

**BOARD OF EDUCATION
PUBLIC MEETING
School Board Office
3143 Jacklin Road
September 24, 2019 – 7:00 p.m.**

A G E N D A

1. CALL TO ORDER AND ACKNOWLEDGMENT OF FIRST NATIONS TERRITORIES

*We are honoured to be meeting on the traditional territories of the Coast Salish, specifically Esquimalt Nation, Songhees Nation, and acknowledge the three nations SD62 works with directly in our schools: Scia'new Nation, Coast Salish, and T'Sou-ke Nation; including the West Coast Pacheedaht Nation, Nuu-chah-nulth.
(words gifted by the three nations SD62 works with)*

2. AGENDA

2.1 Call for amendments and additional items

Recommendation: That the Board of Education adopt the agenda of September 24, 2019 as presented (or as amended).

3. MINUTES

3.1 Call for amendments to minutes

Recommendation: That the minutes of the June 25, 2019 meeting be adopted as presented (or as amended).

4. INFORMATIONAL ITEMS AND ANNOUNCEMENTS

5. EDUCATIONAL PRESENTATIONS

5.1 Student Trip to Athens, Greece – March 18-28, 2020 – Royal Bay Secondary School
-Angela Puszka

6. CORRESPONDENCE & DELEGATIONS

6.1 Correspondence

6.2 Standing Delegations (STA, CUPE, PVP, SPEAC, CPF, Students) – 5 minutes each

6.3 Public Delegations – No delegations

7. FINANCE, FACILITIES AND SERVICES

7.1 Report on the Resources Committee – Meeting of September 17, 2019

Recommendation: That the Board of Education direct staff to review the following areas of transportation and report back to the Resources Committee in November:

a. Administration and/or ridership fees;

b. Walk limits (urban/rural) of specific routes;

c. Pick up and drop off areas; and

d. Routes to bus stops (must be safe/efficient).

Recommendation: That the Board of Education approve and sign the Goudy Field Use Agreement as presented to the Board at their September 24, 2019 meeting.

Recommendation: That the Board of Education receive the report from the Resources Committee meeting of September 17, 2019.

7.2 Report on the Audit Committee – Meeting of September 17, 2019

Recommendation: That the Board of Education approve the audited financial statements for the year ending June 30, 2019 as presented at the September 17th Audit Committee meeting.

Recommendation: That the Board of Education receive the report from the Audit Committee meeting of September 17, 2019.

8. EDUCATION PROGRAM

8.1 Report on the Education-Policy Committee – Meeting of September 10, 2019

Recommendation: That the Board of Education believes that sponsorships and donations from individuals, community organization and corporations may be accepted by the school district in order to enhance, but not replace, Government funding, based on the guiding principles.

Recommendation: That the Board of Education give Notice of Motion to draft new Policy C-426 “Provision of Menstrual Products”.

Recommendation: That the Board of Education receive the report from the Education-Policy Committee meeting of September 10, 2019.

8.2 International Program Travel to China – Scott Stinson

9. STUDENTS

9.1 Enrollment Update as at September 20, 2019 – Paul Block

9.2 Student Reporting Pilot Update for 19/20 – Paul Block

10. FOUNDATIONS & GOVERNANCE

10.1 Board’s Annual Work Plan – Scott Stinson

10.2 Board and Committee Meeting Dates – Scott Stinson

10.3 BCSTA Review of School Site Acquisition Charges – Ravi Parmar

11. ADMINISTRATION

11.1 Superintendent’s Report – Scott Stinson

12. PERSONNEL

13. UPCOMING EVENTS

13.1 Start the Conversation – Brain Injury & Mental Health Conference – October 10 @ Belmont

13.2 Joint Partner Liaison Meeting (Chairs, Superintendent, Secretary-Treasurer, Ministry of Education) - October 18

14. FUTURE ITEMS

15. QUESTION PERIOD

Members of the public have the opportunity to ask questions related to agenda items discussed at tonight’s meeting. Questions will be brief and directed to the Chair.

16. ADJOURNMENT

MINUTES
BOARD OF EDUCATION
PUBLIC MEETING
School Board Office
3143 Jacklin Road
June 25, 2019 – 7:00 p.m.

TRUSTEES: Ravi Parmar, Board Chair Dianna Seaton, Vice-Chair
Bob Beckett Wendy Hobbs
Bob Phillips Margot Swinburnson
Allison Watson

STAFF: Scott Stinson, Superintendent
Harold Cull, Secretary-Treasurer
Stephanie Hedley-Smith, Associate Superintendent
Dave Strange, Associate Superintendent
Paul Block, Associate Superintendent
Windy Beadall, A/Associate Superintendent
Dan Haley, Executive Director, Human Resources

SECRETARY: Joanne Kimm

There were 10 people in attendance.

1. CALL TO ORDER

The meeting was called to order at 7:00 p.m.

Ravi Parmar acknowledged the traditional territories of the First Nations.

2. AGENDA

2.1 Call for amendments and additional items

Item 5.1 (student trip application) was replaced with a trip application to Las Vegas instead of Maryland.

110. MOVED Allison Watson/Bob Beckett

That the Board of Education of School District 62 (Sooke) adopt the agenda of June 25, 2019 as amended.

CARRIED

3. MINUTES

3.1 Call for amendments to minutes

111. MOVED Margot Swinburnson/Dianna Seaton

That the Board of Education of School District 62 (Sooke) adopt the minutes of the May 28, 2019 meeting as presented.

CARRIED

4. INFORMATIONAL ITEMS AND ANNOUNCEMENTS

There were no informational items presented.

5. EDUCATIONAL PRESENTATIONS

5.1 Student Trip to Las Vegas – November 7-11, 2019– Royal Bay Secondary School – Boys Lacrosse Academy– Lucas MacNeil

Lucas MacNeil presented the student trip to Las Vegas.

112. MOVED Bob Phillips/Allison Watson

That the Board of Education of School District 62 (Sooke) approve the Royal Bay Secondary School Lacrosse Academy trip to Las Vegas from November 7-11, 2019, subject to the oversight and direction of the Superintendent's office.

CARRIED

5.2 Student Trip to Tukwila, Washington – December 6-8, 2019– Royal Bay Secondary School – Boys Lacrosse Academy– Lucas MacNeil

Lucas MacNeil presented the student trip to Tukwila, Washington.

113. MOVED Wendy Hobbs/Allison Watson

That the Board of Education of School District 62 (Sooke) approve the Royal Bay Secondary School Lacrosse Academy trip to Tukwila, Washington from December 6-8, 2019, subject to the oversight and direction of the Superintendent's office.

CARRIED

5.3 Student Trip to Las Vegas – February 21-24, 2020 – Royal Bay Secondary School – Boys Lacrosse Academy– Lucas MacNeil

Lucas MacNeil presented the student trip to Las Vegas.

114. MOVED Dianna Seaton/Margot Swinburnson

That the Board of Education of School District 62 (Sooke) approve the Royal Bay Secondary School Lacrosse Academy trip to Las Vegas from February 21-24, 2020, subject to the oversight and direction of the Superintendent's office.

CARRIED

5.4 Michael Kaehn - Author

Michael Kaehn, a long-time employee of School District 62, provided an overview of his book, "The Hot Springs Cove Story," which he had also presented to each of the high schools.

6. CORRESPONDENCE & DELEGATIONS

6.1 Correspondence

The following correspondence was presented to the Board:

- a) Island Health
- b) Ministry of Education – Funding Model Review
- c) National Inquiry into Missing and Murdered Indigenous Women – Final Report

115. MOVED Bob Beckett/Margot Swinburnson

That the Board of Education of School District 62 (Sooke) accept the correspondence as presented.

CARRIED

6.2 Standing Delegations (STA, CUPE, PVP, SPEAC, CPF, Students) – 5 minutes each

STA – Jennifer Anderson

Jennifer emphasized the need for more workplace safety, and concerns regarding labour relations.

CUPE – Amber Leonard

Amber indicated that CUPE is working on “reconcili-action” action regarding the missing and murdered Indigenous Women Commission. She also spoke of CUPE initiatives, events, and mentioned the upcoming Pride parade on July 7, 2019.

PVP – Melissa Ryan

Melissa gave an overview of year-end school celebrations and events throughout the District.

SPEAC – Melanie Armstrong

Melanie indicated there are no meetings during the summer.

6.3 Public Delegations

There were no public delegations.

7. FINANCE, FACILITIES AND SERVICES

7.1 Report on the Resources Committee – Meeting of June 11, 2019

Highlights from the Resource Committee meeting of June 11, 2019 were summarized.

116. MOVED Dianna Seaton/Allison Watson

That the Board of Education of School District 62 (Sooke) receive the report from the Resources Committee meeting of June 11, 2019.

CARRIED

7.2 117. MOVED Wendy Hobbs/Allison Watson

That the Board of Education of School District 62 (Sooke) lift from the table Motion #94a, that:
“the Board direct staff to reinstate the Transportation Committee and have it meet in September.”

MOTION DEFEATED (ALL OPPOSED)

118. MOVED Wendy Hobbs/Bob Phillips
That the Board of Education of School District 62 (Sooke) direct the Resources Committee to bring forward a discussion of transportation needs for students and areas to be explored further by staff.
CARRIED (1 opposed)

7.3 20/21 Capital Plan Update

Harold Cull provided the Board with updates on the 20/21 Capital Plan. Of note was the need to look at building more than five schools in the next 10 years.

119. MOVED Margot Swinburnson/Allison Watson
That the Board of Education of School District 62 (Sooke) approve the 20/21 Capital Plan as presented.
CARRIED

7.4 School Site Acquisition Charges (SSAC) Bylaw 2019-01

An overview of the SSAC process was given to the Board. A number of local municipalities have confirmed support of the proposed, updated SSAC bylaw.

120. MOVED Wendy Hobbs/Dianna Seaton
That the School Site Acquisition Charges Bylaw 2019-01 be given second and third reading.
CARRIED

8. EDUCATION PROGRAM

8.1 Report on the Education-Policy Committee – Meeting of June 4, 2019

The report from the Education-Policy Committee was presented.

121. MOVED Bob Phillips/Dianna Seaton
That the Board of Education of School District 62 (Sooke) approve the following BAA Courses:

- “Omnibus” list of 72 BAA Courses

Advancement Via Individual Determination (AVID) 11	Advancement Via Individual Determination (AVID) 12	Athlete Training 11	Athlete Training 12	Cheerleading 11	Cheerleading 12
Criminology 12	Criminology 12	Cross Training 12A	Cross Training 12B	Cross Training 12C	Cross Training 12D
Emergency Services Studies 11	Equine 10A	Equestrian Studies 10B	Equestrian Studies 11A	Equestrian Studies 11B	Game Design and 3D Animation 10
Global and Intercultural Experience 12	Global and Intercultural Studies 12	Grad Leadership 12	Hairstyling 11A	Hairstyling 11B	Hairstyling 11C
Hairstyling 11D	Hairstyling 12A	Hairstyling 12B	Hairstyling 12C	Hairstyling 12D	Hockey Skills 10
Hockey Skills 11	Hockey Skills 12	Individual Sport Training 12A	Individual Sport Training 12B	Individual Sport Training 12C	Individual Sport Training 12D
Introduction to Piano 11	Introduction to Piano 12	Lifesaving Aquatics 11	Lifesaving Aquatics 12	Modern Europe 12	NCAA/SAT Preparation 12
Online Learning Strategies 10	Orchestra 10A	Orchestra 10B	Orchestra 10C	PACE Performing Arts 10A	PACE Performing Arts 10B

PACE Performing Arts 11A	PACE Performing Arts 11B	PACE Performing Arts 12A	PACE Performing Arts 12B	PACE Performing Arts 12C: Dance Internship	PACE Performing Arts 12D: Music Internship
Peer Tutoring 11	Peer Tutoring 12	Performance Percussion 10A	Performance Percussion 10B	Psychology 11	Psychology 12
Recreation 11	Soccer Skills 10	Soccer Skills 11	Soccer Skills 12	Sports Performance 10	Sports Performance 11
Sports Performance 12	Sustainability 11	Sustainability 12	Video Game Creation 11	Video Game Creation 12	Winterdrumline 11
Winterdrumline 12					

CARRIED

122. MOVED Bob Phillips/Bob Beckett

That the Board of Education of School District 62 (Sooke) approve the following BAA Courses:

- ELL Strategies for Success 10
- ELL Strategies for Success 11
- ELL Strategies for Success 12
- ELL Academic Literacy 11
- ELL Academic Literacy 12
- English Language Development 11A
- English Language Development 11B
- English Language Development 12
- Fabric and Fibre Arts 10
- Fabric and Fibre Arts 11
- Fabric and Fibre Arts 12
- Recreation 12

CARRIED

123. MOVED Bob Phillips/Margot Swinburnson

That the Board of Education of School District 62 (Sooke) receive the report from the Education-Policy Committee meeting of May 7, 2019.

CARRIED

9. STUDENTS

9.1 Academies Program – Request by Trustee Wendy Hobbs

Trustee Hobbs brought forward a discussion related to District Academy programs and the Board’s role in oversight related to Policy B-349 “Specialty Academies.”

124. MOVED Wendy Hobbs/Margot Swinburnson

That the Board of Education of School District 62 (Sooke) direct the Education-Policy Committee to review the Specialty Academies Policy and Regulations B-349.

CARRIED

10. FOUNDATIONS & GOVERNANCE

10.1 BCSTA – Recommendations to the BC Select Standing Committee on Finance

The BCSTA recommendations document was distributed to the Board for information.

10.2 BCSTA AGM Motion Follow-up – Implementing the CleanBC Action Report in School Districts

Allison Watson presented the following motion:

125. MOVED Allison Watson/Margot Swinburnson

That the Board of Education of School District 62 (Sooke) write a letter to the Minister of Education and Minister of Environment and Climate Change Strategy requesting them to uphold the mandated standards set by Clean BC, by implementing aligned Capital funding for new school construction and the retro-fitting of district buildings and facilities. And, that the Ministries develop and provide (in a timely manner) operational guidelines required to help school districts to meet CleanBC's 2032 standards to reduce emissions.

CARRIED

10.3 Board Policy F-201 “Energy Management” – Request for Review by Trustee Allison Watson

Allison Watson presented an information note regarding Board Policy and Regulations F-201 “Energy Management” and indicated there is mounting pressure to address climate change.

126. MOVED Allison Watson/Margot Swinburnson

That the Board of Education of School District 62 (Sooke) direct staff to prioritize the review of Policy and Regulations F-201 “Energy Management” and that the proposed revisions be brought forward to the Resources Committee.

CARRIED

10.4 Strategic Plan Year-one Summary

Scott Stinson presented the Strategic Plan progress update. Staff were directed to send the update to local MLAs and the Ministry of Education.

10.5 Public Transportation Advocacy – Request by Chair Ravi Parmar

Ravi Parmar presented the following motions:

127. MOVED Ravi Parmar/Dianna Seaton

That the Board of Education of School District 62 (Sooke) send an advocacy letter to the Victoria Regional Transit Commission as previously done on March 3, 2016.

CARRIED

128. MOVED Ravi Parmar/Dianna Seaton

That the Board of Education of School District 62 (Sooke) direct the Chair to submit an application to present at the next Commission meeting on the challenges facing students, staff and families in accessing BC Transit services, and to advocate for an expansion in service to the West Shore and Sooke Region.

CARRIED

11. ADMINISTRATION

11.1 Superintendent’s Report – Scott Stinson

Scott provided a verbal report to the Board on meetings, staffing updates and events over the last month.

12. PERSONNEL

No personnel matters were discussed.

13. UPCOMING EVENTS

No upcoming events were presented.

14. FUTURE ITEMS

No future items were discussed.

15. QUESTION PERIOD

Members of the public posed questions to the Board.

16. ADJOURNMENT

The meeting was adjourned at 10:35 p.m.

Certified Correct:

Chairperson of the Board

Secretary-Treasurer

**MODERATE RISK FIELD TRIP APPROVAL FORM
FOR OVERNIGHT OUT-OF-PROVINCE/COUNTRY TRIPS**

- The Leader must read the School District Field Trip Policy before completing this form.
- The Leader must take this completed form to the Principal for approval (and, when it is an out-of-province request, the Principal's recommendation for approval is to be forwarded to the Superintendent).
- Where Part B applies, the Principal should meet with the Leader and review the information prior to the parent/guardian meeting. After this meeting, Part B is to be returned to the Principal for final approval.

PART A - Required for all field trips

Teacher/Leader/Supervisor: Angela Puszka
School: Royal Bay Secondary School

Date of Application: May 22, 2019 Date(s) of Field Trip: March 18 - March 28

Purpose/Activities: Cultural experience, Grad Trip, Math history re Pythagoras

Number of Students: 26 Grade(s): 12 Male 3 Female 23 (EF tours)
Number of Supervisors/Chaperones: 4 Male 2 Female 2

Times & Locations (When & Where?):
Spring break (between March 13 - March 28) [March 19 - March 28]
Greece Athens

Method(s) of Transportation: Bus, ferry, plane

Costs: \$4898 Source of Funds: students and fundraising

I have read School District #62 Field Trip Policy C-329.

Planned by: Angela Puszka
Leader's signature

Approved by: [Signature]
Principal's Signature

Date: May 22, 2019.

PART B (to be ~~attached to the~~ to trip)
Required only for field trips that are overnight, out-of-province/country,
and/or involve "moderate risk" activities.

Date of Parent Information Meeting(s) (required by policy): June 10, 2019

Section 1 - Required for all Overnight Field Trips

Itinerary (attach detailed itinerary, including educational and logistical activities prior to, during, and after the trip as well as names of chaperones and/or supervisors).

Lodging Arrangements EF tours, see attachment with all info

Meal Arrangements EF tours, see attachment with all info

Section 2 - Required if Field Trip involves any "Moderate Risk" Activities

List "Moderate Risk" Activities (see Field Trip Policy for definitions): Swimming, traveling out of country, boating activities (cruise) (tenders)

Location of Activities (terrain, potential hazards, remoteness/access to medical care, etc.): Greece, Athens, Mykonos, Samos, Rhodes, Crete, Santorini, Athens

Leader's and/or Instructors' Local Knowledge: Tour guide EF tours

Type & Quality of Safety Equipment: EF tours provides all equipment, including a first aid kit.

Ratio of Students-to-Instructors (qualified to lead activities): 1/1

Ratio of Students-to-Adults (including teachers/supervisors/chaperones/etc.): 6/11

Details of Student Preparation for Activities: Fundraising (Flipdrive), prepare to travel, prepare travel documents, contact information, list of items to pack, meetings.

Details of Leader's, Supervisor's, and/or Instructor's Experience and Qualifications: Angela Puszka (Teacher) Marc Burgess (Teacher)

First Aid Training: EF tours will have first aid training.

Contingency Plans for Emergencies: EF tours (insurance through company)

Section 3 - Any Relevant Additional Information
Included all information for cruise, tour schedule and possible extra activities.

Planned By: Angela Puszka
Leader's Signature

Approved/Recommended by: [Signature]
Principal's Signature

Date: June 5, 2019



Educational Tours

Greek Island Cruise

4 Days | Mykonos | Samos | Patmos | Rhodes | Crete | Santorini



Cruise details

Mykonos | Samos | Patmos | Rhodes | Crete | Santorini

Cruise company

EF uses Celestyal Cruises (formerly known as Louis Cruises) for all of our Greek Island cruises. Celestyal's fleet includes several vessels capable of accommodating 1200-2000 passengers.

Accommodations and amenities

Cabins on the ship are smaller than normal hotel rooms. Each cabin has air conditioning and a private bathroom. Groups should expect to stay in lower-deck cabins, which may be interior facing. All student travellers will be accommodated in triples or quads. Twin and single cabins are available with a rooming upgrade. Amenities on the ship may include restaurants, a pool, a casino, a library, an exercise room, live entertainment, and a discotheque. One hour of complimentary WiFi is provided daily (additional hours can be purchased on board).

Meals and drinks

Your cruise includes all meals, with full American breakfasts (6am–9am), lunch buffets (noon–2pm), tea on deck (5pm), and buffet-style and seated dinners (6:45pm or 7:45pm). Travellers with food allergies should alert their Tour Consultant at least four weeks prior to departure. Drinks include sparkling and mineral water, sodas, juices, tea, coffee, non-alcoholic cocktails, and more. Alcoholic cocktails are available to travellers ages 21 and older with a valid passport.

Dress

While the dress code on-board is mostly casual, some evening activities may require semi-formal attire. Additionally, most cruises include a Greek Night, where travellers are encouraged to dress in blue and white.

Payments on-board

The currency used on-board is the euro (€). A mandatory shipboard account is opened for each traveller at the beginning of the cruise. A credit card or €50 deposit is required in order to open an account (debit cards or personal cheques are not accepted). All on-board expenses including shore excursions, gift shop purchases, etc. are charged to your shipboard account. Upon disembarkation, travellers may settle their accounts using MasterCard, Visa, or American Express credit cards, or cash.

Tipping

Gratuities for cruise staff are included in your EF program price.

Guides

Your Tour Director will be with you on board throughout the cruise. All island excursions are led by local guides. Your Tour Director will also accompany you on these excursions.

Itinerary details

PORT	DAY	ARRIVAL	DEPARTURE
Piraeus	Mon	Embark	11:30am
Mykonos	Mon	6pm	11pm
Samos	Tue	5am	3:30pm
Patmos	Tue	4pm	9pm
Rhodes	Wed	7am	6pm
Crete	Thu	7am	11:30am
Santorini	Thu	4:30pm	9pm
Piraeus	Fri	7am	Disembark

Four-night cruises always depart on Mondays.

Shore excursions

A three-island shore excursion package is included, featuring incredible sights that perfectly complement your comprehensive itinerary. The excursion includes visits to:

1. **Samos:** Vathy, Heraion, and Pythagorio
2. **Crete:** the Minoan Palace of Knossos
3. **Santorini:** Oia Village

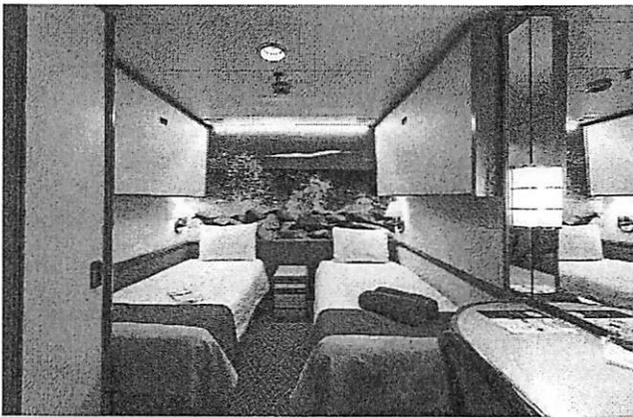
These excursions are detailed on the following pages. Here are a few helpful tips for all of them:

- Comfortable walking shoes are recommended.
- For visits to religious sites, bare shoulders and shorts are not permitted.
- Bring water.

Those wishing to add additional excursion packages can purchase them directly through Celestyal Cruises.



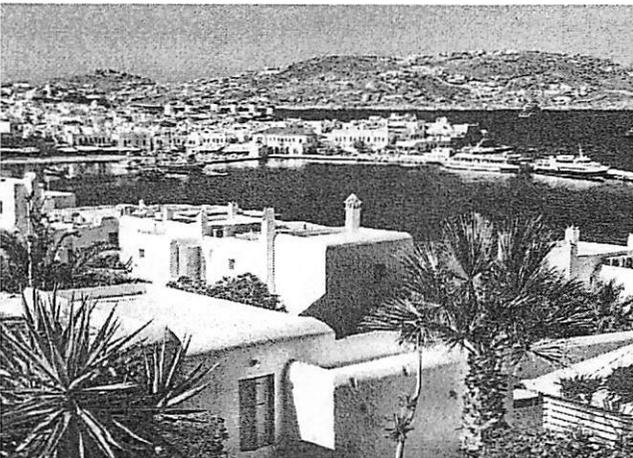
Cruise ship



Mykonos

One of Greece's Cyclades Islands, Mykonos was ruled by the Venetians in the 13th and 14th centuries, and was later under Turkish occupation. Today, the quaint, winding streets of the Old Town are perfect for browsing trendy boutiques and crafts shops.

Guests will either ride a tender boat to the Old Port of Mykonos, the centre of activity on the island, or if the ship docks, travellers will disembark at the Port of Mykonos pier and take the free shuttle service into town.



Mykonos round-trip shuttle service

Includes: Travel by shuttle bus

Time: 3 hours

Pace: Moderate walking

The Old Port of Mykonos (also known as Hora) is located just over two kilometres from your dock. You can take a round-trip shuttle there and explore the island's largest town on your own. Brilliant, whitewashed architecture is around every corner, including the iconic Mykonos windmills and the Church of Panagia Paraportiani, one of the most famous structures in Greece. Be on the lookout for Three Well Square (Tria Pigadia), where a local legend states that an unmarried woman who drinks from each of the wells will soon find a husband.

Samos

Ruled by legend and beauty, Samos is located in the eastern Aegean Sea. This picturesque Greek island is known as the home of Pythagoras, the father of mathematics, and the legendary birthplace of Hera.

EF travellers must disembark by tender boat at Samos as the ship continues to Turkey, which the Canadian Government warns travellers from visiting. The island will be difficult to explore for those travellers who choose not to participate in the excursion.



Vathy, Heraion, and Pythagorio

Includes: Breakfast; travel by motor coach; walking tour; local sight visit and Heraion archaeological site

Time: Approximately 5 hours

Pace: Extensive walking

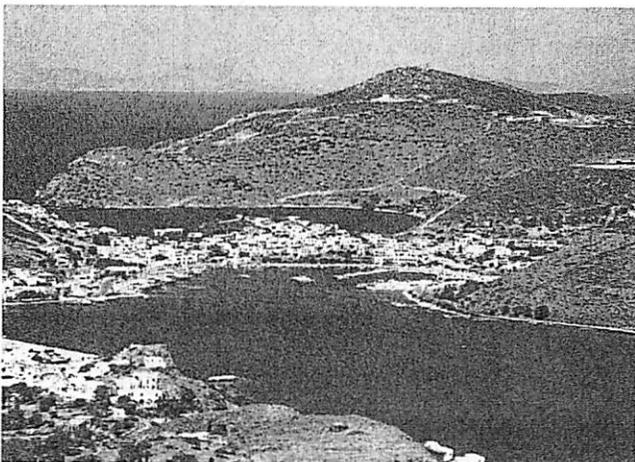
Enjoy an orientation walk through the town of Vathy, where you'll see the bustling main square, St. Spyridon church, and the town hall. Continue on to the archaeological site of Heraion, a large sanctuary to the goddess Hera. It was designated a joint UNESCO World Heritage Site along with nearby Pythagoreion, an archaeological site containing ancient Greek and Roman monuments. Groups visiting during the winter will also visit the Vathy Archaeological Museum, while groups visiting during the summer will have extra time to enjoy Heraion's beaches. Return by bus to Pythagorio village, where you'll view crystal-clear waters and white-sand beaches.

Note: All EF travellers are required to disembark on Samos Island at 4:45am. A wake-up call of 4am will be set for all guests (students, chaperones, and Group Leaders). This is mandatory due to the fact that the cruise will continue on to Kusadasi, Turkey. As a result of existing Canadian Government travel warnings, EF travellers are not permitted in Turkey. This includes staying on board a cruise in a Turkish port. On return, the cruise will reconnect with EF travellers at Samos and resume the standard program.

Patmos

Reunited with Greece in 1948, Patmos is one of the 12 Dodecanese Islands that extend off the western coast of Turkey. Once your cruise ship arrives, tender boats will take groups ashore to enjoy free time on the island.

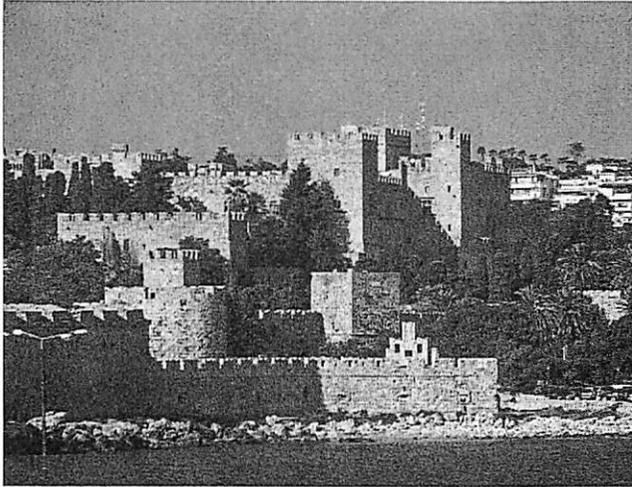
The small town of Skala, with many shops and restaurants, is easily accessible from the port of Skala. The town's main site, the Grotto of the Apocalypse, can be reached by a climbing a 30-minute pathway or hiring a local taxi.



Rhodes

The largest of the Dodecanese Islands, Rhodes was fortified by the Knights of the order of St. John in the 14th century and is rich in history and culture.

The Old Town of Rhodes, including the Palace of the Knights, is reachable by foot from the Port of Rhodes. The town of Lindos, and the Acropolis, are only reachable by a one-hour bus or taxi ride. Excursions to Lindos can be arranged on arrival at the Port of Rhodes, or on board through Celestyal Cruise's shore excursion staff.



Crete

Said to be the birthplace of Zeus, Crete is Greece's largest island with a culture and history of its own. Docking at the central port of Heraklion, you can explore some of ancient Greece's most interesting archaeological sites as well as the stunningly situated Tomb of Kazantzakis, honouring the influential 20th-century writer Nios Kazantzakis.

Travellers who do not participate in the excursion can take a 15-minute walk to Heraklion's town center.



Minoan Palace of Knossos

Includes: Travel by motor coach; walking tour

Time: 3 hours

Pace: Moderate walking

Enjoy a short drive through the Venetian lion-guarded port of Heraklion to the Knossos excavations, the site of the ancient Minoan Kingdom. Your guide will highlight the sophisticated culture that flourished thousands of years ago on this island. The Palace, decorated with frescoes and shields, houses the Hall of the Royal Guard, the Hall of the Double Axes, the King's Chamber with the alabaster throne, the Queen's Apartment, beautiful courtyards, and shrines. (Walking in the archaeological site of Knossos will be on uneven gravel surfaces. Passengers may not be allowed to enter the site with large bags/backpacks.)

Santorini

Santorini is often considered the quintessential Greek Island, and for good reason. Its iconic whitewashed houses perched on steep hillsides and its landscapes of plunging cliffs and black-sand beaches make it one of the world's most breathtaking destinations.

Sites in Santorini are only reachable by bus. We highly recommend participating in the included excursions.



Oia Village

Includes: Travel by motor coach; walking tour

Time: Approximately 3 hours

Pace: Moderate walking

Admire the panoramic view of the Aegean Sea and the neighboring islands on your way to Oia Village. First, you will head up to the monastery of Prophet Ilias for a breathtaking view before continuing north. Pass through Fira, as well as the traditional villages of Firostefani and Imerovigli, before arriving in Oia. Built on the Caldera rim, Oia Village is an excellent example of Cycladic architecture. Walk along the cobblestone streets and explore the village, known for its whitewashed houses with blue shutters. You will have free time to walk along the marble-paved alleys and browse the goods at unique local shops.



Educational Tours

2019 SAMPLE TOUR SCHEDULE: ATHENS AND THE ISLANDS

****Note: The below is an example of how this tour may run. All times and durations are subject to change, and the order of activities may be switched or substituted as needed based on availability.****

Day 1: Overnight flight to Europe

Depart North America on an overnight flight to Europe.

Day 2: Arrive in Athens | Walking Tour Athens

Upon arrival at the airport the group should be prepared to wait up to 2 hours for consolidated groups to arrive.

- Afternoon: The Tour Director will provide an orientation tour.
- Evening: Transfer by public transport to the hotel for check-in and dinner.

Day 3: Sightseeing Athens | *Optional Greek Cooking Class*

- Morning: Depart hotel with local guide on bus for guided tour of Athens (3hrs30mins). Includes photo stop at 1896 Olympic Stadium and drive by major sites. Final hour is on foot at the Acropolis hill to visit the Parthenon. The tour ends either at the Parthenon or in the Plaka.
- Afternoon: Free time for lunch in the Plaka neighborhood (2hr). Take a self-guided tour of the Acropolis Museum (1hrs30mins).
Add this in-depth excursion: Greek Cooking Class
The group will learn how to make tzatziki, spanakopita and chicken souvlaki, and will get the opportunity to taste all of the dishes along with having a salad and a dessert as part of the lunch (2.5-3hrs).
- Evening: Return to the hotel for dinner.

Day 4: Excursion to Delphi

- Morning: Depart hotel and transfer to an olive oil farm in Amfissa Valley (2hrs30mins). The group will stop in an olive grove of more than 1.5 million olive trees where they will tour with a local specialist from the Agriculture Cooperative of Delphi. They will learn about the history of the olive grove, the species of olive trees, and the types of olives and olive oil produced in the region (20 mins). [The olive oil farm is a seasonal business so there is less to see during the colder months, and will be cancelled in case of rain or bad weather.] Transfer to Delphi (30mins).
- Afternoon: Free time for lunch in Delphi (1hr). Meet the guided walking tour of site at Delphi (2hrs). Groups have some free time afterwards to explore the nearby Delphi Museum on their own (30mins). [Please note that there is a steep uphill walk and uneven grounds at Delphi]. Depart Delphi and transfer back to Athens (4hrs).
- Evening: Dinner at the hotel.

Day 5: 4- Day Greek Island Cruise | First Port of Call: Mykonos |

****Please make sure to ask your Tour Consultant for a detailed Cruise Info Sheet****

****Shore excursions to Samos, Crete, and Santorini are included for all travelers.****

- Morning: Depart hotel for Pireaus port (30mins). The group has to be at the port at least 2 hours prior for embarkation procedures. All participants will board the ship and open their individual shipboard accounts upon embarkation (the cards they receive also function as their cabin keys). There will be a brief mandatory fire drill as the ship gets ready to depart from Pireaus (20mins).

- Afternoon: Arrive in Mykonos in the late afternoon. Arrival to Mykonos Island may be by port, or it may be by tender boat. Regardless, guests are dropped off in the main town of Mykonos which has winding streets with shops and restaurants as well as the famous windmills. Exploring by foot is safe and easy. Free time (3 hrs.)
- Evening: Return to the cruise ship for dinner.

Day 6: Ports of call: Samos | Patmos | *see Samo Island details below important information

- Morning: Early morning wakeup call at 4am. All passengers MUST debark on Samos Island at 4:45am. Samos is a tender boat port. Guests are dropped off in the small town of Pythagorio. There are several beaches nearby the port which can be easily walked to.
Included shore excursion: Vathi, Heraion, and Pythagorio
Upon disembarking the ship, enjoy breakfast before an orientation walk through the town of Vathi. Here, you'll see the bustling main square, St. Spyridon church and the town hall. Afterwards, visit the Samos Wine Museum to view wooden casks from the early 20th century as well as traditional wine making tools and exhibits. Continue to the archaeological site of Heraion, a large sanctuary to the goddess Hera.
- Afternoon: Arrive in Patmos by tender boat in the late afternoon for free time. Guests are dropped off in the small town of Skala which is easily accessible by foot. Skala has shops and restaurants. Free time (5hrs).
- Evening: Return to the cruise ship for dinner.

