168,895	2,468,573	1,816,816
1.41 School Administration	6,122,283	1,366,093	7,488,376	562,938	8,051,314	7,923,727	7,814,312
1.62 International and Out of Province Students	901,865	204,495	1,106,360	218,278	1,324,638	1,647,674	2,299,938
1.64 Other	142,479	36,595	179,074	148,879	327,953	359,659	311,412
Total Function 1	56,864,393	13,802,721	70,667,114	6,003,446	76,670,560	79,678,097	69,872,996
4 District Administration							
4.11 Educational Administration	959,076	133,878	1,092,954	20,747	1,113,701	1,135,151	1,055,367
4.40 School District Governance	183,348	22,702	206,050	90,317	296,367	356,720	270,133
4.41 Business Administration	1,322,900	286,591	1,609,491	628,966	2,238,457	2,399,364	2,048,593
Total Function 4	2,465,324	443,171	2,908,495	740,030	3,648,525	3,891,235	3,374,093
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	550,060	110,561	660,621	412,555	1,073,176	1,102,798	969,876
5.50 Maintenance Operations	4,515,999	996,467	5,512,466	1,528,679	7,041,145	7,008,492	6,871,636
5.52 Maintenance of Grounds	469,694	92,090	561,784	275,070	836,854	703,825	758,972
5.56 Utilities	-	-	-	2,008,060	2,008,060	2,063,692	1,711,654
Total Function 5	5,535,753	1,199,118	6,734,871	4,224,364	10,959,235	10,878,807	10,312,138
7 Transportation and Housing							
7.41 Transportation and Housing Administration	14,368	2,529	16,897	5,712	22,609	23,835	21,077
7.70 Student Transportation	-	-	-	1,961,189	1,961,189	2,056,962	1,864,455
Total Function 7	14,368	2,529	16,897	1,966,901	1,983,798	2,080,797	1,885,532
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	64,879,838	15,447,539	80,327,377	12,934,741	93,262,118	96,528,936	85,444,759

School District No. 71 (Comox Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

	2021 Budget (Note 17) \$	2021 Actual \$	2020 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	15,666,343	15,542,834	10,975,777
Other Revenue	844,500	1,467,403	2,484,214
Investment Income	5,500	5,303	14,092
Total Revenue	<u>16,516,343</u>	<u>17,015,540</u>	<u>13,474,083</u>
Expenses			
Instruction	15,319,224	15,346,811	13,123,655
Operations and Maintenance	350,428	350,428	350,428
Transportation and Housing	1,904	1,904	
Total Expense	<u>15,671,556</u>	<u>15,699,143</u>	<u>13,474,083</u>
Special Purpose Surplus (Deficit) for the year	<u>844,787</u>	<u>1,316,397</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(844,787)	(1,316,397)	
Total Net Transfers	<u>(844,787)</u>	<u>(1,316,397)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 71 (Comox Valley)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	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			758,885	838,354			10,533		94,836
Add: Restricted Grants									
Provincial Grants - Ministry of Education	350,428	308,915			160,000	39,200	188,646	609,052	1,471,710
Other			46,550	1,305,093					
Investment Income			5,114						
	350,428	308,915	51,664	1,305,093	160,000	39,200	188,646	609,052	1,471,710
Less: Allocated to Revenue	350,428	308,915	52,905	1,366,703	160,000	39,200	199,179	549,402	1,471,710
Recovered									94,836
Deferred Revenue, end of year	-	-	757,644	776,744	-	-	-	59,650	-
Revenues									
Provincial Grants - Ministry of Education	350,428	308,915			160,000	39,200	199,179	549,402	1,471,710
Other Revenue			47,791	1,366,703					
Investment Income			5,114						
	350,428	308,915	52,905	1,366,703	160,000	39,200	199,179	549,402	1,471,710
Expenses									
Salaries									
Teachers							22,056		
Principals and Vice Principals							23,095		274,319
Educational Assistants		251,631						280,443	656,810
Support Staff	261,554				125,048	25,544	52		153,852
Substitutes							7,662	329	93,420
	261,554	251,631	-	-	125,048	25,544	52,865	280,772	1,178,401
Employee Benefits	62,773	57,284			28,125	6,174	11,854	65,194	280,309
Services and Supplies	26,101		52,905	1,366,703	6,827	7,482	134,460	203,436	13,000
	350,428	308,915	52,905	1,366,703	160,000	39,200	199,179	549,402	1,471,710
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 71 (Comox Valley)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund	Professional Development	CVCF Student Travel
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			1,904	28,500	10,362			105,239	15,523
Add: Restricted Grants									
Provincial Grants - Ministry of Education	8,118,102	100,703	2,891	52,000	25,000	615,365	3,600,539		
Other								78,763	21,773
Investment Income									189
	8,118,102	100,703	2,891	52,000	25,000	615,365	3,600,539	78,763	21,962
Less: Allocated to Revenue	8,118,102	100,703	1,904	9,043	18,344	615,365	3,600,539	52,296	802
Recovered									
Deferred Revenue, end of year	-	-	2,891	71,457	17,018	-	-	131,706	36,683
Revenues									
Provincial Grants - Ministry of Education	8,118,102	100,703	1,904	9,043	18,344	615,365	3,600,539		
Other Revenue								52,296	613
Investment Income									189
	8,118,102	100,703	1,904	9,043	18,344	615,365	3,600,539	52,296	802
Expenses									
Salaries									
Teachers	6,458,952						1,218,823		
Principals and Vice Principals								78,387	
Educational Assistants									
Support Staff						267,968	335,209		
Substitutes	5,118	60,751			14,015		51,404		
	6,464,070	60,751	-	-	14,015	267,968	1,683,823	-	-
Employee Benefits	1,654,032	7,399			2,475	64,312	411,852		
Services and Supplies		32,553	1,904	9,043	1,854	154,640	316,912	52,296	802
	8,118,102	100,703	1,904	9,043	18,344	486,920	2,412,587	52,296	802
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	128,445	1,187,952	-	-
Interfund Transfers									
Tangible Capital Assets Purchased						(128,445)	(1,187,952)		
	-	-	-	-	-	(128,445)	(1,187,952)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 71 (Comox Valley)Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	<u>TOTAL</u>
	\$
Deferred Revenue, beginning of year	1,864,136
Add: Restricted Grants	
Provincial Grants - Ministry of Education	15,642,551
Other	1,452,179
Investment Income	5,303
	<u>17,100,033</u>
Less: Allocated to Revenue	17,015,540
Recovered	94,836
Deferred Revenue, end of year	<u>1,853,793</u>
Revenues	
Provincial Grants - Ministry of Education	15,542,834
Other Revenue	1,467,403
Investment Income	5,303
	<u>17,015,540</u>
Expenses	
Salaries	
Teachers	7,699,831
Principals and Vice Principals	297,414
Educational Assistants	1,267,271
Support Staff	1,169,227
Substitutes	232,699
	<u>10,666,442</u>
Employee Benefits	2,651,783
Services and Supplies	2,380,918
	<u>15,699,143</u>
Net Revenue (Expense) before Interfund Transfers	<u>1,316,397</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(1,316,397)
	<u>(1,316,397)</u>
Net Revenue (Expense)	<u><u>-</u></u>

School District No. 71 (Comox Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

	2021	2021 Actual			2020
	Budget (Note 17)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Investment Income	35,000		25,571	25,571	119,654
Gain (Loss) on Disposal of Tangible Capital Assets		399,000		399,000	-
Amortization of Deferred Capital Revenue	4,147,320	4,345,125		4,345,125	4,148,666
Total Revenue	<u>4,182,320</u>	<u>4,744,125</u>	<u>25,571</u>	<u>4,769,696</u>	<u>4,268,320</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,771,997	6,187,826		6,187,826	5,736,102
Debt Services					
Capital Lease Interest				-	456
Total Expense	<u>5,771,997</u>	<u>6,187,826</u>	<u>-</u>	<u>6,187,826</u>	<u>5,736,558</u>
Capital Surplus (Deficit) for the year	<u>(1,589,677)</u>	<u>(1,443,701)</u>	<u>25,571</u>	<u>(1,418,130)</u>	<u>(1,468,238)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,409,787	1,770,804		1,770,804	1,637,926
Local Capital	1,560,000		1,560,000	1,560,000	4,700,372
Total Net Transfers	<u>2,969,787</u>	<u>1,770,804</u>	<u>1,560,000</u>	<u>3,330,804</u>	<u>6,338,298</u>
Other Adjustments to Fund Balances					
District Portion of Proceeds on Disposal		(399,000)	399,000	-	
Tangible Capital Assets Purchased from Local Capital		3,304,074	(3,304,074)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,000,000	(1,000,000)	-	
Total Other Adjustments to Fund Balances		<u>3,905,074</u>	<u>(3,905,074)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>1,380,110</u>	<u>4,232,177</u>	<u>(2,319,503)</u>	<u>1,912,674</u>	<u>4,870,060</u>
Capital Surplus (Deficit), beginning of year		<u>33,114,615</u>	<u>6,530,257</u>	<u>39,644,872</u>	<u>34,774,812</u>
Capital Surplus (Deficit), end of year		<u>37,346,792</u>	<u>4,210,754</u>	<u>41,557,546</u>	<u>39,644,872</u>

School District No. 71 (Comox Valley)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2021

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	14,151,889	202,533,529	4,090,575	1,721,803	-	3,294,393	225,792,189
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,372,146	1,439,820				2,811,966
Deferred Capital Revenue - Other		907,656	11,285				918,941
Operating Fund			77,046	191,651		185,710	454,407
Special Purpose Funds		324,056	844,236			148,105	1,316,397
Local Capital		1,573,918	173,014	154,622		1,402,520	3,304,074
Transferred from Work in Progress		88,579	127,338				215,917
	-	4,266,355	2,672,739	346,273	-	1,736,335	9,021,702
Decrease:							
Disposed of		531,133					531,133
Deemed Disposals				30,539		272,225	302,764
	-	531,133	-	30,539	-	272,225	833,897
Cost, end of year	14,151,889	206,268,751	6,763,314	2,037,537	-	4,758,503	233,979,994
Work in Progress, end of year		28,123,110	16,764				28,139,874
Cost and Work in Progress, end of year	14,151,889	234,391,861	6,780,078	2,037,537	-	4,758,503	262,119,868
Accumulated Amortization, beginning of year		91,594,889	427,861	533,578	-	1,123,255	93,679,583
Changes for the Year							
Increase: Amortization for the Year		4,651,874	542,695	187,967		805,290	6,187,826
Decrease:							
Disposed of		531,133					531,133
Deemed Disposals				30,539		272,225	302,764
		531,133	-	30,539	-	272,225	833,897
Accumulated Amortization, end of year		95,715,630	970,556	691,006	-	1,656,320	99,033,512
Tangible Capital Assets - Net	14,151,889	138,676,231	5,809,522	1,346,531	-	3,102,183	163,086,356

School District No. 71 (Comox Valley)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	10,781,409	127,338			10,908,747
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	16,340,280	16,764			16,357,044
Deferred Capital Revenue - Other	90,000				90,000
Local Capital	1,000,000				1,000,000
	<u>17,430,280</u>	<u>16,764</u>	-	-	<u>17,447,044</u>
Decrease:					
Transferred to Tangible Capital Assets	88,579	127,338			215,917
	<u>88,579</u>	<u>127,338</u>	-	-	<u>215,917</u>
Net Changes for the Year	<u>17,341,701</u>	<u>(110,574)</u>	-	-	<u>17,231,127</u>
Work in Progress, end of year	<u>28,123,110</u>	<u>16,764</u>	-	-	<u>28,139,874</u>

School District No. 71 (Comox Valley)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 94,992,813	\$ 4,005,181	\$	\$ 98,997,994
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,811,966	903,941	15,000	3,730,907
Transferred from Work in Progress	127,338	88,579		215,917
	<u>2,939,304</u>	<u>992,520</u>	<u>15,000</u>	<u>3,946,824</u>
Decrease:				
Amortization of Deferred Capital Revenue	4,195,640	149,297	188	4,345,125
	<u>4,195,640</u>	<u>149,297</u>	<u>188</u>	<u>4,345,125</u>
Net Changes for the Year	<u>(1,256,336)</u>	<u>843,223</u>	<u>14,812</u>	<u>(398,301)</u>
Deferred Capital Revenue, end of year	<u>93,736,477</u>	<u>4,848,404</u>	<u>14,812</u>	<u>98,599,693</u>
Work in Progress, beginning of year	10,820,168	88,579		10,908,747
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	16,357,044		90,000	16,447,044
	<u>16,357,044</u>	<u>-</u>	<u>90,000</u>	<u>16,447,044</u>
Decrease				
Transferred to Deferred Capital Revenue	127,338	88,579		215,917
	<u>127,338</u>	<u>88,579</u>	<u>-</u>	<u>215,917</u>
Net Changes for the Year	<u>16,229,706</u>	<u>(88,579)</u>	<u>90,000</u>	<u>16,231,127</u>
Work in Progress, end of year	<u>27,049,874</u>	<u>-</u>	<u>90,000</u>	<u>27,139,874</u>
Total Deferred Capital Revenue, end of year	<u>120,786,351</u>	<u>4,848,404</u>	<u>104,812</u>	<u>125,739,567</u>

School District No. 71 (Comox Valley)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2021

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year			804,689		90,000	894,689
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	19,169,010					19,169,010
Provincial Grants - Other			99,252			99,252
Other					15,000	15,000
MEd Restricted Portion of Proceeds on Disposal		301,000				301,000
	<u>19,169,010</u>	<u>301,000</u>	<u>99,252</u>	<u>-</u>	<u>15,000</u>	<u>19,584,262</u>
Decrease:						
Transferred to DCR - Capital Additions	2,811,966		903,941		15,000	3,730,907
Transferred to DCR - Work in Progress	16,357,044				90,000	16,447,044
	<u>19,169,010</u>	<u>-</u>	<u>903,941</u>	<u>-</u>	<u>105,000</u>	<u>20,177,951</u>
Net Changes for the Year	<u>-</u>	<u>301,000</u>	<u>(804,689)</u>	<u>-</u>	<u>(90,000)</u>	<u>(593,689)</u>
Balance, end of year	<u>-</u>	<u>301,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,000</u>

Financial Statement Discussion and Analysis

For the Year Ended June 30, 2021



Comox Valley Schools

A Community of Learners

INNOVATIVE • INQUISITIVE • INCLUSIVE

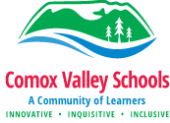
School District No.71 (Comox Valley)

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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, 2021

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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, 2021. 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 5), 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 6), 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 30) illustrates the sum of the funds.

Schedule 2 (page 31) 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 36) 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 40) 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 5.

This statement summarizes the assets and liabilities at June 30, 2021. This provides an indication of the financial health of the school district.

	2020-21		2019-20		\$ Change	% Change
Financial Assets	\$	32,989,504	\$	30,407,353	\$ 2,582,151	8%
Non-Financial Assets		164,012,159		143,658,551	20,353,608	14%
Total Assets		197,001,663		174,065,904	22,935,759	13%
Liabilities		147,849,210		130,340,502	17,508,708	13%
Accumulated Surplus	\$	49,152,453	\$	43,725,402	\$ 5,427,051	12%

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 8% increase in financial assets of \$2.58 million from 2019-20 resulted from changes in the following accounts:

Cash and Cash Equivalents – Note 3

At June 30, 2021, the District held \$30.83 million in cash. Of this amount, \$16.05 million has been deposited in the Province's Central Deposit Program, and District funds of \$14.78 million are made up of the local capital surplus, operating surplus, deferred revenue, and the teacher and support staff summer savings plan funds.

Cash and Cash Equivalents	June 30, 2021		June 30, 2020	
School Generated Funds	\$	799,972	\$	854,796
District Funds		13,734,679		17,725,539
Restricted Funds - Teacher Salary Deferral Program		247,790		181,677
BC Ministry of Finance Central Deposit Program		16,052,101		6,815,544
Total Cash and Cash Equivalents	\$	30,834,542	\$	25,577,556

Accounts Receivable – Note 4

Accounts receivable at June 30, 2021 include a \$1.42 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 \$0.1 million in receivables from the Province for Denman Island Daycare. Other miscellaneous funds owing to the District include GST receivable and other trade receivables.

Accounts Receivable	June 30, 2021	June 30, 2020
Due from Province - Ministry of Education	\$ 1,415,579	\$ 4,361,035
Due from Province - Other	\$ 99,252	\$ -
Other	640,131	468,762
Total Accounts Receivable	\$ 2,154,962	\$ 4,829,797

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 – Note 11

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 \$163.09 million as at June 30, 2021. The increase of \$20.07 million over the prior year is comprised of new assets purchased totalling \$26.25 million less amortization of \$6.19 million.

Capital activity during the year included the seismic work on Lake Trail Middle School, a replacement school at Hornby Island, a daycare on Denman Island, boiler replacements/fire suppression at Mark Isfeld Secondary and Cumberland Community School, a DDC upgrade at Aspen, Brooklyn and Queneesh Elementary, roof repairs at Mark Isfeld, 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 \$0.93 million at June 30, 2021. There is an additional \$0.36 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 amortized until the 21-22 fiscal as the sale of a second parcel of land to the Comox Valley Regional District completed in June of 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 total liabilities of \$17.51 million from 2019-20 resulted from changes in the following accounts:

Accounts Payable and Accrued Liabilities – Note 5

The District's accounts payable and accrued liabilities represent expenses which have been incurred but not yet paid. The increase of \$1.66 million from 2019-20 is mainly COVID-19 related. There was an increase in deferred homestay fees due to increased enrollment in our International program for 21-22 and supply chain delays where items were ordered but not received by June 30th. These increases were offset by a reduction in other accrued liabilities.

Accounts Payable and Accrued Liabilities	June 30, 2021	June 30, 2020
Trade and other amounts payable	\$ 4,678,845	\$ 2,595,458
Salaries and benefits payable	2,804,541	2,333,597
Accrued vacation payable	509,783	558,777
Accrued wages and benefits	492,273	290,993
Summer savings plan	3,194,172	3,008,664
Deferred salary leave	247,790	181,677
Deferred homestay revenues	1,333,797	950,100
Other accrued liabilities	405,716	2,092,404
Total Accounts Payable and Accrued Liabilities	\$ 13,666,917	\$ 12,011,670

Unearned Revenue – Note 6

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 \$2.2 million represents international student fees received prior to June 30, 2021 for tuition in the 2021-22 school year.

Deferred Revenue – Note 7

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

Deferred Revenue	June 30, 2021	June 30, 2020
School generated funds - amounts raised by schools for specific projects, such as class trips, school fees and other fundraising	\$ 776,744	\$ 838,354
Scholarships and bursaries - balances administered by the District and amounts awarded but not yet claimed	757,644	758,885
Professional development - contractual funds set aside for support staff, principals/vice-principals and exempt staff	131,706	105,239
Other unspent targeted funds	187,699	161,658
Total Deferred Revenue	\$ 1,853,793	\$ 1,864,136

Deferred Capital Revenue and Tangible Capital Assets – Note 8

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 equipment, vehicles, and most computer equipment.