Day 7: Port of call: Rhodes |

- Morning: Arrive in Rhodes in the early morning for a day to explore on your own (11hrs). Guests disembark at the Port of Rhodes. Accessing the historic city center, including the Palace of the Knights, is a very easy 10 mins walk from the port. The citadel and Acropolis of Lindos are not accessible without booking a taxi or shore excursion.
- Evening: Return to the cruise ship for dinner.

Day 8: Ports of call: Crete and Santorini |

- Morning: Arrive in Crete in the early morning. Guests disembark in the Port of Heraklion.
Included shore excursion: Minoan Palace of Knossos
Visit one of the Bronze Age's most impressive archaeological sites in the world, Knossos Palace. Also known as the Labyrinth, the palace appears as a maze of workrooms, living spaces, and store rooms close to a central square. Sir Arthur Evans' archaeological excavations and restorations from 1900 suggest that this was the site of the ancient Minoan Kingdom. See the Palace's Hall of the Royal Guard, the Hall of the Double Axes, the King's Chamber with its alabaster throne, the Queen's Apartment, as well as its beautiful courtyards and shrines. During your visit, view detailed images of Cretan life in the late Bronze Age on the palace walls.
- Afternoon: Arrive in Santorini in the late afternoon. All arrivals to Santorini are by tender boat. The Port of Santorini is at the base of a very steep hill. Taxis are extremely limited.
Included shore excursion: Oia Village
Admire the panoramic view of the Aegean Sea and the neighboring islands on your way to Oia Village. First you will head up to the monastery of Prophet Ilias for a breathtaking view before continuing north. You will see various layers of lava fixed on the face of the rock, each being another phase of the activity of the volcano. You will pass through Fira, as well as the traditional villages of Firostefani and Imerovigli before arriving in Oia. Built on the Caldera rim, Oia Village is an excellent example of Cycladic architecture. Walk along the cobblestone streets and explore the village, known for its white-washed houses with blue shutters. You will have free time to walk along the marble-paved alleys and poke around in the cute shops.

Day 9: Return from Greek Cruise and visit Cape Sounion | *Optional Greek Evening*

- Morning: The ship will dock in Piraeus early in the morning. Disembark and travel with bus and local guide to Cape Sounion (1hr15mins). Guided tour of the ruins of the Temple of Poseidon (1hr). Transfer back to Athens (1hr15mins).
- Afternoon: Check-in at the hotel and time to further explore, admire the views or take in the ambience of a local café.
- Evening: Return to the hotel for dinner (for those not participating in the optional).
Add this in-depth excursion: Greek Evening
Depart hotel for the 2-hour Greek dinner and traditional show. [Those not participating in the optional will have dinner at the hotel.]

Day 10: Transfer to Athens airport

The Athens airport is 1 hour from hotel.

3-DAY EXTENSION**Day 10: Transfer to Argolida via Mycenae Sightseeing and Epidaurus Sightseeing | Photo Stop Corinth Canal**

- Morning: Depart hotel and transfer to Mycenae via photo stop at the Corinth Canal (3hrs). The guide will give a walking tour of the Mycenae archeological site (1hr30mins). Participate in a short pottery workshop (45mins). Depart Mycenae for the transfer to Epidaurus (1hr). The group will stop for lunch along the way at a local restaurant (not included).
- Afternoon: Arrive in Epidaurus and the guide will give a walking tour of the Epidaurus Theatre and Museum (1hr30mins). Transfer to Argolida hotel (1hr30mins).
- Evening: Check-in and dinner at the hotel.

Day 11: Transfer to Olympia via Palamidi Fortress in Nafplio

- Morning: Depart for the Palamidi Fortress in Nafplio for a brief visit (45 mins). Transfer to Olympia (2 hrs.) On the way enjoy some free time in the port time of Nafplio or visit Kyparissia for sightseeing (Please note that the visit to Kyparissia is seasonal and will only be available in the summer months) (2hr30mins).
- Afternoon: Arrive Olympia. Group will have free time for lunch.
- Evening: Check-in and dinner at the hotel.

Day 12: Olympia Sightseeing | Transfer to Athens

- Morning: Group will meet the local guide for the visit of the Olympia site (2hrs). Visit the Olympia Museum. After the guided tour the group will have some free time for lunch.
- Afternoon: Transfer back to Athens (4hrs).
- Evening: Check-in at the hotel (if group is more than 30 minutes from the city center than they will not see Athens today).

Day 13: Transfer to Athens airport

The Athens airport is 45 minutes from central Athens.

**BEHAVIOUR EXPECTATIONS AND STUDENT CONTRACT FOR ROYAL
BAY GREECE TRIP, MARCH 18-28, 2020**

Travelling abroad on a school trip is an incredible experience and a privilege. With privilege comes responsibility, and the following behavior contract will help to keep all expectations clear for all travelers. You are representing Royal Bay Secondary, and also Canada, as you travel and meet Greece citizens during our trip. We want to leave the best possible impression of Canadian students along the way. Your behaviour is your own responsibility to make the trip more enjoyable and safe for yourself and for your fellow travellers.

I _____ (print name) agree to:

1. Accept the directions of and be respectful to all Royal Bay supervisors and chaperones, and accept the directions of any other adult supervisor (tour guide, bus driver, hotel staff, etc.)
2. Take responsibility for my own actions and belongings (keep hotel rooms neat and tidy and double check for belongings when leaving). This includes NOT LEAVING THE HOTEL ROOM after lights out.
3. At no time be involved in the use of alcohol or the use of illicit drugs.
4. Make myself aware of deadlines and schedules and to be at assigned places on time (tours, meeting points, meals, wake-up times, etc.)
5. At all times, behave respectfully to members of the public and to all fellow travelers.
6. Follow all school and school district policies regarding student conduct.

Please note:

Serious breaches of conduct, such as drugs and alcohol use or misbehavior, which reflects poorly on the school will result in parents being notified of the incident and arrangements being made for the student to return home early. Transportation costs would be borne by the student and/or his or her parents.

Please return this signed contract to Mrs. Puszka in portable 6

PARENT/GUARDIAN:

I have discussed the above information with my son/daughter, who informs me that he/she understands it. We are prepared to accept it completely.

Date

Parent/guardian signature

STUDENT:

I have discussed the above information with my parents. I understand it and am prepared to accept all the conditions completely.

Date

Student signature

**SCHOOL CONSENT FORM FOR CHILD PARTICIPATING IN MODERATE RISK-
OVERNIGHT, OUT-OF-PROVINCE/COUNTRY ACTIVITY**

Greece trip 2020

Date: September 24, 2019

Dear Parents:

In consideration of School District No. 62 (Sooke) offering my child _____, an opportunity to participate in a field trip for Grade 11-12 Students between March 18- March 28 (earliest date March 16, latest March 29), I waive any and all claims I may have against, and release from all liability and agree not to sue the Board of School Trustees of School District No. 62 (Sooke) and its officers, employees, agents, volunteers and representatives, and the Ministry of Education for any personal injury, death, property damage or loss sustained as a result of my child's participation in the field trip.

_____ Initial

I hereby give my consent and acknowledge by my signature that:

Students will be going to Greece, Athens and several different islands (Mykonos, Samos, Patmos Rhodes and Crete) around Greece. They will be travelling by air, tour bus and cruise ship.

_____ Initial

On this field trip, up to 24 students will be (travelling by plane, have layovers in airports, travelling by tour bus, city walks, museum tours, guided visits in cities, Olympic Stadium tour, temple of Zeus and Apollo, beach time on the Islands, a four day cruise to the islands around Greece).

_____ Initial

The students will be supervised by 2 teachers and 1-2 chaperones: Students will be permitted to go on short, small group excursions, without adult supervision, but have defined meeting times, a predetermined buddy system, and with cell phones turned on.

_____ Initial

My child has no illnesses, allergies or disabilities that may require special attention, except as described here:

_____ Initial

I am aware of the usual risks and dangers inherent in participation in all of the activities associated with this trip and of the possibility of personal injury, death, property damage or loss resulting from the activities. The dangers and risks may include, but are not limited to:

-taking a four day cruise in Greece

-weather

-The possibility that your child may not heed safety instructions or restrictions given to the group.

_____ Initial

I acknowledge that if the Superintendent of Schools deems the trip unsafe, he or she can recall students back at any time.

_____ Initial

I will supply suitable equipment and clothing for my child's participation in all activities associated with the field trip (clothing and footwear recommendations will be covered at the parent meeting). _____ Initial

I am aware that I should contact the school for further information if I am unaware what clothing and equipment is required for the activities or possible weather conditions of this field trip. My child and I understand that it is our responsibility to ensure my child has all necessary equipment and clothing (a packing list will be sent home) _____ Initial

My child and I understand that the school's Code of Conduct applies during this field trip. I will be responsible for any costs caused by my child's failure to abide by the Code of Conduct, including any costs to send my child home. _____ Initial

Accidents can be the result of the nature of the activity and can occur with or without any fault on either part of the student, or the School Board or its employees or agents, or the facility where the activity is taking place. By allowing your son/daughter to participate in this activity, you are accepting the risk of an accident occurring, and agree that this activity, as described above, is suitable for your child. _____ Initial

In signing this consent and Waiver, I am not relying on any oral or written representation or statements made by the School Board and its servants, agents, employees, or authorized volunteers, or the Ministry of Education, to induce me to permit my child to take the trip, other than those set out in this Consent and Waiver. _____ Initial

I am 19 years of age or more and have read and understand the terms of this Consent and Waiver and understand that it is binding upon me, my heirs, executors and administrators. _____ Initial

Date: _____

Signature of Witness

Signature of Parent/Guardian

Printed Name of Witness

Printed Name of Parent/Guardian

Address

Address

Date: _____

Signature of Witness

Signature of Parent/Guardian

Printed Name of Witness

Printed Name of Parent/Guardian

Address

Address

NOTE: This Consent and Waiver must be signed by ALL custodial parents or guardians of a child who is under the age of 19 years.

Rhodes – Medieval tour - Philerimos church and the Palace of the Knights (approx 4 hrs)

The Acropolis of ancient Rhodes stands proudly on the hill of St. Stephanos, also called Monte Smith. You will wander through the ruins of the Hellenistic Temple of Apollo, with its amazing columns. Further below, the restored Ancient Stadium of Diagoras once hosted games in honour of the sun god Helios.

The next destination is Philerimos, to the northwest, one of the great touristic attractions of the island. The hill of Philerimos, above the homonymous bay, once “hosted” ancient Ialysos, one of the three Rhodian cities that participated in the Trojan War. Stone steps surrounded by cypresses lead to the Gothic Monastery of Our Lady of Philerimos, dedicated to the Virgin Mary (the Life Giving Source). In the area you will also visit the Byzantine Church of St. George Hostos, with rare frescoes from the 14th-15th century which depict knights. Here also resides the “Golgotha”, a path of 12 copper reliefs which depict the Passion of Christ.

Back to the city of Rhodes where you will stroll through the Street of the Knights, all the way up to the Palace of the Grand Master. Castello.

Price:

68 Euros for students = 105\$ CAD 91 Euros for adults = 140.50\$ CAD

Rhodes & Lindos – Medieval tour - Acropolis of Lindos and the Citadel of the Knights (approx 5hrs)

Lindos is situated 55 km (40 miles) from the city of Rhodes and “bears” above it the Acropolis of Lindos, with the ancient Temple of Athena, built in 300 B.C.

Here and there you will come across the captains’ mansions, built between the 16th and 18th century. In the centre of the village lives and breathes the Church of the Virgin Mary (Panagia) of Lindos, with frescoes from the 15th century.

Ascend to the Acropolis of Lindos. Here lies the Temple of Athena, of Doric order, which was erected on the location of an older monument. The ancient city-state of Lindos was for many centuries the most important on the island. It reached its heyday in the 6th century B.C.

At the old city of Rhodes you will go through D’Amboise Gate to walk on the Street of the Knights. Along this street you will find the residences of the Knights, separated according to Order, which bear until today their corresponding crests.

Price:

68 Euros for students = 105\$ CAD 91 Euros for adults = 140.50\$ CAD

Rhodes – Walking tour in the Medieval City of Rhodes

Walking along the paved Street of the Knights, one of the best preserved medieval arteries, you will come across residences of people of several different historic nationalities, who once belonged to the Order of the Knights of St. John of Jerusalem.

Before you reach the Palace of the Grand Master, you will bide for a while around the area of Bourgos and the Mosque of Suleiman the Magnificent, erected in 1808, the Turkish Baths, the Hospital of the Knights in Museum Square the Church of Our Lady of the Castle, which has guarded the place since the 11th century A.D.

The pinnacle of this tour in the Medieval City of Rhodes is Castello. The Palace of the Grand Master is a magnificent, endless edifice, the most important sight of the Old Town.

Price:

37 Euros for students = 58 CAD 58 Euros for adults = 90\$ CAD

Rodos – Transfer to Tsambika beach

The golden sands of Tsambika are one of Rhodes' most prized treasures. Gently embracing the shoreline on the island's eastern side, Tsambika beach will welcome you with a generous, winding and incredibly soft strip of sand. The shallow waters of Tsambika beach will allow you to fully enjoy their glittering crystal blue color as you admire your astonishing surroundings -- from the sharp cliffs at the edge of the beach, to the church of Panagià Tsambika overlooking the gulf. Several cafes and tavernas will welcome you with fresh, delicious Greek specialities. Perfect for watersports, swimming for children and adults alike, and complete relaxation in the sun, our half-day excursion to Tsambika will be a treat to savour and remember.

Price:

ONLY AVAILABLE ON BOARD

Committee Report of Decisions/Discussions

Resources Committee Meeting

September 17, 2019

Attendees:

Dianna Seaton, Trustee (Committee Chair)
Wendy Hobbs, Trustee (Committee Member)
Allison Watson, Trustee (Committee Member)
Ravi Parmar, Trustee
Bob Phillips, Trustee
Maggie Clark, CUPE
Ed Berlando, STA
Amanda Dowhy, SPEAC
Krista Leakey, SPVPA

Staff:

Scott Stinson, Superintendent & CEO
Harold Cull, Secretary Treasurer
Tracey Syrota, Transportation Manager

1. Territorial Acknowledgement

Dianna Seaton, Committee Chair, called the meeting to order and read the acknowledgement of the first nations' territories.

Dianna welcomed everybody to the meeting and asked for introductions to be made of each of the attendees and staff.

2. Report from June Meeting

The report from the Committee's June 2019 meeting, that was received by the Board later that month, was attached as part of the meeting materials.

4. New Business

4a. Transportation Update and Review

Tracey Syrota, Transportation Manager gave members of the Resource Committee an update regarding the start up for the year. Last year SD62 had 4000 student riders, this year that number is 4300 with transportation still receiving applications from families. Transportation staff and drivers felt that the start-up of the school year was relatively smooth although there were some buses in overload situations (this stemmed from

students riding on incorrect routes). Those situations have been dealt with and routes will continue to be reviewed as necessary.

Tracey provided some initial thoughts on items that her team may evaluate in the future, these included:

- Potential Web-based software system-shared services model which will have an interface with a parent portal;
- GPS tracking of buses; and
- Bell time study.

Tracey also provided an update on the Transportation Safety Committee Recommendations. The Transportation team:

- 1) has installed internal and external cameras on 27 of our 41 buses;
- 2) will continue to update the bus driver's manual;
- 3) will start the Provincial School Bus Driver Training Program (module 1 of 7); and
- 4) will produce messaging surrounding 2019 National School Bus Safety Week which runs from October 21-25.

The Board's transportation principles were introduced and discussion included whether or not the Board would like to staff to review these principles.

The Resource Committee recommends the Board of Education direct staff to review the following areas of transportation and report back to the Resource Committee in November:

- a) Administration and/or ridership fees;
- b) Walk limits (urban/rural) of specific routes;
- c) Pick up and drop off areas; and
- d) Routes to bus stops (must be safe/efficient).

If supported by the Board, Harold Cull will provide an interim report in October 2019 to Resource Committee members with regards to progress and the proposed modelling of these items.

Ravi Parmar provided a briefing to the members of the BC Transit Committee. There may be an opportunity to work with BC Transit in the future to improve the service to SD 62 students.

4b. Goudy Field Use Agreement

Scott Stinson provided an update on the Goudy Field Use Agreement. When the City of Langford replaced its turf at Goudy Field and donated the used turf to SD62, it became necessary to revise the current joint use agreement. Revision of the policy has occurred, however Resource Committee members required further information on the booking procedures and Scott confirmed the current practice has been working for the school in this regard.

The Resource Committee recommends the Board of Education approve and sign the Goudy Field Use Agreement as presented to the Board at their September 24, 2019 meeting.

4c. 18/19 Year End Financial Position

Harold provided a 18/19 year-end financial position to Resource Committee members:

- The accumulated surplus as at June 30, 2019 was \$4.716 m of which \$.223 m is restricted for specific uses (school generated and supply funds) and \$1.839 m that was committed but not expensed by June 30;
- This leaves a balance of \$2.654 m or 2.34% of the operating budget as the amount of the District's financial reserve;
- Board policy allows for a total reserve amount of 2% so the District is currently \$.364 m over the allowable amount;
- The Audit Committee discussed that the Ministry's recommendation is to have a reserve of up to 4% of operating expenses so the District is well within that amount; and
- Staff recommend to retain this amount in the reserve until government's recommendations for the Funding Formula Review are known.

4d. Capital Planning Structure and Update

Staff discussed the capital planning governance structure that was provided to the Committee and Board in June. It includes:

- Board Oversight;
- Capital Steering Committee;
- Capital Project Working Groups:
 - West Langford Elementary;
 - West Langford Middle School;
 - Royal Bay Expansion; and
 - Future Projects.

Harold spoke to details regarding the West Langford Builds:

- HCMA Architects have been selected (from the District approved list of architects) to design both the middle and elementary school at West Langford;
- Staff in consultation with HCMA are planning for location of schools, fields, parking lots, bus stops;
- Each school will be a separate building with separate fields and parking lots (the bus loop will be shared);
- Site planning will continue for the next month or so at which time we hope to tender the contract for the civil work (blasting and elevations); and
- Designs for the schools will continue and we hope to tender the construction portion of the work by the spring which could lead to construction beginning in the summer of 2020.

Meeting adjourned at 8:44.



RESOURCES COMMITTEE
School Board Office
3143 Jacklin Road
September 17, 2019 – 7:00 p.m.

A G E N D A

- 1. CALL TO ORDER AND ACKNOWLEDGMENT OF FIRST NATIONS TERRITORIES**
*We are honoured to be meeting on the traditional territories of the Coast Salish, specifically Esquimalt Nation, Songhees Nation, and acknowledge the three nations SD62 works with directly in our schools: Scia'new Nation, Coast Salish, and T'Sou-ke Nation; including the West Coast Pacheedaht Nation, Nuu-chah-nulth.
(words gifted by the three nations SD62 works with)*
- 2. REPORT**
- 3. PRESENTATIONS (10 min.)**
- 4. NEW BUSINESS**
 - a) Transportation Update & Review
 - b) Goudy Field Use Agreement
 - c) 18/19 Year End Financial Position
 - d) Capital Planning Structure & Update
- 5. ADJOURNMENT**
- 6. NEXT MEETING DATE:** October 8, 2019

Committee Report of Decisions/Discussions

Resources Committee Meeting

June 11, 2019

Attendees:

Dianna Seaton, Trustee (Committee Chair)
Wendy Hobbs (Committee Member)
Allison Watson, Trustee (Committee Member)
Ravi Parmar, Trustee
Amber Leonard, CUPE
Noelle Wass, CUPE
Ed Berlando, STA
Amanda Dowhy, SPEAC

Scott Stinson, Superintendent & CEO
Harold Cull, Secretary Treasurer

4a) 20/21 Capital Plan Submission

- Staff made a presentation to the Committee on the 20/21 Capital Plan submission to the Ministry
- The presentation supplemented the capital plan information on prioritized projects discussed at last month's Committee and Board meetings
- Discussions were focused on options available to the District for some of the higher prioritized projects on the plan
- Discussions also included:
 - any Millstream expansion could cause parking related issues
 - a 350 seat school is the optimal size for an elementary school from an educational perspective
 - consensus was that it is better to build larger schools than adding portables later on (RBSS example)
 - there was support from the Committee on the presented options and timing for the North and South Langford Elementary school projects
 - staff also presented an example of how a Life Cycle Cost Analysis is conducted and could work for the Millstream project(s)
- The Committee was supportive of the Capital Plan options and timing as presented and understand staff will provide a further presentation to the Board on June 25 in order for Trustees to review and consider approving the Capital Plan submission

4b) Catchment Review

- Staff gave an overview of the need for the District to conduct a catchment review
- The review's principles will include:
 - + following Board Policy;
 - + minimizing disruption to students;
 - + respecting the proximity to feeder schools;
 - + maximizing existing space in all schools;
 - + Long-term sustainability; and
 - + minimizing crossing of major roadways.
 - + ensuring equity of opportunity and clear K-12 pathways when reviewing programs of choice.
- Need to consider future growth in enrolment and different program offerings during this review
- Initial plans include developing 3 potential options for public consultation with a preferred option identified
- Consultation will begin early in the next school year with a report planned to be presented to the Board in May 2020 for their review and consideration
- Once revised catchment areas are defined, work can begin on the naming of the new schools that have been approved
- The catchment review model can be used and repeated as new schools are brought on line
- Current policy is believed to be suitable to complete this work but may be reviewed to ensure future reviews are conducted efficiently and effect
- Staff do not feel the current discussions on class size at the provincial level will have a big impact on this process

4c) Capital Asset Inventory

- Staff provided an update on the initial work started on developing a district wide capital asset inventory that will form part of a Capital Asset Management Model
- This model is required to ensure the District considers end of life replacement on a pro-active basis
- An initial inventory of large, district wide capital assets requiring replacement was presented and Committee members were asked to comment on whether they felt the list was complete
- Discussions included:
 - + That replacement of buses runs through the annual capital plan submission process
 - + Grass fields should be looked at from a replacement perspective
 - + Staff should consult with custodians to ensure the inventory is complete
 - + Staff should add custodial scrubbers (not hall Zambonis), phones, kitchen equipment and district used chairs to the inventory

The Resource Committee supports the following motions to be reviewed and considered by the Board:

- 1) The Board of Education receive the report from the Resource Committee meeting of June 11, 2019.

Committee Info Note

Resources Committee Meeting

September 17, 2019

Agenda Item: 4a Transportation Update & Review

Introduction

- Tracey Syrota started with the District on August 26th and comes to us from Nechako Lakes (SD#91) where she was a driver (11 years) and the Manager of Transportation for the last 14 years
- Tracey has great school district experience as well as a provincial perspective with her time working on the Ministry's shared services model and her Secretary Treasurer role with the Association of School Transportation Services of BC (ASTSBC)

19/20 Start Up Update

- This year's start-up has been relatively smooth so far given the transition in leadership roles
- Some updated transportation data:
 - ~4,300 registered riders
 - 29 standard routes and 4 accessible routes
 - 33 regular drivers and 8 casual (replacement) drivers
- For the first few days, a number of routes were overloaded
- Staff reviewed those routes, ensured drivers were transporting only registered riders and in circumstances where there was a continued overload, another bus was arranged to pick up any excess riders
- This caused some delay in arrivals to schools and final stops but ensured the safety of students was maintained
- Staff are currently reviewing bus load and routes in order to maximize efficiency and effectiveness of the system given the resources provided
- Qualitatively, it appears that more registered riders are using the system than in previous years as a route was added to handle the anticipated (and actual) growth in registered riders

Initial System Thoughts

- Some areas that will be reviewed over the next several months for possible inclusion in the 20/21 school year include:
 - ✓ Web based software (Traversa) for routing, activity trips and maintenance schedule
 - ✓ Parent portal that interfaces with Traversa for registration and route status
 - ✓ GPS tracking for all buses
 - ✓ Bell time study with school based administration
- These items will be investigated to determine the benefits of adding to our transportation system

Follow up from the Transportation Safety Committee Recommendations

- The District has begun to implement some of the recommendations from the Transportation Safety Committee including:
 - a) Installation of interior and exterior cameras (27 of 41 buses)
 - b) Update the driver's manual based on District policies and procedures
 - c) Starting the Provincial School Bus Driver Training Program (module 1 of 7)
 - d) Review school pick up and drop off areas for possible improvements
 - e) Preparing for October's School Bus Safety Week (initial steps of a District campaign)

Board Principles

- Back in 2017, the Board approved the following guiding principles for staff to manage the transportation system through:
 - 1) Transportation services will be provided;
 - 2) Funding levels will remain consistent and will increase with enrolment growth;
 - 3) Staff to utilize central drop off and pick up areas; and
 - 4) Remaining system components to remain status quo
- Transportation remains a popular discussion topic especially at the beginning of the school year as students, drivers and parents slide into their regular routines
- Discussion points have focused on fees and walk limits as potential options for improving the ride and wait times of some of our riders
- With our volume of registered riders (~4,300), it continues to be a challenge to provide adequate service levels to the students of the District
- Staff would like to confirm if the Board is interested in a review of the existing principles in order to improve the existing service levels and if so, which principles to be reviewed

- This review would include looking at a predetermined list of issues (Board to identify the issues in order to create a scope for the project) allowing staff to research and present possible options to the Board for their review and consideration
- This work by staff could be completed over the next two months and be presented to the Resource Committee for review prior to presentation to the Board
- This timing would fit well into the District's planning schedule (budget development to begin in January) as well as the Ministry's review of the existing funding model
- Discussion and debate over the merits of any proposed changes would be held at the time the options are presented to the Resource Committee and ultimately the Board

The Resource Committee supports the following motion to be reviewed and considered by the Board:

- 1) The Board of Education direct staff to review the Board's current transportation principles and to provide a report, including research and possible options for amending the principles, to the Resource Committee at their November meeting

or

- 2) The Board of Education confirm the Board's current transportation principles do not require review at this time

Committee Info Note
Resources Committee Meeting
September 17, 2019
Agenda Item: 4b Goudy Field Use Agreement

Background

- Staff have been working with the City of Langford to develop the attached field use agreement for the re-turfed Goudy field
- The District had an initial field use agreement for the original Goudy Field prior to the replacement of the turf
- Langford agreed to utilize the former Goudy turf at Belmont (replacement of the grass turf) and the replacement was completed last winter
- During discussions prior to the turf replacement, it was determined that a revised field use agreement would be required
- The agreement has been attached for review prior to recommending signing by the Board

The Resource Committee supports the following motion to be reviewed and considered by the Board:

- 1) The Board of Education sign the attached field use agreement with Langford outlining the availability of the Goudy Field by the District's students

CITY CENTRE PARK
ARTIFICIAL TURF FIELD USE AGREEMENT

THIS AGREEMENT made the ____ day of _____ and amended the ____ day of _____.

BETWEEN:

THE BOARD OF EDUCATION SCHOOL DISTRICT NO. 62
(SOOKE)
3143 Jacklin Road,
Victoria, BC, V9B 5R1

(the "School District")

AND:

The City of Langford
2nd Floor 877 Goldstream Avenue,
Victoria, BC. V9B 2X8

("Langford")

WHEREAS:

- A. The School District operates education programs within the municipalities of Colwood, Langford, Metchosin, Sooke and the Highlands and within the Juan de Fuca Electoral Area of the Capital Regional District, and requires the use of recreation facilities.
- B. Langford owns the artificial turf field at City Centre Park at 1089 Langford Parkway on land owned by Langford and legally described as PID 028-087-879; Lot 2, Section 87 Esquimalt District, Plan VIP87398 (the "Goudy Field").
- C. Starting in November 2018, Langford will be removing the artificial turf surface from Goudy Field and installing this turf at the Belmont Secondary School located at 3041 Langford Lake Road in Langford, BC (noted hereafter as "Belmont Field").
- D. The costs associated with the removal of existing soil material and preparation of Belmont Field for the placement of Artificial Turf surface from Goudy Field and the installation of the artificial turf surface at Belmont Field will be borne by Langford. The operational, maintenance and replacement costs of Belmont Field will be solely the responsibility of the School District.
- E. The School District and Langford wish to enter into this Agreement to provide for the use of Goudy Field by the School District for day to day Belmont High School physical education programs, athletics and academies; the use of the Belmont Field by Langford and City Centre Park users on evenings and weekends, and to provide for the availability to City Centre Park users and visitors of parking on the School District's adjacent property.

NOW THEREFORE this agreement witnesses that in consideration of the terms and conditions set out in this agreement and the payment of \$1.00 and other good and

valuable consideration paid by each party to the other (the receipt and sufficiency of which is hereby acknowledged by each party), the parties agree as follows:

FIELD USE

1. Through the construction of Belmont Field, the School District will now have an artificial turf surface field to utilize for school instructional purposes. A standing schedule of using Goudy Field for school educational and recreational purposes will no longer be required. When the School District requires the use of Goudy Field for school instruction, sporting events and/or academies then the School District will submit a written request with a schedule of its proposed use of Goudy Field to the Field Operator. This written request from the School District must be provided to the Field Operator at least 30 days in advance. The School District shall have access to Goudy field between the hours of 9:00 am and 6:00 pm on school days in priority to community users, save and except for those defined in advance by Langford, but subject to sports teams authorized by Langford. The School District may not use Goudy Field, except with the Field Operator's approval.
2. Langford and other user groups may schedule and book the use of Belmont Field after 6:00 pm on week nights and on weekends, for a fee for community use. These bookings shall be submitted to the School District in accordance with the Community Use Booking Department's policies.
3. Langford and the School District agree to ensure that Major Events held by the School District or Langford will be given priority over regular scheduled use. If both fields are required to hold major events for the School District or Langford, both parties will work together to ensure the success of such events.
4. As the School District has or will have contributed towards the construction costs of Goudy Field in accordance with the Contribution Agreement, the School District's use of Goudy Field, change and washrooms will be without charge during the approved operational requests listed in section 1.
5. The School District will ensure that a teacher or coach is at Goudy Field to supervise the use of Goudy Field at all times during scheduled use times.
6. The term of this agreement will be for 10 years, commencing on the signing date of the agreement with the option for the School District to renew this agreement every 10 years thereafter until the field is no longer used by the School District and Langford. Should a labour disruption occur involving the School District and the union representing staff under its employ, it is agreed that Goudy Field will not be picketed.

GENERAL REQUIREMENTS RESPECTING SCHOOL DISTRICT USE

7. Should the School District require the use of Goudy Field, then the School District will be responsible for supplying all equipment required for its use of Goudy Field.
8. During School District approved use of Goudy Field, the change and washrooms, the School District will:
 - (a) not do, suffer or permit any act or neglect that may in any manner directly or indirectly cause injury to Goudy Field, the change and washrooms;
 - (b) not do, suffer or permit anything in, on or from Goudy Field, the change and washrooms that may be or become a nuisance or annoyance to the owners, occupiers or users of land or premises adjacent to or near Goudy Field or

to the public, including, but not limited to, the accumulation of rubbish or unused personal property of any kind;

- (c) use Goudy Field, the change and washrooms only for school educational and recreational purposes;
- (d) obtain the approval of Langford and take all responsibility for the use of Goudy Field, the change and washrooms by those other than School District students during School District scheduled activities;
- (e) take all reasonable precautions to ensure the safety of all persons using Goudy Field, the change and washrooms;
- (f) clean up all rubbish, litter and debris arising from such use; and
- (g) ensure compliance with all requirements of any suppliers and manufacturers concerning the use of Goudy Field, the change and washrooms and all reasonable rules and regulations established from time to time by Langford or the Field Operator.

FIELD MAINTENANCE

- 9. Langford will cause Goudy Field to be maintained and repaired to the same condition as Langford from time to time maintains other public recreation fields owned by Langford and in compliance with all requirements of any suppliers and manufacturers concerning the warranty of Goudy Field. The School District will be responsible for the operation and maintenance costs of Belmont Field. If additional repair or maintenance work to Goudy Field is requested by the School District, the School District will pay Langford or, if the work is performed by the Field Operator, the Field Operator for such work at such rate as may be set by Langford or the Field Operator, as the case may be, from time to time (provided that the minimum amount payable in any case will be based on three hours of service) and the costs of all materials plus 10%, which amount will be payable within 30 days of receipt of an invoice from Langford or the Field Operator, as the case may be.
- 10. Langford will attempt to make repairs to Goudy Field without interfering with any School District's request to use Goudy Field; however, the School District acknowledges that this may not be feasible in every case and that its use of the Field may be interrupted, provided that in such circumstances Langford will give the School District as much notice as possible.

CITY CENTRE PARK PARKING ON SCHOOL DISTRICT LAND

- 11. The School District will make the Student and Staff parking area on the School District property located adjacent to City Centre Park available for use by park users and visitors, as follows:
 - (a) Monday through Friday: from 5 p.m. until 11 pm during the school year, being the months of September through to the last day of instruction in June;
 - (b) Monday through Friday: all day from 8 am to 11 pm for the remaining days in June and for the months of July and August; and
 - (c) Weekends and statutory holidays all day from 8 am until 11 pm during the entire year unless the School District requires the use of parking facilities for a weekend event, in which case the School District will notify the Field Operator 2 weeks in advance of the event.

- (d) The School District may have evening events which require the use of its own student and staff parking areas and will notify the Field Operator, one week in advance.

The Field Operator will be required to lock and unlock the parking access gates on weekends and statutory holidays.

INSURANCE

- 12. Each of the Parties agrees to obtain and maintain at all times during the Term of the Agreement, Commercial General Liability in an amount not less than \$5 million dollars, adding the other Party as an "Additional Insured".

INDEMNIFICATION

- 13. The School District will indemnify and save harmless Langford and its councillors, officers, employees and agents, from and against any and all claims, demands, expenses, costs, proceedings, suits, liability and other harm of any kind whatsoever, including death, bodily injury, property loss, property damage or other loss or damage, related to or resulting from any breach or default by the School District of its obligations under this Agreement or any wrongful act, omission, or negligence of the School District or any of its officers, employees, agents, contractors or students in connection with the use of Goudy Field.
- 14. Langford will indemnify and save harmless the School District and its trustees, officers, employees and agents, from and against any and all claims, demands, expenses, costs, proceedings, suits, liability and other harm of any kind whatsoever, whether related to death, bodily injury, property loss, property damage or other loss or damage, which may be related to or result from any breach or default by Langford of its obligations under this Agreement or any wrongful act, omission, or negligence of Langford or any of its officers, employees, agents or contractors in connection with the performance of Langford's obligations or with the park users and visitors' use of the parking area under this Agreement.