Most of the District's capital expenditures, 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 \$163.08 million of tangible capital assets. Of this, \$125.7 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 – Note 9

The employee future benefits liability of \$4.05 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) – Statement 1

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 \$114.86 million. This is heavily skewed by the deferred capital revenue liability of \$126.04 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 \$11.18 million.

Accumulated Surplus – Note 19

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) and Ministry restricted capital. 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:

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.

Accumulated Surplus		June 30, 2021	June 30, 2020
Operating Fund	\$	7,594,907	\$ 4,080,530
Capital Fund - local capital (amounts available to spend on future capital asset purchases)		4,210,754	6,530,257
Capital Fund - invested in tangible capital assets (the cost of assets owned by the district, net of amortization and targeted grants)		37,346,792	33,114,615
Total Accumulated Surplus	\$	49,152,453	\$ 43,725,402

STATEMENT OF OPERATIONS (All funds)

Statement 2 – page 6

The Statement of Operations is cumulative summarizing the revenues received and expenses incurred by the District during the twelve months between July 1 and June 30 for all three funds- Operating, Special Purpose and Capital.

Year Ended	June 30, 2021	June 30, 2020
Total Revenues	120,576,138	108,275,410
Total Expenses	115,149,087	104,655,400
Surplus for the year	\$ 5,427,051	\$ 3,620,010

Ministry of Education grant funding increased from 2020 by \$14.08 million. This is a result of increased per student funding, higher enrolment in NIDES and increased funding for the Classroom Enhancement Fund and the Provincial and Federal COVID-19 funding.

Expenses increased from 2020 by \$10.49 million as wage increases were implemented, and additional educational resources were allocated to support the additional students and COVID protocols.

Overall, the District's revenues exceeded its expenditures by \$5.43 million. Broken down by fund, this variance arises as follows:

Fund	Surplus / (deficit) for the year	Commentary
Operating Fund	\$ 5,528,784	See discussion and analysis in the Operating Fund section of this document.
Special Purpose Funds	1,316,397	Tangible Capital Assets were purchased from the Provincial and Federal COVID dollars
Capital Fund	\$ (1,418,130)	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	\$ 5,427,051	

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, 2021 and year to June 30, 2020 are shown.

Schedule	Page	Overview
2	31	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	32	Outlines in more detail the operating revenues earned by the District.
2B	33	Summarizes salaries by employee group and other operating cost categories.
2C	34-35	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	2020-21 Actual \$\$	2020-21 Budget \$\$	Variance \$\$	Variance %
Provincial Grants - MOE	\$ 95,951,648	\$ 94,008,867	\$ 1,942,781	2.07%
Provincial Grants - Other	215,600	0	215,600	100.00%
Tuition	1,623,154	1,404,000	219,154	15.61%
Other Revenue	789,382	691,990	97,392	14.07%
Rentals and Leases	28,527	36,000	(7,473)	-20.76%
Investment Income	182,591	180,000	2,591	1.44%
Total Revenue	\$ 98,790,902	\$ 96,320,857	\$ 2,470,045	2.56%

Provincial Grants – Ministry of Education

98% 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 \$1.94 million (2.07%) from what was budgeted was due to higher-than-expected enrollment in NIDES for the February and May counts. In addition, the District received holdback funds that were not budgeted due to the uncertainty of receipt. The MOE grants are detailed on Schedule 2A.

Provincial Grants – Other

This is a presentation change from previous budgets and statements. The amount reflected here of \$0.2 million is the funding received from the Industry Training Authority for career and dual credit programing. Previously these amounts were included in the other revenue totals.

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 of \$0.2 million (15.61%) is due to more students actually attending than budgeted and other program application fees and homestay administration charges not previously budgeted.

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 \$0.09 million (14.07%) from what was budgeted was due to the receipt of GST/PST rebates and an increase in print shop 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 due to COVID and not being able to open Facilities to user groups.

Investment Income

Investment income is interest earned on operating revenue. The increase from budget is due to better utilization of the central deposit account with the Province.

Overall, the total revenue for the year was \$2.47 million (2.56%) more than what was budgeted, mainly due to increased enrolment.

The following table compares actual revenues for 2020-2021 to actual revenues for the prior year.

Revenue	2020-21 Actual \$\$	2019-20 Actual \$\$	Variance \$\$	Variance %
Provincial Grants - MOE	\$ 95,951,648	\$ 86,434,556	\$ 9,517,092	11.01%
Provincial Grants - Other	215,600	0	215,600	100.00%
Tuition	1,623,154	2,828,612	(1,205,458)	-42.62%
Other Revenue	789,382	925,540	(136,158)	-14.71%
Rentals and Leases	28,527	126,505	(97,978)	-77.45%
Investment Income	182,591	217,794	(35,203)	-16.16%
Total Revenue	\$ 98,790,902	\$ 90,533,007	\$ 8,257,895	9.12%

Overall, the total revenues for the year were \$8.26 million (9.12%) more than the prior year. This is mainly due to increased enrolment which offset the decreases due to the COVID-19 pandemic.

Operating Expenditures

Expenditures are reported by function for the District. The table below summarizes total expense by function for the year to June 30, 2021.

Function	2020-21 \$\$	2020-21 % of total
Instruction	\$ 76,670,560	82.2%
District Administration	3,648,525	3.9%
Operations and Maintenance	10,959,235	11.8%
Transportation	1,983,798	2.1%
Total	\$ 93,262,118	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 amended budget.

Function	2020-21 Actual \$\$	2020-21 Budget \$\$	Variance \$\$	Variance %
Instruction	\$ 76,670,560	\$ 79,678,097	\$ (3,007,537)	-3.77%
District Administration	3,648,525	3,891,235	(242,710)	-6.24%
Operations and Maintenance	10,959,235	10,878,807	80,428	0.74%
Transportation	1,983,798	2,080,797	(96,999)	-4.66%
Total	\$ 93,262,118	\$ 96,528,936	\$ (3,266,818)	-3.38%

Costs related to the Instruction function were \$3.01 million (3.77%) less than what was budgeted for, mainly due to COVID-19. The amended budget was cautious trying to ensure resources were available for COVID related expenses but also accounting for potential expenses should restrictions be lifted. Thus, substitute costs were higher than anticipated, staffing and benefit costs were down due to unfilled positions across all employee groups, Pro-D and Travel did not normalize, and supplies were down significantly due to ongoing supply chain issues.

Overall, the variance in expenditures from budget in 2020-21 is \$3.27 million (3.38%).

The following table compares actual expenditures for 2020-21 to actual expenditures by function for the prior year.

Function	2020-21 Actual \$\$	2019-20 Actual \$\$	Variance \$\$	Variance %
Instruction	\$ 76,670,560	\$ 69,872,996	6,797,564	9.73%
District Administration	3,648,525	3,374,093	274,432	8.13%
Operations and Maintenance	10,959,235	10,312,138	647,097	6.28%
Transportation	1,983,798	1,885,532	98,266	5.21%
Total	\$ 93,262,118	\$ 85,444,759	7,817,359	9.15%

Instruction expenses have increased over the prior year by \$6.8 million (9.73%) due to increased enrolment, increased teacher staffing, and wage increases for both teachers and support staff. As well, when enrollments increase the services and supplies required to support the students also increase. It is also important to note that the expenses in 19-20 were artificially low due to reduced in-person instruction. Some expenses returned to traditional levels in 20-21, for example transportation.

District Administration has increased \$0.27 million (8.13%) due to the addition of an exempt position in IT, 2% wage increases and a payout of vacation balances that were not able to be drawn down due the COVID-19.

Operations and maintenance expenses have increased over the prior year by \$0.64 million (6.28%) due to salary increases, the extension of additional trades positions to support HVAC improvements due to COVID, utility expenses returning to normal and increased supply costs to support the maintenance and upkeep of the facilities during COVID.

Transportation expenses have increased over the prior year by \$0.01 million (5.21%) as costs normalized after the reduction in transportation services in 19-20 due to COVID-19.

Overall, the District was grateful for the Provincial and Federal COVID funding. The one-time funding was significant in helping to offset the cost impacts from COVID both in staffing and supply/service.

Operating Surplus

The operating surplus for the year as at June 30, 2021 is \$7.59 million. This is calculated on Schedule 2, on page 31 of the financial statements.

The annual operating surplus is \$5.52 million, which is reduced by transfers during the year that were approved by the Board. These included a \$1.56 million transfer to Local Capital, and an additional \$0.45 million of operating funds that were used to purchase capital assets. This results in an annual operating surplus of \$3.51 million. The operating surplus at the beginning of the year was \$4.08 million, so the net effect at the end of the year is a total accumulated operating surplus of \$7.59 million.

Operating	2020-21 \$\$	2019-20 \$\$	Increase / (Decrease)
Revenues	98,790,902	90,533,007	8,257,895
Expenses	93,262,118	85,444,759	7,817,359
Operating Surplus for the Year	5,528,784	5,088,248	440,536
Transfers	(2,014,407)	(6,338,298)	
Total Operating Surplus (Deficit) for the year	3,514,377	-1,250,050	
Operating Surplus (Deficit) beginning of the year	4,080,530	5,330,580	
Operating Surplus (Deficit) end of the year	\$ 7,594,907	\$ 4,080,530	

SPECIAL PURPOSE FUNDS

Overview

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

Schedule	Page	Overview
3	36	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	37-39	Outlines, by each group of funds, the grants received and expenses for the year to June 30, 2021.

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

Year Ended	June 30, 2021		June 30, 2020	
Total Revenues	\$	17,015,540	\$	13,474,083
Total Expenses		15,699,143		13,474,083
Tangible Capital Assets Purchased		1,316,397		
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, The Provincial Safe Return to School Grant, the Federal Safe Return to Class Fund, Comox Valley Community Foundation Student Travel, and the Classroom Enhancement Fund.

Classroom Enhancement Funds

The grants from the Classroom Enhancement Funds (three components) totalled \$9.69 million. These grants are intended to offset the additional costs association 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:

- 58.4 FTE additional enrolling teachers needed to offset the reduction in class sizes;
- 22.1 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 15% 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 recorded on a deferred basis meaning capital revenue is recorded in the financial statements over the life of the related asset and matched to the annual amortization expense. For example, if the District receives \$30 million to build a new school, that capital revenue is recorded over 40 years and offset by the depreciation of the new school.

The Province does not provide capital grants for asset acquisitions such as modulars, 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 and is the type of expenses comprising the tangible capital assets purchased from operating. 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	40	Summarizes amortization, local capital balances, and transfers to the capital fund from other funds. Also shows the budgeted amounts and prior year amounts.
4A	41	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	42	Outlines the costs to date on construction which is still in progress at June 30, 2021. Two major projects were in progress at June 30, 2021: the Lake Trail Seismic upgrade and Hornby replacement.
4C	43	Accounts for sources of funding spent on the acquisition of capital assets.
4D	44	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 – Note 11

Net Book Value	June 30, 2021	June 30, 2020
Sites	\$ 14,151,889	\$ 14,151,889
Buildings	138,676,231	121,720,049
Furniture & Equipment	5,809,522	3,790,052
Vehicles	1,346,531	1,188,225
Computer Hardware	3,102,183	2,171,138
Total	\$ 163,086,356	\$ 143,021,353

The District has \$163.09 million of funds invested in its capital infrastructure. The majority of the District's capital assets are the school buildings (\$138.68 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.

The net book value represents the historical cost of the assets less the accumulated amortization of all District capital assets. It does not reflect current market value.

Deferred Capital Revenue

Schedule 4C accounts for grants received for capital asset purchases that have been spent throughout the year thus reflecting the net changes both in completed and ongoing projects.

Schedule 4D shows the capital grants received for capital projects and whether the funds received were expensed on completed or ongoing projects or are unspent.

Schedule 4D illustrates that \$19.17 million of grants were received in the year to June 30, 2021 from the Ministry of Education in the form of bylaw capital. This includes the annual facilities capital grant. It also shows that \$301,000 from the sale of the Board office has been restricted and unspent as of June 30, 2021. Schedule 4D also reflects the Other Provincial and Other Capital funds received for the construction of the Denman Childcare facility.

Schedule 4D shows a change of \$20.18 million in bylaw capital that was then accounted for as deferred capital revenue on Schedule 4C – either as Capital Additions or as Work in Progress (ongoing projects). Deferred capital revenue balances are accumulated over the years and amortized over the estimated lifespan of the assets acquired with the grant money. Schedule 4C notes that the deferred capital revenue balance was reduced by \$4.35 million in the year to June 30, 2021 to reflect this amortization.

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 total deferred capital revenue balance at June 30, 2021 is \$125.74 million, indicating 77% of the District's assets were purchased with targeted grant funding.

Capital Projects

During 2020-21, approximately \$20.18 million was spent on capital projects. Some of these projects include:

- Lake Trail Middle School seismic upgrade
- Hornby Island School replacement
- Denman Island Preschool
- Finalizing mechanical upgrades at Mark Isfeld Secondary and Cumberland Community School
- Boiler replacement at Brooklyn Elementary
- Annual Facilities Grant projects (roofing, paint, paving, flooring, lighting, fire/PA/phone upgrades)
- Brooklyn, Queneesh and Aspen DDC upgrades
- Outdoor classrooms
- Roofing project at Mark Isfeld

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 2020-21 year, \$1.56 million was transferred for the following purposes:

Amount \$	Purpose
\$ 100,000	Vehicle fleet - replacement
50,000	District copiers - replacement
200,000	Modulars
30,000	Trades tools and equipment - replacement
250,000	School board office renovation/update
800,000	Technology reserve
80,000	Contingency Reserve
35,000	District printer - replacement
15,000	Custodial Equipment Replacement
\$ 1,560,000	Total Transferred

The Local Capital balance as at June 30, 2021 of \$4.21 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	\$ 31,249
Youth Trades Tools/Equipment Replacement	37,620
Furniture and Equipment	90,068
Contingency reserve	71,240
Board Office - prepaid rent and updates	2,479,598
Fine Arts Equipment	30,862
Facility Reserve	1,300,000
Classroom Renovations	123,537
Copier and Printer Fleet Replacement	46,580
Total Local Capital Surplus	\$ 4,210,754



RISKS AND UNCERTAINTIES

COVID-19

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

The uncertainty from COVID-19 continued to have an impact throughout the 20-21 fiscal year. Significant impacts noted throughout this school year include:

- A commitment by the Board of Education to retain seats in catchment school for families choosing distributed or blended learning options which resulted in additional staffing costs.
- Revenues and expenses that fluctuated significantly from “normal” operations.
- Reduced participation in our International Education program.
- Significantly higher enrollments in our Distributed Learning programs.
- Significant COVID-19 funding from both the Provincial and Federal governments.

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 still 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. However, 18 months of pandemic management have provided significant expertise in mitigating risks within the District.

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

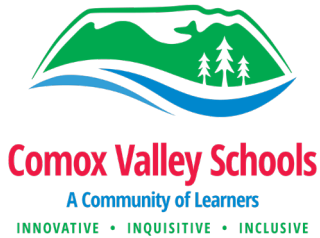
building the overall project budget and are managed internally. This uncertainty is offset by the Facilities reserves allocated in the local capital reserves.

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 at 250-334-5500.





FACILITIES COMMITTEE
BOARD REPORT

Date: Tuesday, September 21, 2021
Time: 3:00pm – 4:00pm
Venue: via Zoom

Committee Members:

Sarah Jane Howe, Chair
Cristi May Sacht, Trustee
Michelle Waite, Trustee

Geoff Manning, Assistant Superintendent
Ian Heselgrave, Director of Operations

Regrets: Brenda Hooker, Secretary-Treasurer

Recording Secretary: Marlene Leach, Senior Executive Assistant

A. WELCOME

Trustee Howe chaired the meeting, welcomed the committee members and called the meeting to order at 3:00pm.

B. ITEMS DISCUSSED

None

C. ITEMS FOR INFORMATION

1. Capital Projects Update – Briefing Note

The Facilities Committee recommends:

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

Director of Operations, Ian Heselgrave, provided an overview of the briefing note and comments were received from the committee.

2. Mark R. Isfeld School Name Change – Briefing Note

The Facilities Committee recommends:

THAT the Board of Education approve the name change of Mark R. Isfeld Secondary School to Mark R. Isfeld Secondary School Ecole Secondaire effective immediately.

Director of Operations, Ian Heselgrave, provided an overview of the briefing note. Comments were received from the committee and their questions were answered.

3. HVAC Update – Briefing Note

The Facilities Committee recommends:

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

Director of Operations, Ian Heselgrave, provided an overview of the briefing note and comments were received from the committee.

4. Cumberland Child Care Facility Update – Verbal Update

Director of Operations, Ian Heselgrave, provided a verbal update on the Cumberland Child Care Facility and questions from the committee members were answered.

D. FUTURE MEETINGS/AGENDA ITEMS

Next Meeting – Tuesday, October 19, 2021 at 3:15pm.

E. ADJOURNMENT

The meeting was adjourned at 3:43pm.

BRIEFING NOTE

TO: Board of Education **DATE:** Sep 28th, 2021
FROM: Ian Heselgrave, Director of Operations
RE: **Capital Projects Update – September 2021**

Purpose

To update the Board of Education on capital projects as of September 2021.

Update on Capital Projects

Lake Trail Middle School – Seismic Upgrade

The Construction Management firm for this project is Heatherbrae Builders Ltd. There are three main components of the project: the construction of a new school anchored on the existing gym, the demolition of the old school and the construction of a childcare facility. The new school is complete and the students started classes on Tuesday September 7th 2021 in the new building. The demolition of the old school is underway and will be complete this Fall. The construction of a child care facility started two weeks ago and will be complete in June 2022.



New school entrance



Childcare facility foundation



Lake Trail entrance mural

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 now complete. The project is on budget and was constructed several months ahead of schedule. The Hornby students started school in the new building on September 7th 2021.



Other Projects

Mark Isfeld roof replacement – Half of the Mark Isfeld Secondary roof was replaced in the summer of 2021. The second half of the work, pending Ministry of Education approval, will be undertaken in the summer of 2022.

Boiler replacements – this summer the outdated and inefficient boiler plants were replaced at Brooklyn Elementary, Huband Elementary and Aspen Park Elementary with new very high efficiency boiler plants. This will significantly reduce the GHG emissions at all three schools.

Building Controls replacements at Brooklyn and Queneesh - DDC systems are used to control a building's various systems from one central point. Brooklyn and Queneesh Elementary were the last two SD 71 schools that required an upgrade to a modern standard. Replacing the DDC systems at these schools will

improve ventilation for staff and students and assist in meeting the Board's strategic goal of Environmental Stewardship. This work will be complete on September 24th.

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



Comox Valley Schools

School District No. 71
Office of the Secretary-Treasurer

BRIEFING NOTE

TO: Board of Education
FROM: Secretary-Treasurer
RE: Mark R Isfeld School Name Change

DATE: September 21, 2021

Purpose

To provide the Board of Education with information regarding a requested name change for Mark R. Isfeld Secondary school.

Background

School District 71 operates a Grade 8-12 French Immersion program at Mark R. Isfeld Secondary School. The school staff have requested an update to the school name to reflect the unique program at the school. Requested is the addition of "Ecole Secondaire". Please see the attached request from the Principal with the proposed logo. This request is timely as Facilities will be updating the entrance and the signage at the school.

Analysis

To keep consistent with the configuration and usage of the school, staff recommends that the Board adopt the suggested name for Mark R Isfeld Secondary.