LIAISON COMMITTEE

- 15. Langford and the School District agree to establish a Liaison Committee to oversee the effectiveness and intent of this agreement, consisting of two members of each organization's administration. Meetings will be held at the request of either party. The liaison Committee will meet at a minimum, every 2 years to determine the depreciated value of the fields so that the School District can budget for its share of eventual replacement of the fields.
- 16. In the event that the Liaison Committee is unable to promptly resolve an issue related to field and parking lot security, supervision, damages or school use, or any other concern in relation to this Agreement, each party will cause its administrator (or his or her designate) to promptly meet and endeavour to resolve the issue.
- 17. If the issue remains unresolved, both parties agree to submit the dispute to mediation through an alternate dispute resolution process. If mediation fails to resolve the dispute, both parties agree to submit the dispute to a single arbitrator pursuant to the provisions of the Commercial Arbitration Act of B.C. or any successor legislation.

DAMAGES AND RESPONSIBILITIES

18. If Goudy Field, the change or washrooms are damaged as a result of the School District's field use, the School District will reimburse Langford or the Field Operator, as the case may be, for the costs of repairing or remedying such damage.
19. If Belmont Field is damaged as a result of Langford's use, Langford will reimburse the School District for the costs of repairing or remedying such damage.
20. The School District will report to Langford or, if appointed, the Field Operator any damage to Goudy Field, the change or washrooms occurring during School District use on the same day on which the damage occurs.
21. Langford or the Field Operator will report to the School District if any damage to Belmont Field occurs during Langford's use on the same day on which the damage occurs.
22. Langford will attempt to maintain and repair Goudy Field, change and washrooms to manufacturer's maintenance specifications, however, if damage occurs and Langford is not made aware of this promptly, Langford shall not be held responsible for injuries occurring from such damage.

DEFAULT

23. If the School District breaches any of its obligations under this Agreement and does not correct the default within 30 days following notice from Langford or such longer period as may reasonably be required due to the nature of the default, Langford may terminate this Agreement upon notice to the School District.
24. If Langford breaches any of its obligations under this Agreement and does not correct the default within 30 days following notice from the School District or such longer period as may reasonably be required due to the nature of the default, the School District may terminate this Agreement upon notice to Langford.

GENERAL

25. Notwithstanding anything to the contrary in this Agreement or in the Contribution Agreement, Langford is the sole owner of City Centre Park and Goudy Field, and the School District does not acquire any interest in Goudy Field by virtue of either such Agreement.
26. The School District may not assign this Agreement or the benefit hereof, in whole or in part.
27. Where the word "including" is followed by a list, the contents of the list are not intended to circumscribe the generality of the expression preceding the word "including"
28. Time will be of essence of this Agreement.
29. The headings or captions appearing in this Agreement are inserted for ease of reference only and have no effect on the construction or interpretation of this Agreement.
30. No amendment or modification to this Agreement will become effective unless and until same has been reduced to writing and duly executed by the parties hereto.

31. This Agreement supersedes and replaces any agreements or undertakings regarding the subject matter of this Agreement entered into, made or given by the parties prior to the date this Agreement is deemed to come into force.
32. Each provision of this Agreement is intended to be a severable and if any provision is held to be invalid, unenforceable or void for any reason by a Court of competent jurisdiction, such provision will be severed from this Agreement and will not affect the legality, validity or enforceability of the remainder of this Agreement.
33. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia. This Agreement will insure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF this Agreement has been executed as of the day, month and year first above written.

CITY OF LANGFORD,
by its authorized signatory

Print Name:

Print Name:

THE BOARD OF EDUCATION SCHOOL DISTRICT NO. 62 (SOOKE);
By its authorized signatory (ies)

Print Name:

Print Name:

Committee Info Note
Resources Committee Meeting
September 17, 2019
Agenda Item: 4c 18/19 Year End Financial Position

Year End Position as reflected by the Accumulated Surplus

- Attached is a summary of the District's Accumulated Surplus that is reflected on the audited financial statements
- These statements will be reviewed by the Audit Committee on September 17th and presented to the Board on September 24th
- The accumulated surplus as at June 30, 2019 was \$4.716 m of which \$.223 m is restricted for specific uses (school generated and supply funds) and \$1.839 m that was committed but not expensed by June 30
- This leaves a balance of \$2.654 m or 2.34% of the operating budget as the amount of the District's financial reserve
- Board policy allows for a total reserve amount of 2% so the District is currently \$.364 m over the allowable amount
- Staff suggest to retain this amount in the reserve until government's recommendations for the Funding Formula Review are known

Details of the Fiscal Year

- To assist the readers of the District's financial statements, staff have prepared the attached Financial Statement Discussion and Analysis document that will also be reviewed by the Audit Committee
- This documents explains the financial highlights for the last year in the District's three financial funds:
 - 1) Operating
 - 2) Special Purpose
 - 3) Capital

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

The discussion and analysis of School District 62's financial performance provides an overall narrative review of the School District's financial activities for the year ended June 30, 2019. The intent of the Financial Statement Discussion and Analysis (FSDA) is to look at the District's performance as a whole. The FSDA should be read in conjunction with the financial statements and note disclosures to enhance the overall understanding of School District 62's performance.

THE SCHOOL DISTRICT

The District has approximately 11,400 students and serves the communities of Sooke, Port Renfrew, Metchosin, Highlands, Langford and Colwood. Surrounded by forests, ocean, mountains and lakes, we are located a short distance from Victoria, the capital city of the province of British Columbia. The District is one of the fastest growing school districts in the province.

The governing body of the School District is a Board of Education of seven school trustees who are each elected for a four year term. The day-to-day matters are managed by the administrative staff of the School District, headed by the Superintendent of schools.

Our Vision

We honour student voice and choice through engaging, purposeful and experiential learning in a safe and respectful community.

Our Values

– Relationships – Choice – Respect – Integrity – Trust – Safety

FINANCIAL HIGHLIGHTS

The financial statements provide these insights into the results of this year's operations:

Operating Fund

- For the fiscal year 2018/19, the District Operating Fund had a surplus of \$330,267 (\$110,231,419 in revenues and \$109,901,152 in total expense and capital asset purchases). When added to the balance at the beginning of the year, the accumulated surplus in the Operating Fund ended the year with a balance of \$4,715,615.
- This year-end balance is fully restricted for the following purposes:
 - Due to the nature of constraints on funds: \$222,554
 - Due to operations spanning the school year: \$1,838,943
 - Due to anticipated unusual expenses: \$2,654,118

Special Purpose Funds

- Special Purpose Funds had \$20,019,903 in total expenditures – an increase of 6% (\$1.2M) from the prior year.

Capital Fund

- The District had \$30,539,108 in tangible capital asset additions in the year – a decrease of 31% (\$13.7M) from the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

The District's financial statements include a Statement of Financial Position (Statement 1), Statement of Operations (Statement 2), Statement of Changes in Net Financial Assets (Debt) (Statement 4), Statement of Cash Flows (Statement 5), and note disclosures.

These statements present aggregated information and serve as a means by which the District demonstrates its accountability for the resources, obligations and financial affairs for which it is responsible. They report information required to make assessments of and judgments on government financial operations and management.

As the Statement of Financial Position and Statement of Operations will be of particular concern to the users of the financial statements, the focus of this discussion and analysis will be on these two statements.

STATEMENT OF FINANCIAL POSITION

The statement of financial position reports the financial position of the District at the financial statement date. Four key figures help describe the financial position of the District at the financial statement date: financial assets; non-financial assets; liabilities; and accumulated surplus or deficit.

	FY19	FY18	INCR / (DECR)	INCR /
	ACTUAL	ACTUAL	FROM	(DECR)
FINANCIAL POSITION			PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
TOTAL FINANCIAL ASSETS	25,869	23,744	2,125	9%
TOTAL NON FINANCIAL ASSETS	288,196	265,795	22,401	8%
TOTAL ASSETS	314,065	289,539	24,526	8%
TOTAL LIABILITIES	205,056	201,401	3,655	2%
ACCUMULATED SURPLUS	109,009	88,138	20,871	24%

The **financial assets** are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations (such as inventory). As at the statement date, the District had financial assets of \$25.9M which is a 9% (\$2.1M) increase from the \$23.7M held the prior year.

The **non-financial assets** of the District are assets that are, by nature, normally for use in service provision and include purchased, constructed, contributed, developed or leased capital assets, and prepaid expenses. As at the statement date, the District had non-financial assets of \$288.2M which is an 8% (\$22.4M) increase from the \$265.8M held the prior year.

The **liabilities** are present obligations of the District to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

As at the statement date, the District had liabilities of \$205.1M which is a 2% (\$3.7M) increase from the \$201.4M held the prior year.

The **accumulated surplus or deficit** of the District is calculated as the sum of the total assets less the liabilities of the District. This indicator represents the net assets of the District.

	FY19		INCR / (DECR)	INCR /
	ACTUAL	FY18	FROM	(DECR)
ACCUMULATED SURPLUS / (DEFICIT)	ACTUAL	ACTUAL	PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
ENDOWMENTS	643	643	-	0%
INVESTED IN CAPITAL ASSETS	102,571	81,964	20,607	25%
LOCAL CAPITAL	1,080	1,146	(66)	-6%
OPERATING - RESTRICTED	4,716	4,385	330	8%
TOTAL ACCUMULATED SURPLUS	109,009	88,138	20,871	24%

As at the statement date, the District had an accumulated surplus \$109.0M which is a 24% (\$20.9M) increase from the \$88.1M held the prior year. The increase largely is a result of the site acquisition for the North Langford Secondary (\$18.2M). However, the District also increased the Accumulated Surplus in the Operating Fund by \$0.3M.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

WORKING CAPITAL

Working capital is a measure of the District's liquidity and its short-term financial health. Working capital is the difference between the District's current assets (EG cash, accounts receivable, prepaid expenses) and its current liabilities (EG accounts payable). If the current assets do not exceed its current liabilities, then the District may have trouble growing or paying back creditors. If the current assets exceed its current liabilities, then the District has working capital and may have the potential to invest and grow. The working capital for the District as at June 30, 2019 is calculated in the table below:

	CURRENT ASSETS	
	CASH AND CASH EQUIVALENTS	\$ 23,395,777
	ACCOUNTS RECEIVABLE	\$ 2,339,333
	PORTFOLIO INVESTMENTS	\$ 133,447
	PREPAID EXPENSES (excluding the prepaid lease)	\$ 694,853
	OTHER ASSETS	\$ 100,000
A	TOTAL CURRENT ASSETS	\$ 26,663,410
	CURRENT LIABILITIES	
	ACCOUNTS PAYABLE	\$ 8,696,649
	UNEARNED REVENUE	\$ 4,317,878
	DEFERRED REVENUE (SPF BALANCES)	\$ 1,380,559
	DEFERRED CAPITAL REVENUE (UNSPENT)	\$ 2,525,920
	EMPLOYEE FUTURE BENEFITS	\$ 3,946,934
B	TOTAL CURRENT LIABILITIES	\$ 20,867,940
	WORKING CAPITAL	
	ACCUMULATED SURPLUS - LOCAL CAPITAL	\$ 1,079,746
	ACCUMULATED SURPLUS - OPERATING FUND - RESTRICTED	\$ 4,715,615
C = A-B	TOTAL WORKING CAPITAL	\$ 5,795,361

Although the District has a working capital balance of \$5,795,361, this balance is restricted. As noted in Note 24 of the financial statements, the funds are committed for planned future years' operating activities.

STATEMENT OF OPERATIONS

The Statement of Operations reports the surplus or deficit from operations in the accounting period. The statement displays the cost of District services provided in the period, the revenues it has recognized in the period and the difference between them.

The Statement of Operations consolidates all revenues and expenses by function reported for the Operating (Schedule 2), Special Purpose (Schedule 3) and Capital funds (Schedule 4).

The Operating Fund is where the majority of the Districts operations are reported. As this will be of particular concern to the users of the financial statements, considerable focus and analysis is provided on the Operating Fund.

OPERATING FUND

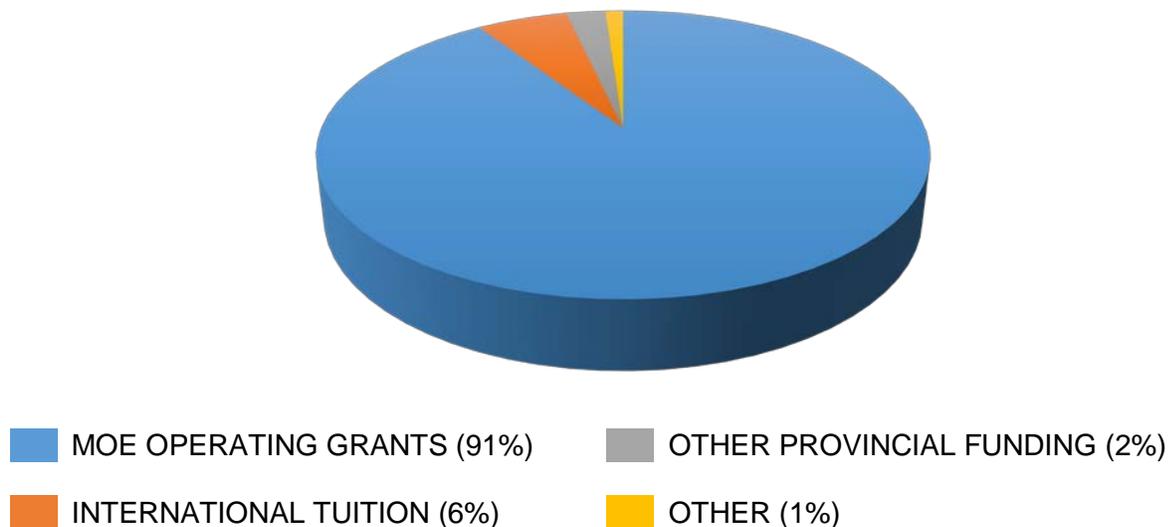
The Operating Fund is comprised of four components: revenues, expenses, tangible capital assets purchased, and operating surplus or deficit. The summary schedule for the Operating Fund can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements.

REVENUES

The summary schedule for the District operating revenues can be found in Schedule 2A – the Schedule of Operating Revenue by Source.

The most significant District operating revenues are generated from three sources: the operating grant, international tuition, and other Ministry of Education grants.

OPERATING REVENUE ALLOCATION



SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

The District’s operating revenues of \$110.2M increased by 7% (\$6.9M) over the prior year. Against a budget of \$109.5M, the \$110.2M in revenues resulted in increased revenue of 1% (\$0.7M).

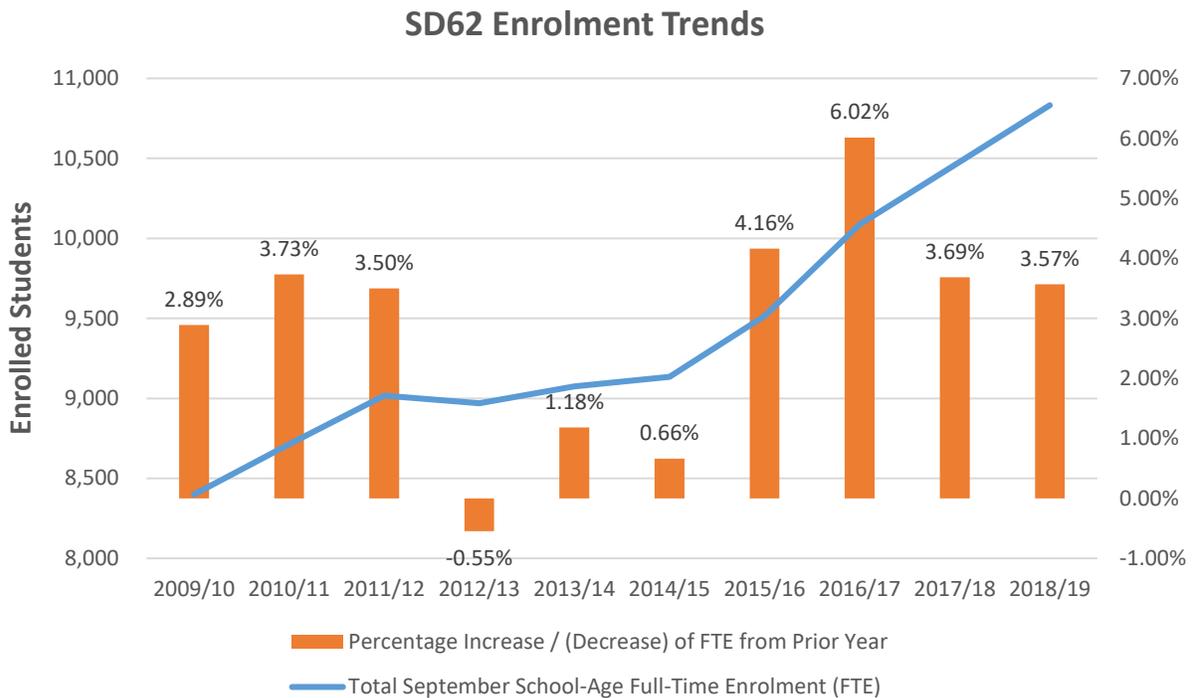
	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
	A	B	C	D = A-B	E = D/A	PRIOR YEAR	%
OPERATING REVENUES (in \$ thousands)						F = B-C	G = F/C
MOE OPERATING GRANTS	99,979	99,820	93,394	(159)	(0%)	6,426	7%
OTHER PROVINCIAL FUNDING	1,436	1,921	2,029	485	34%	(108)	(5%)
NET LEA FUNDING	-	30	-	30	100%	30	100%
CONTINUING ED TUITION	110	96	73	(14)	(13%)	23	32%
INTERNATIONAL TUITION	6,886	6,927	6,676	41	1%	252	4%
MISCELLANEOUS	491	649	565	158	32%	84	15%
RENTALS AND LEASES	389	436	409	48	12%	27	7%
INVESTMENT INCOME	203	351	220	148	73%	131	60%
TOTAL OPERATING REVENUES	109,494	110,231	103,366	738	1%	6,866	7%

The \$0.7M in savings was largely from other provincial funding (\$0.5M), investment income (\$0.1M), and miscellaneous revenues (\$0.2M). These savings created flexibility in the budget to address other strategic priorities of the District.

Operating Grant

The Funding Allocation System allocates the General Operating Grants using individual district enrolments and specific factors that apply to each school district.

As highlighted in the graph below, enrolment has significantly increased over the past decade.



SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

The upward trajectory of student enrolment continued in the 2018/19 school year. As detailed in the table below, there was a 3% (408.13 FTE) increase in total enrolment from the prior year.

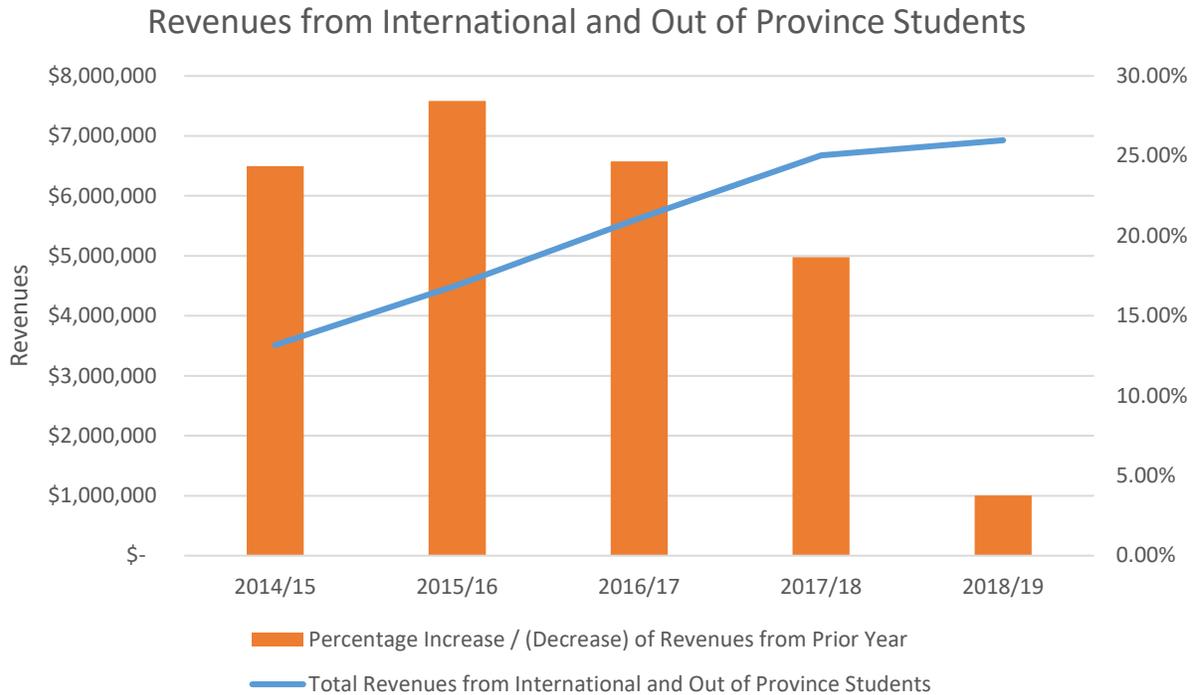
	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
	A	B	C	D = B-A	E = D/A	F = B-C	G = F/C
ENROLMENT (in FTE)							
SEPTEMBER							
STANDARD (REGULAR) SCHOOLS	10,443.63	10,443.63	10,026.00	-	0.0%	417.63	4.2%
CONTINUING EDUCATION	21.00	21.00	26.13	-	0.0%	(5.13)	-19.6%
ALTERNATE SCHOOLS	243.00	243.00	242.38	-	0.0%	0.63	0.3%
DISTRIBUTED LEARNING	124.69	124.69	164.75	-	0.0%	(40.06)	-24.3%
HOME SCHOOLING & COURSE CHALLENGES	6.00	6.00	19.00	-	0.0%	(13.00)	-68.4%
DESIGNATED STUDENTS	655.00	655.00	564.00	-	0.0%	91.00	16.1%
ENGLISH LANGUAGE LEARNING	551.00	551.00	559.00	-	0.0%	(8.00)	-1.4%
ABORIGINAL EDUCATION	1,173.00	1,173.00	1,193.00	-	0.0%	(20.00)	-1.7%
ADULT EDUCATION	12.88	12.88	11.38	-	0.0%	1.50	13.2%
TOTAL SEPTEMBER COUNT	13,230.19	13,230.19	12,805.63	-	0.0%	424.56	3.3%
FEBRUARY COUNT	163.00	213.38	226.50	50.38	30.9%	(13.13)	-5.8%
MAY COUNT	115.00	52.63	55.94	(62.38)	-54.2%	(3.31)	-5.9%
TOTAL ENROLMENT	13,508.19	13,496.19	13,088.06	(12.00)	-0.1%	408.13	3.1%

The increased enrolment resulted in a 7% (\$6.4M) increase in the operating grant from the prior year. However, against the budget there was a 0.1% pressure (\$0.2M) largely due to the May count being lower (62.38 FTE) than budgeted.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

International Tuition

The International Program continues to grow along with the rest of the District. However, as highlighted in the chart below, as the District experiences capacity challenges, the growth in revenues was significantly lower (3.77%; \$251,552) in 2018/19 than the prior four years (24.04% average; \$962,677 average).



Other Provincial Funding

There was a decrease of \$0.1M in other Ministry of Education grants from the prior year largely due to the Return of Administrative Savings grant (\$450,041) received in the prior year but not in 2018/19 which was offset by a new Employer Health Tax Grant (\$254,511). Against a budget of \$1.4M, the \$1.9M in other provincial funding revenues resulted in savings of 34% (\$0.5M) which largely was due to the Employer Health Tax Grant (\$0.3M), and Economic Stability Dividend (\$0.1M) being more than budgeted.

**SCHOOL DISTRICT NO. 62 (SOOKE)
 FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
 YEAR ENDED JUNE 30, 2019**

EXPENSES

The summary schedule for the District operating expenses can be found in Schedule 2B (the Schedule of Operating Expense by Object) and Schedule 2C (the Schedule of Operating Expense by Function, Program and Object).

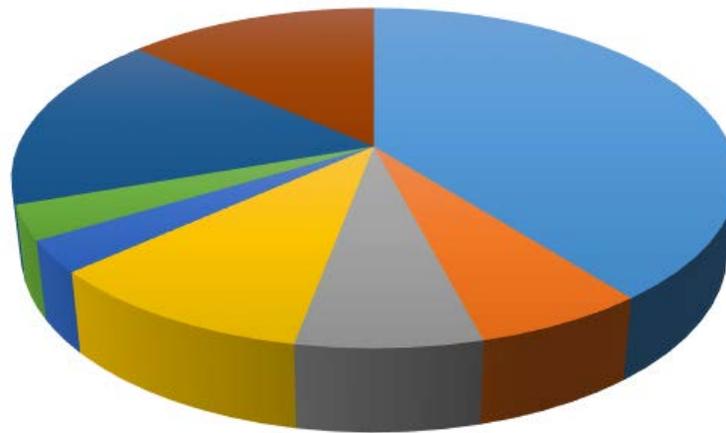
The provincial averages are taken from data available to the public on the Ministry of Education financial reporting website. At the time of issuance of this report, the provincial actuals for fiscal 2019 were not yet available, as such the provincial budgets for fiscal 2019 were used for comparative purposes.

Expenses by Type (Object)

The District’s spending allocations by object were in line with provincial averages - with 86.6% of its expenses on salaries and benefits and 13.4% on services and supplies.

The chart below further details spending allocations for the District in the year compared to provincial averages.

FY19 EXPENSES BY OBJECT



- | | |
|---|--|
| TEACHER SALARIES (SD62=39.5%; Prov=42.5%) | PVP SALARIES (SD62=6.5%; Prov=5.6%) |
| EA SALARIES (SD62=7.0%; Prov=7.5%) | SUPPORT STAFF SALARIES (SD62=10.4%; Prov=9.1%) |
| OTHER PROF. SALARIES (SD62=3.0%; Prov=2.6%) | SUBSTITUTE SALARIES (SD62=3.3%; Prov=3.1%) |
| EMPLOYEE BENEFITS (SD62=17.0%; Prov=17.1%) | TOTAL SERVICES AND SUPPLIES (SD62=13.4%; Prov=12.5%) |

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

The District's operating expenditures of \$108.5M increased by 9.9% (\$9.7M) over the prior year. Against a budget of \$111.3M, the \$108.5M in expenditures resulted in savings of 2.5% (\$2.8M).

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
EXPENSES (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
TEACHERS SALARIES	42,673	42,794	39,599	(121)	(0.3%)	3,195	8.1%
PVP SALARIES	7,302	7,044	6,778	258	3.5%	266	3.9%
EA SALARIES	7,533	7,590	6,513	(57)	(0.8%)	1,077	16.5%
SUPPORT STAFF SALARIES	11,048	11,247	10,112	(200)	(1.8%)	1,136	11.2%
OTHER PROFESSIONAL SALARIES	3,639	3,279	2,787	360	9.9%	492	17.7%
SUBSTITUTES SALARIES	3,806	3,537	2,836	269	7.1%	700	24.7%
EMPLOYEE BENEFITS	19,825	18,440	16,637	1,385	7.0%	1,803	10.8%
TOTAL SERVICES AND SUPPLIES	15,441	14,544	13,476	897	5.8%	1,068	7.9%
TOTAL OPERATING EXPENSES	111,266	108,475	98,738	2,791	2.5%	9,737	9.9%

The \$2.8M in savings was largely from employee benefits (\$1.4M) and from services and supplies (\$0.9M). The District average employee benefit rate (24.4%) was lower than anticipated (26.1%). These savings created flexibility in the budget to address other strategic priorities of the District and expected enrolment growth.

Expenses by Function

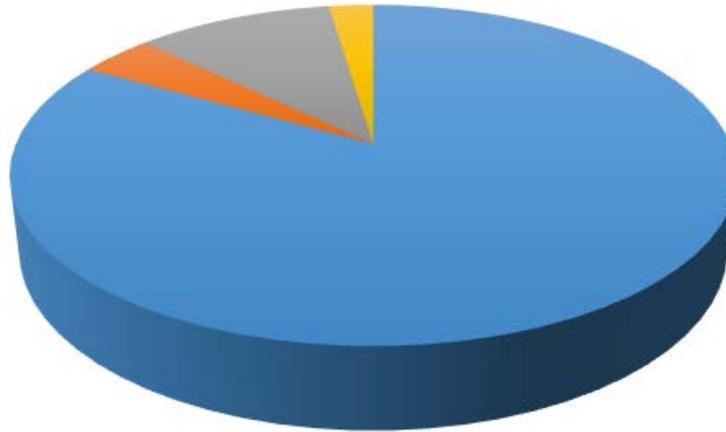
The Districts expenditures can be categorized by the following functions: Instruction; District Administration; Operations and Maintenance; and Transportation. The functions are defined as follows:

- The **Instruction** function incorporates all programs related to the instruction of students.
- The **District Administration** function incorporates the cost of all programs related to district governance and district administration of educational, business, human resource and labour relations activities.
- The **Operations and Maintenance** function incorporates all programs related to the district's responsibility for the operation, maintenance and safety of sites, buildings, and equipment.
- The **Transportation** function incorporates programs involving the transportation of students.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

Over 83% of the District’s expenses are categorized under the Instruction function.

FY19 EXPENSES BY FUNCTION



- INSTRUCTION**
(SD62=83%; Prov=82%)
- OPERATIONS AND MAINTENANCE**
(SD62=11%; Prov=12%)
- TRANSPORTATION**
(SD62=2%; Prov=2%)
- DISTRICT ADMINISTRATION**
(SD62=4%; Prov=4%)

The District’s expense allocations are generally in line with the Provincial averages, however the District’s expenditures are slightly more heavily allocated towards Instruction and less in Operations and Maintenance than other Districts.

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
				FY19	FY19	PRIOR YEAR	%
EXPENSES BY FUNCTION (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
INSTRUCTION	92,651	90,280	83,152	2,371	3%	7,128	9%
DISTRICT ADMINISTRATION	4,630	4,272	3,131	358	8%	1,142	36%
OPERATIONS AND MAINTENANCE	11,466	11,373	10,135	92	1%	1,238	12%
TRANSPORTATION	2,519	2,549	2,320	(30)	(1%)	229	10%
TOTAL OPERATING EXPENSES	111,266	108,475	98,738	2,791	3%	9,737	10%

Instruction

The District’s \$90.3M expenditures on Instruction for the year was an increase of \$7.1M over the prior year. The \$7.1M increase was largely from Regular Instruction (\$2.4M – mostly teacher salaries and benefits), Special Education (\$2.0M – mostly education assistant salaries and benefits) and School Administration (\$1.0M – mostly PVP salaries and benefits).

Against a budget of \$92.7M, the \$90.3M expenditures resulted in savings of 3% (\$2.4M). The savings were largely driven by employee benefits (\$1.2M), services and supplies (\$0.5M), substitute salaries (\$0.3M), and PVP salaries (\$0.3M) due to staff on leave.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

District Administration

The District's \$4.2M expenditures on District Administration for the year was an increase of 36% (\$1.1M) over the prior year. The increase is largely due to a \$0.5M expenditure increase in Business Administration to accommodate growth and the implementation of both a Human Resources Strategic Plan and Communications Strategic Plan. Additionally, the prior year Business Administration figures are understated by \$475,954 due to the capital purchases from the Operating Fund incorrectly credited to Business Administration when transferred to the Capital Fund. When adjusted, the increase is 18% (\$0.7M) over the prior year.

Against a budget of \$4.6M, the \$4.2M expenditures resulted in a savings of 8% (\$0.4M). The savings was largely driven by services and supplies (such as legal, software, and general services) being lower than anticipated.

Operations and Maintenance

The District's \$11.4M expenditures on Operations and Maintenance for the year was an increase of 12% (\$1.2M) over the prior year. This was largely due to field upgrades at Happy Valley Elementary and Poirier Elementary. Against a budget of \$11.5M, this resulted in savings of 1% (\$0.1M).

Transportation

The District's \$2.5M expenditures on Transportation for the year was an increase of 10% (\$0.2M) over the prior year – which stems from an additional bus route and an increase in support staff salaries.

Against a budget of \$2.5M, the \$2.5M in expenditures resulted in an insignificant pressure of \$30k.

TANGIBLE CAPITAL ASSETS PURCHASED AND WORK IN PROGRESS

The amount of tangible capital assets purchased and tangible capital assets that are a work in progress can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements.

The District spent \$46,854 on tangible capital assets purchased in 2018/19 and \$1,379,274 on tangible capital assets that are a work in progress. These assets include \$1.0M in portables to address growth (at David Cameron Elementary, Wishart Elementary, Journey Middle, and Belmont Secondary); much needed replacement of facilities vehicles; an upgrade of the kitchen at Belmont; and replacement of shop equipment at middle schools.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

ACCUMULATED SURPLUS (DEFICIT)

Pursuant to *Section 156(12)* of the *School Act*, school districts must obtain prior approval from the Minister before incurring deficits in the operating fund. The District's year end position as reflected in the table below is a nil unrestricted surplus.

OPERATING FUND SURPLUS			
FOR THE FISCAL YEAR ENDING JUNE 30 2019			
			FINAL
			AMOUNT
A	OPERATING SURPLUS, BEGINNING OF YEAR		\$ 4,385,348
B	OPERATING SURPLUS, FOR THE YEAR 2018/19		\$ 330,267
C = A+B	OPERATING SURPLUS, END OF YEAR		\$ 4,715,615
INTERNALLY RESTRICTED SURPLUS			
	Due to nature of constraints on funds		
		Discretionary School Generated Funds	\$ 162,578
		School budget balances	\$ 59,976
		Total - Due to nature of constraints on funds	\$ 222,554
	Due to operations spanning the school year		
		FY20 Portables	\$ 711,559
		New Spaces	\$ 298,708
		Other	\$ 648,260
		IT Dept	\$ 172,044
		IRT Seats	\$ 8,372
		Total - Due to operations spanning the school year	\$ 1,838,943
	Due to anticipated unusual expenses		
		Financial reserve - FY18	\$ 1,012,286
		Financial reserve - annual	\$ 210,000
		Financial reserve - excess	\$ 1,431,832
		Total - Due to anticipated unusual expenses	\$ 2,654,118
D	TOTAL INTERNALLY RESTRICTED SURPLUS		\$ 4,715,615
E = C-D	UNRESTRICTED SURPLUS		\$ 0

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

SPECIAL PURPOSE FUNDS

All restricted contributions received, with the exception of capital contributions and unearned revenues (tuition, rentals, etc.) must be reported as special purpose funds. Revenues are recognized when the stipulation or restriction the contribution is subject to is met.

The following table compares the most material expenditures for the year to the prior year of the special purpose funds.