Recommendation

THAT the Board of Education approve the name change of Mark R. Isfeld Secondary School to Mark R. Isfeld Secondary School Ecole Secondaire effective immediately.

Respectfully submitted,

Brenda Hooker

Brenda Hooker, CPA, CGA
Secretary-Treasurer



Mark R. Isfeld Secondary School

1551 Lerwick Road, Courtenay, BC V9N 9B5

isfeld.comoxvalleyschools.ca • Tel: 250-334-2428 • Fax: 250-334-0659

September 2021

TO: Superintendent Tom Demeo

Mark R. Isfeld Secondary is the only French Immersion secondary school within the Comox Valley Schools district. Following consultation with teaching staff we would like to propose a school name change to reflect the unique composition of our school and school culture.

The addition of École Secondaire would reflect the following:

- the grade 8-12 French Immersion program at Mark. R. Isfeld Secondary
- our connection to the Comox Valley French speaking population
- our strategic priority to “Foster relationships with community, parents and educational partners.” (we are currently developing our 2021-2022 school goals which will include a community engagement goal.)
- A connection with our family of schools École Robb Road Elementary School and École Puntledge Park Elementary

Below please see a new school name graphic as it would appear on the school website:



MARK R. ISFELD
SECONDARY SCHOOL • ÉCOLE SECONDAIRE

Thank you for your consideration.

Sincerely,

Brian McAskill
Principal
Mark R. Isfeld

- 1.2.13 Review with management, the external auditors, and, if necessary, legal counsel any litigation claim or other contingency that could have a material effect upon the financial situation or operation results of the district and the manner in which these will be disclosed in the financial statements.
- 1.2.14 Review and assess the adequacy of these terms of reference annually and submit any recommended changes to the terms of reference to the board of Education for approval.
- 1.2.15 Review fiscal accountability reports to ensure they provide the board with any significant variances in relation to budget and expenditures, budget/expense projections, status of any significant fiscal administrative issues and identification of any fiscal governance issues and any recommendations.
- 1.2.16 Makes legal, and property recommendations regarding any matters referred to the committee by the board.
- 1.2.17 Review investment parameters.

1.3 *Membership*

- 1.3.1 The chair, and two (2) other trustees.
- 1.3.2 Two (2) appointed community non-voting members who is a resident of the school district, not an employee or spouse of an employee and have financial expertise and must sign a non-disclosure agreement.

1.4 *Meetings*

- 1.4.1 At least two (2) times annually.

2. **Facilities and Properties Committee**

2.1 **Purpose/Function**

The purpose of the Facilities Committee is to review and provide recommendations to the Board in regard to assigned facilities planning matters.

2.2 **Key Responsibilities**

2.2.1 *Student Enrolment:*

Annually review enrolment and enrolment trends and the potential impact on capital planning, student accommodation and catchment changes.

2.2.2 *Capital Planning:*

Annually review and make recommendations regarding the draft five-year capital plan for submission to the BC Ministry of Education.

2.3 Long Range Facilities Plan

- 2.3.1 Annually review and make recommendations regarding the long-range facilities plan for submission to the BC Ministry of Education.

2.4 Facilities Planning Matters Referred to the Committee by the Board

- 2.4.1 Review matters referred and make recommendations as requested.

2.5 Naming and Renaming Schools

- 2.5.1 Within the constraints of Board direction provided at the outset of any potential school naming or renaming process, provide recommendations to the Board.

2.6 School Closures

- 2.6.1 Review the materials provided by senior staff to the Board regarding a possible school closure and provide a recommendation to the Board as to whether the committee supports the possible closure advancing to the school closure public consultation process phase.

2.7 Membership

The Facilities Committee will consist of the following members:

- 2.7.1 Three (3) board members, one of whom shall act as Chair of the Committee
 2.7.2 Secretary-Treasurer
 2.7.3 Director of Operations
 2.7.4 Assistant Superintendent

A quorum shall be a majority of the members.

The Chair of the Committee shall preside. If absent the Chair of the Committee shall designate a member to act as Chair. Such appointee shall assume all powers and duties of the Chair when acting as such.

2.8 Meetings

- 2.8.1 The Committee shall meet at least four (4) times per year unless items referred to the committee by the board necessitate additional meetings.

3. Education Committee

3.1 Purpose

The purpose of the Education Committee is to provide a forum for more in-depth discussion of issues related to student learning, student welfare and educational programs.

BRIEFING NOTE

TO: Board of Education
FROM: Ian Heselgrave, Director of Operations
RE: HVAC update

DATE: Sep 28th, 2021

Purpose

To update the Board of Education on the status of the HVAC systems in all SD 71 schools. Good “ventilation” in classrooms is an important component of providing a safe learning environment and protection from communicable diseases. This briefing note will detail the steps taken to improve ventilation in classrooms.

Background

The Public Health Agency of Canada (PHAC) has developed an online guide to inform Canadians about how indoor ventilation, in combination with other recommended public health measures, can reduce the spread of COVID-19. The two following paragraphs are key extracts from this Guide:

“In addition to other public health measures, ventilation has an important role in reducing the transmission of COVID-19 indoors. Outbreaks have been linked to poor ventilation where the virus appears to have been transmitted through aerosol production from infected individuals that became concentrated in the air over time. It is important to note that adjusting ventilation is not likely to reduce transmission between individuals in close proximity. Individuals who are physically near a person who is infected remain at risk from both droplet and aerosol transmission. This is due to their close proximity to the infectious source. For this reason, it is important to:

- maintain physical distance from people you do not live with; and
- wear a well-constructed, well-fitting non-medical mask.

Ventilating a room or indoor space replaces the indoor air with outdoor air. This will dilute and replace any air contaminated with SARS-CoV-2 virus or other air pollutants. Ventilation systems in non-residential settings (like office buildings) may recirculate air through the HVAC system. In this case, some of the indoor air is diluted with outdoor air and filtered before returning to the occupied space. The risk from recirculating the virus through a space serviced by a single HVAC unit is unknown. You can decrease the risk and improve your indoor air quality overall by:

- drawing air from outside; and
- making sure your filters are good quality.”

Discussion

To ensure that there are proper levels of ventilation in all district classrooms the SD 71 Operations team has made several modifications to school HVAC systems. Key points are:

1. The building controls (DDC system) in all schools have been updated throughout the district to the most modern standard. This allows very good control of all ventilation systems.
2. Every classroom in the district has a dedicated unit ventilator that provides fresh air to the classroom. The filters in the unit ventilators are the highest MERV rating that the units are engineered to receive. In many cases a MERV-13 filter cannot be used in our HVAC systems because the motors, fans and electrical systems on most HVAC units are designed and engineered for a MERV-11 filter or less. If we install a filter in an HVAC unit with a higher MERV rating than the system is designed to receive the fan is generally not rated (or strong enough) to pull the correct amount of air through and the fans burn out prematurely, wires overheat and the units then shut down and provide no ventilation.
3. the HVAC systems were reprogrammed to comply with the American Society of Heating and Refrigeration Engineers (ASHRAE) best practices and recommendations for the prevention of COVID-19 transmission in schools. The changes include:
 - a. Ventilation system programmed to run a building flush for two hours prior to occupancy;
 - b. to significantly increase the volume (doubled) of fresh air being brought into the buildings;
 - c. lowered the CO2 setpoint to 800 PPM which significantly increases fresh air volumes in the school;
 - d. Increase the duration of all systems with occupancy sensors to run systems for a minimum of 2 hours. Thus, when you leave the classroom at a break time the system keeps exchanging the air in the classroom; and
 - e. All large air-handling systems such as the gymnasiums, and other large single zones, run the systems at 100% rather than a reduced fan speed which is the normal mode
4. Increased maintenance and monitoring of systems. HVAC filter changes are being conducted at twice the normal rate and an additional HVAC technician was hired to support and maintain the ventilation systems in schools.
5. The District has hired an independent mechanical engineer to review the operation and set up of the HVAC systems in all our schools.
6. Air quality testing will be conducted by the District Safety Officer either as routine or upon request by a Principal.

The Public Health Agency of Canada notes that good ventilation includes increasing indoor/outdoor air exchange, air filtration and opening windows and doors (where possible). This can help reduce spread of COVID-19 in indoor spaces by preventing the accumulation of droplets and aerosols indoors, but must be combined with other public health measures. The modifications to the SD 71 HVAC systems are clearly aligned with this PHAC guidance. In addition, further public health measures such as increased

hand hygiene and enhanced cleaning are clearly detailed in the SD 71 Communicable Disease protocols and are in place for the forthcoming school year.

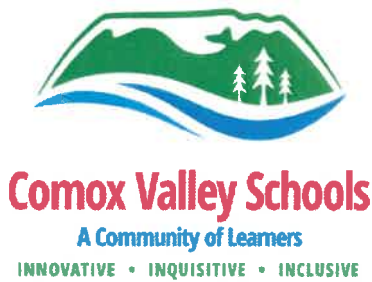
Recommendation

It is recommended that the Board of Education receive the attached HVAC update report as information.

Respectfully submitted,

Ian Heselgrave

Ian Heselgrave
Director of Operations



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

VIA E-MAIL ONLY: educ.minister@gov.bc.ca

July 16, 2021

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

Dear Minister Whiteside,

On behalf of the Board of Education of School District No. 71 (Comox Valley), I am writing to you to lend our Boards support for the BCSTA's Capital Working Group's report, "The Case for Increased School Life Cycle Funding", dated December 2020.

In addition to the report's submissions, we would like to share some other facts and considerations relevant to our District.