	FY19 ACTUAL	FY18 ACTUAL	INCR / (DECR) FROM PRIOR YEAR	INCR / (DECR) %
SPECIAL PURPOSE FUNDS (in \$ thousands)	A	B	C = A-B	D = C/B
ANNUAL FACILITIES GRANT	337	337	-	0%
LEARNING IMPROVEMENT FUND	382	373	9	2%
SCHOOL GENERATED FUNDS	3,112	2,831	281	10%
STRONG START	228	228	0	0%
OFFICIAL LANGUAGES IN EDUCATION PROTOCOL	242	258	(17)	-6%
COMMUNITY LINK	818	863	(45)	-5%
ACADEMIES	791	656	135	21%
CLASSROOM ENHANCEMENT FUND	13,610	12,809	801	6%
RURAL EDUCATION ENHANCEMENT FUND	230	230	-	0%
OTHER	271	200	71	35%
TOTAL SPECIAL PURPOSE FUNDS EXPENSES	20,020	18,785	1,235	7%

The District's \$20.0M expenditures on Special Purpose Funds for the year was a 7% (\$1.2M) increase over the prior year. This is largely (\$0.8M) due to an increase in Classroom Enhancement Fund expenditures.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

CAPITAL FUND

The District's tangible capital asset additions of \$30,539,108 for the year was a 31% (\$13.7M) decrease from the prior year. The decrease is largely due to a reduction in Expansion Program purchases from the prior year and the Classroom Enhancement Fund capital project work coming to a conclusion at the beginning of the year.

				INCR / (DECR)	INCR /
	FY19	FY18		FROM	(DECR)
	ACTUAL	ACTUAL	PRIOR YEAR		%
	A	B	C = A-B	D = C/B	
CAPITAL ADDITIONS (in \$ thousands)					
CAPITAL FUND					
EXPANSION PROGRAM	26,380	32,163	(5,783)		-18%
SCHOOL ENHANCEMENT PROGRAM	1,228	1,045	183		17%
SEISMIC MITIGATION PROGRAM	449	1,881	(1,432)		-76%
CARBON NEUTRAL CAPITAL PROGRAM	27	168	(141)		-84%
BUS ACQUISITION PROGRAM	462	337	125		37%
ANNUAL FACILITIES GRANT	121	255	(134)		-52%
CLASSROOM ENHANCEMENT FUND	217	6,561	(6,345)		-97%
PLAYGROUNDS	107	-	107		100%
LOCAL CAPITAL	99	-	99		100%
OTHER	23	353	(330)		-94%
OPERATING FUND	1,426	1,430	(4)		0%
SPECIAL PURPOSE FUND	-	57	(57)		-100%
TOTAL CAPITAL ADDITIONS	30,539	44,250	(13,711)		-31%

Some of the more significant capital projects include:

- **Expansion Program (EXP)** – in 2018/19 the District acquired one site with a total cost of \$18.3M for an eventual new secondary school construction in North Langford. Also, \$7.8M was spent on the expansion of Royal Bay Secondary.
- **School Enhancement Program (SEP)** - work concluded Ruth King Elementary building envelope repair project with costs of \$0.3M and \$0.8M was spent on dust collectors.
- **Seismic Mitigation Program (SMP)** – work concluded on the Ruth King Elementary seismic project with costs of \$0.4M.
- **Classroom Enhancement Fund (CEF)** – construction concluded (\$0.2M) on the additional classrooms required as a result of the Supreme Court decision on classroom sizes requiring the District to hire more teaching staff.
- **Operating Fund** – there were \$1.4M in capital purchases and work in progress completed in 2018/19 funded out of Operating. Projects include portables to address growth (at David Cameron Elementary, Wishart Elementary, Journey Middle, and Belmont Secondary); much needed replacement of facilities vehicles; an upgrade of the kitchen at Belmont; and replacement of shop equipment at middle schools.

RISKS AND UNCERTAINTIES

The following list are some of the significant financial risks that the District is aware of that could negatively affect operations:

- **Enrolment** – enrolment drives the District's revenues and an inaccurate estimation of future enrolment could result in either an over or under deployment of resources. Additionally, an inaccurate estimation of future enrolment could further exacerbate the capacity issues the District is currently experiencing.
- **Staff benefit rates** – benefit rates fluctuate from year to year dependent on staff usage so are difficult to accurately predict. In 2018/19, the District benefit rate increased by 0.18% from the prior year (2018/19= 24.43%; 2017/18= 24.24%). A one per cent fluctuation in \$70M in salaries amounts to \$700,000.
- **Utilities** – expenditures on utilities fluctuate based on usage, and usage typically depends on the weather which, even for the Farmers' Almanac, is impossible to predict.
- **Leave liability** – leave balances (such as unused vacation balances) are recorded in the year they are earned. The larger the balance, the larger the expense. It is difficult to predict with accuracy across the District exactly how many vacation days staff plan on using in any given year.
- **Salary differential** – a component of the Operating Grant is the supplement for salary differential which provides additional funding to districts with average teacher salaries higher than the provincial average. Since it is impossible to predict whether the district's average teacher salary is higher or lower than the provincial average, this could reduce the amount of the Operating Grant the district receives. In 2018/19, the District received \$294,868 more than the prior year (FY19=\$1,632,165; FY18=\$1,337,297).

**SCHOOL DISTRICT SIX TWO
OPERATING FUND SURPLUS
FOR THE FISCAL YEAR ENDING JUNE 30 2019**

	FINAL AMOUNT	% of Operating Budget
A	OPERATING SURPLUS, BEGINNING OF YEAR	\$ 4,385,348
B	OPERATING SURPLUS, FOR THE YEAR 2018/19	\$ 330,267
C = A+B	OPERATING SURPLUS, END OF YEAR	\$ 4,715,615
INTERNALLY RESTRICTED SURPLUS		
Due to nature of constraints on funds		
	Discretionary School Generated Funds	\$ 162,578
	School budget balances	\$ 59,976
	Total - Due to nature of constraints on funds	\$ 222,554
Due to operations spanning the school year		
	FY20 Portables	\$ 711,559
	New Spaces	\$ 298,708
	Other	\$ 648,260
	IT Dept	\$ 172,044
	IRT Seats	\$ 8,372
	Total - Due to operations spanning the school year	\$ 1,838,943
Due to anticipated unusual expenses		
	Financial reserve - FY18	\$ 1,012,286
	Financial reserve - annual	\$ 210,000
	Financial reserve - excess	\$ 1,431,832
	Total - Due to anticipated unusual expenses	\$ 2,654,118
D	TOTAL INTERNALLY RESTRICTED SURPLUS	\$ 4,715,615
E = C-D	UNRESTRICTED SURPLUS	\$ 0

2.32%

Committee Info Note

Resources Committee Meeting

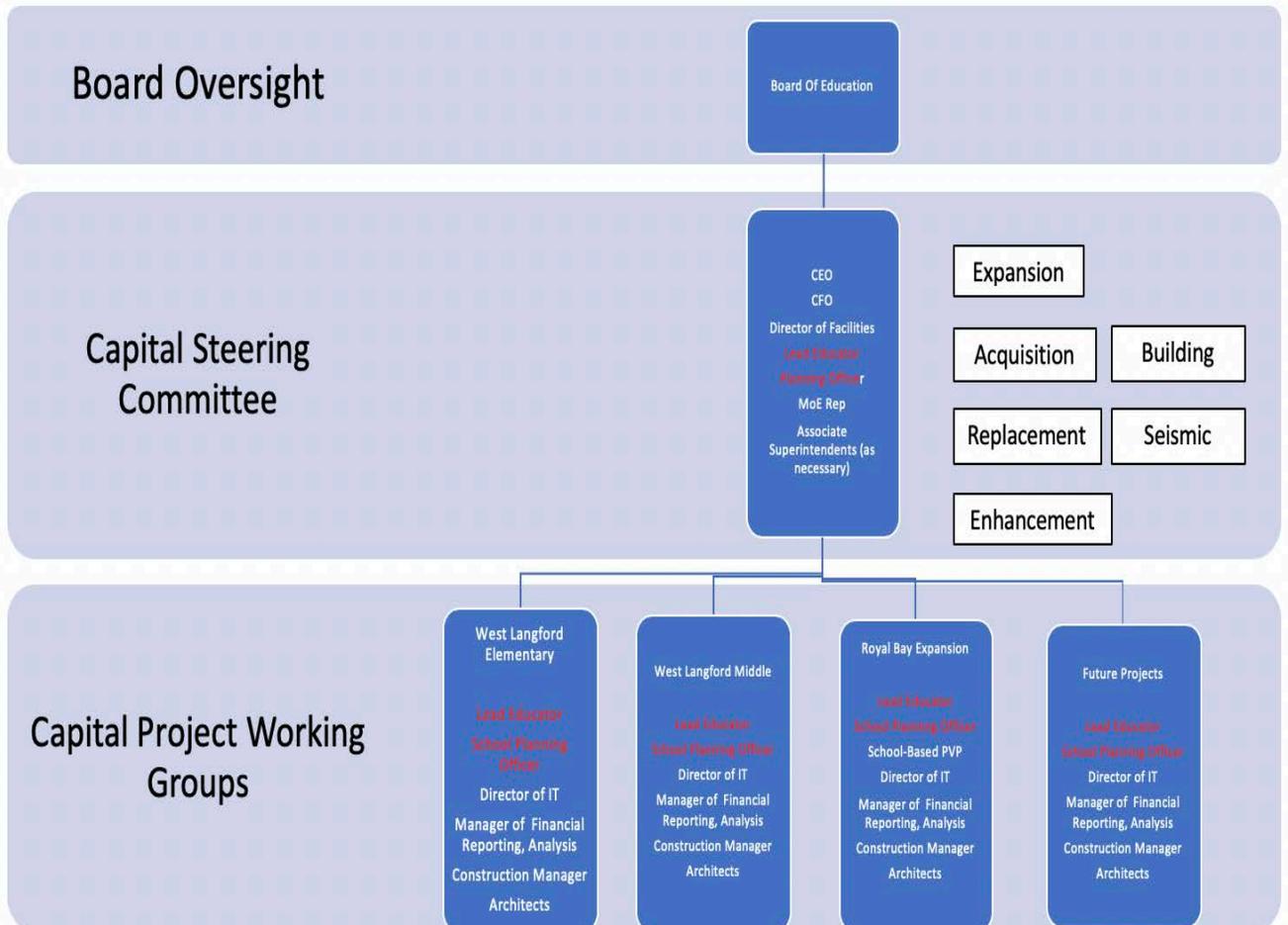
September 17, 2019

Agenda Item: 4d Capital Planning Structure & Update

Capital Planning Structure

- Staff have developed the following capital planning governance structure to help manage the multiple capital projects (existing and future) of the District

Sooke School District Capital Planning Model



- The Capital Steering Committee (CSC) has met several times and the focus of the discussions have been around the West Langford builds, the RBSS expansion project and land acquisition in support of the Capital Plan
- A further layer of the governance structure includes *Consultation Groups* that will assist each Working Group on a project by project basis
- These groups will be consulted with and provide input into the design and functionality of each of the projects
- The consultation groups include representatives from the leadership team in the areas of school based administrators, facilities, grounds, transportation and custodial departments
- The groups for the West Langford properties have met and began the valuable conversations around the initial planning and design of these two new builds

West Langford Builds

- HCMA Architects have been selected (from the District approved list of architects) to design both the middle and elementary school at West Langford
- Staff are working with HCMA to begin planning for the locations of the schools, fields, parking lots and bus stop on the site
- Each school will be a separate building with separate fields and parking lots (the bus loop will be shared)
- The site planning will continue for the next month or so at which time we hope to tender the contract for the civil work (blasting and elevations)
- Meanwhile, designs for the schools will continue and we hope to tender the construction portion of the work by the spring which could lead to construction beginning in the summer of 2020



PARKING

86m

FIELD

92m

96m

MIDDLE SCHOOL

100m-102m

106m-108m

PARKING

102m

BUS

109.5m

108m

103.5m-104m

ELEMENTARY SCHOOL

106.5m

FIELD

105m

PARKING

CONSTELLATION AVE

W SHORE PKWY



Committee Report of Decisions/Discussions Audit Committee Meeting September 17, 2019

Attendees:

Wendy Hobbs, Trustee (Committee Chair)
Bob Phillips, Trustee (Committee Member)
Joan Axford, external community member

Staff:

Scott Stinson, Superintendent & CEO
Harold Cull, Secretary Treasurer
David Lee-Bonar, Manager, Financial Planning & Analysis

Guests:

Lenora Lee, Partner, KPMG
Denver Wigg, Office of the Auditor General

1. CALL TO ORDER

The meeting was called to order at 5:30 p.m.

2. MINUTES

2.1 Call for amendments to minutes

As the minutes of the last meeting had already been presented and accepted by the Board, the Committee did not review them again at the meeting.

3. PRESENTATIONS

No presentations were made to the Committee at the meeting.

4. NEW BUSINESS

4.1 Financial Statement Discussion and Analysis (FSDA) – Harold Cull

Harold presented the District's FSDA that was drafted to be read in conjunction with the financial statements. A number of edits were suggested around providing financial ratio comparisons, acceptable financial reserve

amounts and provincial enrolment increases. Staff will update the document prior to sharing with the Board at their September 24th meeting.

4.2 Audit Findings Report – Lenora Lee (KPMG)

Lenora Lee, from KPMG, presented the Audit Findings report as a result of the field work conducted by KPMG in August. Members had a number of questions for Lenora who provided the necessary information to address the issues raised by the members.

4.3 18/19 Financial Statements – Harold Cull

As the FSDA was created to explain, in greater detail, the information found in the financial statements, the Committee has minimal further discussion around the statements.

4.4 In camera meeting with Auditors – Trustees and Joan Axford only

Consistent with previous years and auditing standards, Lenora met with the Audit Committee members without management present.

The Audit Committee recommends the Board of Education approve the audited financial statements for the year ending June 30, 2019 as presented at the September 17th Audit Committee meeting.

4.5 Audit Services Procurement

The Committee approved the draft Request for Proposals (RFPs) for the external and internal audit services required by the District. Staff will issue the documents shortly and will evaluate the proposals received and will recommend the successful proponent(s) to the Committee. If in agreement, the Committee will then recommend to the Board the appointment of both the external and internal auditor.

4.6 Set next meeting date

The next meeting was set for November 19, 2019 at which time the Committee will review the RFP submissions in anticipation of recommending appointment by the Board.

5. AJOURNMENT

The meeting was adjourned at 6:50 p.m.

6. NEXT MEETING DATE: November 19, 2019 starting at 6:00 at the School Board Office.



AUDIT COMMITTEE
School Board Office – Conference Room
3143 Jacklin Road
September 17, 2019 – 5:30 p.m.

A G E N D A

- 1. CALL TO ORDER AND ACKNOWLEDGMENT OF FIRST NATIONS TERRITORIES**
*We are honoured to be meeting on the traditional territories of the Coast Salish, specifically Esquimalt Nation, Songhees Nation, and acknowledge the three nations SD62 works with directly in our schools: Scia’new Nation, Coast Salish, and T’Sou-ke Nation; including the West Coast Pacheedaht Nation, Nuu-chah-nulth.
(words gifted by the three nations SD62 works with)*

- 2. MINUTES**

- 3. PRESENTATIONS**

- 4. NEW BUSINESS**
 - 4.1 Financial Statement Discussion and Analysis (FSDA) – Staff
 - 4.2 Audit Findings Report – Lenora Lee (KPMG)
 - 4.3 18/19 Financial Statements – Staff
 - 4.4 In camera meeting with Auditors – Trustees and Joan Axford only
 - 4.5 Audit Services Procurement – Internal and External
 - 4.6 Set next meeting date

- 5. AJOURNMENT**

- 6. NEXT MEETING DATE:** February 18, 2020

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

The discussion and analysis of School District 62's financial performance provides an overall narrative review of the School District's financial activities for the year ended June 30, 2019. The intent of the Financial Statement Discussion and Analysis (FSDA) is to look at the District's performance as a whole. The FSDA should be read in conjunction with the financial statements and note disclosures to enhance the overall understanding of School District 62's performance.

THE SCHOOL DISTRICT

The District has approximately 11,400 students and serves the communities of Sooke, Port Renfrew, Metchosin, Highlands, Langford and Colwood. Surrounded by forests, ocean, mountains and lakes, we are located a short distance from Victoria, the capital city of the province of British Columbia. The District is one of the fastest growing school districts in the province.

The governing body of the School District is a Board of Education of seven school trustees who are each elected for a four year term. The day-to-day matters are managed by the administrative staff of the School District, headed by the Superintendent of schools.

Our Vision

We honour student voice and choice through engaging, purposeful and experiential learning in a safe and respectful community.

Our Values

– Relationships – Choice – Respect – Integrity – Trust – Safety

FINANCIAL HIGHLIGHTS

The financial statements provide these insights into the results of this year's operations:

Operating Fund

- For the fiscal year 2018/19, the District Operating Fund had a surplus of \$330,267 (\$110,231,419 in revenues and \$109,901,152 in total expense and capital asset purchases). When added to the balance at the beginning of the year, the accumulated surplus in the Operating Fund ended the year with a balance of \$4,715,615.
- This year-end balance is fully restricted for the following purposes:
 - Due to the nature of constraints on funds: \$222,554
 - Due to operations spanning the school year: \$1,838,943
 - Due to anticipated unusual expenses: \$2,654,118

Special Purpose Funds

- Special Purpose Funds had \$20,019,903 in total expenditures – an increase of 6% (\$1.2M) from the prior year.

Capital Fund

- The District had \$30,539,108 in tangible capital asset additions in the year – a decrease of 31% (\$13.7M) from the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

The District's financial statements include a Statement of Financial Position (Statement 1), Statement of Operations (Statement 2), Statement of Changes in Net Financial Assets (Debt) (Statement 4), Statement of Cash Flows (Statement 5), and note disclosures.

These statements present aggregated information and serve as a means by which the District demonstrates its accountability for the resources, obligations and financial affairs for which it is responsible. They report information required to make assessments of and judgments on government financial operations and management.

As the Statement of Financial Position and Statement of Operations will be of particular concern to the users of the financial statements, the focus of this discussion and analysis will be on these two statements.

STATEMENT OF FINANCIAL POSITION

The statement of financial position reports the financial position of the District at the financial statement date. Four key figures help describe the financial position of the District at the financial statement date: financial assets; non-financial assets; liabilities; and accumulated surplus or deficit.

	FY19	FY18	INCR / (DECR)	INCR /
	ACTUAL	ACTUAL	FROM	(DECR)
FINANCIAL POSITION			PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
TOTAL FINANCIAL ASSETS	25,869	23,744	2,125	9%
TOTAL NON FINANCIAL ASSETS	288,196	265,795	22,401	8%
TOTAL ASSETS	314,065	289,539	24,526	8%
TOTAL LIABILITIES	205,056	201,401	3,655	2%
ACCUMULATED SURPLUS	109,009	88,138	20,871	24%

The **financial assets** are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations (such as inventory). As at the statement date, the District had financial assets of \$25.9M which is a 9% (\$2.1M) increase from the \$23.7M held the prior year.

The **non-financial assets** of the District are assets that are, by nature, normally for use in service provision and include purchased, constructed, contributed, developed or leased capital assets, and prepaid expenses. As at the statement date, the District had non-financial assets of \$288.2M which is an 8% (\$22.4M) increase from the \$265.8M held the prior year.

The **liabilities** are present obligations of the District to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

As at the statement date, the District had liabilities of \$205.1M which is a 2% (\$3.7M) increase from the \$201.4M held the prior year.

The **accumulated surplus or deficit** of the District is calculated as the sum of the total assets less the liabilities of the District. This indicator represents the net assets of the District.

	FY19		INCR / (DECR)	INCR /
	FY19	FY18	FROM	(DECR)
ACCUMULATED SURPLUS / (DEFICIT)	ACTUAL	ACTUAL	PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
ENDOWMENTS	643	643	-	0%
INVESTED IN CAPITAL ASSETS	102,571	81,964	20,607	25%
LOCAL CAPITAL	1,080	1,146	(66)	-6%
OPERATING - RESTRICTED	4,716	4,385	330	8%
TOTAL ACCUMULATED SURPLUS	109,009	88,138	20,871	24%

As at the statement date, the District had an accumulated surplus \$109.0M which is a 24% (\$20.9M) increase from the \$88.1M held the prior year. The increase largely is a result of the site acquisition for the North Langford Secondary (\$18.2M). However, the District also increased the Accumulated Surplus in the Operating Fund by \$0.3M.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

STATEMENT OF FINANCIAL POSITION METRICS

The following are some statement of financial position metrics that indicate the financial health of the District.

Working capital ratio / Current ratio is an indication of the ability of the District to meet its current financial obligations from the liquid assets it has at a point in time. The ratio is calculated as current assets divided by current liabilities.

If the ratio is less than 1.0, then the District may have trouble paying back creditors. If the ratio is greater than 1.0, then the District has working capital and may have the potential to invest and grow.

The District had a ratio of 1.58 as at June 30 2019, which is consistent with the prior year and significantly less than the current ratio of 3.10 of all the school districts in the province noted in the 2010 Office of the Auditor General Report on Management of Working Capital by Colleges and School Districts.

Cash asset ratio is a measure of the District's ability to pay its short-term obligations. The ratio is calculated as cash and cash equivalents divided by total current liabilities. The District had a ratio of 1.38 as at June 30 2019 which is a slight increase over the 1.36 ratio from the prior year. The District's ratio is within the Office of the Comptroller General of BC suggested ratio of greater than 1.0.

		FY19	FY18	INCR / (DECR)
	STATEMENT OF FINANCIAL POSITION METRICS (in \$ thousands)	ACTUAL	ACTUAL	FROM
				PRIOR YEAR
	CURRENT ASSETS			
	CASH AND CASH EQUIVALENTS	\$ 23,396	\$ 21,066	\$ 2,329
	ACCOUNTS RECEIVABLE	\$ 2,339	\$ 2,546	\$ (206)
	PORTFOLIO INVESTMENTS	\$ 133	\$ 132	\$ 2
	PREPAID EXPENSES (excluding the prepaid lease)	\$ 695	\$ 732	\$ (38)
	OTHER ASSETS	\$ 100	\$ -	\$ 100
A	TOTAL CURRENT ASSETS	\$ 26,663	\$ 24,476	\$ 2,187
	CURRENT LIABILITIES			
	ACCOUNTS PAYABLE	\$ 8,697	\$ 6,561	\$ 2,136
	UNEARNED REVENUE	\$ 4,318	\$ 5,152	\$ (834)
	DEFERRED REVENUE (SPF BALANCES)	\$ 1,381	\$ 1,088	\$ 292
	DEFERRED CAPITAL REVENUE (UNSPENT)	\$ 2,526	\$ 2,677	\$ (151)
B	TOTAL CURRENT LIABILITIES	\$ 16,921	\$ 15,478	\$ 1,443
	WORKING CAPITAL			
	LONG TERM LIABILITIES: EMPLOYEE FUTURE BENEFITS	\$ 3,947	\$ 3,467	\$ 480
	ACCUMULATED SURPLUS - LOCAL CAPITAL	\$ 1,080	\$ 1,146	\$ (66)
	ACCUMULATED SURPLUS - OPERATING FUND - RESTRICTED	\$ 4,716	\$ 4,385	\$ 330
C = A-B	TOTAL WORKING CAPITAL	\$ 9,742	\$ 8,998	\$ 744
D = A/B	CURRENT RATIO = CURRENT ASSETS / CURRENT LIABILITIES	1.5758	1.5814	-0.01
	CASH ASSET RATIO = CASH AND CASH EQUIVALENTS / CURRENT LIAB	1.3826	1.3611	0.02

STATEMENT OF OPERATIONS

The Statement of Operations reports the surplus or deficit from operations in the accounting period. The statement displays the cost of District services provided in the period, the revenues it has recognized in the period and the difference between them.

The Statement of Operations consolidates all revenues and expenses by function reported for the Operating (Schedule 2), Special Purpose (Schedule 3) and Capital funds (Schedule 4).

The Operating Fund is where the majority of the Districts operations are reported. As this will be of particular concern to the users of the financial statements, considerable focus and analysis is provided on the Operating Fund.

OPERATING FUND

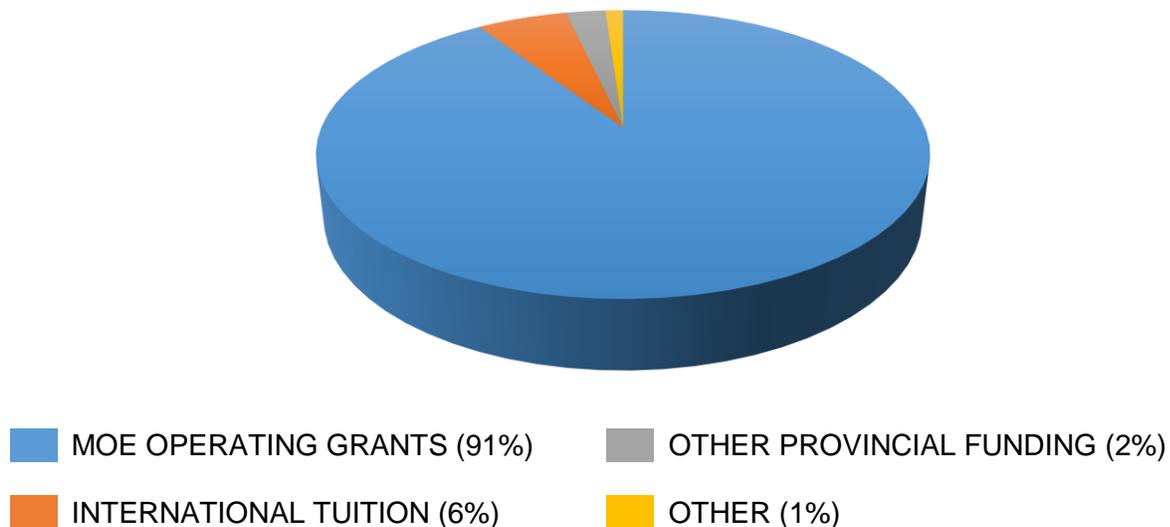
The Operating Fund is comprised of four components: revenues, expenses, tangible capital assets purchased, and operating surplus or deficit. The summary schedule for the Operating Fund can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements.

REVENUES

The summary schedule for the District operating revenues can be found in Schedule 2A – the Schedule of Operating Revenue by Source.

The most significant District operating revenues are generated from three sources: the operating grant, international tuition, and other Ministry of Education grants.

OPERATING REVENUE ALLOCATION



SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

The District's operating revenues of \$110.2M increased by 7% (\$6.9M) over the prior year. Against a budget of \$109.5M, the \$110.2M in revenues resulted in increased revenue of 1% (\$0.7M).

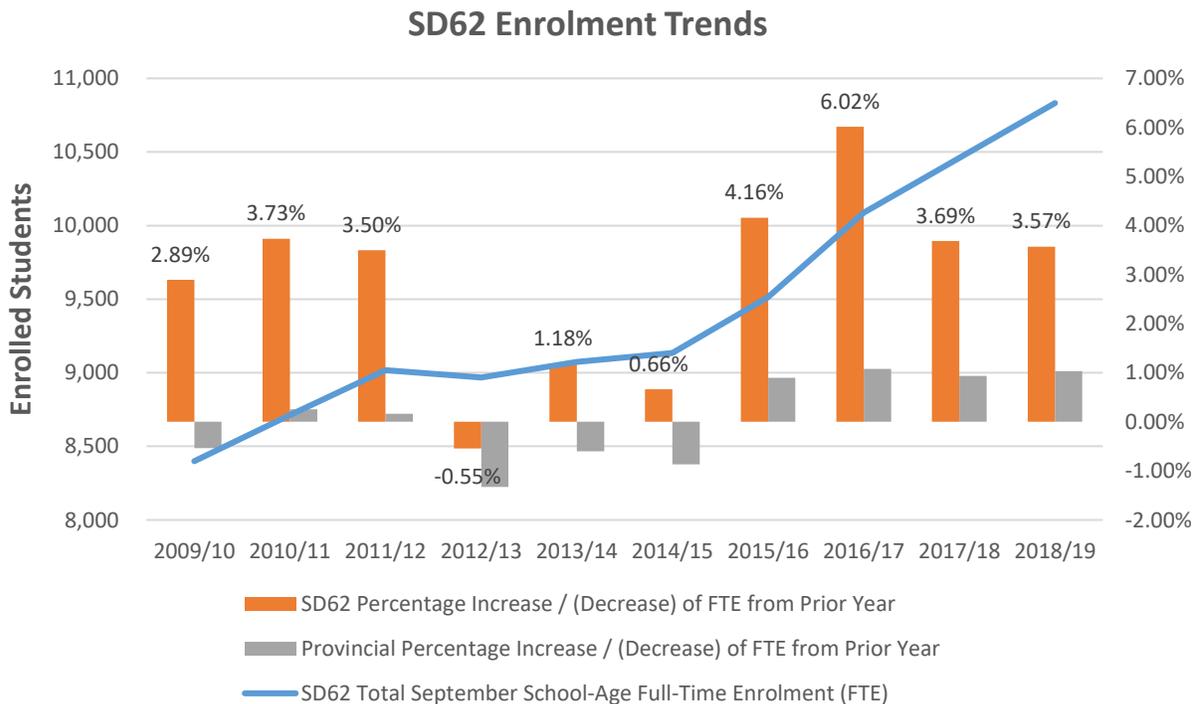
	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
	A	B	C	D = A-B	E = D/A	PRIOR YEAR	%
OPERATING REVENUES (in \$ thousands)						F = B-C	G = F/C
MOE OPERATING GRANTS	99,979	99,820	93,394	(159)	(0%)	6,426	7%
OTHER PROVINCIAL FUNDING	1,436	1,921	2,029	485	34%	(108)	(5%)
NET LEA FUNDING	-	30	-	30	100%	30	100%
CONTINUING ED TUITION	110	96	73	(14)	(13%)	23	32%
INTERNATIONAL TUITION	6,886	6,927	6,676	41	1%	252	4%
MISCELLANEOUS	491	649	565	158	32%	84	15%
RENTALS AND LEASES	389	436	409	48	12%	27	7%
INVESTMENT INCOME	203	351	220	148	73%	131	60%
TOTAL OPERATING REVENUES	109,494	110,231	103,366	738	1%	6,866	7%

The \$0.7M in savings was largely from other provincial funding (\$0.5M), investment income (\$0.1M), and miscellaneous revenues (\$0.2M). These savings created flexibility in the budget to address other strategic priorities of the District.

Operating Grant

The Funding Allocation System allocates the General Operating Grants using individual district enrolments and specific factors that apply to each school district.

As highlighted in the graph below, enrolment has significantly increased over the past decade.



SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

For the past four years, the District has seen enrolment increases of between 3.5% to 6.0% over the prior year compared to enrolment increases of between 0.9% to 1.1% province-wide.

The upward trajectory of student enrolment continued in the 2018/19 school year. As detailed in the table below, there was a 3% (408.13 FTE) increase in total enrolment from the prior year.

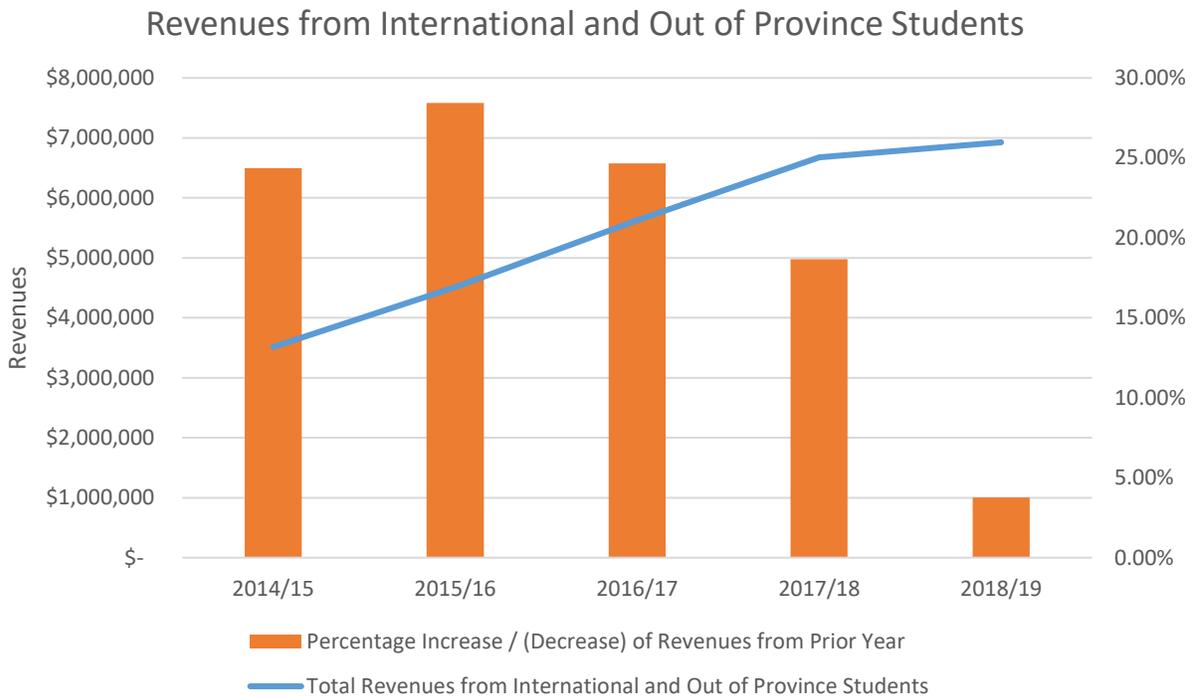
	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
	A	B	C	D = B-A	E = D/A	F = B-C	G = F/C
ENROLMENT (in FTE)							
SEPTEMBER							
STANDARD (REGULAR) SCHOOLS	10,443.63	10,443.63	10,026.00	-	0.0%	417.63	4.2%
CONTINUING EDUCATION	21.00	21.00	26.13	-	0.0%	(5.13)	-19.6%
ALTERNATE SCHOOLS	243.00	243.00	242.38	-	0.0%	0.63	0.3%
DISTRIBUTED LEARNING	124.69	124.69	164.75	-	0.0%	(40.06)	-24.3%
HOME SCHOOLING & COURSE CHALLENGES	6.00	6.00	19.00	-	0.0%	(13.00)	-68.4%
DESIGNATED STUDENTS	655.00	655.00	564.00	-	0.0%	91.00	16.1%
ENGLISH LANGUAGE LEARNING	551.00	551.00	559.00	-	0.0%	(8.00)	-1.4%
ABORIGINAL EDUCATION	1,173.00	1,173.00	1,193.00	-	0.0%	(20.00)	-1.7%
ADULT EDUCATION	12.88	12.88	11.38	-	0.0%	1.50	13.2%
TOTAL SEPTEMBER COUNT	13,230.19	13,230.19	12,805.63	-	0.0%	424.56	3.3%
FEBRUARY COUNT	163.00	213.38	226.50	50.38	30.9%	(13.13)	-5.8%
MAY COUNT	115.00	52.63	55.94	(62.38)	-54.2%	(3.31)	-5.9%
TOTAL ENROLMENT	13,508.19	13,496.19	13,088.06	(12.00)	-0.1%	408.13	3.1%

The increased enrolment resulted in a 7% (\$6.4M) increase in the operating grant from the prior year. However, against the budget there was a 0.1% pressure (\$0.2M) largely due to the May count being lower (62.38 FTE) than budgeted.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

International Tuition

The International Program continues to grow along with the rest of the District. However, as highlighted in the chart below, as the District experiences capacity challenges, the growth in revenues was significantly lower (3.77%; \$251,552) in 2018/19 than the prior four years (24.04% average; \$962,677 average).



The International Program cost \$5.0M in expenses to generate the \$6.9M in revenues – for net revenues of \$1.9M in 2018/19. This is consistent with the \$1.9M in net revenues generated in the prior year. The funds generated from the International Program go to support discretionary programs in the District.

Other Provincial Funding

There was a decrease of \$0.1M in other Ministry of Education grants from the prior year largely due to the Return of Administrative Savings grant (\$450,041) received in the prior year but not in 2018/19 which was offset by a new Employer Health Tax Grant (\$254,511). Against a budget of \$1.4M, the \$1.9M in other provincial funding revenues resulted in savings of 34% (\$0.5M) which largely was due to the Employer Health Tax Grant (\$0.3M), and Economic Stability Dividend (\$0.1M) being more than budgeted.

**SCHOOL DISTRICT NO. 62 (SOOKE)
 FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
 YEAR ENDED JUNE 30, 2019**

EXPENSES

The summary schedule for the District operating expenses can be found in Schedule 2B (the Schedule of Operating Expense by Object) and Schedule 2C (the Schedule of Operating Expense by Function, Program and Object).

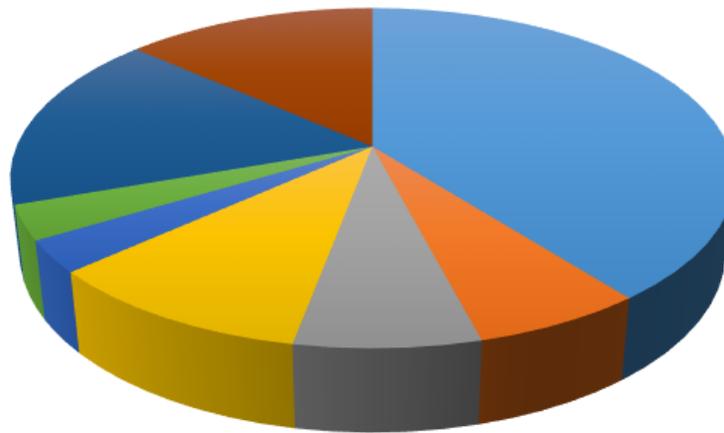
The provincial averages are taken from data available to the public on the Ministry of Education financial reporting website. At the time of issuance of this report, the provincial actuals for fiscal 2019 were not yet available, as such the provincial budgets for fiscal 2019 were used for comparative purposes.

Expenses by Type (Object)

The District’s spending allocations by object were in line with provincial averages - with 86.6% of its expenses on salaries and benefits and 13.4% on services and supplies.

The chart below further details spending allocations for the District in the year compared to provincial averages.

FY19 EXPENSES BY OBJECT



- | | |
|---|--|
| TEACHER SALARIES (SD62=39.5%; Prov=42.5%) | PVP SALARIES (SD62=6.5%; Prov=5.6%) |
| EA SALARIES (SD62=7.0%; Prov=7.5%) | SUPPORT STAFF SALARIES (SD62=10.4%; Prov=9.1%) |
| OTHER PROF. SALARIES (SD62=3.0%; Prov=2.6%) | SUBSTITUTE SALARIES (SD62=3.3%; Prov=3.1%) |
| EMPLOYEE BENEFITS (SD62=17.0%; Prov=17.1%) | TOTAL SERVICES AND SUPPLIES (SD62=13.4%; Prov=12.5%) |

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

The District's operating expenditures of \$108.5M increased by 9.9% (\$9.7M) over the prior year. Against a budget of \$111.3M, the \$108.5M in expenditures resulted in savings of 2.5% (\$2.8M).

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
EXPENSES (in \$ thousands)							
TEACHERS SALARIES	42,673	42,794	39,599	(121)	(0.3%)	3,195	8.1%
PVP SALARIES	7,302	7,044	6,778	258	3.5%	266	3.9%
EA SALARIES	7,533	7,590	6,513	(57)	(0.8%)	1,077	16.5%
SUPPORT STAFF SALARIES	11,048	11,247	10,112	(200)	(1.8%)	1,136	11.2%
OTHER PROFESSIONAL SALARIES	3,639	3,279	2,787	360	9.9%	492	17.7%
SUBSTITUTES SALARIES	3,806	3,537	2,836	269	7.1%	700	24.7%
EMPLOYEE BENEFITS	19,825	18,440	16,637	1,385	7.0%	1,803	10.8%
TOTAL SERVICES AND SUPPLIES	15,441	14,544	13,476	897	5.8%	1,068	7.9%
TOTAL OPERATING EXPENSES	111,266	108,475	98,738	2,791	2.5%	9,737	9.9%

The \$2.8M in savings was largely from employee benefits (\$1.4M) and from services and supplies (\$0.9M). The District average employee benefit rate (24.4%) was lower than anticipated (26.1%). These savings created flexibility in the budget to address other strategic priorities of the District and expected enrolment growth.

Expenses by Function

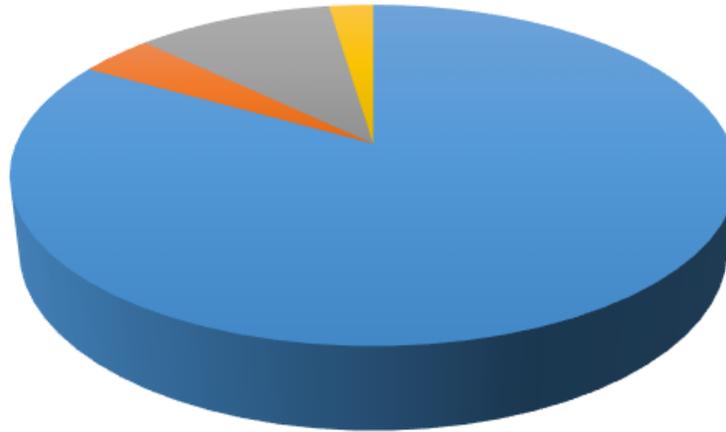
The Districts expenditures can be categorized by the following functions: Instruction; District Administration; Operations and Maintenance; and Transportation. The functions are defined as follows:

- The **Instruction** function incorporates all programs related to the instruction of students.
- The **District Administration** function incorporates the cost of all programs related to district governance and district administration of educational, business, human resource and labour relations activities.
- The **Operations and Maintenance** function incorporates all programs related to the district's responsibility for the operation, maintenance and safety of sites, buildings, and equipment.
- The **Transportation** function incorporates programs involving the transportation of students.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

Over 83% of the District's expenses are categorized under the Instruction function.

FY19 EXPENSES BY FUNCTION



- **INSTRUCTION**
(SD62=83%; Prov=82%)
- **OPERATIONS AND MAINTENANCE**
(SD62=11%; Prov=12%)
- **TRANSPORTATION**
(SD62=2%; Prov=2%)
- **DISTRICT ADMINISTRATION**
(SD62=4%; Prov=4%)

The District's expense allocations are generally in line with the Provincial averages, however the District's expenditures are slightly more heavily allocated towards Instruction and less in Operations and Maintenance than other Districts.

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY19	FY19	FY18	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
				FY19	FY19	PRIOR YEAR	%
EXPENSES BY FUNCTION (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
INSTRUCTION	92,651	90,280	83,152	2,371	3%	7,128	9%
DISTRICT ADMINISTRATION	4,630	4,272	3,131	358	8%	1,142	36%
OPERATIONS AND MAINTENANCE	11,466	11,373	10,135	92	1%	1,238	12%
TRANSPORTATION	2,519	2,549	2,320	(30)	(1%)	229	10%
TOTAL OPERATING EXPENSES	111,266	108,475	98,738	2,791	3%	9,737	10%

Instruction

The District's \$90.3M expenditures on Instruction for the year was an increase of \$7.1M over the prior year. The \$7.1M increase was largely from Regular Instruction (\$2.4M – mostly teacher salaries and benefits), Special Education (\$2.0M – mostly education assistant salaries and benefits) and School Administration (\$1.0M – mostly PVP salaries and benefits).

Against a budget of \$92.7M, the \$90.3M expenditures resulted in savings of 3% (\$2.4M). The savings were largely driven by employee benefits (\$1.2M), services and supplies (\$0.5M), substitute salaries (\$0.3M), and PVP salaries (\$0.3M) due to staff on leave.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

District Administration

The District's \$4.2M expenditures on District Administration for the year was an increase of 36% (\$1.1M) over the prior year. The increase is largely due to a \$0.5M expenditure increase in Business Administration to accommodate growth and the implementation of both a Human Resources Strategic Plan and Communications Strategic Plan. Additionally, the prior year Business Administration figures are understated by \$475,954 due to the capital purchases from the Operating Fund incorrectly credited to Business Administration when transferred to the Capital Fund. When adjusted, the increase is 18% (\$0.7M) over the prior year.

Against a budget of \$4.6M, the \$4.2M expenditures resulted in a savings of 8% (\$0.4M). The savings was largely driven by services and supplies (such as legal, software, and general services) being lower than anticipated.

Operations and Maintenance

The District's \$11.4M expenditures on Operations and Maintenance for the year was an increase of 12% (\$1.2M) over the prior year. This was largely due to field upgrades at Happy Valley Elementary and Poirier Elementary. Against a budget of \$11.5M, this resulted in savings of 1% (\$0.1M).

Transportation

The District's \$2.5M expenditures on Transportation for the year was an increase of 10% (\$0.2M) over the prior year – which stems from an additional bus route and an increase in support staff salaries.

Against a budget of \$2.5M, the \$2.5M in expenditures resulted in an insignificant pressure of \$30k.

TANGIBLE CAPITAL ASSETS PURCHASED AND WORK IN PROGRESS

The amount of tangible capital assets purchased and tangible capital assets that are a work in progress can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements.

The District spent \$46,854 on tangible capital assets purchased in 2018/19 and \$1,379,274 on tangible capital assets that are a work in progress. These assets include \$1.0M in portables to address growth (at David Cameron Elementary, Wishart Elementary, Journey Middle, and Belmont Secondary); much needed replacement of facilities vehicles; an upgrade of the kitchen at Belmont; and replacement of shop equipment at middle schools.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019

ACCUMULATED SURPLUS (DEFICIT)

Pursuant to *Section 156(12)* of the *School Act*, school districts must obtain prior approval from the Minister before incurring deficits in the operating fund. The District's year end position as reflected in the table below is a nil unrestricted surplus.

OPERATING FUND SURPLUS			
FOR THE FISCAL YEAR ENDING JUNE 30 2019			
			FINAL
			AMOUNT
A	OPERATING SURPLUS, BEGINNING OF YEAR		\$ 4,385,348
B	OPERATING SURPLUS, FOR THE YEAR 2018/19		\$ 330,267
C = A+B	OPERATING SURPLUS, END OF YEAR		\$ 4,715,615
INTERNALLY RESTRICTED SURPLUS			
	Due to nature of constraints on funds		
		Discretionary School Generated Funds	\$ 162,578
		School budget balances	\$ 59,976
		Total - Due to nature of constraints on funds	\$ 222,554
	Due to operations spanning the school year		
		FY20 Portables	\$ 711,559
		New Spaces	\$ 298,708
		Other	\$ 648,260
		IT Dept	\$ 172,044
		IRT Seats	\$ 8,372
		Total - Due to operations spanning the school year	\$ 1,838,943
	Due to anticipated unusual expenses		
		Financial reserve - FY18	\$ 1,012,286
		Financial reserve - annual	\$ 210,000
		Financial reserve - excess	\$ 1,431,832
		Total - Due to anticipated unusual expenses	\$ 2,654,118
D	TOTAL INTERNALLY RESTRICTED SURPLUS		\$ 4,715,615
E = C-D	UNRESTRICTED SURPLUS		\$ 0

The total Operating Fund financial reserve of \$2,654,118 is 2.32% of the \$114,548,820 Operating Fund expenses currently budgeted for the year ended June 30 2020. As such, the financial reserve is compliant with the 2% noted in the Board's Financial Reserve Regulation and within the 2% to 3% range recommended in the 2015 Ernst & Young Report on the Special Advisor's Review of the Vancouver Board of Education (District 39)

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

SPECIAL PURPOSE FUNDS

All restricted contributions received, with the exception of capital contributions and unearned revenues (tuition, rentals, etc.) must be reported as special purpose funds. Revenues are recognized when the stipulation or restriction the contribution is subject to is met.

The following table compares the most material expenditures for the year to the prior year of the special purpose funds.

	FY19 ACTUAL	FY18 ACTUAL	INCR / (DECR) FROM PRIOR YEAR	INCR / (DECR) %
SPECIAL PURPOSE FUNDS (in \$ thousands)	A	B	C = A-B	D = C/B
ANNUAL FACILITIES GRANT	337	337	-	0%
LEARNING IMPROVEMENT FUND	382	373	9	2%
SCHOOL GENERATED FUNDS	3,112	2,831	281	10%
STRONG START	228	228	0	0%
OFFICIAL LANGUAGES IN EDUCATION PROTOCOL	242	258	(17)	-6%
COMMUNITY LINK	818	863	(45)	-5%
ACADEMIES	791	656	135	21%
CLASSROOM ENHANCEMENT FUND	13,610	12,809	801	6%
RURAL EDUCATION ENHANCEMENT FUND	230	230	-	0%
OTHER	271	200	71	35%
TOTAL SPECIAL PURPOSE FUNDS EXPENSES	20,020	18,785	1,235	7%

The District's \$20.0M expenditures on Special Purpose Funds for the year was a 7% (\$1.2M) increase over the prior year. This is largely (\$0.8M) due to an increase in Classroom Enhancement Fund expenditures.

**SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2019**

CAPITAL FUND

The District's tangible capital asset additions of \$30,539,108 for the year was a 31% (\$13.7M) decrease from the prior year. The decrease is largely due to a reduction in Expansion Program purchases from the prior year and the Classroom Enhancement Fund capital project work coming to a conclusion at the beginning of the year.

				INCR / (DECR)	INCR /
	FY19	FY18		FROM	(DECR)
	ACTUAL	ACTUAL	PRIOR YEAR		%
CAPITAL ADDITIONS (in \$ thousands)	A	B	C = A-B	D = C/B	
CAPITAL FUND					
EXPANSION PROGRAM	26,380	32,163	(5,783)		-18%
SCHOOL ENHANCEMENT PROGRAM	1,228	1,045	183		17%
SEISMIC MITIGATION PROGRAM	449	1,881	(1,432)		-76%
CARBON NEUTRAL CAPITAL PROGRAM	27	168	(141)		-84%
BUS ACQUISITION PROGRAM	462	337	125		37%
ANNUAL FACILITIES GRANT	121	255	(134)		-52%
CLASSROOM ENHANCEMENT FUND	217	6,561	(6,345)		-97%
PLAYGROUNDS	107	-	107		100%
LOCAL CAPITAL	99	-	99		100%
OTHER	23	353	(330)		-94%
OPERATING FUND	1,426	1,430	(4)		0%
SPECIAL PURPOSE FUND	-	57	(57)		-100%
TOTAL CAPITAL ADDITIONS	30,539	44,250	(13,711)		-31%

Some of the more significant capital projects include:

- **Expansion Program (EXP)** – in 2018/19 the District acquired one site with a total cost of \$18.3M for an eventual new secondary school construction in North Langford. Also, \$7.8M was spent on the expansion of Royal Bay Secondary.
- **School Enhancement Program (SEP)** - work concluded Ruth King Elementary building envelope repair project with costs of \$0.3M and \$0.8M was spent on dust collectors.
- **Seismic Mitigation Program (SMP)** – work concluded on the Ruth King Elementary seismic project with costs of \$0.4M.
- **Classroom Enhancement Fund (CEF)** – construction concluded (\$0.2M) on the additional classrooms required as a result of the Supreme Court decision on classroom sizes requiring the District to hire more teaching staff.
- **Operating Fund** – there were \$1.4M in capital purchases and work in progress completed in 2018/19 funded out of Operating. Projects include portables to address growth (at David Cameron Elementary, Wishart Elementary, Journey Middle, and Belmont Secondary); much needed replacement of facilities vehicles; an upgrade of the kitchen at Belmont; and replacement of shop equipment at middle schools.

RISKS AND UNCERTAINTIES

The following list are some of the significant financial risks that the District is aware of that could negatively affect operations:

- **Enrolment** – enrolment drives the District's revenues and an inaccurate estimation of future enrolment could result in either an over or under deployment of resources. Additionally, an inaccurate estimation of future enrolment could further exacerbate the capacity issues the District is currently experiencing.
- **Staff benefit rates** – benefit rates fluctuate from year to year dependent on staff usage so are difficult to accurately predict. In 2018/19, the District benefit rate increased by 0.18% from the prior year (2018/19= 24.43%; 2017/18= 24.24%). A one per cent fluctuation in \$70M in salaries amounts to \$700,000.
- **Utilities** – expenditures on utilities fluctuate based on usage, and usage typically depends on the weather which, even for the Farmers' Almanac, is impossible to predict.
- **Leave liability** – leave balances (such as unused vacation balances) are recorded in the year they are earned. The larger the balance, the larger the expense. It is difficult to predict with accuracy across the District exactly how many vacation days staff plan on using in any given year.
- **Salary differential** – a component of the Operating Grant is the supplement for salary differential which provides additional funding to districts with average teacher salaries higher than the provincial average. Since it is impossible to predict whether the district's average teacher salary is higher or lower than the provincial average, this could reduce the amount of the Operating Grant the district receives. In 2018/19, the District received \$294,868 more than the prior year (FY19=\$1,632,165; FY18=\$1,337,297).

School District No. 62 (Sooke)

Audit Findings Report for the year ended
June 30, 2019

KPMG LLP

September 17, 2019

kpmg.ca/audit

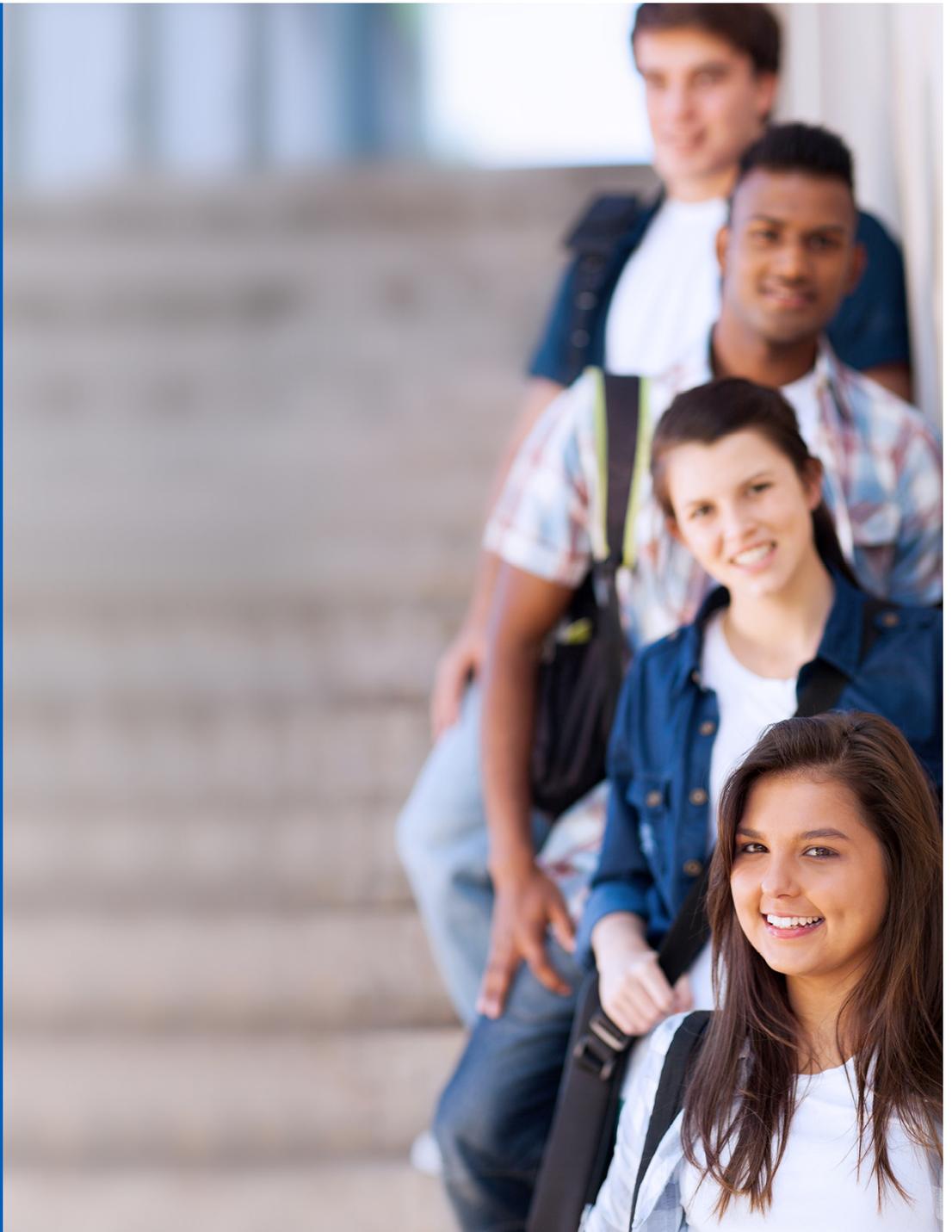


Table of contents

EXECUTIVE SUMMARY	1
AUDIT RISKS AND RESULTS	4
FINANCIAL STATEMENT PRESENTATION AND DISCLOSURE	8
ADJUSTMENTS AND DIFFERENCES	10
APPENDICES	12



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Executive summary



Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the Audit Committee of the Board of Education, in your review of the results of our audit of the financial statements of School District No. 62 (Sooke) (the “District”) as at and for the year ended June 30, 2019.

This Audit Findings Report builds on the Audit Plan we presented to the Audit Committee.



Changes from the Audit Plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to you.



Finalizing the Audit

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

- Completing our discussions with the Audit Committee
- Obtaining evidence of the Board’s approval of the financial statements
- Obtaining the signed management representation letter
- Reporting to the Office of the Auditor General for the purposes of reliance on our audit opinion in the audit of the summary financial statements of the Province

We will update the Audit Committee, and not solely the Chair (as required by professional standards), on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors’ report will be dated upon the completion of any remaining procedures.

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





Executive summary



Audit risks and results

We discussed with you at the start of the audit a number of significant financial reporting risks. These risks have been addressed in our audit.

We also discussed with you some other areas of audit focus. We have no significant matters to report to the Audit Committee in respect of them.

See pages 4-7.



Critical accounting estimates

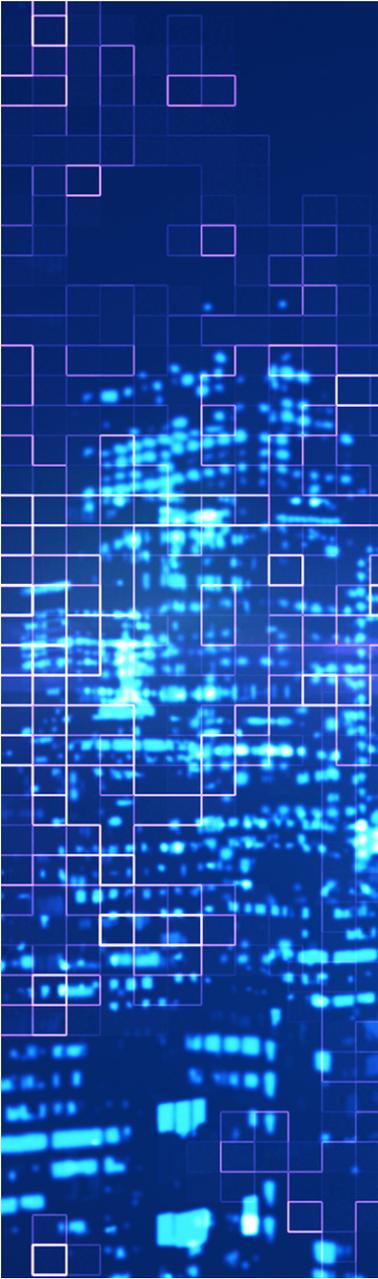
Overall, we are satisfied with the reasonability of critical accounting estimates.

The critical areas of estimates relate to: impairment of assets, rates for amortization and employee future benefits.



Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.



Executive summary



Adjustments and differences

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

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

We identified one adjustment which remains uncorrected. An estimated understatement of \$150,000 in the Employee Future Benefit Obligation liability exists due to identified errors in the underlying employee data.

The management representation letter in Appendix 2 includes all adjustments identified as a result of the audit.



Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in Internal Control over Financial Reporting



Independence

As required by professional standards, we have considered all relationships between KPMG and the District that may have a bearing on independence. We confirm that we are independent with respect to the District within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from July 1, 2018 up to the date of this report.



Audit risks and results

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

Significant financial reporting risks

Fraud risk from management override of controls

Our response and significant findings

- As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.
- We noted no issues or concerns arising from these procedures.





Audit risks and results

Significant findings from the audit regarding other areas of focus are as follows:

Other area of focus	Our response and significant findings
Auditors' Opinion – Compliance Framework	<ul style="list-style-type: none">• The financial statements are prepared under Canadian Public Sector Accounting (“PSA”) standards, supplemented by the requirements of Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.• These regulations direct the District to apply PSA, except in regard to accounting for restricted contributions. Under the regulations, capital contributions are to be deferred and amortized on the same basis as the amortization of the related tangible capital assets, not in accordance with the underlying stipulations on the funding, as required under PSA.• As a result, the District’s revenue recognized in the statement of operations and certain related deferred capital revenue would have been recorded differently under Canadian Public Sector Accounting Standards.• The Office of the Auditor General (“OAG”) has requested additional reporting, under the Group Auditor requirements, in order to perform the consolidation of the Provincial Accounts under the PSA standards.• Differences greater than OAG’s reporting threshold were reported with respect to restricted funding received from non-government sources.
School Generated Funds	<ul style="list-style-type: none">• As at June 30, 2019, funds held and managed by the schools was \$644,538 (School Generated Funds). We obtained the listing of school bank accounts and agreed the total cash balance at June 30, 2019 to the amount recorded as deferred revenue in the financial statements.• We selected a sample of individual School bank accounts and agreed them to the year-end bank statements for the schools selected. No issues or adjustments were noted.



Audit risks and results

Significant findings from the audit regarding other areas of focus are as follows:

Other area of focus

Our response and significant findings

Tangible capital assets

- During the year the District acquired \$30.5 million in tangible capital additions.
- \$19.9 million relates to site acquisitions, funded through bylaw capital. \$8.6 million relates to buildings projects, with \$7.2 million of the building additions related to bylaw capital expenditures, \$1.2 million from the operating fund and \$0.2 million from other sources.
- Significant expenditures for projects during the year include:
 - \$18 million for the acquisition of the site in North Langford.
 - \$7.8 million for the Royal Bay expansion project, with \$1.3 million for land acquisition, \$6.4 million for buildings and \$0.1 million for furniture and equipment.
- We selected a sample of additions and inspected invoices to assess if the amount agreed to supporting documentation, was capital in nature, and eligible per the funding sources. The receipt of funds for the noted bylaw funding was confirmed by the Ministry.
- We reviewed the purchase of the North Langford land, agreeing the purchase of the site to buyers' statements, recalculating the GST on the purchase and agreeing the funding to Ministry confirmations.
- A reasonability assessment of amortization expense recorded during the year based on the estimated useful life of capital assets was performed.
- We reviewed agreements for contractual commitments and related disclosure requirements.
- No issues or adjustments were noted.

Expense report testing

- KPMG selected a sample of 5 employee and trustee expense reimbursement claims to determine if the expenses had a legitimate business purpose and were appropriately approved in accordance with the District's policy prior to payment.
- We noted all expense reimbursements tested were appropriately authorized and in accordance with the District's policy.



Audit risks and results

Significant findings from the audit regarding other areas of focus are as follows:

Other area of focus

Our response and significant findings

Classroom
Enhancement Fund

- During the year, the District received Classroom Enhancement Funds (CEF) of \$13,849,788. Of this amount, \$12,004,119 was spent on staffing costs and \$1,605,913 on overhead. The funds recognized were restricted for the purposes of implementing restored class size and composition limits.
- We agreed the amount of funds received to the confirmation letter from the Ministry.
- We tested the receipt and use of Classroom Enhancement Funds to determine if revenue collected was accurate and has been used for its intended purpose based on funding restrictions.
- During the year, the District spent \$13,610,032 of the grant and \$239,756 is unspent at June 30, 2019. We noted the amounts have been correctly classified as Special Purpose Funds and deferred according to the Ministry's guidelines.
- KPMG obtained an understanding of the process which the District used to determine extra costs relating to CEF staffing and overhead.
- KPMG tested the assumptions related to each input used for the District's submission of forecasted costs to the Ministry for reasonability such as average teacher salary and benefit costs.
- No errors or issues were noted arising from the audit procedures performed.



Audit risks and results

Significant findings from the audit regarding other areas of focus are as follows:

Other area of focus

Employee future benefits and salaries

Our response and significant findings

- The Ministry of Education, on behalf of all School Districts in BC, engages an external actuary to determine the obligations and related costs for both vested and non-vested benefits, which include sick leave, retirement incentive, severance and vacation offered as part of the District's collective agreements.
- In the 2019 fiscal year, a full actuarial valuation of the obligation was performed at March 31, 2019 based on data submitted to the actuary by the District. The full valuation occurs every three years.
- In the current year, we agreed the amounts disclosed in the notes to the financial statements to the actuarial extrapolation based on the March 31, 2019 valuation.
- We assessed the competence, capabilities and objectivity of the actuary in performing the actuarial valuation.
- We assessed the use of significant assumptions used for the valuing the obligation, including estimated inflation rate, discount rate, earnings growth and service life of employees.
- We agreed a sample of data used by Mercer in performing the valuation to underlying data in the District's payroll system. We noted a discrepancy in the hire dates and seniority dates used for employees. Upon management's further investigation it was identified that 446 teachers had incorrect hire dates, of which 203 had incorrect seniority dates. The external actuary reviewed the analysis and confirmed that the employee future benefit obligation only affected 177 of these individuals due to 26 being Teachers Teaching on Call (TTOCs). The external actuary also evaluated the potential error in the employee future benefit obligation, identifying a range of approximately \$130,000 to \$150,000 understatement in the liability.
- We have included this approximate difference on our summary of uncorrected adjustments. Management are working with the actuary to amend the underlying data and have the calculation re-performed. When the revised liability is known, Management will record the adjustment based on the actuary's revised values.



Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the Entity's relevant financial reporting framework. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

We also highlight the following:

Form, arrangement, and content of the financial statements

Adequate

Application of accounting pronouncements issued but not yet effective

Asset Retirement Obligations

- A new standard has been approved that is effective for fiscal years beginning on or after April 1, 2021.
- The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs would be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.
- The ARO standard would require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability would be added to the historical cost of the asset and amortized over its useful life.
- As a result of the new standard, the public sector entity would have to:
 - consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;
 - carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;
 - begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.

Adjustments and differences



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

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

Corrected adjustments

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

Uncorrected differences

The management representation letter includes the Summary of Uncorrected Audit Misstatements, which disclose the impact of all uncorrected differences considered to be other than clearly trivial. We identified two uncorrected adjustments:

1. Public Sector Accounting Standards requires the statement of operations and statement of changes in net debt present a comparison of the results for the accounting period with those originally planned. Rather than presenting the original budget as the basis for comparison on the Statement of Operations, Management presented the Amended Annual Budget. The original annual budget has been included in the notes to the financial statements, which provides information related to the differences between the original and amended budget.
It is expected that the budget figures may change significantly between the original and amended budget as enrollment figures and Ministry funding is confirmed. The presentation difference is not considered material to the financial statements given that the original annual budget information is provided in the notes to the financial statements. The presentation adopted by the District is consistent with many other Districts throughout the Province.
2. While testing the data attributes for the valuation of employee future benefit obligations, we noted a discrepancy in the hire dates and seniority dates used for 446 Teachers. Upon management’s further investigation it was identified that 446 teachers had incorrect hire dates, of which 203 had incorrect seniority dates. The external actuary reviewed the analysis and confirmed that the employee future benefit obligation only affected 177 of these individuals due to 26 being TTOCs. The external actuary also evaluated the potential error in the employee future benefit obligation, identifying a range of approximately \$130,000 to \$150,000 understatement in the liability.



Other observations





Student Enrollment Analysis

School District No.62 (Sooke)

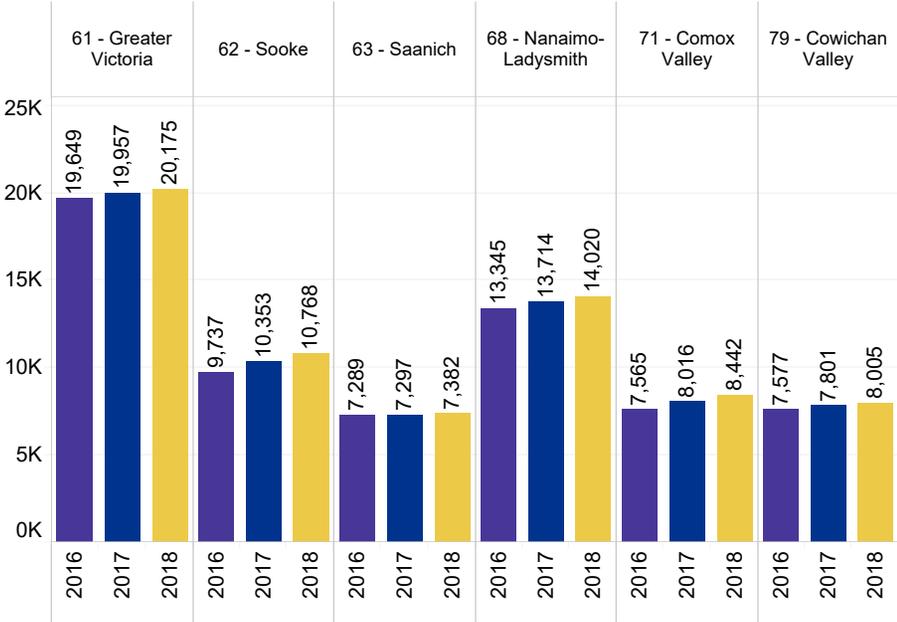
2019 FTE Equivalents
11,169

2019 FTE Growth
3.73%

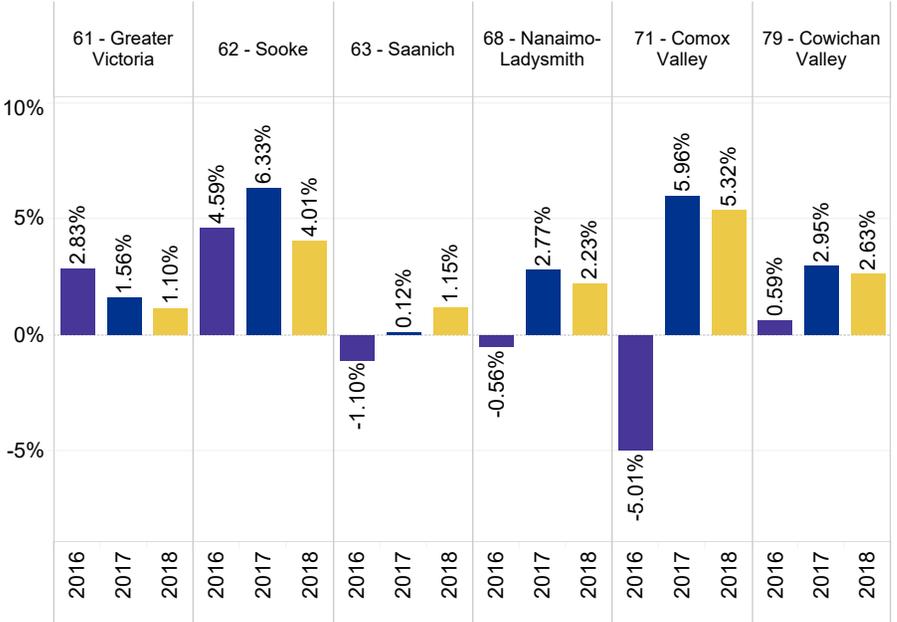
In the student enrollment FTE graph, we observe student numbers have increased significantly over the last 3 years. This is evident by the student (FTE) year to year growth rate for the District in the Student FTE growth graph which shows increases of 6.33% and 4.01% in 2017 to 2018, respectively. When compared against neighboring districts, Victoria and Saanich did not experience as large increases in student enrollment compared to the District.