As you are aware, each District receives AFG funding targeted for the regular maintenance of schools and other District facilities. The grant is highly appreciated but does not adequately fund District requirements for annual maintenance. Thirteen of twenty of our district buildings are in the Poor or Very Poor FCI category. Thus, we utilize every dollar of our AFG just trying to triage our most urgent maintenance needs. The District submits an annual plan for the AFG spending then always adjusts based on a roof that sprouts a leak or a boiler that fails. There are never enough funds to address all the needs thus the buildings fall further into disrepair from the deferred maintenance.

In addition, the skyrocketing costs of building supplies due to the impact of the pandemic are putting further pressure on scarce AFG resources. Costs of some materials are up 60% but on average have increased 20%, with no sign of dropping as we emerge from the pandemic.

Every District faces the same challenges around aging infrastructure thus we support the BCSTA conclusion that AFG funding would need to double for Districts to perform the basic annual maintenance required, let alone catch up on deferred maintenance.

A steady, predictable infusion of increased capital dollars truly is needed to provide great learning opportunities for children. Every year once we fully expend our Minor Capital and AFG dollars, we have urgent repairs that should not be ignored. The District must then either defer, draw the capital funds from other sources, or as a last resort use operational dollars which directly affects classroom resources. Taking from one resource to pay another's expense is not a sustainable model if we want to continue improving the life chances for students.

In addition, there is significant research to support the need for improved learning spaces. Children thrive in well-lit, clean, bright schools that are updated to 21st Century Learning pedagogy. Updated spaces also improve mental health along with reducing behavioral issues and allow Districts to address accessibility and create gender neutral washrooms in line with GBA+/SOGI directives. A bonus is that fresh spaces generate school pride and reduce vandalism.

The Board of Education of School District No. 71 (Comox Valley) respectfully requests that the Ministry of Education permanently increase the Annual Facility Grant (AFG) funding for school districts.

SD71

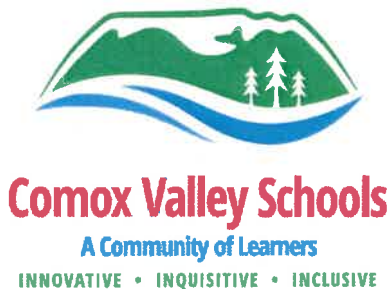
Respectfully,



Sheila McDonnell
Board Chair
The Board of Education of School District No. 71 (Comox Valley)

SM:ml

cc: BCSTA



Comox Valley Schools

School District No. 71
Office of the Secretary-Treasurer

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VIA E-MAIL ONLY: FinanceCommittee@leg.bc.ca

September 21, 2021

Select Standing Finance and Government Services
c/o Parliamentary Committees Office
Parliament Buildings
Victoria, BC V8V 1X4

Re: Budget 2022 Consultation Presentation

Dear Select Standing Committee on Finance and Government Services;

The Board of Education for School District No. 71 (Comox Valley) sincerely appreciates the opportunity to present to the committee. We bring requests before you for consideration centering on our Facilities and rising maintenance costs, mental health/addictions, the Ministry of Education - Framework for Enhancing Student Learning initiative and employee compensation.

Firstly, we want to say thank you for the Government's continued recognition of the importance of K-12 Education. We have noted the increases to capital funding, per-student funding, and the additional one-time mental health grants. These increases certainly help the K-12 sector achieve the Education Minister's mandate however, what we need is long-term, predictable, sustained funding. The K-12 system is tasked with a broad mandate which often crosses ministries with Health, Childcare, Food Security, Transportation, and Indigenous Relations and Reconciliation. Smaller, one-time grants can be utilized for resources, but often personnel is needed to make a significant impact and Districts are cautious to expand staffing if the fiscal support is likely not ongoing.

For example, the K-12 sector was given a much appreciated \$5 million to provide post-covid, mental health school start-up supports for staff and students. This translated to \$51,000 for our District which will fund 1 part-time position spread between our 9,000 students. We know that over 50% of families report they need to access additional mental health services for their children. We need to invest in new models for mental health supports to meet the urgent and rising demands. We also need a long-term plan for supports as we know the mental health effects of COVID-19 will be long term. The K-12 sector will make the most of every dollar we are trusted with to do great things for students, but for a crisis like this we need additional, trained "boots on the ground" to provide timely support and intervention.

Both the “Pathway to Hope” and “Mental Health in Schools” are excellent initiatives, please consider how the initiatives can be operationalized and funded for more than one-year windows. The cross-ministry Pathway’s was announced 3 years ago and is not yet to the point where services are being provided in the K-12 setting. Unsupported mental health challenges lead to self-medicating addictions and substance abuse which then strain our health care, policing, and family support systems not to mention causing thousands of preventable deaths.

Recommendation #1: For the K-12 Sector, consider additional mental health and addiction resources, which could be used for personnel, over a multi-year time frame.

The COVID-19 pandemic has challenged our sector in numerous ways that have at times stretched our staff to the breaking point. One area of lasting impact is on our ability to provide new and modernized learning spaces for students. We strongly request the select standing committee review and support the BCSTA’s Capital Working Group’s report, “The Case for Increased School Life Cycle Funding”, dated December 2020. Increases to our Annual Facility Grant (AFG) and other capital programs have been provided but as the BCSTA report outlines, the need outstrips the current funding and causes significant deferred maintenance. In addition, the skyrocketing costs of building supplies due to the impact of the pandemic are putting further pressure on scarce AFG resources. Costs of some materials are up 60% but on average have increased 20%, with no sign of dropping as we emerge from the pandemic. Increased funding is required to address rising costs let alone the accumulated deferred maintenance. The benefit of increasing AFG funding rather than other capital programs is that the AFG is an annual allocation provided to each District who then utilizes the funds for its urgent needs rather than proposals submitted under the various funding envelopes which then need to be reviewed, vetted and funded individually through Ministry staff and, if supported, will not be funded for a year or more after the request.

Recommendation #2: SD#71 would benefit significantly from a 10% increase to our Annual Facility Grant allocation, as I’m sure would all Districts. This would be an annual, additional investment of \$12,050,000 provincially.

Currently, the Ministry of Education is undertaking a multi-year initiative to align School, District and Ministry goals through a shared commitment for continuous improvement and student success. The “Framework for Enhancing Student Learning” project will link school-based learning plans through District strategic plans to the Ministry of Education’s Policy for Student Success and the Educated Citizen. Districts will need targeted resources to develop and operationalize strategic plans. Another key component will be the metrics and evidence necessary to track success. Not every District has robust data collection tools for measuring outcomes beyond the current FSA data. Resources will be required to build sector capacity in both strategic and operational planning as well as the assessment data needed to improve student outcomes, improve equity for Indigenous students, children and youth in care and our students with diverse abilities. This initiative will need targeted resources for each District to fully participate in and thus imbed this comprehensive approach and vision in District pedagogy.

Recommendation #3: Consider funding additional resources in Districts to support operationalizing this provincial Ministry of Education mandate.

Lastly, 21/22 is a year in which we will bargain new contracts with our unionized employee groups. Our District would appreciate assurance that all salary and benefit increases will be fully funded for all unionized, school-based administration, and exempt employees.

*Recommendation #4: Commit to fully funding salary increases for **all** employee groups in the K-12 Sector.*

Once again, thank you for the opportunity to consult and advocate for the students serviced in our District and throughout the Province.

Respectfully,



Sheila McDonnell

Board Chair

School District No. 71 (Comox Valley)

SM:bh

Enclosure (1)

CC: BCSTA



THE CASE FOR INCREASED SCHOOL LIFE CYCLE FUNDING

a report from the BC School Trustees Association | December 2020

Introduction

Life cycle maintenance refers to the work which must be completed over the “life” of a building to ensure it remains in peak operating condition. A roof may need to be replaced a few times over the typical 50 to 60 year life of a public school building, as will mechanical and electrical systems. Structural and building envelope upgrading may also be required. This is not an exhaustive list but serves to provide examples of the type of work included in life cycle maintenance.

By all accounts B.C. schools suffer from an ever-increasing level of deferred life cycle maintenance. Several measures of this situation are offered in the following pages. One critical measure suggests the shortfall in 2020 needed to address deferred maintenance in the public school system is \$360M (see Figure 1, page 3).

The intent of this paper is to define the problem and make recommendations for consideration by government to correct the shortfall.

The context of these recommendations is also worthy of consideration given the need for economic recovery following the COVID-19 pandemic and the potential for significant infrastructure investments to fuel that recovery.

Premier Horgan’s November 2020 mandate letter to Minister of Education Jennifer Whiteside offers additional context. The letter directs the minister to “continue to invest in new and modernized schools, including focussing on meeting seismic requirements and climate change and energy efficiency standards as set out in our Clean BC plan.”

In 2020 the education routine capital program for schools totaled \$181M. By comparison the value of repairs and upgrades recommended by building system engineers engaged by the Ministry of Education was \$541M.

Summary of Recommendations

1. That a building life cycle plan be developed for each new public school facility at the time of construction including an indication of the annual contributions necessary to fully implement the plan over time.
2. That the Annual Facilities Grant (currently \$115M) be increased by:
 - a. inflation (currently roughly 2%), plus
 - b. an amount equivalent to the annual contribution necessary to implement the detailed life cycle plan for new buildings (roughly 3%) and
 - c. a minimum of 15% for “catch up” each year amounting to a minimum of \$139.5M in 2021/22, \$168.5M in 2022/23, \$203.6M in 2023/24, \$246M in 2024/25, etc., noting that annual increases should continue until the recommended deferred maintenance costs can be covered.
3. That School Enhancement Program funding (currently \$64M) be increased by:
 - a. inflation (currently roughly 2%) and
 - b. a minimum of 15% for “catch up” each year amounting to a minimum of \$75M in 2021/22, \$88M in 2022/23, \$103.2M in 2023/24 and \$121M in 2024/25, etc., noting that annual increases should continue until the recommended immediate deferred maintenance costs can be covered and
4. That the Carbon Neutral Capital Program be increased a minimum of 25% each year amounting to \$20.9M in 2021/22, \$26.1M in 2022/23, \$32.6M in 2023/24, \$40.8M in 2024/25 .
5. That the provincial government carry out the required research to identify appropriate technologies and determine the funding required to achieve provincial government energy conservation objectives for existing public buildings outlined in the Clean BC program; and further, that the provincial government work with the federal government to provide the necessary funding to achieve those objectives.
6. That the need for more up-to-date learning environments to support student success and the level of accumulated deferred maintenance both be given greater consideration in the decision-making process about whether to complete major renovations or replace school buildings as they approach the end of their useful life.