Data Source: Ministry of Education District Reports

Student Enrollment FTEs

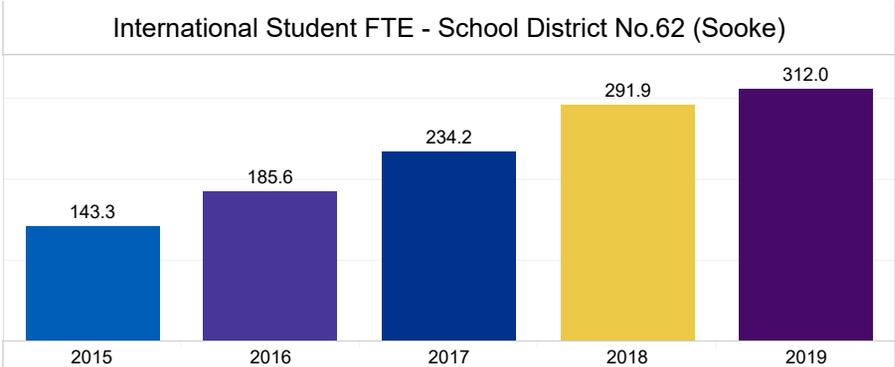


Growth of Student FTEs





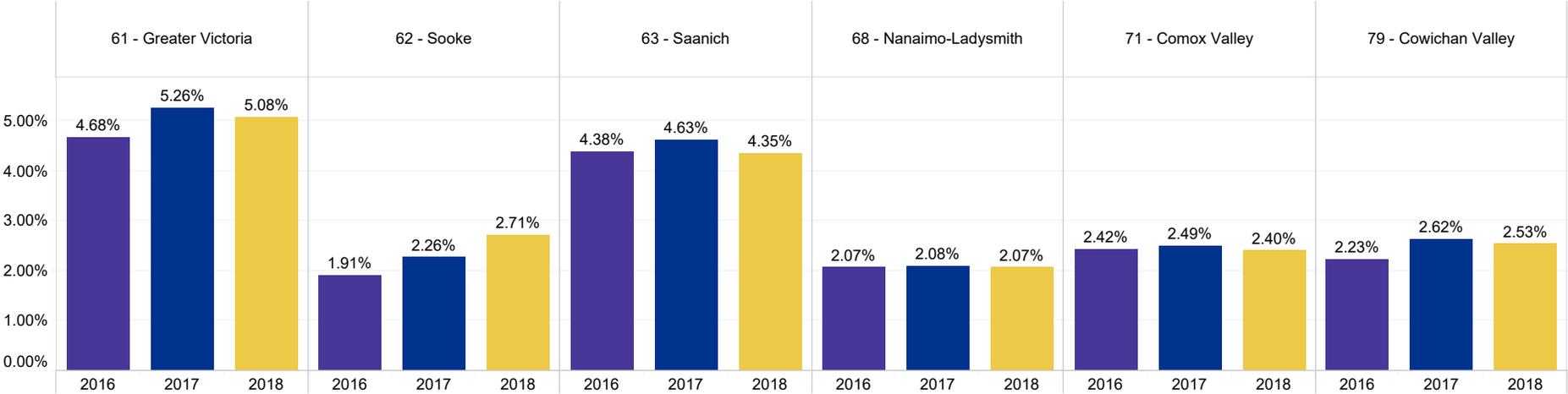
International Student Analysis



International student education revenue is one of the District's sources of non-government income. Consistent with the other school districts presented, SD62 has seen increases in international student enrollment over the last few years. As a percentage of international students to total students, SD62 is slightly lower compared to other school districts in the region as domestic student growth is outpacing international student growth.

Data Source: Ministry of Education District Reports

International Student FTE as a Percentage of FTE Enrollment





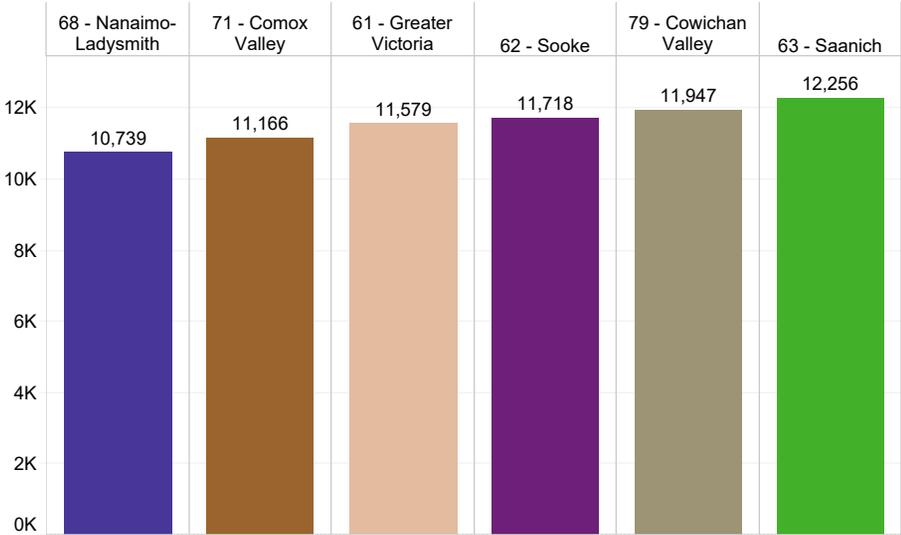
Revenues and Expenses per Student

School District No.62 (Sooke)

2019 Expenses (\$) per Student	2019 Revenue (\$) per Student
12,363.52	14,232.19

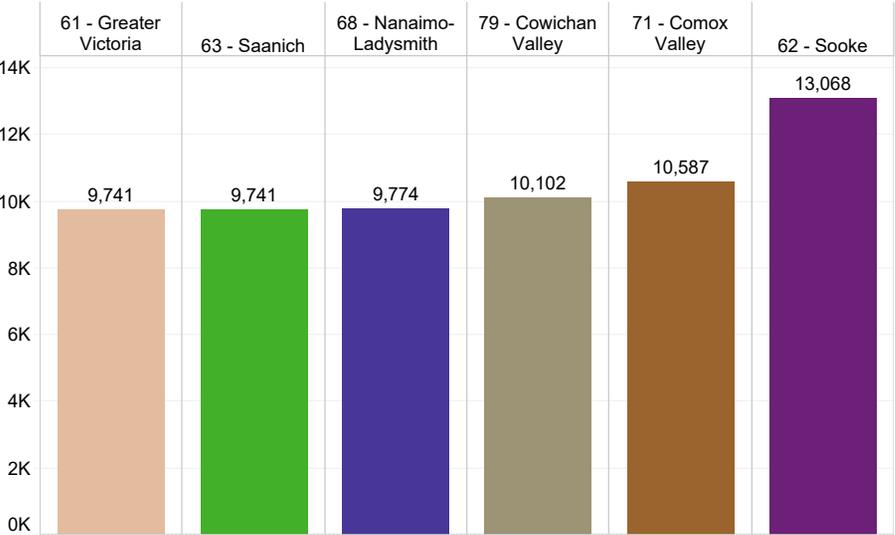
The District has a higher grant per student when compared to similar sized districts on Vancouver Island, such as Victoria and Saanich, largely due to significant grants received for site purchases. The graph is based on the provincial grant figures as reported in the Statement of Operations which include the “Ministry of Education” and “Other” reported amounts. The Provincial grant includes the operating grant, special purpose, capital and other Ministry of Education grants such as the Student Learning grant, Classroom Enhancement Fund, the pay equity grant and the return of administrative savings.

Expenses (\$) per Student (2018)



The District has similar expense per student with neighboring districts, such as Victoria and Saanich, and other districts in the Vancouver Island region, although benefits from not incurring transportation expenses related to unique and remote geographies. Total expenses are as reported in the Statement of Operations which include total salaries, employee benefits, service, and supplies.

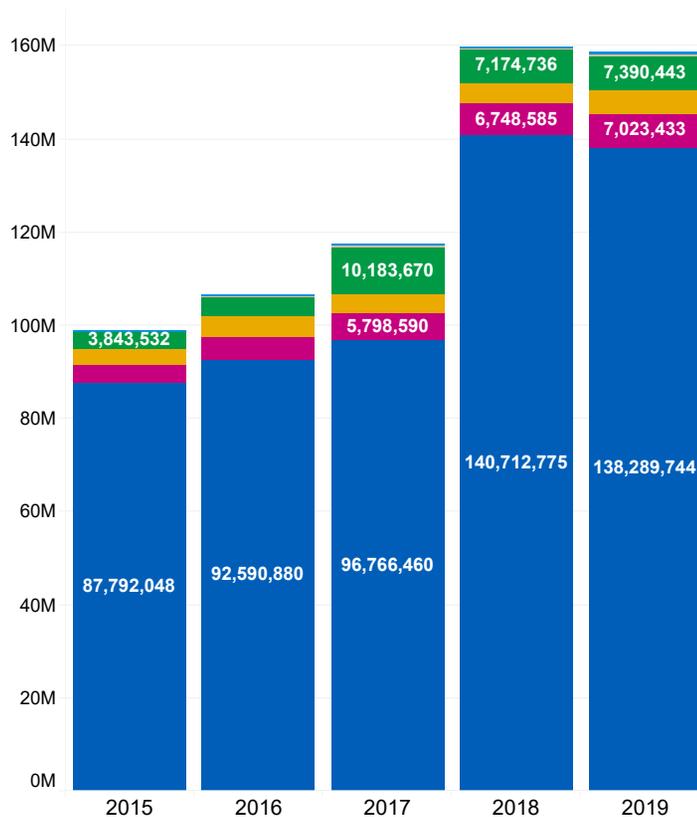
Provincial Grants (\$) per Student (2018)



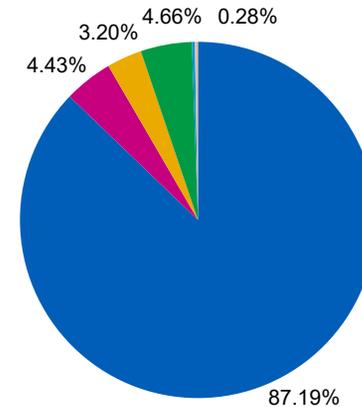
Data Source: Ministry of Education District Reports and Financial Statements Statement 2

Revenue Analysis

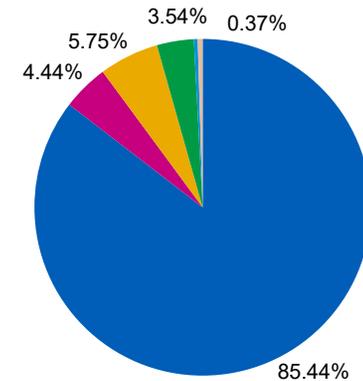
Revenue by Category
(Selected School District)



Proportional Revenue by Source (2019)
(Selected School District)



Proportional Revenue by Source -
Vancouver Island Average (2018)



- Investment Income
- Rentals and Leases
- Amortization of DCR
- Other Revenue
- Tuition
- Provincial Grants

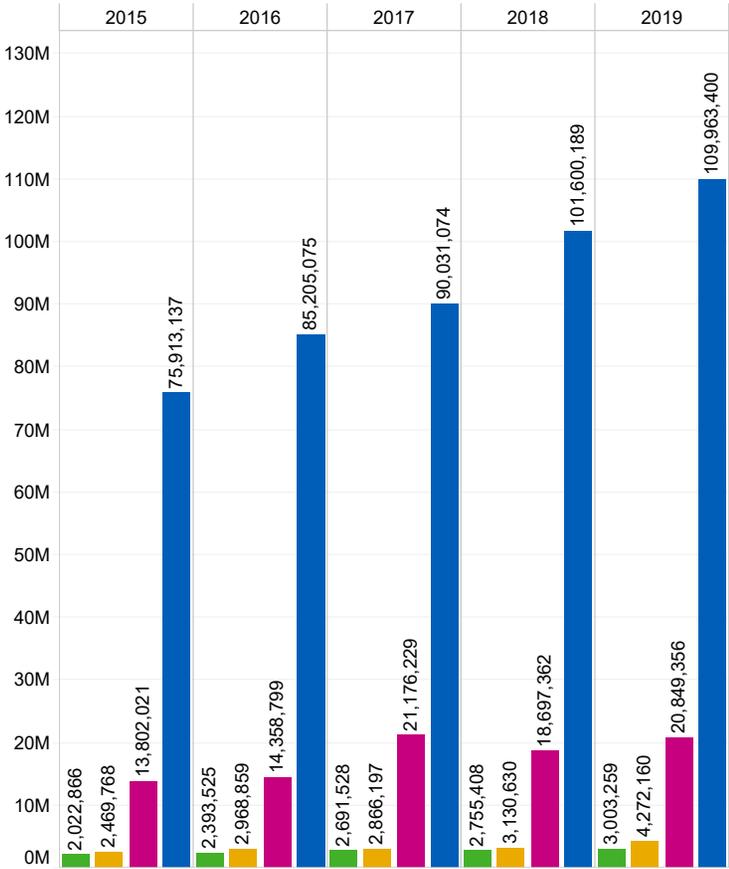
Vancouver Island Comparatives:

- 61 Greater Victoria
- 62 Sooke
- 63 Saanich
- 68 Nanaimo-Ladysmith
- 71 Comox Valley
- 79 Cowichan Valley

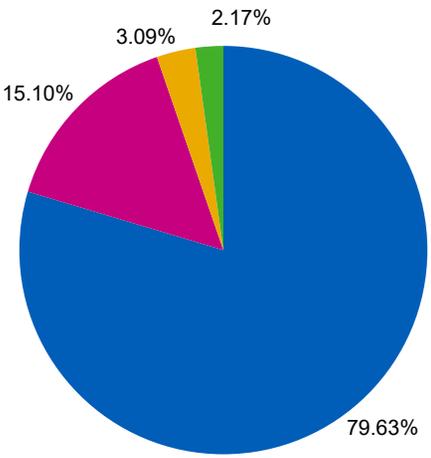
Total FY2019 revenues have decreased by 2.4% as compared to prior year with a provincial grant revenue decrease of 1.7%; both FY2018 and FY2019 include significant grants relating to site acquisitions and the Classroom Enhancement Fund which were not received in 2015 through 2017. The trend in provincial grant revenue growth since 2014 is reflective of the increases in enrollment numbers experienced by the District. The proportionate composition of the District's revenue is relatively consistent with the Vancouver Island average, except for Provincial grants, which are higher due to the additional grants for site acquisitions.

Expenses by Function Analysis

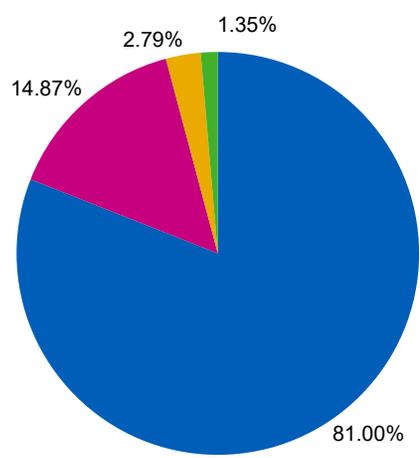
Expense by Function
(Selected school district)



Proportional Expense by Function (2019)
(Selected school district)



Proportional Expense by Function - Vancouver Island Average (2018)



- Transportation and Housing
- District Administration
- Operations and Maintenance
- Instruction

- Vancouver Island Comparatives:
- 61 Greater Victoria
 - 62 Sooke
 - 63 Saanich
 - 68 Nanaimo-Ladysmith
 - 71 Comox Valley
 - 79 Cowichan Valley

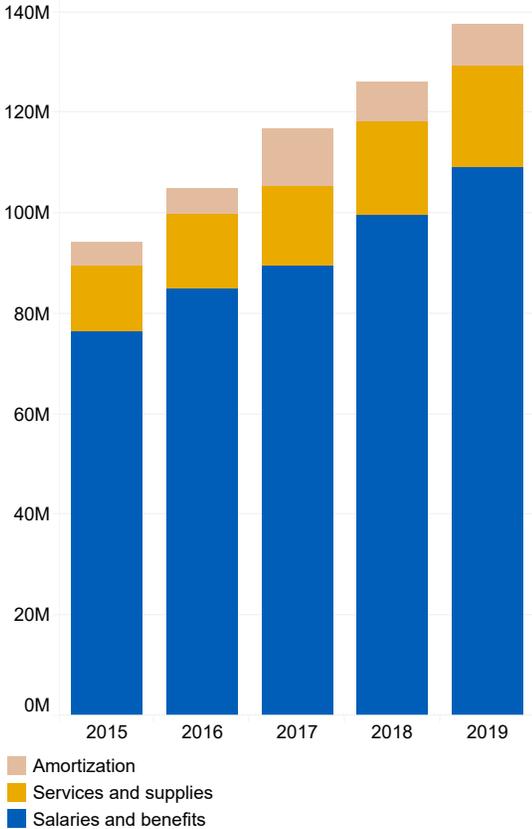
Instruction expenses represent the largest portion of expenses by function, representing 79.63% of total expenses in FY2019 which is lower than the average of other districts (81%). Instruction expenses are closely related to enrollment numbers in the District and reflect the growth the District has experienced over the years. Operations & Maintenance represent the second largest operating expense to the District at approximately 15% of total expenses compared to an average of other districts of 15%. Administration expenses are higher than similar sized districts on Vancouver Island average, 3.09% versus 2.79%.

Data Source: Ministry of Education District Reports and 2017/18 SD 62 financial statements

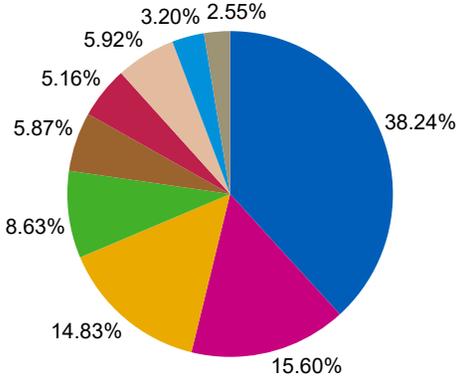


Expenses by Object Analysis

Expense by Object
(Selected school district)



Proportional Expense by Object (2019)
(Selected school district)

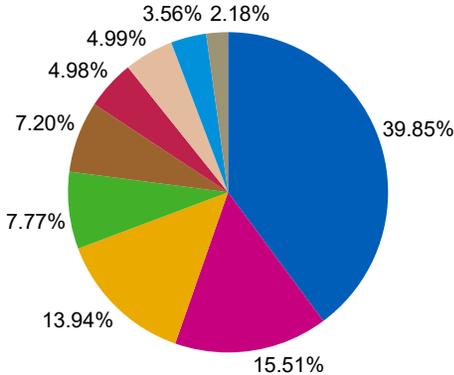


- Teacher Salaries
- Employee Benefits
- Services and supplies
- Support Staff Salaries
- Educational Assistant Salaries
- Principal & VP Salaries
- Amortization
- Substitute Salaries
- Other Professional Salaries

Vancouver Island Comparatives:

- 61 Greater Victoria
- 62 Sooke
- 63 Saanich
- 68 Nanaimo-Ladysmith
- 71 Comox Valley
- 79 Cowichan Valley

Proportional Expense by Object -
Vancouver Island Average (2018)



Total expenses have grown steadily since 2014 as a result of increases in enrollment. Salaries & benefits represent 79% of total expenses in 2018 with Teachers' salaries representing the largest portion at 38% compared to the average of other similar sized districts on Vancouver Island at 40%. The proportionate composition of the District's expenses by object is consistent with the provincial average for all Districts in BC.

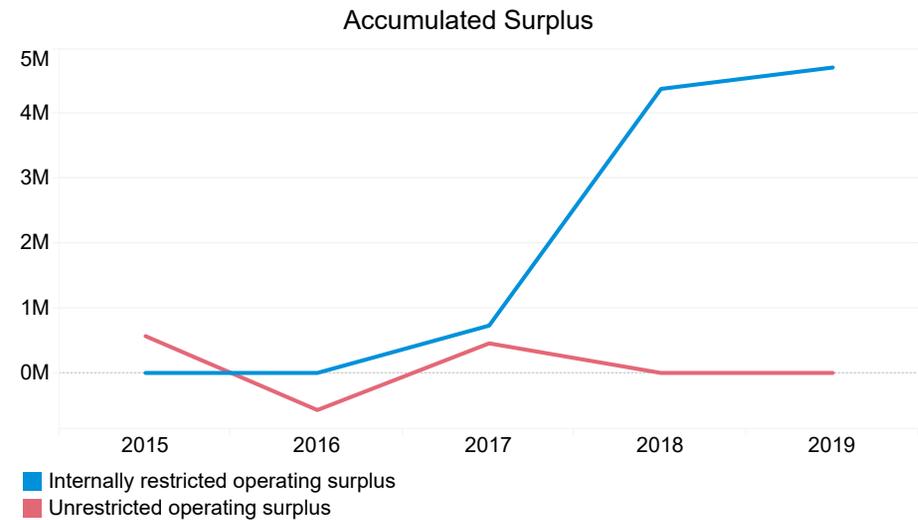
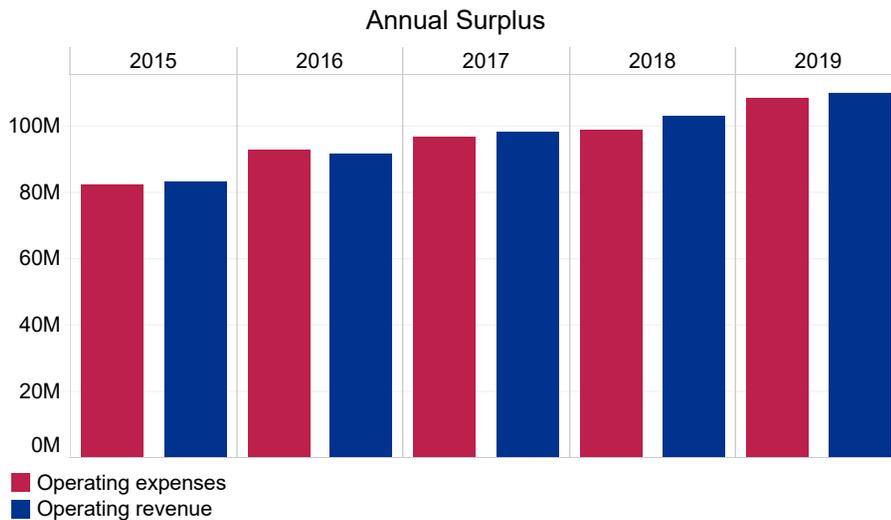
Data Source: Ministry of Education District Reports and 2017/18 SD 62 financial statements

Annual Surplus and Accumulated Surplus Analysis



School District No.62 (Sooke)			
Surplus/Deficit - operating fund	Accumulated surplus - capital fund	Accumulated surplus - operating fund	Unrestricted operating surplus
1,756,395	103,650,315	4,715,615	0

The annual operating surplus for fiscal is \$0.3M (2018 - \$3.2M) and the accumulated operating surplus as at June 30, 2019 is \$4.7M (2018 - \$4.4M). All of the District's operating surplus has been internally restricted for particular purposes such as operations, anticipated unusual expenses, and local capital reserve. The unrestricted operating fund surplus is \$nil. The Ministry does not permit Districts to incur an accumulated deficit without pre approval and a plan to remediate – the District should continue to monitor spending and actual results routinely to appropriately manage the expectation of the Ministry and to the Board approved budget.



Data Source: Ministry of Education District Reports and 2017/18 SD 62 financial statements

School Generated Funds



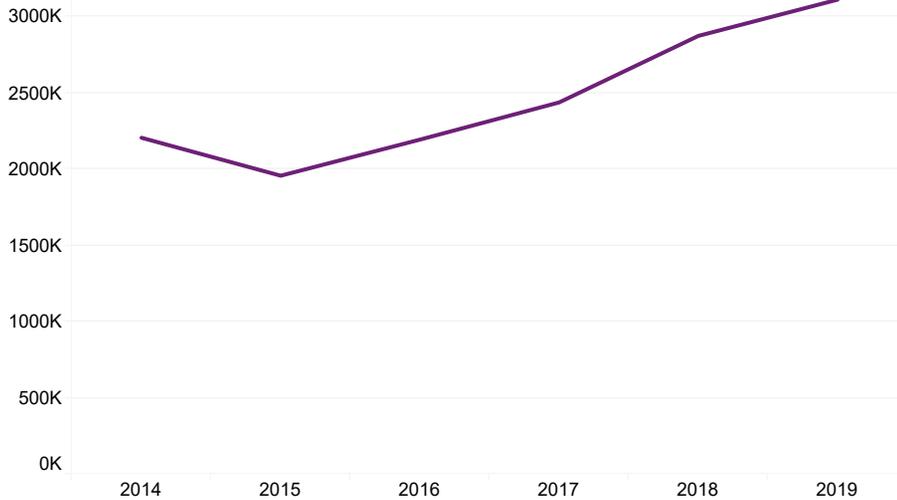
School District No.62 (Sooke)

2019 School Generated Funds	2019 School Generated Funds Increase
3,111,875	8.27%

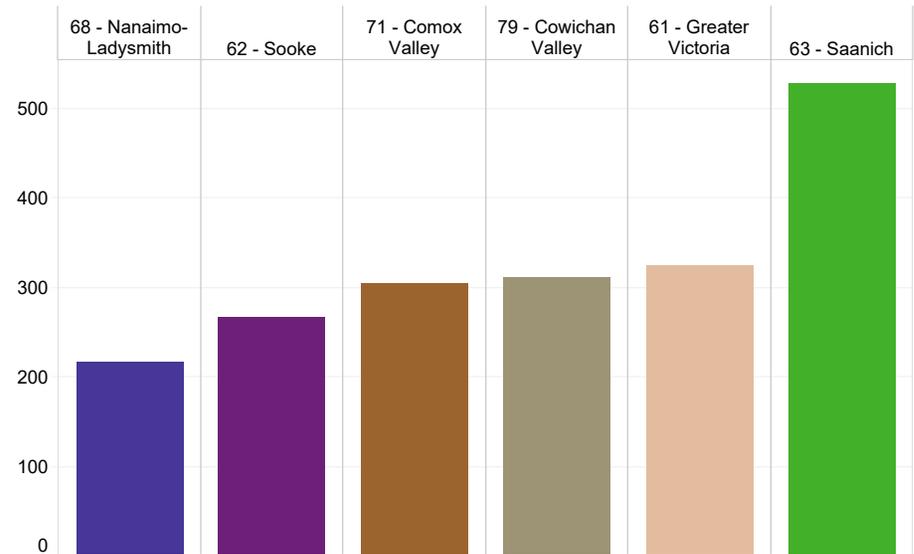
The District has experienced an increase in school generated funds since 2014. When compared against other similar sized districts on Vancouver Island, the District has a relatively lower balance of school generated funds per student FTE.

Data Source: Ministry of Education District Reports and Financial Statements Schedule 3A

School Generated Funds
(selected school district)



School Generated Funds per Student FTE (2018)





Appendices



Appendix 1: Required communications



Appendix 2: Auditors' Report



Appendix 3: Management Representation Letter



Appendix 4: Audit Quality and Risk Management

Appendix 1: Required communications



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



Auditors' report

The conclusion of our audit is set out in our draft auditors' report as attached.



Management representation letter

In accordance with professional standards, copies of the management representation letter are provided to the Audit Committee. The management representation letter is attached.



Engagement letter

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter and any subsequent amendment letters as provided by management.



Appendix 2: Auditors' Report

To the Board of Education of School District No. 62 (Sooke), and

To the Minister of Education, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 62 (Sooke) (the Entity), which comprise:

- the statement of financial position as at June 30, 2019
 - the statement of operations for the year then ended
 - the statement of changes in net financial assets (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 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:

- Unaudited Schedules 1-4 attached to the audited financial statements



- Financial statement discussion and analysis
- Annual report

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 statements document 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.

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.

Appendix 3: Management Representation Letter

Date of Board approval of financial statements

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of School District No. 62 ("the District"), as at and for the period June 30, 2019.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

RESPONSIBILITIES:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated May 15, 2017, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of the Board of Trustees and committees of the Board of Trustees that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.
 - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
 - g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
 - h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

SUBSEQUENT EVENTS:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

RELATED PARTIES:

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

EMPLOYEE FUTURE BENEFITS:

- 8) The employee future benefits costs and obligations have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- 9) All arrangements (contractual or otherwise) by which programs have been established to provide employee benefits have been disclosed to you and included in the determination of employee future benefits costs and obligations.
- 10) The assumptions included in the actuarial valuation are those that management instructed Mercer to use in computing amounts to be used by the Entity in determining non-pension post employment benefit costs and obligations and in making required disclosures in the above-named financial statements, in accordance with the relevant financial reporting framework.
- 11) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.

ENVIRONMENTAL MATTERS:

- 12) The District has appropriately recognized, measured and disclosed liabilities for contaminated sites in the financial statements.

ESTIMATES:

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

GOING CONCERN:

- 14) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 15) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

MISSTATEMENTS:

- 16) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

OTHER:

- 17) The amounts reported as differences between accounting for Non-Provincial restricted contributions in accordance with the Restricted Contributions Regulation as compared to Public Sector Accounting Standards for the purpose of reporting to the Office of the Auditor General are complete and accurate.

Yours very truly,

SCHOOL DISTRICT NO. 62 (DS)

By: Harold Cull, Secretary-Treasurer

By: Dawn Irmischer, Director of Finance

Attachment I – Definitions

MATERIALITY

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

FRAUD & ERROR

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

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

RELATED PARTIES

In accordance with public sector accounting standards a *related party* exists when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Two not-for profit organizations are related parties if one has an economic interest in the other. Related parties also include management and immediate family members.

In accordance with public sector accounting standards a *related party transaction* is defined as a transfer of economic resources or obligations between related parties or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transactions are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Attachment II – Summary of Audit Misstatements

Corrected misstatements in the year ending June 30, 2019

There were no corrected audit misstatements.

Uncorrected misstatements in the year ending June 30, 2019

Description	Annual surplus effect	Financial position		
	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Accumulated Surplus (Decrease) Increase
To record the estimated audit difference that arose from the valuation of Employee Future Benefit Obligations, and the incorrect Seniority Date data for teachers.	\$(150,000)	\$0	\$150,000	\$(150,000)

Misstatements in presentation and disclosure

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

We provided minor suggestions concerning presentation and disclosure that management has incorporated in the financial statements.

Appendix 4: Audit Quality and Risk Management



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

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

Visit our [Audit Quality Resources page](#) for more information including access to our most recent [Audit Quality and Transparency Report](#).

Other controls include:

- Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits
- Technical department and specialist resources provide real-time support to audit teams in the field

We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.

We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.

- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.



We do not offer services that would impair our independence.

The processes we employ to help retain and develop people include:

- Assignment based on skills and experience
- Rotation of partners
- Performance evaluation
- Development and training
- Appropriate supervision and coaching

We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.



kpmg.ca/audit



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KPMG member firms around the world have 174,000 professionals, in 155 countries.

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Audited Financial Statements of

School District No. 62 (Sooke)

June 30, 2019

School District No. 62 (Sooke)

June 30, 2019

Table of Contents

Management Report	1
Independent Auditors' Report	2-3
Statement of Financial Position - Statement 1	4
Statement of Operations - Statement 2	5
Statement of Changes in Net Financial Assets (Debt) - Statement 4	6
Statement of Cash Flows - Statement 5	7
Notes to the Financial Statements	8-26
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	27
Schedule of Operating Operations - Schedule 2 (Unaudited)	28
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	29
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	30
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	31
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	33
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	34
Schedule of Capital Operations - Schedule 4 (Unaudited)	37
Schedule 4A - Tangible Capital Assets (Unaudited)	38
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	39
Schedule 4C - Deferred Capital Revenue (Unaudited)	40
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	41

School District No. 62 (Sooke)

MANAGEMENT REPORT

Version: 6430-5684-3701

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 62 (Sooke) 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. 62 (Sooke) (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 quarterly 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. 62 (Sooke) 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. 62 (Sooke)

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. 62 (Sooke)

Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	23,395,777	21,066,368
Accounts Receivable		
Due from Province - Ministry of Education	1,699,046	1,578,415
Due from Province - Other	20,733	
Due from LEA Funding		328,791
Other (Note 3)	619,554	638,381
Portfolio Investments (Note 5)	133,447	131,861
Total Financial Assets	<u>25,868,557</u>	<u>23,743,816</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	333,793	83,250
Other (Note 6)	8,362,856	6,477,578
Unearned Revenue (Note 7)	4,317,878	5,152,116
Deferred Revenue (Note 8)	1,380,559	1,088,373
Deferred Capital Revenue (Note 9)	186,713,865	185,132,730
Employee Future Benefits (Note 10)	3,946,934	3,466,966
Total Liabilities	<u>205,055,885</u>	<u>201,401,013</u>
Net Financial Assets (Debt)	<u>(179,187,328)</u>	<u>(177,657,197)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 11)	284,540,111	262,139,808
Restricted Assets (Endowments) (Note 14)	642,839	642,839
Prepaid Expenses (Note 4)	2,913,147	3,012,167
Other Assets	100,000	
Total Non-Financial Assets	<u>288,196,097</u>	<u>265,794,814</u>
Accumulated Surplus (Deficit) (Note 24)	<u>109,008,769</u>	<u>88,137,617</u>
Contractual Obligations (Note 18)		
Contractual Rights (Note 19)		
Contingent Assets (Note 20)		
Contingent Liabilities (Note 21)		

Approved by the Board

Signature of the Chairperson of the Board of Education Date Signed

Signature of the Superintendent Date Signed

Signature of the Secretary Treasurer Date Signed

School District No. 62 (Sooke)

Statement of Operations
Year Ended June 30, 2019

	2019 Budget (Note 22) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	119,809,074	138,267,744	140,712,775
Other		22,000	
Municipal Grants Spent on Sites		350,000	1,919,860
Tuition	6,996,209	7,023,433	6,748,585
Other Revenue	5,253,342	5,075,789	4,500,948
Rentals and Leases	388,500	436,237	409,217
Investment Income	257,886	393,681	252,738
Gain (Loss) on Disposal of Tangible Capital Assets			1,125,087
Amortization of Deferred Capital Revenue	7,228,094	7,328,966	7,113,259
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477	61,477
Total Revenue	<u>139,994,582</u>	<u>158,959,327</u>	<u>162,843,946</u>
Expenses (Note 23)			
Instruction	112,979,823	109,963,400	101,600,189
District Administration	4,630,315	4,272,160	3,130,630
Operations and Maintenance	20,475,417	20,849,356	18,697,362
Transportation and Housing	2,970,866	3,003,259	2,755,408
Total Expense	<u>141,056,421</u>	<u>138,088,175</u>	<u>126,183,589</u>
Surplus (Deficit) for the year	<u>(1,061,839)</u>	<u>20,871,152</u>	<u>36,660,357</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		88,137,617	51,477,260
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>109,008,769</u></u>	<u>88,137,617</u>

School District No. 62 (Sooke)

Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget (Note 22) \$	2019 Actual \$	2018 Actual \$
Surplus (Deficit) for the year	(1,061,839)	20,871,152	36,660,357
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,390,935)	(30,539,108)	(44,250,059)
Amortization of Tangible Capital Assets	8,113,806	8,138,805	7,937,612
Net carrying value of Tangible Capital Assets disposed of			4,550
Total Effect of change in Tangible Capital Assets	<u>6,722,871</u>	<u>(22,400,303)</u>	<u>(36,307,897)</u>
Acquisition of Prepaid Expenses		(694,853)	(732,396)
Use of Prepaid Expenses	61,477	793,873	199,261
Acquisition of Other Assets		(100,000)	
Total Effect of change in Other Non-Financial Assets	<u>61,477</u>	<u>(980)</u>	<u>(533,135)</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>5,722,509</u>	<u>(1,530,131)</u>	<u>(180,675)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		(1,530,131)	(180,675)
Net Financial Assets (Debt), beginning of year		(177,657,197)	(177,476,522)
Net Financial Assets (Debt), end of year		<u>(179,187,328)</u>	<u>(177,657,197)</u>

School District No. 62 (Sooke)

Statement of Cash Flows
Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	20,871,152	36,660,357
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	206,254	339,788
Prepaid Expenses	(980)	(533,135)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,135,821	622,319
Unearned Revenue	(834,238)	298,272
Deferred Revenue	292,186	132,679
Employee Future Benefits	479,968	265,087
Loss (Gain) on Disposal of Tangible Capital Assets		(1,125,087)
Amortization of Tangible Capital Assets	8,138,805	7,937,612
Amortization of Deferred Capital Revenue	(7,328,966)	(7,113,259)
Recognition of Deferred Capital Revenue Spent on Sites	(19,891,360)	(31,658,699)
Deferred Capital Revenue Transferred to Revenue	(1,392,966)	(661,260)
Amortization of Deferred Capital Revenue - for lease	(61,477)	(61,477)
Total Operating Transactions	<u>2,614,199</u>	<u>5,103,197</u>
Capital Transactions		
Tangible Capital Assets Purchased	(20,378,480)	(32,724,703)
Tangible Capital Assets -WIP Purchased	(10,160,628)	(11,525,356)
District Portion of Proceeds on Disposal		1,129,637
Total Capital Transactions	<u>(30,539,108)</u>	<u>(43,120,422)</u>
Financing Transactions		
Capital Revenue Received	30,255,904	43,926,126
Total Financing Transactions	<u>30,255,904</u>	<u>43,926,126</u>
Investing Transactions		
Investments in Portfolio Investments	(1,586)	(985)
Total Investing Transactions	<u>(1,586)</u>	<u>(985)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,329,409</u>	<u>5,907,916</u>
Cash and Cash Equivalents, beginning of year	<u>21,066,368</u>	<u>15,158,452</u>
Cash and Cash Equivalents, end of year	<u>23,395,777</u>	<u>21,066,368</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	12,112,279	9,513,866
Cash Equivalents	11,283,498	11,552,502
	<u>23,395,777</u>	<u>21,066,368</u>

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 62 (Sooke)", and operates as "School District No. 62 (Sooke)." 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. 62 (Sooke) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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

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

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

b) Basis of Consolidation

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District has entered into trust activities with some employees; these are described in Note 15.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash 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.

d) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

e) Portfolio Investments

The School District has investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. GIC's are reported at cost.

f) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

g) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2(n).

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

h) 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, retirement/severance, 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 (EARSLS) of active employees covered under the plan.

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

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

i) 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. 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. The liability is recorded net of any expected recoveries.

j) 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 of the asset.
- Donated tangible capital assets from non-related parties are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events 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. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

k) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding 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.

l) Prepaid Expenses

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

m) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 16 – Interfund Transfers and Note 24 – Accumulated Surplus).

n) Revenue Recognition

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

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

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

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

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

n) Revenue Recognition (*continued*)

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.

o) Expenditures

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

Categories of Salaries

- Principals and Vice-Principals employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

p) Endowment Contributions

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

q) 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, portfolio investments, accounts payable and accrued liabilities. The School District does not have any derivative financial instruments.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

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

r) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	June 30, 2019	June 30, 2018
Due from Federal Government	\$ 193,754	\$ 122,804
Payroll accounts receivable	50,787	69,280
School site acquisition charges receivable	106,236	-
Other accounts receivable	268,777	446,297
	\$ 619,554	\$ 638,381

NOTE 4 PREPAID LEASE

The School District prepaid a long-term lease to the Federal Government for the use of the John Stubbs Memorial School site for 50 years. This lease started on July 1, 2005 and ends on June 30, 2055.

The unamortized balance of the lease represents \$2,218,294 (2018: \$2,279,771) of the prepaid expenses.

NOTE 5 PORTFOLIO INVESTMENTS

	June 30, 2019	June 30, 2018
Investments in the cost category:		
GICs maturing in 2020 bearing interest at 1.50% (2018: 1.20%)	\$ 133,447	\$ 131,861
	\$ 133,447	\$ 131,861

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2019	June 30, 2018
Trade payables	\$ 3,739,502	\$ 2,138,625
Salaries and benefits payable	3,988,899	3,781,866
Accrued vacation pay	634,455	555,104
Other	-	1,983
	\$ 8,362,856	\$ 6,477,578

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 7 UNEARNED REVENUE**

	June 30, 2019	June 30, 2018
Balance, beginning of year	\$ 5,152,116	\$ 4,853,844
Increase:		
Tuition fees collected	6,318,844	7,051,943
Academy fees collected	-	125,590
Rental fees collected	-	4,059
	<u>6,318,844</u>	<u>7,181,592</u>
Decrease:		
Tuition fees recognized	(7,023,433)	(6,748,585)
Academy fees recognized	(125,590)	(132,497)
Rental revenue recognized	(4,059)	(2,238)
	<u>(7,153,082)</u>	<u>(6,883,320)</u>
Net change for the year	(834,238)	298,272
Balance, end of year	<u>\$ 4,317,878</u>	<u>\$ 5,152,116</u>

NOTE 8 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.

	June 30, 2019	June 30, 2018
Balance, beginning of year	\$ 1,088,373	\$ 955,694
Increase:		
Provincial Grants - Ministry of Education	16,036,111	15,001,586
Other revenue	4,132,928	3,818,274
Investment income	17,460	22,510
	<u>20,186,499</u>	<u>18,842,370</u>
Decrease:		
Transfers to revenue	(19,894,313)	(18,709,691)
	<u>(19,894,313)</u>	<u>(18,709,691)</u>
Net change for the year	292,186	132,679
Balance, end of year	<u>\$ 1,380,559</u>	<u>\$ 1,088,373</u>

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 9 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.

	June 30, 2019	June 30, 2018
Deferred Capital Revenue Subject to Amortization		
Balance, beginning of year	\$ 181,655,964	\$ 176,556,492
Increases:		
Transfer from deferred capital revenue – capital additions	440,266	533,027
Transfer from deferred capital revenue – work in progress	2,248,813	11,741,181
	<u>2,689,079</u>	<u>12,274,208</u>
Decreases:		
Amortization of deferred capital revenue	(7,328,966)	(7,113,259)
Amortization of long term lease	(61,477)	(61,477)
	<u>(7,390,443)</u>	<u>(7,174,736)</u>
Net change for the year	(4,701,364)	5,099,472
Balance, end of year	<u>\$ 176,954,600</u>	<u>\$ 181,655,964</u>
Deferred Capital Revenue - Work In Progress		
Balance, beginning of year	\$ 800,177	\$ 1,969,972
Increases:		
Transfer from deferred capital revenue - unspent	8,681,981	10,571,386
	<u>8,681,981</u>	<u>10,571,386</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	(2,248,813)	(11,741,181)
	<u>(2,248,813)</u>	<u>(11,741,181)</u>
Net change for the year	6,433,168	(1,169,795)
Balance, end of year	<u>\$ 7,233,345</u>	<u>\$ 800,177</u>

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 9 DEFERRED CAPITAL REVENUE (continued)

	June 30, 2019	June 30, 2018
Deferred Capital Revenue - Unspent		
Balance, beginning of year	\$ 2,676,589	\$ 2,174,835
Increases:		
Provincial Grants - Ministry of Education	29,381,381	42,523,993
Provincial Grants – Other	19,593	24,787
Other	825,896	1,046,133
Investment income	29,034	30,930
MEd Restricted Portion of Proceeds on Disposal	-	300,283
	<u>30,255,904</u>	<u>43,926,126</u>
Decreases:		
Transfer to deferred capital revenue – capital additions	(440,266)	(533,027)
Transfer to deferred capital revenue – work in progress	(8,681,981)	(10,571,386)
Transfer to revenue – site purchases	(19,891,360)	(31,658,699)
Transfer to revenue – expensed costs	(1,392,966)	(661,260)
	<u>(30,406,573)</u>	<u>(43,424,372)</u>
Net change for the year	(150,669)	501,754
Balance, end of year	\$ 2,525,920	\$ 2,676,589
Total Deferred Capital Revenue Balance, end of year	\$ 186,713,865	\$ 185,132,730

NOTE 10 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.

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

	June 30, 2019	June 30, 2018
Discount rate - April 1	2.75%	2.75%
Discount rate - March 31	2.50%	2.75%
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	9.6 years	9.2 years

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 10 EMPLOYEE FUTURE BENEFITS (continued)**

	June 30, 2019	June 30, 2018
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation - April 1	\$ 4,281,261	\$ 4,225,726
Service cost	357,304	337,815
Interest cost	122,347	119,820
Benefit payments	(201,357)	(329,492)
Actuarial loss (gain)	468,035	(72,608)
Accrued benefit obligation - March 31	\$ 5,027,590	\$ 4,281,261
Reconciliation of Funded Status at End of Fiscal Year		
Accrued benefit obligation - March 31	\$ 5,027,590	\$ 4,281,261
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(5,027,590)	(4,281,261)
Employer contributions after measurement date	50,423	59,242
Benefits expense after measurement date	(152,751)	(119,913)
Unamortized net actuarial loss	1,182,984	874,966
Accrued benefit liability - June 30	\$ (3,946,934)	\$ (3,466,966)
Reconciliation of Change in Accrued Benefit Liability		
Accrued benefit liability - July 1	\$ 3,466,965	\$ 3,201,879
Net expense for fiscal year	672,506	631,048
Employer contributions	(192,537)	(365,961)
Accrued benefit liability - June 30	\$ 3,946,934	\$ 3,466,966
Components of Net Benefit Expense		
Service cost	\$ 387,882	\$ 342,687
Interest cost	124,607	120,452
Amortization of net actuarial loss	160,017	167,909
Net benefit expense for fiscal year	\$ 672,506	\$ 631,048

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value	June 30, 2019	June 30, 2018
Sites	\$ 87,410,868	\$ 67,519,508
Buildings	179,428,110	182,843,527
Buildings - WIP	7,184,008	1,641,472
Furniture & Equipment	7,418,039	6,906,908
Furniture & Equipment - WIP	148,709	112,675
Vehicles	2,620,722	2,566,426
Computer Software	-	1,375
Computer Hardware	329,655	547,917
Total	\$ 284,540,111	\$ 262,139,808

June 30, 2019

Cost:	Balance at July 1, 2018	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$ 67,519,508	\$ 19,891,360	\$ -	\$ -	\$ 87,410,868
Buildings	268,713,719	(21,336)	-	3,014,785	271,707,168
Buildings - WIP	1,641,472	8,557,321	-	(3,014,785)	7,184,008
Furniture & Equipment	10,066,119	-	(576,678)	1,567,273	11,056,714
Furniture - WIP	112,675	1,603,307	-	(1,567,273)	148,709
Vehicles	4,304,384	508,456	(34,024)	-	4,778,816
Computer Software	13,764	-	(13,764)	-	-
Computer Hardware	1,215,597	-	(248,574)	-	967,023
Computer Hardware - WIP	-	-	-	-	-
Total	\$ 353,587,238	\$ 30,539,108	\$ (873,040)	\$ -	\$ 383,253,306

Accumulated Amortization:	Balance at July 1, 2018	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2019
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	85,870,192	6,408,866	-	-	92,279,058
Furniture & Equipment	3,159,211	1,056,142	(576,678)	-	3,638,675
Vehicles	1,737,958	454,160	(34,024)	-	2,158,094
Computer software	12,389	1,375	(13,764)	-	-
Computer hardware	667,680	218,262	(248,574)	-	637,368
Total	\$ 91,447,430	\$ 8,138,805	\$ (873,040)	\$ -	\$ 98,713,195

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 11 TANGIBLE CAPITAL ASSETS (continued)**June 30, 2018**

Cost:	Balance at July 1, 2017	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2018
Sites	\$ 35,865,359	\$ 31,658,699	\$ (4,550)	\$ -	\$ 67,519,508
Buildings	258,388,895	176,355	(356,613)	10,505,082	268,713,719
Buildings - WIP	1,962,860	10,183,694	-	(10,505,082)	1,641,472
Furniture & Equipment	9,555,609	247,702	(780,184)	1,042,992	10,066,119
Furniture – WIP	7,112	1,148,555	-	(1,042,992)	112,675
Vehicles	4,394,289	619,495	(709,400)	-	4,304,384
Computer Software	13,764	-	-	-	13,764
Computer Hardware	1,476,310	22,452	(476,272)	193,107	1,215,597
Computer Hardware - WIP	-	193,107	-	(193,107)	-
Total	\$ 311,664,198	\$ 44,250,059	\$ (2,327,019)	\$ -	\$ 353,587,238

Accumulated Amortization:	Balance at July 1, 2017	Amortization	Disposals	Transfers (WIP)	Balance at June 30, 2018
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	79,977,163	6,249,642	(356,613)	-	85,870,192
Furniture & Equipment	2,958,311	981,084	(780,184)	-	3,159,211
Vehicles	2,012,420	434,938	(709,400)	-	1,737,958
Computer Software	9,635	2,754	-	-	12,389
Computer Hardware	874,758	269,194	(476,272)	-	667,680
Total	\$ 85,832,287	\$ 7,937,612	\$ (2,322,469)	\$ -	\$ 91,447,430

Work in progress (WIP) includes buildings, furniture and equipment and computer hardware that have not been amortized. Amortization of these assets will commence when the assets are put into service.

Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$22,673 (2018 - \$0).

NOTE 12 DISPOSAL OF SITES AND BUILDINGS

During the year ended June 30, 2018, Metchosin Elementary situated at 4495 Happy Valley Road, Victoria, BC was sold for \$1,500,000. Of the property sold, one acre was acquired in 1871, a further two acres was purchased in 1951 and 1.72 acres in 1965. The total original cost of the land was \$4,550. Of the \$1,429,920 in proceeds received, 21% was allocated to Ministry of Education Restricted Capital within Deferred Capital Revenue (\$ 300,283) and 79% to Local Capital (\$ 1,129,637).

There were no sites or buildings sold during the year ended June 30, 2019.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 13 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2018, the Teachers' Pension Plan has about 48,000 active members and approximately 38,000 retired members. As of December 31, 2018, the Municipal Pension Plan has about 205,000 active members, including approximately 26,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The School District paid \$9,534,064 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$9,582,473).

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019. Results for this actuarial valuation are not available at the time of publishing these notes.

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. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 14 RESTRICTED ASSETS – ENDOWMENT FUNDS

Donors have provided endowment contributions which have been invested in guaranteed investment certificates (GIC) and high interest savings accounts as follows:

- Cal Meyer endowment - GIC maturing in 2020 bearing interest at 1.90%
- Sooke Women's Institute endowment – high interest savings account bearing interest at 2.45%
- Derochie endowment - GIC maturing in 2019 bearing interest at 1.20%
- STARR endowment - high interest savings account bearing interest at 2.45%

All of the endowments were established to provide scholarships and bursaries for one or more deserving graduate or undergraduate students in full time attendance at Edward Milne Community School.

Donors have placed restrictions on their contributions to the endowment funds of the School District. One restriction is that the original contribution should not be spent. Another restriction is that any investment income of the endowment fund that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

Name of Endowment	Balance July 1, 2018	Contributions	Balance June 30, 2019
Cal Meyer	\$ 609,285	\$ -	\$ 609,285
Sooke Women's Institute	17,554	-	17,554
Derochie	10,000	-	10,000
STARR	6,000	-	6,000
Total	\$ 642,839	\$ -	\$ 642,839

NOTE 15 TRUSTS UNDER ADMINISTRATION

The School District is in a trustee relationship with employees under the deferred salary leave plan and the teachers' summer savings plan.

As at June 30, 2019, the District held the following funds in place, as directed by agreement with the employees. These amounts have not been included in the cash or accounts payable balances in the financial statements:

	June 30, 2019	June 30, 2018
Deferred Salary Leave Plan	\$ 61,331	\$ 127,137
Teachers' Summer Savings Plan	906,730	714,672
Total	\$ 968,061	\$ 841,809

NOTE 16 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2019, were as follows:

- Transfer to the capital fund for tangible capital assets purchased from the operating fund \$46,854
- Transfer to the capital fund for tangible capital assets work in progress from the operating fund \$1,379,274

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 17 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 18 CONTRACTUAL OBLIGATIONS

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

	2020	2021	2022	2023	2024	Thereafter
Premises leases	\$ 192,107	\$ 189,379	\$ 189,379	\$ -	\$ -	\$ -
Copier leases	81,926	65,302	57,973	25,213	-	-
Total	\$ 274,033	\$ 254,681	\$ 247,352	\$ 25,213	\$ -	\$ -

The School District has entered into contracts related to capital projects with a remaining cost of approximately \$16,635,436.

NOTE 19 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for the leasing of School District property. The following table summarizes the contractual rights of the School District for future assets.

	2020	2021	2022	2023	2024	Thereafter
Future lease/rental revenue	\$247,212	\$102,855	\$77,223	\$73,245	\$74,100	\$284,715
Total	\$247,212	\$102,855	\$77,223	\$73,245	\$74,100	\$284,715

NOTE 20 CONTINGENT ASSETS

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the School District's control occurs, or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

At this time the School District has determined that there are no contingent assets.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 21 CONTINGENT LIABILITIES

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2019, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

As at June 30, 2019, the School District has identified obligations relating to asbestos removal in several of its facilities. The obligations have not been recognized where there is an indeterminate settlement date of the future demolition or renovation of the facilities, and therefore the fair value cannot be reasonably estimated. A liability will be recognized in the period when the fair value can be reasonably estimated.

At this time the School District has determined that there are no asset retirement obligations.

NOTE 22 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 26, 2019. The original budget was adopted on May 22, 2018. The original and amended budgets are presented below.

	2019 Amended Annual Budget \$	2019 Annual Budget \$
Revenues		
Provincial Grants		
Ministry of Education	119,809,074	113,796,868
Tuition	6,996,209	6,896,209
Other Revenue	5,253,342	3,853,721
Rentals and Leases	388,500	388,500
Investment Income	257,886	102,530
Amortization of Deferred Capital Revenue	7,228,094	6,689,801
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477
Total Revenue	<u>139,994,582</u>	<u>131,789,106</u>
Expenses		
Instruction	112,979,823	106,470,860
District Administration	4,630,315	4,470,527
Operations and Maintenance	20,475,417	19,350,637
Transportation and Housing	2,970,866	2,958,222
Total Expense	<u>141,056,421</u>	<u>133,250,246</u>
Net Revenue (Expense)	<u>(1,061,839)</u>	<u>(1,461,140)</u>
Budgeted Allocation (Retirement) of Surplus (Deficit)	3,163,062	-
Budgeted Surplus (Deficit), for the year	<u>2,101,223</u>	<u>(1,461,140)</u>

SCHOOL DISTRICT NO. 62 (SOOKE)NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**NOTE 23 EXPENSE BY OBJECT**

	June 30, 2019	June 30, 2018
Salaries and benefits	\$ 109,553,503	\$ 99,428,863
Services and supplies	20,395,867	18,817,114
Amortization	8,138,805	7,937,612
Total	\$ 138,088,175	\$ 126,183,589

NOTE 24 ACCUMULATED SURPLUS

	June 30, 2019	June 30, 2018
Total Internally Restricted Fund Balances	\$ 5,795,361	\$ 5,531,231
Special Purpose Fund – endowments	642,839	642,839
Invested in Tangible Capital Assets	102,570,569	81,963,547
Total Accumulated Surplus	\$ 109,008,769	\$ 88,137,617

The Internally Restricted Fund Balances are composed of an Internally Restricted Operating Fund balance and an Internally Restricted Capital Fund balance. The Internally Restricted Operating Fund balance represents the amount of funds committed for planned future years' operating activities. The Internally Restricted Capital Fund balance represents the balance from the Local Capital Reserve. The use of Local Capital is entirely at the discretion of the School District. Appropriations from Local Capital are made to finance projects as determined by the Board.

	June 30, 2019	June 30, 2018
Internally Restricted – Operating Fund		
Due to nature of constraints on funds	\$ 222,554	\$ 185,119
Due to anticipated unusual expenses	2,654,118	1,154,655
Due to operations spanning the school year	1,838,943	3,045,575
Total Internally Restricted – Operating Fund	4,715,615	4,385,348
Internally Restricted – Capital Fund		
Local capital reserve	1,079,746	1,145,883
Total Internally Restricted – Capital Fund	1,079,746	1,145,883
Total Internally Restricted Fund Balances	\$ 5,795,361	\$ 5,531,231

NOTE 25 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

NOTE 26 RISK MANAGEMENT

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

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

a) Credit risk

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates with a fixed maturity date.

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.

i. Currency 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.

ii. Interest rate risk

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 it invests solely in Guaranteed Investment Certificates that have a fixed maturity.

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 exposures from 2018 related to credit, market or liquidity risks.

School District No. 62 (Sooke)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	4,385,348	642,839	83,109,430	88,137,617	51,477,260
Changes for the year					
Surplus (Deficit) for the year	1,756,395		19,114,757	20,871,152	36,660,357
Interfund Transfers					
Tangible Capital Assets Purchased	(46,854)		46,854	-	
Tangible Capital Assets - Work in Progress	(1,379,274)		1,379,274	-	
Net Changes for the year	330,267	-	20,540,885	20,871,152	36,660,357
Accumulated Surplus (Deficit), end of year - Statement 2	4,715,615	642,839	103,650,315	109,008,769	88,137,617

School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 22)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	101,045,483	101,395,592	95,093,950
Other		22,000	
Tuition	6,996,209	7,023,433	6,748,585
Other Revenue	861,051	1,003,155	894,274
Rentals and Leases	388,500	436,237	409,217
Investment Income	202,530	351,002	219,703
Total Revenue	<u>109,493,773</u>	<u>110,231,419</u>	<u>103,365,729</u>
Expenses			
Instruction	92,650,963	90,280,311	83,151,838
District Administration	4,630,315	4,272,160	3,130,630
Operations and Maintenance	11,465,573	11,373,454	10,135,137
Transportation and Housing	2,519,049	2,549,099	2,320,470
Total Expense	<u>111,265,900</u>	<u>108,475,024</u>	<u>98,738,075</u>
Operating Surplus (Deficit) for the year	<u>(1,772,127)</u>	<u>1,756,395</u>	<u>4,627,654</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>3,163,062</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,390,935)	(46,854)	(475,954)
Tangible Capital Assets - Work in Progress		(1,379,274)	(953,970)
Total Net Transfers	<u>(1,390,935)</u>	<u>(1,426,128)</u>	<u>(1,429,924)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>330,267</u>	<u>3,197,730</u>
Operating Surplus (Deficit), beginning of year		4,385,348	1,187,618
Operating Surplus (Deficit), end of year		<u>4,715,615</u>	<u>4,385,348</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		<u>4,715,615</u>	4,385,348
Total Operating Surplus (Deficit), end of year		<u>4,715,615</u>	<u>4,385,348</u>

School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 22)	2019 Actual	2018 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	99,979,117	99,820,400	93,393,983
ISC/LEA Recovery	(370,051)	(323,885)	(328,791)
Other Ministry of Education Grants			
Pay Equity	931,052	931,052	931,052
Funding for Graduated Adults	40,000	79,833	77,641
Transportation Supplement	358,365	358,365	358,365
Economic Stability Dividend	50,000	124,163	64,052
Return of Administrative Savings			450,041
Carbon Tax Grant	45,000	74,695	72,643
Employer Health Tax Grant	-	254,511	-
Strategic Priorities - Mental Health Grant	-	31,000	-
Support Staff Benefits Grant	-	-	-
BCTEA - LEA Capacity Building Grant	-	20,550	-
FSA and Monitored Marking	12,000	12,964	12,964
Access Grant	-	5,000	5,000
SRG3 Assessments	-	2,944	57,000
Equity Scan	-	4,000	-
Total Provincial Grants - Ministry of Education	101,045,483	101,395,592	95,093,950
Provincial Grants - Other	-	22,000	-
Tuition			
Continuing Education	110,000	96,249	72,953
International and Out of Province Students	6,886,209	6,927,184	6,675,632
Total Tuition	6,996,209	7,023,433	6,748,585
Other Revenues			
LEA Funding from First Nations	370,051	353,813	328,791
Miscellaneous			
Grants for Crossing Guards	80,000	70,000	70,000
Miscellaneous	120,000	104,354	241,667
Rebates	91,000	77,832	45,643
Reclassified from SGF Discretionary	200,000	261,360	208,021
Bus Pass Fees	-	-	152
Careers Program		135,796	
Total Other Revenue	861,051	1,003,155	894,274
Rentals and Leases	388,500	436,237	409,217
Investment Income	202,530	351,002	219,703
Total Operating Revenue	109,493,773	110,231,419	103,365,729

School District No. 62 (Sooke)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2019

	2019 Budget (Note 22)	2019 Actual	2018 Actual
	\$	\$	\$
Salaries			
Teachers	42,673,214	42,793,923	39,599,214
Principals and Vice Principals	7,301,552	7,043,741	6,778,203
Educational Assistants	7,532,924	7,589,956	6,512,599
Support Staff	11,047,860	11,247,385	10,111,882
Other Professionals	3,638,503	3,278,964	2,786,834
Substitutes	3,806,170	3,536,743	2,836,279
Total Salaries	76,000,223	75,490,712	68,625,011
Employee Benefits	19,825,174	18,440,368	16,636,945
Total Salaries and Benefits	95,825,397	93,931,080	85,261,956
Services and Supplies			
Services	7,136,779	7,156,211	5,725,050
Student Transportation	-	-	-
Professional Development and Travel	1,140,238	948,387	921,671
Rentals and Leases	364,163	336,185	183,526
Dues and Fees	185,950	172,222	160,143
Insurance	345,180	335,620	316,554
Interest	-	-	-
Supplies	4,443,349	4,012,608	4,638,840
Utilities	1,774,044	1,582,711	1,497,462
Bad Debts	50,800	-	32,873
Total Services and Supplies	15,440,503	14,543,944	13,476,119
Total Operating Expense	111,265,900	108,475,024	98,738,075

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	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	34,790,455	107,491	106,742	1,531,047	116,213	2,172,257	38,824,205
1.03 Career Programs	154,438			173,886		17,515	345,839
1.07 Library Services	1,207,504			330,454		20,508	1,558,466
1.08 Counselling	1,804,991					2,382	1,807,373
1.10 Special Education	2,570,404	245,155	7,164,682	69,743	822,558	696,960	11,569,502
1.30 English Language Learning	801,840					7,771	809,611
1.31 Aboriginal Education	561,007	100,816	318,532	80,581		11,163	1,072,099
1.41 School Administration		6,345,069		2,222,901		170,480	8,738,450
1.60 Summer School							-
1.61 Continuing Education				34,541			34,541
1.62 International and Out of Province Students	899,600	245,050		309,707		6,391	1,460,748
1.64 Other							-
Total Function 1	42,790,239	7,043,581	7,589,956	4,752,860	938,771	3,105,427	66,220,834
4 District Administration							
4.11 Educational Administration					839,519	707	840,226
4.40 School District Governance					114,098		114,098
4.41 Business Administration	3,684	160		513,619	1,107,082	35,974	1,660,519
Total Function 4	3,684	160	-	513,619	2,060,699	36,681	2,614,843
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				97,163	91,100		188,263
5.50 Maintenance Operations				3,988,026	93,122	306,430	4,387,578
5.52 Maintenance of Grounds				482,804			482,804
5.56 Utilities							-
Total Function 5	-	-	-	4,567,993	184,222	306,430	5,058,645
7 Transportation and Housing							
7.41 Transportation and Housing Administration				113,134	95,272		208,406
7.70 Student Transportation				1,299,779		88,205	1,387,984
Total Function 7	-	-	-	1,412,913	95,272	88,205	1,596,390
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	42,793,923	7,043,741	7,589,956	11,247,385	3,278,964	3,536,743	75,490,712

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 22)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	38,824,205	9,966,393	48,790,598	2,604,549	51,395,147	52,631,556	48,980,899
1.03 Career Programs	345,839	89,004	434,843	417,724	852,567	725,441	939,546
1.07 Library Services	1,558,466	387,766	1,946,232	99,930	2,046,162	1,928,295	1,054,536
1.08 Counselling	1,807,373	440,129	2,247,502	8,921	2,256,423	2,257,859	1,811,431
1.10 Special Education	11,569,502	2,779,779	14,349,281	486,550	14,835,831	15,627,183	12,828,077
1.30 English Language Learning	809,611	196,907	1,006,518	37,214	1,043,732	1,043,861	579,220
1.31 Aboriginal Education	1,072,099	278,808	1,350,907	106,385	1,457,292	1,455,441	1,524,108
1.41 School Administration	8,738,450	1,896,695	10,635,145	648,687	11,283,832	11,948,796	10,269,553
1.60 Summer School	-	-	-	-	-	-	-
1.61 Continuing Education	34,541	3,244	37,785	25,817	63,602	55,112	402,389
1.62 International and Out of Province Students	1,460,748	353,090	1,813,838	3,231,885	5,045,723	4,977,419	4,762,079
1.64 Other	-	-	-	-	-	-	-
Total Function 1	66,220,834	16,391,815	82,612,649	7,667,662	90,280,311	92,650,963	83,151,838
4 District Administration							
4.11 Educational Administration	840,226	150,106	990,332	80,688	1,071,020	957,878	941,636
4.40 School District Governance	114,098	3,723	117,821	119,565	237,386	261,088	208,771
4.41 Business Administration	1,660,519	331,836	1,992,355	971,399	2,963,754	3,411,349	1,980,223
Total Function 4	2,614,843	485,665	3,100,508	1,171,652	4,272,160	4,630,315	3,130,630
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	188,263	44,455	232,718	232,581	465,299	591,556	392,150
5.50 Maintenance Operations	4,387,578	1,005,668	5,393,246	1,587,993	6,981,239	6,648,408	6,994,337
5.52 Maintenance of Grounds	482,804	110,586	593,390	1,410,343	2,003,733	2,031,213	987,859
5.56 Utilities	-	-	-	1,923,183	1,923,183	2,194,396	1,760,791
Total Function 5	5,058,645	1,160,709	6,219,354	5,154,100	11,373,454	11,465,573	10,135,137
7 Transportation and Housing							
7.41 Transportation and Housing Administration	208,406	45,894	254,300	22,813	277,113	276,294	234,306
7.70 Student Transportation	1,387,984	356,285	1,744,269	527,717	2,271,986	2,242,755	2,086,164
Total Function 7	1,596,390	402,179	1,998,569	550,530	2,549,099	2,519,049	2,320,470
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	75,490,712	18,440,368	93,931,080	14,543,944	108,475,024	111,265,900	98,738,075

School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

	2019 Budget (Note 22)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	16,248,027	15,937,826	15,218,725
Other Revenue	4,392,291	4,072,634	3,606,674
Investment Income	25,356	9,443	16,789
Total Revenue	<u>20,665,674</u>	<u>20,019,903</u>	<u>18,842,188</u>
Expenses			
Instruction	20,328,860	19,683,089	18,448,351
Operations and Maintenance	336,814	336,814	336,814
Total Expense	<u>20,665,674</u>	<u>20,019,903</u>	<u>18,785,165</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>57,023</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(57,023)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(57,023)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		642,839	642,839
Special Purpose Surplus (Deficit), end of year		<u>642,839</u>	<u>642,839</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		642,839	642,839
Total Special Purpose Surplus (Deficit), end of year		<u>642,839</u>	<u>642,839</u>