Background

Deferred Maintenance

Figure 1 (below) identifies historic routine capital program allocations, deferred maintenance recommended within 1 year, deferred maintenance recommended within 5 years, and the change in the average provincial facility condition index (FCI) of school facility assets.

The listed capital programs in Figure 1 include the Annual Facilities Grant (AFG), the Carbon Neutral Capital Program (CNCN), the School Enhancement Program (SEP) and the Building Envelope Program (BEP) all of which contribute to addressing facility life cycle maintenance requirements. It will be noted Figure 1 captures a long term trend toward poorer conditions in school buildings, along with a growing estimate of unfunded immediate deferred maintenance costs (a \$360M shortfall in 2020).

Year	EDUC Routine Capital Program Allocations (AFG, BEP, CNCN, SEP)	Immediate Deferred Maintenance (Cost of repairs and upgrades recommended within 1 year)	Total Deferred Maintenance (Cost of repairs and upgrades recommended within 5 years)	Average Provincial FCI - New Condition (0.00) to Very Poor Condition (1.00)
2020	\$181M	\$541M	\$7.94B	0.47
2019	\$169M	\$591M	\$7.64B	0.44
2018	\$170M	\$396M	\$6.70B	0.43
2017	\$155M	\$343M	\$6.28B	0.43
2016	\$172M	\$332M	\$6.26B	0.42
2015	\$152M	\$305M	\$6.09B	0.42
2014	\$98M	\$296M	\$5.98B	0.41
2013	\$98M	\$254M	\$5.41B	0.38
2012	\$96M	\$236M	\$5.38B	0.37

figure 1 - Source: Ministry of Education

Capital Maintenance Project Requests/ Allocations

Figure 2 (below) documents shortfalls in each of several capital programs over the past five years.

The number of projects and funding for requests beyond the actual number of projects and funding provided by the ministry are reported for

- the Carbon Neutral Capital Program (CNCP),
- the School Enhancement Program (SEP),
- the Bus Acquisition Program (BUS) and
- the Playground Equipment Program (PEP).

All of these programs indicate the inadequacy of current levels of funding. Full program descriptions are available [here](#).

Unlike other programs listed in Figure 2, the Annual Facilities Grant is based on what is provided to districts by formula. Districts seek approval from the ministry on how they intend to use their AFG allocation. The best indication of an AFG shortfall is that provided in Figure 1. Figure 3 (page 5) provides another indication of less than adequate AFG funding.

The Building Envelope Program (BEP) identified in Figure 1 is not listed in Figure 2. We are advised the annual funding provided for this program amounts to approximately \$10M each year and is intended to address building envelope issues arising during the “leaky condo” years and will be phased out over time as they are addressed. Some additional funding for this purpose has been provided through litigation.

figure 2 - Source: Ministry of Education

2020/21

AFG	2993 projects submitted in district spending plans, \$113.5M total allocated
BUS	165 project requests valued at \$24.2M. 101 projects approved for \$14.6M.
CNCP	124 project requests valued at \$40M. 67 projects approved for \$16.7M.
PEP	137 projects requests valued at \$12M. 40 projects approved for \$5M.
SEP	413 project requests valued at \$207.8M, 164 projects approved for \$64M

2019/20

AFG	2768 projects submitted in district spending plans, \$113.5M total allocated
BUS	148 project requests valued at \$21.8M. 87 projects approved for \$12.8M.
CNCP	112 project requests valued at \$36.3M. 19 projects approved for \$5M.
PEP	146 requests valued at \$14M. 50 projects approved for \$5M.
SEP	431 requests valued at \$219.5M. 138 projects approved for \$65M.

2018/19

AFG	2605 projects submitted in district spending plans, \$113.5M total allocate
BUS	123 project requests valued at \$16.M. 93 projects approved for \$13M.
CNCP	90 project requests valued at \$26.5M. 19 projects approved for \$5M.
PEP	158 project requests valued at \$15M. 51 projects approved for \$5M.
SEP	415 project requests valued at \$145M. 175 projects approved for \$65M.

2017/18

AFG	2704 projects submitted in district spending plans, \$108.5M total allocated
BUS	134 project requests valued at \$16.2M. 73 projects approved for \$10M.
CNCP	91 project requests valued at \$30.6M. 15 projects approved for \$5M.
SEP	346 project requests valued at \$167M. 130 projects approved for \$55M.

2016/17

AFG	2123 projects submitted in district spending plans, \$108.5M total allocated
BUS	126 project requests valued at \$16M. 73 projects approved for \$10.8M.
CNCP	85 project requests valued at \$22.2M. 25 projects approved for \$5M.
SEP	462 project requests valued at \$277.3M. 146 projects approved for \$70M.

Annual Facility Grant

Figure 3 tracks changes in the Annual Facilities Grant since 2002 indicating increases in that specific area of funding have risen by far less than inflation even though capital costs have risen significantly during that same period. The number of buildings in the system has also increased since 2002.

figure 3 - Source: Ministry of Education

2002/03	\$100.0M
2003/04	\$100.7M
2004/05.....	\$110.0M
2005/06.....	\$110.0M
2006/07	\$110.0M
2007/08.....	\$110.0M
2008/09	\$110.7M
2009/10	\$56.0M
2010/11.....	\$54.0M
2011/12	\$110.0M
2012/13	\$110.5M
2013/14	\$110.5M
2014/15.....	\$110.5M
2015/16.....	\$110.5M
2016/17	\$110.5M
2017/18.....	\$115.5M
2018/19.....	\$115.5M
2019/20.....	\$115.5M
2020/21.....	\$115.5M

Compare these figures to the worsening facility condition index reported in Figure 1 and the basis of the problem becomes clear.

The result of underfunding public school life cycle funding is that many BC schools suffer from poor life cycle maintenance, looking and feeling tired, and creating less than ideal learning conditions.

As important, they cost more to operate than they should, taking money away from student educational resources. Fairly straight forward energy efficiency upgrades can redirect hundreds of thousands of dollars back into education operating budgets in addition to helping achieve the climate change targets established by the province.

It can be said districts and government do a reasonable job of ensuring schools are safe which is a clear priority. The only exception may be those schools for which recommended seismic upgrading has not yet been completed. To their credit government has identified seismic retrofitting as a priority. Unfortunately, government and the boards of education involved in addressing this situation seem to be having some difficulty catching up to the problem, especially since seismic survivability standards appear to be increasing. Keeping up to the need for capital funding for new schools and additions on top of the seismic upgrade program has been extremely challenging. Despite this Government has made substantial attempts to address these issues with increased funding as noted in Figure 4.

	B2018	B2019	B2020
SEISMIC	126M	220M	310M
NEW & ADDITION	102M	166M	332M

figure 4 - Source: Ministry of Education

A few school replacements are also being funded which will have an impact on the facility condition index as very old schools are fully replaced. The amounts provided over the past three years for full building replacements are \$9.8M in 2018, \$31.4M in 2019 and \$56M in 2020.

All three of these areas of funding are important and although they are not the subject of this discussion paper we must assume plans have been developed which define the level of funding required to complete necessary seismic upgrades and construct new schools to keep pace with growth in the system. If detailed plans have not been developed for seismic upgrading and new school construction they should be to ensure adequate funding can be made available when required. Having said that it is apparent that significant increases in funding for both categories have been provided over the past three years which indicates a recognition by government of the need.

While these needs are being more appropriately addressed we cannot forget the amount of funding required to address deferred maintenance in existing buildings. New schools and seismic upgrading are both needed. They tend to enjoy a higher profile than maintenance projects in existing schools. However, the latter are equally important if we are to fulfill our responsibility as trustees of important public assets.

The data provided by the ministry illustrates a growing level of deferred maintenance and the degree to which we are failing in this responsibility.

How deferred maintenance is calculated

In Figure 1 immediate deferred maintenance refers to those projects which are recommended by the engineering firm engaged by MOE to complete facility condition assessments each year. While the projects included in those recommendations do not necessarily involve building systems that will fail in the next year, preventive maintenance is always better than reactive or crisis maintenance. Building systems need to be properly maintained before they fail.

Building condition assessments are completed by engineers who are specialists in this field. They rely upon their knowledge of building systems to know where the sweet spot is.....that place where an ounce of prevention avoids a pound of cure and where replacement is more cost effective than constant repairs. Deferred maintenance reflects the work these specialists indicate should be done which has not been done as a result of inadequate funding. It is appropriately a requirement of government that building condition assessments are completed so government can direct limited funding to the areas of greatest need. We commend government for that, however, identifying and not addressing other maintenance requirements must still be considered a shortfall.

The rules and standards have changed over the last fifty years.

Standards for health and safety have changed considerably over time with ever increasing and appropriate measures to address such issues as the use of asbestos many years ago, lead content in the water more recently and seismic survivability. The cost of energy has gone up considerably as well, demanding measures to become more efficient, not only to keep costs down but also to reduce green house gas emissions and, literally, save the planet. Government is now requiring that school buildings meet reasonable standards for energy efficiency reducing emissions by 50% from 2007 levels by 2030 and achieving net zero targets for new buildings by 2032. That is very appropriate and to be applauded as we consider the design of new schools, but what about our existing building infrastructure? It is not unusual for schools to be in service for over fifty years. How do we reduce the carbon footprint of buildings constructed that many years ago and ensure they are safe and efficient, not to mention providing positive learning environments for children?

How can we address the problem?

Boards of education have long expressed the concern that the annual allocation of capital funding to address deferred maintenance is inadequate. Figure 1 provides a relatively clear substantiation of that claim.

Many municipal governments have addressed this problem for their own facility infrastructure by developing life cycle plans at the point of constructing new buildings, identifying each building's life cycle costs well into the future and putting sufficient funding into a reserve each year to ensure the identified work can be addressed as it comes up in the plan. Roofs, mechanical and electrical systems all need to be replaced several times over the life of a building. In our very wet climate regular reviews and repair/replacement of building envelopes is another aspect of the ongoing work which needs to be addressed more than once during the life of a building.

Strata councils are required in legislation to have lifecycle plans which they are wise to implement to avoid surprise assessments as major issues arise. It is a preferred approach to set monthly strata fees at a level sufficient to accommodate everything in the plan rather than wait until something breaks down and requires an emergency repair or replacement and a somewhat unexpected assessment. An unanticipated \$10,000 bill, or greater, can be a significant blow to a family's budget, not to mention the disruption if replacement is left until something like a water line breaks.

Many commercial buildings operate this way as well with a portion of every lease payment for common costs allocated to life cycle projects.

The cost to address the reported shortfalls for school facility life cycle maintenance is significant (\$360M per year) and couldn't possibly be addressed all at once. We have suggested other sources of funding that could be tapped in another paper of the BCSTA Capital Working Group ([School Site](#)

[Acquisition Charges - Issues and Solutions](#)). Implementing the recommendations offered in that paper would free up more capital funding over the long term. This is a long term problem and, we submit, requires a steady and considered long term approach to address the issue. If the recommended changes had been made in the years prior government could have saved \$42M in land acquisition

Many municipal governments have addressed this problem for their own facility infrastructure by developing life cycle plans at the point of constructing new buildings, identifying each building's life cycle costs well into the future and putting sufficient funding into a reserve each year to ensure the identified work can be addressed as it comes up in the plan

costs in 2018 and similar amounts going forward. However, nothing we can suggest short of additional government funding will be sufficient to bring the entirety of public K-12 education infrastructure up to the desired level very quickly.

To begin we are suggesting that the ministry require a standardized life cycle plan be developed for every new school building that is constructed into the future....and further....that an adequate annual contribution be added to the Annual Facilities Grant of the school district in which the facility is located to address the lifecycle needs of that building over time.

Ideally school districts would work backwards and create such plans for all their existing buildings and apply to the ministry for the annual funding required to sustain the overall building life cycle plan. That is likely unrealistic given the increased amount of funding required as indicated by the high number of requests made and relatively few which are approved. In 2019/20 the amount allocated by the province to lifecycle maintenance (the combination of AFG, SEP, CNCP and BEP) was \$181.5M against a recommended amount of \$541M. As noted earlier the recommended amount is derived from the work of building system engineers engaged by MOE to complete the facility condition assessment each year.

Ideally the annual allocation from the ministry would address the annual deficit (\$360M). Since that is unrealistic in the short term we are suggesting a gradual "catch up" to eventually achieve enough annual funding to meet existing building life cycle needs, concurrent with a new system of lifecycle planning and funding for new buildings as they come on board,

In summary we are recommending annual increases in the Annual Facilities Grant, the School Enhancement Program and the Carbon Neutral Capital Program until the total recommended level of funding required to complete recommended immediate deferred maintenance can be achieved.

The current AFG allocation in 2020/21 is \$115.5M. We are recommending that amount be increased each year with the addition of:

- the annual contribution identified as being required in new facility life cycle plans plus
- inflation (currently roughly 2%) plus
- a minimum of 15% beyond inflation intended to reduce the shortfall for existing buildings over time.

The investment made in constructing new schools and additions in 2020 was \$332M. In order to provide a rough estimate of the annual life cycle contribution required for new facilities we have anticipated that cost to be the initial capital cost divided by a fifty year life or \$6.6M. That can be roughly translated to 3% of the current

combined investment in AFG and SEP. The actual amount added to the system each year should be based on the specific lifecycle plans prepared for each building in the prior year. However, for the purposes of this paper and its recommendations we have simplified the calculation.

This formula would amount to AFG funding of approximately \$139.5 in 2021/22, \$168.5M in 2022/23, \$203.6M in 2023/24 and \$246M in 2024/25.

We are also recommending an annual increase in the School Enhancement Program (SEP). The SEP funding provided for 2020/21 is \$64M. We are recommending that amount be increased each year with the addition of:

- inflation (currently roughly 2%) plus
- a minimum of 15% beyond inflation intended to reduce the shortfall for existing buildings over time

This would amount to SEP funding of \$75M in 2021/22, \$88M in 2022/23, 103.2M in 2023/24 and \$121M in 2024/25.

Both of these programs would continue to increase using these formulas beyond 2025 until the amount being budgeted is sufficient to address the deferred maintenance shortfall.

"This is a long term problem and...requires a steady and considered long term approach to address the issue."

We have selected a 15% factor in our formula for "catch up" recognizing it will still take several years to do so. If the "catch up" provision was increased to 20% over \$500M would be available in 2025. A smaller "catch up" amount would extend the time needed to achieve the required level of funding and complete the required work.

Facility upgrades to lower emissions

We must also consider the Carbon Neutral Capital Program. Expenditures in this program are often used to replace electrical, mechanical or other systems which need to be replaced in the regular course of completing life cycle maintenance. It only makes sense that completing upgrades to systems to make them more energy efficient would be completed at the same time.

There is another significant argument to be made for increased funding beyond the amount already provided in the Carbon Neutral Capital Program. Reduced

We are concerned the amount of annual funding currently available in the Carbon Neutral Capital Program for public schools is significantly less than the amount required to achieve Clean BC

consumption generally means reduced operating costs, which can then be redirected to student achievement.

We are hoping the total amount of funding required to achieve the net zero targets established by the province for new buildings and improved efficiency for existing

buildings (50% reduced consumption by 2030) will be the subject of further investigation and recommendations by government and is beyond the scope of this paper. However, we do feel it is appropriate in the context of this discussion to suggest a minimal ramping up of the Carbon Neutral Capital Program. It can be seen in Figure 2 that funding requests for this work totalled 2.5 times the available funding in 2020. Total requests amounted to \$40M in 2020/21 while the available funding amounted to only \$16.7M.

We are concerned the amount of annual funding currently available in the Carbon Neutral Capital Program for public schools is significantly less than the amount required to achieve Clean BC objectives. We are recommending the annual allocation to the Carbon Neutral Capital Program be increased by 25% per year. At this point we do not know if that level of investment will be sufficient to achieve the goals of the Clean BC program. We do know that most districts have already completed the easiest upgrades beginning with lighting systems followed by more efficient Boiler and HVAC equipment as mechanical systems reach the end of their life expectancy. What remains are projects which will be needed to achieve the Clean BC goals by 2030. They are very likely to be more complex and expensive as conversions from traditional to more innovative systems using alternative clean energy sources are contemplated. We are recommending CNCP allocations over the next four years should be \$20.9M

in 2021/22, \$26.1M in 2022/23, \$32.6M in 2023/24 and \$40.8M in 2024/25. These increases are considered to be the minimum required. A more detailed analysis on what it will take to achieve Clean BC goals by 2030 may indicate the need for even greater resources. We are also recommending that analysis be undertaken by the provincial government as soon as possible.

Of course Initial capital funding for new buildings should be based on achieving as close to net zero emission targets as possible going forward, leading to new buildings fully achieving the net zero target by 2032.

Access the Clean BC program details [here](#).

Renovate or replace?

Many districts and the Ministry of Education face difficult decisions as schools approach the end of their useful life (fifty to sixty years of service) and encounter the need to complete relatively costly seismic upgrades and building system upgrades if they are to continue safely accommodating students in those facilities.

The dilemma is that schools built so many years ago often do not include the kind of learning environments we want to offer to students. For example most older secondary schools do not include the kind of trades and technical training facilities which are commonplace in modern secondary schools. Most older elementary schools do not provide the kind of break out space needed for Education Assistants to work one on one with students who have specialized needs, resulting in hallways filled with EAs and their assigned students when working in regular classrooms is not appropriate.

Unfortunately in the process of making capital submissions for older facilities to the Ministry of Education many school districts have experienced a direction from government to plan for the least expensive solution which will ensure student safety and meet basic building system requirements. This is often occurring without adequately addressing the needs of students. With that the case we are recommending that decisions concerning whether or not to complete major upgrades or replace older buildings which have effectively reached the end of their useful life (50 to 60 years) include greater consideration of the changing learning needs of students. Full replacement may cost more than renovations in the short term but will often be more educationally effective and justifiable given a longer term perspective.

Moreover, all of the deferred maintenance of an older facility being considered for renovation must be considered in the calculation to determine the comparable costs of renovation vs replacement.

Conclusion

Building new schools and additions as our student population grows is important as is completing seismic upgrades to ensure our buildings are survivable in the event of an earthquake. With that said ensuring regular, appropriately timed life cycle maintenance on all school facilities is equally necessary to fully achieve our goal of providing safe and efficient school facilities which provide excellent learning environments for children. Accomplishing that can only be achieved with adequate annual funding provided by government. We have offered several recommendations along with a formula which should be used to catch the system up to address the ever increasing levels of deferred maintenance currently being experienced by school districts in British Columbia, and urge consideration of those recommendations and the proposed formula by government.

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