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	293	15,356	600,898	83,400	58,355	-	113,531
Add: Restricted Grants									
Provincial Grants - Ministry of Education	336,814	381,706				192,000	44,100	241,917	752,786
Other					3,155,515				34,270
Investment Income				12,060		1,300	600		2,000
	336,814	381,706	-	12,060	3,155,515	193,300	44,700	241,917	789,056
Less: Allocated to Revenue	336,814	381,706	293	9,150	3,111,875	228,086	100,159	241,917	818,365
Unearned Academy fees recognized									
Deferred Revenue, end of year	-	-	-	18,266	644,538	48,614	2,896	-	84,222
Revenues									
Provincial Grants - Ministry of Education	336,814	381,706				228,086	100,159	241,917	784,095
Other Revenue					3,111,875				34,270
Investment Income			293	9,150					
	336,814	381,706	293	9,150	3,111,875	228,086	100,159	241,917	818,365
Expenses									
Salaries									
Teachers					1,043			41,826	
Principals and Vice Principals						23,424			34,691
Educational Assistants		298,208							
Support Staff					18,795	142,656	30,978		95,008
Other Professionals									154,434
Substitutes					28,870	1,226	13,087	19,350	13,873
	-	298,208	-	-	48,708	167,306	44,065	61,176	298,006
Employee Benefits		83,498			5,511	31,702	6,114	13,662	65,523
Services and Supplies	336,814		293	9,150	3,057,656	29,078	49,980	167,079	454,836
	336,814	381,706	293	9,150	3,111,875	228,086	100,159	241,917	818,365
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Rural Education Enhancement Fund	Coding and Curriculum Implementation	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Quality Teaching	Nature K	ACE-IT	Academies	Ab Ed Commercial Fishing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	24,649	-	-	498	5,437	-	75,777	11,775
Add: Restricted Grants									
Provincial Grants - Ministry of Education	230,000	-	1,605,913	12,243,875					
Other							30,000	834,910	
Investment Income						100			200
	230,000	-	1,605,913	12,243,875	-	100	30,000	834,910	200
Less: Allocated to Revenue	230,000	24,649	1,605,913	12,004,119	368	337	30,000	790,518	-
Unearned Academy fees recognized								(125,590)	
Deferred Revenue, end of year	-	-	-	239,756	130	5,200	-	245,759	11,975
Revenues									
Provincial Grants - Ministry of Education	230,000	24,649	1,605,913	12,004,119	368				
Other Revenue						337	30,000	790,518	
Investment Income									-
	230,000	24,649	1,605,913	12,004,119	368	337	30,000	790,518	-
Expenses									
Salaries									
Teachers	79,628	273	27,541	9,565,035			25,000	47,108	
Principals and Vice Principals									
Educational Assistants	19,642		170,000						
Support Staff	51,591		220,826					50,640	
Other Professionals	-		79,529						
Substitutes	12,287	1,373	759,053			233		9,568	
	163,148	1,646	1,256,949	9,565,035	-	233	25,000	107,316	-
Employee Benefits	33,411	419	297,310	2,439,084		44	5,000	25,211	
Services and Supplies	33,441	22,584	51,654		368	60		657,991	
	230,000	24,649	1,605,913	12,004,119	368	337	30,000	790,518	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Art Starts	Donations	Theaters	VIHA	United Way	GISP	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	2,424	6,494	37,433	50,000	2,053	-	1,088,373
Add: Restricted Grants							
Provincial Grants - Ministry of Education						7,000	16,036,111
Other	7,600	34,411	30,072		6,150		4,132,928
Investment Income	100	100	1,000				17,460
	7,700	34,511	31,072	-	6,150	7,000	20,186,499
Less: Allocated to Revenue	7,393	34,479	5,733	50,000	8,029	-	20,019,903
Unearned Academy fees recognized							(125,590)
Deferred Revenue, end of year	2,731	6,526	62,772	-	174	7,000	1,380,559
Revenues							
Provincial Grants - Ministry of Education							15,937,826
Other Revenue	7,393	34,479	5,733	50,000	8,029		4,072,634
Investment Income							9,443
	7,393	34,479	5,733	50,000	8,029	-	20,019,903
Expenses							
Salaries							
Teachers							9,787,454
Principals and Vice Principals							58,115
Educational Assistants							487,850
Support Staff			4,345		126		614,965
Other Professionals							233,963
Substitutes				1,291	4,078		864,289
	-	-	4,345	1,291	4,204	-	12,046,636
Employee Benefits			499	193	617		3,007,798
Services and Supplies	7,393	34,479	889	48,516	3,208		4,965,469
	7,393	34,479	5,733	50,000	8,029	-	20,019,903
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019	2019 Actual			2018
	Budget (Note 22)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education	2,515,564	20,934,326		20,934,326	30,400,100
Municipal Grants Spent on Sites		350,000		350,000	1,919,860
Investment Income	30,000		33,236	33,236	16,246
Gain (Loss) on Disposal of Tangible Capital Assets				-	1,125,087
Amortization of Deferred Capital Revenue	7,228,094	7,328,966		7,328,966	7,113,259
Amortization of Deferred Capital Revenue - for lease	61,477	61,477		61,477	61,477
Total Revenue	<u>9,835,135</u>	<u>28,674,769</u>	<u>33,236</u>	<u>28,708,005</u>	<u>40,636,029</u>
Expenses					
Operations and Maintenance	1,011,041	1,454,443		1,454,443	722,737
Amortization of Tangible Capital Assets					
Operations and Maintenance	7,661,989	7,684,645		7,684,645	7,502,674
Transportation and Housing	451,817	454,160		454,160	434,938
Total Expense	<u>9,124,847</u>	<u>9,593,248</u>	<u>-</u>	<u>9,593,248</u>	<u>8,660,349</u>
Capital Surplus (Deficit) for the year	<u>710,288</u>	<u>19,081,521</u>	<u>33,236</u>	<u>19,114,757</u>	<u>31,975,680</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,390,935	46,854		46,854	532,977
Tangible Capital Assets - Work in Progress		1,379,274		1,379,274	953,970
Total Net Transfers	<u>1,390,935</u>	<u>1,426,128</u>	<u>-</u>	<u>1,426,128</u>	<u>1,486,947</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets WIP Purchased from Local Capital		99,373	(99,373)	-	
Total Other Adjustments to Fund Balances		<u>99,373</u>	<u>(99,373)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>2,101,223</u>	<u>20,607,022</u>	<u>(66,137)</u>	<u>20,540,885</u>	<u>33,462,627</u>
Capital Surplus (Deficit), beginning of year		<u>81,963,547</u>	<u>1,145,883</u>	<u>83,109,430</u>	<u>49,646,803</u>
Capital Surplus (Deficit), end of year		<u>102,570,569</u>	<u>1,079,746</u>	<u>103,650,315</u>	<u>83,109,430</u>

School District No. 62 (Sooke)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	67,519,508	268,713,719	10,066,119	4,304,384	13,764	1,215,597	351,833,091
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	19,541,360			461,602			20,002,962
Deferred Capital Revenue - Other	350,000	(21,336)					328,664
Operating Fund				46,854			46,854
Transferred from Work in Progress		3,014,785	1,567,273				4,582,058
	19,891,360	2,993,449	1,567,273	508,456	-	-	24,960,538
Decrease:							
Deemed Disposals			576,678	34,024	13,764	248,574	873,040
	-	-	576,678	34,024	13,764	248,574	873,040
Cost, end of year	87,410,868	271,707,168	11,056,714	4,778,816	-	967,023	375,920,589
Work in Progress, end of year		7,184,008	148,709				7,332,717
Cost and Work in Progress, end of year	87,410,868	278,891,176	11,205,423	4,778,816	-	967,023	383,253,306
Accumulated Amortization, beginning of year		85,870,192	3,159,211	1,737,958	12,389	667,680	91,447,430
Changes for the Year							
Increase: Amortization for the Year		6,408,866	1,056,142	454,160	1,375	218,262	8,138,805
Decrease:							
Deemed Disposals			576,678	34,024	13,764	248,574	873,040
			-	576,678	34,024	248,574	873,040
Accumulated Amortization, end of year		92,279,058	3,638,675	2,158,094	-	637,368	98,713,195
Tangible Capital Assets - Net	87,410,868	186,612,118	7,566,748	2,620,722	-	329,655	284,540,111

School District No. 62 (Sooke)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	1,641,472	112,675			1,754,147
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	7,213,990	1,345,321			8,559,311
Deferred Capital Revenue - Other	99,997	22,673			122,670
Operating Fund	1,143,961	235,313			1,379,274
Local Capital	99,373				99,373
	<u>8,557,321</u>	<u>1,603,307</u>	-	-	<u>10,160,628</u>
Decrease:					
Transferred to Tangible Capital Assets	3,014,785	1,567,273			4,582,058
	<u>3,014,785</u>	<u>1,567,273</u>	-	-	<u>4,582,058</u>
Net Changes for the Year	<u>5,542,536</u>	<u>36,034</u>	-	-	<u>5,578,570</u>
Work in Progress, end of year	<u>7,184,008</u>	<u>148,709</u>	-	-	<u>7,332,717</u>

School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	160,513,716	20,483,251	658,997	181,655,964
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	461,602	(21,336)		440,266
Transferred from Work in Progress	2,126,143	99,997	22,673	2,248,813
	<u>2,587,745</u>	<u>78,661</u>	<u>22,673</u>	<u>2,689,079</u>
Decrease:				
Amortization of Deferred Capital Revenue	6,539,813	738,128	51,025	7,328,966
Amortization of Deferred Capital Revenue - for long term lease	61,477			61,477
	<u>6,601,290</u>	<u>738,128</u>	<u>51,025</u>	<u>7,390,443</u>
Net Changes for the Year	<u>(4,013,545)</u>	<u>(659,467)</u>	<u>(28,352)</u>	<u>(4,701,364)</u>
Deferred Capital Revenue, end of year	<u>156,500,171</u>	<u>19,823,784</u>	<u>630,645</u>	<u>176,954,600</u>
Work in Progress, beginning of year	800,177			800,177
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	8,559,311	99,997	22,673	8,681,981
	<u>8,559,311</u>	<u>99,997</u>	<u>22,673</u>	<u>8,681,981</u>
Decrease				
Transferred to Deferred Capital Revenue	2,126,143	99,997	22,673	2,248,813
	<u>2,126,143</u>	<u>99,997</u>	<u>22,673</u>	<u>2,248,813</u>
Net Changes for the Year	<u>6,433,168</u>	<u>-</u>	<u>-</u>	<u>6,433,168</u>
Work in Progress, end of year	<u>7,233,345</u>	<u>-</u>	<u>-</u>	<u>7,233,345</u>
Total Deferred Capital Revenue, end of year	<u>163,733,516</u>	<u>19,823,784</u>	<u>630,645</u>	<u>184,187,945</u>

School District No. 62 (Sooke)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	1,485,506	581,860	46,164	563,059		2,676,589
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	29,381,381					29,381,381
Provincial Grants - Other			19,593			19,593
Other				803,223	22,673	825,896
Investment Income		29,034				29,034
Transfer project surplus to MEd Restricted (from) Bylaw	(1,417,753)	1,417,753				-
Land capital applied to prior year site purchase	563,059			(563,059)		-
	28,526,687	1,446,787	19,593	240,164	22,673	30,255,904
Decrease:						
Transferred to DCR - Capital Additions	461,602	(21,336)				440,266
Transferred to DCR - Work in Progress	8,559,311	99,997			22,673	8,681,981
Transferred to Revenue - Site Purchases	19,541,360			350,000		19,891,360
Transferred to Revenue - Expensed Costs	1,392,966					1,392,966
	29,955,239	78,661	-	350,000	22,673	30,406,573
Net Changes for the Year	(1,428,552)	1,368,126	19,593	(109,836)	-	(150,669)
Balance, end of year	56,954	1,949,986	65,757	453,223	-	2,525,920

School District No. 62 (Sooke)

Request for Proposals Internal Audit Services

RFP Title: Internal Audit Services

Proposals will be received until 14:00 hours Pacific Time,
on October 31, 2019

Prepared by: David Lee-Bonar
Manager of Financial Reporting & Analysis

TABLE OF CONTENTS

SECTION ONE. RECEIPT CONFIRMATION FORM	3
SECTION TWO. TERMS AND DEFINITIONS	4
SECTION THREE. INSTRUCTIONS TO BIDDERS.....	5
SECTION FOUR. GENERAL TERMS AND DEFINITIONS	10
SECTION FIVE. GENERAL INFORMATION.....	14
SECTION SIX. EVALUATION CRITERIA.....	17
SECTION SEVEN. INTERNAL AUDIT SERVICE REQUIREMENTS	18
SECTION EIGHT. PROPOSAL FORMAT AND CONTENT.....	21
SECTION NINE. PROPOSAL SUBMISSION FORM.....	23
SECTION TEN. PRICE	24
SECTION ELEVEN. PROPOSAL QUESTIONNAIRE.....	26

Section One. RECEIPT CONFIRMATION FORM

Proposal	Closing date
Internal Audit Services	Thursday, October 31, 2019

Bidders should complete and email this form to dleebonar@sd62.bc.ca

Failure to respond may be interpreted as an expression of non-interest.

Receipt of RFP documents

Yes, we have received the RFP documents.

TO:	Attention:	David Lee-Bonar
	Institution:	School District No. 62 (Sooke)
	e-mail:	dleebonar@sd62.bc.ca

FROM:	Contact Name:	
	Bidder:	
	Date:	
	Phone Number:	
	Fax Number:	
	email Address:	

Section Two. TERMS AND DEFINITIONS

The following terms and definitions apply to this request for proposals and to any subsequent contract.

Term	Definition
Contract or agreement	The agreement for provision of supplies/services to School District No. 62 (Sooke).
Must or mandatory	A requirement that must be met for the Bidder's proposal to receive consideration.
Bidder/proponent/firm	A business that submits or intends to submit a proposal.
Proposal	An offer from a bidder to provide supplies/services.
Purchase orders (POs)	Contract number that is issued by School District No. 62 (Sooke).
RFP	Request for proposals.
Should or desirable	A requirement having a significant degree of importance to the objective(s) of the Request for proposals.

Section Three. INSTRUCTIONS TO BIDDERS

This section defines the proposal preparation and submission procedures that should be followed by all bidders. Bidders should carefully read and follow the procedures in this proposal, as any deviation may be cause for rejection.

3.01 Receipt confirmation form

Bidders should complete and return the receipt confirmation form on *page 3* (three).

3.02 Introduction to proposal

School District No. 62 (Sooke) is seeking proposals to perform internal audit services.

3.03 Proposal closing and delivery instructions

The closing date for this Request for proposals is:

October 31, 2019

14:00 hours Pacific Time

Electronic proposals must be sent by email to dleebonar@sd62.bc.ca.

Fax, delivered, and mailed proposals **will not** be accepted.

3.04 Proposal documents and copies

Bidders must complete and return all the mandatory documentation by the proposal closing date and time.

3.05 Submission conditions

COMPLETE DOCUMENT

Bidders are responsible for ensuring they receive a complete set of documents as listed by the page numbers. By submitting a proposal, the bidders confirm that they have received a complete set of proposal documents including any and all addenda.

BIDDERS' EXPENSES

Bidders are solely responsible for their expenses in preparing a RFP response and for subsequent negotiations with School District No. 62 (Sooke). If School District No. 62 (Sooke) elects to reject all submissions, School District No. 62 (Sooke) will not be liable to any bidder for claims, whether for costs or damages incurred by the bidder in preparing the response, loss of anticipated profit in connection with any final contract, or any other matter whatsoever.

LIABILITY FOR ERRORS

While School District No. 62 (Sooke) has made every effort to ensure the accuracy of information in this RFP, it is supplied solely as a guideline for bidders. The information is not guaranteed or warranted to be accurate by School District No. 62 (Sooke), nor is it necessarily comprehensive or exhaustive. The information does not aim to prevent bidders from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

Estimates, which form part of this RFP, are to be used as a guideline only and are not binding on School District No. 62 (Sooke). If actual services are short of the estimated usage, School District No. 62 (Sooke) will not be bound to compensate the successful bidder(s) for this shortfall, in any way.

LIMITATION OF DAMAGES

Further to the preceding paragraph, by submitting a response to this RFP, the bidder agrees that it will not claim damages, for whatever reason, relating to the contract or in respect of the competitive process in excess of an amount equivalent to the reasonable cost incurred by the bidder in preparing its response. By submitting a response, the bidder waives any claim for loss of profits if no contract is made with the bidder.

CONFIDENTIALITY OF INFORMATION

Information pertaining to School District No. 62 (Sooke) obtained by the bidder as a result of participation in this RFP is confidential and must not be disclosed without prior written authorization from School District No. 62 (Sooke).

USE OF RFP DOCUMENT

This document or any portion thereof may not be used for any purpose other than the submission of proposals.

MODIFICATION OF TERMS

School District No. 62 (Sooke) reserves the right to modify the terms of the RFP by issuance of written addenda at any time prior to the proposal closing deadline.

WITHDRAWAL OF PROPOSALS

The bidder may withdraw its proposal at any time prior to the proposal closing time by submitting a written withdrawal letter. After submitting a written withdrawal letter via email to David Lee-Bonar, Manager of Financial Reporting & Analysis at dleebonar@sd62.bc.ca.

DELIVERY OF PROPOSAL BY CLOSING DEADLINE

Bidders have the sole responsibility to allow sufficient time for the delivery of their proposals by the closing date and time (Pacific Time).

Proposals received after the closing time will not be considered.

MODIFICATIONS OF SUBMITTED PROPOSALS AFTER PROPOSAL DEADLINE

Any additions and/or deletions after the proposal closing deadline will not be accepted by School District No. 62 (Sooke).

ACCEPTANCE OF PROPOSALS

Except as provided in the *Withdrawal of Proposals* clause, proposals shall be irrevocable and shall remain open for acceptance by School District No. 62 (Sooke) for a period of **one hundred and twenty (120)** calendar days after the proposal closing date.

PRIVATE OPENINGS

Proposals will be opened privately after the proposal closing time.

NEGOTIATION PRIVILEGE

It is the intent of School District No. 62 (Sooke) to ensure School District No. 62 (Sooke) has the flexibility they need to arrive at a mutually agreeable final contract. Negotiations may be held with the bidders including, but not limited to, matters such as:

- Price adjustments
- Changes to scope of requirements
- Contract details
- Contract payment details
- Service requirements

It is not the intent of School District No. 62 (Sooke) to allow for new or significantly altered proposals.

If a written contract cannot be negotiated with the bidder with the highest ranked evaluation score, School District No. 62 (Sooke) may terminate negotiations with that bidder and negotiate with another bidder selected as the next highest ranked bidder according to the evaluation procedure, or may choose to terminate the RFP process and not enter into a contract with any of the bidders.

School District No. 62 (Sooke) shall not be obligated to any bidder in any manner until a written contract (s) has been duly executed.

WORKSAFEBC ASSESSMENT REGISTRATION

As a condition of the contract award, the bidder must be registered and in good standing with WorkSafeBC or be eligible to purchase Personal Optional Protection (POP) if required under the Workers' Compensation Act of British Columbia (the Act).

If the bidder is not registered with WorkSafeBC, the bidder must obtain a clearance letter from WorkSafeBC indicating that they are not required to be registered pursuant to the Act and are not eligible to purchase POP.

This clearance letter should be included with your submission. Clearance letters may be obtained online at <http://www.worksafebc.com> or by contacting the WorkSafe BC Clearance section toll free at 1-888-922-2768.

Out of province bidders carrying on business in British Columbia "temporarily" will be required to comply with the above requirements.

TERMS AND CONDITIONS

The bidder unconditionally agrees to all the terms and conditions of this RFP and any resulting contract by submitting a proposal.

3.06 Questions and clarification

Any question related to the proposal must be directed to the Manager of Financial Reporting & Analysis, School District No. 62 (Sooke), whose name appears below. The bidder shall not contact or ask questions of School District No. 62 (Sooke) department(s) for which the contract is being procured, unless so directed elsewhere in this document.

Proposal inquiries:	David Lee-Bonar Manager, Financial Reporting & Analysis School District No. 62 (Sooke) Phone #: 250.474.9824 email: dleebonar@sd62.bc.ca
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The bidder shall submit in writing any question regarding the specifications, discrepancies, omissions or any apparent ambiguities not less than five (5) working days before the proposal closing time.

Deadline for written questions before closing date is October 24, 2019.
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The question(s) will be reviewed, and where information sought is not already clearly indicated, School District No. 62 (Sooke) will issue an addendum to all bidders, which will become part of the proposal documents. Addenda are the only means of verifying, clarifying, or changing any of the information contained in this request for proposal.

Other than the School District No. 62 (Sooke) Manager of Financial Reporting & Analysis, no employee or agent of School District No. 62 (Sooke) is authorized to change the content of this proposal and/or any addenda.

Receipt of all addenda should be acknowledged in the space provided on the proposal submission form.

School District No. 62 (Sooke) is not obliged to grant requests for individual meetings in person with bidders to answer any question before the closing deadline and before contract award.

3.07 Proposal signing

A principal duly authorized to enter contracts on behalf of the bidder shall execute School District No. 62 (Sooke)'s proposal submission form contained in *Section Ten*. The bidder's legal name and the capacity in which the signing office acts shall be against the signature. **Proposal forms that do not contain an authorized signature will be rejected.**

3.08 Ineligibility of proposals

It is essential that your proposal thoroughly address each requirement identified.

Incomplete proposals may be declared "non-responsive".

Proposals that are improperly signed, conditional, illegible, obscure, or contain arithmetical errors, erasures, alterations, or irregularities of any kind may be considered invalid.

Where there is a discrepancy, written amounts shall take precedence over figure amounts.

3.09 Acceptance of proposal

School District No. 62 (Sooke) is not bound to award a contract to any bidder or to the bidder who submitted the lowest cost proposal. The awarding of the contract (if any) shall be in School District No. 62 (Sooke)'s sole discretion, based upon the best overall value to School District No. 62 (Sooke).

School District No. 62 (Sooke) reserves the right to award a contract in full or part on the basis of the proposal received.

This proposal is subject to School District No. 62 (Sooke) executive approval and/or funding. Should proposal submissions not receive School District No. 62 (Sooke) executive approval and/or exceed funding levels, School District No. 62 (Sooke) reserves the right to reject, without penalty, any or all proposals.

The right is reserved, as the interests of School District No. 62 (Sooke) may require, to reject any or all proposals or to waive any minor irregularity or non-compliant issues in the proposals received.

3.10 RFP timelines and selection process (estimated timelines)

Description	Date
Deadline to submit questions before RFP closing date	October 24, 2019
RFP closing date	October 31, 2019
Interviews (if necessary)	December 2019
Award of RFP:	January 2020

3.11 Contract documents

If a contract is awarded to a bidder, the bidder shall enter into a written agreement with School District No. 62 (Sooke) to perform the requirements set out in this RFP on the terms and conditions set out herein

This RFP and any other documents that may be incorporated by agreement of the parties prior to issuance of the purchase order shall comprise the contract documents. Where the terms and conditions of School District No. 62 (Sooke) contract conflict with those of any other contract document, the terms and conditions of the School District No. 62 (Sooke) contract document will prevail.

3.12 Debriefing

Unsuccessful bidders may request a debrief with School District No. 62 (Sooke).

Section Four. GENERAL TERMS AND DEFINITIONS

4.01 Acceptance

School District No. 62 (Sooke) will not be bound to accept the lowest proposal and reserves the right to accept or reject, in whole or in part, any and all proposals and to waive any minor informality or irregularity. School District No. 62 (Sooke) is not under any obligation to award a contract and may terminate or amend this RFP at any time without penalty. Award decisions will be based on the *Evaluation Criteria* (as outlined in *Section Six*) and best overall values. School District No. 62 (Sooke) representatives shall have sole discretion over the determination of best value.

4.02 Clear title

The bidder warrants clear title to services provided and warrants them free from defects and/or imperfections, and will indemnify, defend and hold School District No. 62 (Sooke) harmless against any or all suits, claim demands and/or expenses, patent litigation, infringement, material, builders', material men's or labour's liens, or any claims by third parties in or to the services provided.

4.03 Indemnity

School District No. 62 (Sooke) will require that the selected proponent will indemnify and save harmless School District No. 62 (Sooke) and School District No. 62 (Sooke)'s employees and agents from any losses, claims, damages, actions, causes of action, costs and expenses that School District No. 62 (Sooke) or any of School District No. 62 (Sooke)'s employees or agents may sustain, incur, suffer or be put to at any time, either before or after this agreement ends, including but not limited to any claim of infringement of third-party intellectual property rights, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission by the proponent or by any of the proponent's agents, employees, officers, directors or subcontractors in connection with this agreement, excepting always liability arising out of the independent acts or omissions of School District No. 62 (Sooke) and School District No. 62 (Sooke) employees and agents.

4.04 Pricing

All prices/fees/costs associated with this RFP will be quoted in Canadian funds, FOB Inside Destination and exclusive of the Provincial Sales and Goods and Services taxes (taxes are to be shown separately). Duty and brokerage costs, freight, unloading at destination, royalties, handling, overhead, profit and all other costs are to be included in your proposal.

Note: Any applicable labour costs must be shown separately.

4.05 Sales Taxes

School District No. 62 (Sooke) is subject to the Provincial Sales (PST) and Goods and Services (GST) taxes. When applicable, all invoices should indicate taxes separately.

4.06 Payment

Original invoices are to be forwarded to the Finance Department of School District No. 62 (Sooke) and will show GST and PST separately. Additionally, labour charges will be shown separately. All invoices must indicate the Purchase Order number (s).

Payment terms will be net/30 days from receipt of invoice or acceptance of services, whichever is later. If discounts, in reference to early payment of invoices are to be offered, School District No. 62 (Sooke) will consider this benefit. The percentage discount and timing restrictions must be clearly stated.

- i) Days from receipt of invoice or acceptance of services, whichever is later _____
- ii) Discount % _____

4.07 Advertisement

The successful bidder will not use the contents of this RFP document or the name of School District No. 62 (Sooke), in any advertising or publication without prior written consent from School District No. 62 (Sooke).

4.08 Clarification

Bidders are required to submit their best and most comprehensive proposal. School District No. 62 (Sooke) reserves the right to seek clarification/modification of proposal submissions.

4.09 Workers' compensation

The bidder must comply with all conditions and safety regulations of the *Workers' Compensation Act of British Columbia* and must be in good standing.

Bidders should provide their Workers' Compensation of British Columbia account number in their submission.

4.10 Insurance

The proponent should, without limiting the proponent's obligation or liabilities and at the proponent's own expense, purchase and maintain throughout the term of the agreement, the following insurances with insurers licensed in Canada in forms and amounts acceptable to School District No. 62 (Sooke):

a) Commercial General Liability in an amount not less than five million dollars (\$5,000,000.00) inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must include School District No. 62 (Sooke) as an additional insured, be endorsed to provide School District No. 62 (Sooke) with 30 days' advance written notice of cancellation or material change and include a cross liability clause.

b) Professional Liability in an amount not less than one million dollars (\$1,000,000.00) per claim, insuring the proponent's liability resulting from errors and omissions in the performance of professional services under this agreement and this insurance must be endorsed to provide School District No. 62 (Sooke) 30 days' advance written notice of cancellation.

All insurance described in this section must be primary and not require the sharing of any loss by any insurer of School District No. 62 (Sooke).

4.11 Permits and licenses

The bidder, their employees, agents and vehicles shall have and maintain valid licenses as required by law for the execution of services related to this contract.

Upon request the bidder will provide certified copies of required licenses.

4.12 Safety

Bidders will not knowingly employ anyone who will be going into or around School District No. 62 (Sooke) locations, for the purpose of providing the services, who may be a threat to the safety of students, faculty or employees. School District No. 62 (Sooke) has the right to request a criminal record check on any individual who is going into or around School District No. 62 (Sooke) locations.

The successful bidder agrees to have its' employees consent to a criminal record check under the Criminal Records Review Act. This will require the employees to complete a criminal record check authorization and return them to School District No. 62 (Sooke) and may require fingerprinting.

The successful bidder will pay for all costs relating to this process.

At the **sole discretion** of School District No. 62 (Sooke), anyone deemed to be a threat to the safety of, students or employees will not provide services under this contract.

4.13 Records

The bidder will maintain invoice records relating to the services provided under this contract.

School District No. 62 (Sooke) will have free access at all reasonable times to such records for the purposes of reviewing or copying the same. School District No. 62 (Sooke) will have access at all reasonable times and upon reasonable notice to the bidder, to the bidder's personnel, books, records, and other documents pertaining to the services provided under this contract for the purpose of auditing any accounts invoiced under this contract.

The bidder shall preserve all the aforesaid documents for seven years after the delivery of those services.

4.14 Reports

The bidder will upon the request of School District No. 62 (Sooke), permit School District No. 62 (Sooke) to examine and copy any findings, data, specifications, drawings, working papers, reports, documents, and material whether complete or otherwise (herein collectively called the "Material") that have been produced by, received or acquired by the bidder as a result of this contract.

4.15 The contract

The RFP, the bidder's RFP submission, the purchase order(s), the Province of British Columbia Management Consulting Professional Services Agreement, and any other documents (all amendments or addenda agreed between the parties) comprise the "Contract Documents".

This will be the base documentation between the bidder and School District No. 62 (Sooke) that will form the contract.

<http://www2.gov.bc.ca/gov/content/governments/services-for-government/bc-bid-resources/templates-and-tools/service-contract-templates/management-consulting-service-contracts>

4.16 Cancellation of agreement

School District No. 62 (Sooke) reserves the right to cancel this Agreement (with 30 days written notice) should the following problems arise without resolution:

Any services changes/alterations/substitutions are made that are not acceptable

Any variation from agreed delivery schedule (ongoing back-order problems)

An unacceptable amount of invoice errors

Major operational, funding, or procedural changes occur that affect the utilization of services under contract

4.17 Termination

TERMINATION FOR CAUSE

School District No. 62 (Sooke) reserves the right to cancel all or any part of this contract if the services are not provided to the satisfaction of School District No. 62 (Sooke). Such cancellation shall be in writing and may be without notice and shall not result in any penalty or other charges to School District No. 62 (Sooke).

TERMINATION FOR CONVENIENCE

In addition to the remedy provided in any other clause within the contract, School District No. 62 (Sooke) may, at its' option, terminate this contract at any time during the term, and, if such option is exercised, then this contract will terminate **fourteen (14) days** after the date such written notice is received or deemed received, by the bidder. School District No. 62 (Sooke) will be under no further obligation to the bidder, except to pay to the bidder such amount as the bidder may be entitled to receive, pursuant to *4.07 Payment*, provided to the date of termination.

BUDGET APPROVAL AND FUNDING

Contracts that span more than one fiscal year for the subsequent year(s). School District No. 62 (Sooke) reserves the right to cancel, without penalty, all or any part of this contract if budget approval and funding for the subsequent year(s) are not obtained.

Should such funds not be appropriated, School District No. 62 (Sooke) must notify the bidder of its intentions to terminate the services so affected within one month after such non-appropriation becomes final.

This notice shall also state that the request for funds has not been approved and that the services to be terminated will not be replaced by any other equivalent services which require expenditure by School District No. 62 (Sooke). Such termination shall take effect thirty (30) days from the date of notification and shall not constitute an event of default.

4.18 Dispute resolution

The laws of the Province of British Columbia shall govern any contract awarded by School District No. 62 (Sooke) to the successful bidder. Where disputes cannot be resolved between the bidder and School District No. 62 (Sooke), the successful bidder agrees to resolve any/all disputes through mediation.

The cost of any such alternate dispute resolution shall be shared equally.

4.19 Ownership

The services produced by, received, or acquired by the bidder as a result of a contract, including all systems, programs, specifications, and associated documentation, and any equipment, machinery, or other property will be the exclusive property of School District No. 62 (Sooke) and will be delivered by the bidder to School District No. 62 (Sooke) forthwith upon demand by School District No. 62 (Sooke).

The copyright in the material will belong exclusively to School District No. 62 (Sooke) and the bidder will execute any assignments of copyright by School District No. 62 (Sooke) to give this provision effect.

4.20 Assignment and sub-contracting

The bidder will not, without the prior written approval of School District No. 62 (Sooke):

- a. Assign, either directly or indirectly, this contract or any right of the bidder under this contract.
- b. Sub-contract any obligation of the bidder under this contract.

Any consent to a subcontract shall not relieve the bidder from its obligations and every subcontract shall incorporate all the terms and conditions of the contract, which can reasonably be applied thereto.

4.21 Force majeure

Neither the bidder nor School District No. 62 (Sooke) will be liable for any failure or delay to perform obligations resulting from any cause beyond that party's reasonable control, including but not limited to fires, explosions, floods, strikes, work stoppages or slow downs, or other industrial disputes, accidents, riots or civil disturbances, acts of civil or military authorities, inability to obtain any license, or consent necessary in respect of use with any telecommunications facilities, or delays caused by carriers, suppliers or material shortages.

4.22 Conflict of Interest/Gifts and donations

Bidders will not offer entertainment, gifts, gratuities, discounts or special services, regardless of value, to any employee of School District No. 62 (Sooke).

The bidder declares that the bidder has no financial interest, directly or indirectly, in the business of any third party that would be or be seen to be a conflict of interest in carrying out the provision of the contracted services.

In the event an interest is acquired or the bidder should be found to be in a potential conflict of interest during the performance of the contract, the bidder shall be required to advise and cure

the conflict forthwith to School District No. 62 (Sooke)'s satisfaction or shall be disentitled to any compensation under this contract.

4.23 Substitutions

Any variances from the stated specifications are to be clearly indicated in the bidder's response. If no changes are indicated, School District No. 62 (Sooke) will receive the services exactly as specified.

Section Five. GENERAL INFORMATION

5.01 Introduction

This is a request for proposals and not a tender call. There will be no contract until one is negotiated and an agreement reached. It is anticipated that the awarding of this proposal should occur in January 2020.

5.02 Profile and general overview of SCHOOL DISTRICT NO. 62 (SOOKE)

School District No. 62 (Sooke) has approximately 11,400 students and serves the communities of Sooke, Port Renfrew, Metchosin, Highlands, Langford and Colwood. Surrounded by forests, ocean, mountains and lakes, we are located a short distance from Victoria.

The District is home to 26 schools: 18 Elementary, 4 Middle, 3 Secondary, and 1 Alternate/Adult.

Financial Magnitude

The 2019/20 Annual Budget and prior years' Audited Financial Statements for the District are available on the District's website:

<http://www.sd62.bc.ca/about/financial-information/>

Strategic Plan

The 2018/2021 Strategic Plan for the District is available on the District's website:

<https://www.sd62.bc.ca/strategic-plan-2018-2021/>

5.03 Key Information Systems

The key financial statement components or processes are provided in the table below:

Financial Statement Component or Key Business Process	Key Application Name
HR, payroll, finance management	PowerSchool's atrieveERP
Online cash payments, school funds	KEVGroup's School Cash Suite
Student Information System – enrolment management which determines operating grants	MyEducation BC
International student program invoicing	TRUE North

5.04 Background

School District No. 62 (Sooke) is seeking proposals from firms to provide an outsourced internal audit service with adherence to the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

Submissions will be used to determine the most experienced and suitable firm to provide various internal audits for a three (3) year period commencing October 2019, with an option to extend for an additional three (3) years.

After selecting a suitable firm, School District No. 62 (Sooke) intends to explore specific internal audit projects with the selected firm to establish a scope of work and fees on a project-by-project basis.

Potential internal audits projects may be considered for Capital Projects, information security, and international operations.

5.05 Evaluation process

SELECTION PROCESS

The successful proposal(s) will be determined using best value evaluation criteria.

Proposals will be examined to identify any non-conformity, qualifications, or failure to provide necessary information to determine a list of material or non-material discrepancies. Discrepancies deemed non-material will not affect the continuation of the evaluation process. Discrepancies deemed material may result in the submission being excluded from further evaluation.

The best or any proposal may not necessarily be accepted and will depend on meeting financial and service needs, and negotiations may be necessary with the successful proponent to ensure any agreement established meets the needs of School District No. 62 (Sooke) and the School District No. 62 (Sooke) Board, and may cancel the process at any time without any award or liability whatsoever.

Before any contract or obligation relative to the subject matter herein becomes binding on School District No. 62 (Sooke), approval thereof by its authorized senior management or Board must first be obtained.

Each firm by submitting a submission, accepts all of the conditions and stipulations set out in this document. Anything contained in a submission that contradicts or is at variance with any of the terms of this request for submissions will not be binding on School District No. 62 (Sooke) unless explicitly accepted and adopted in writing by School District No. 62 (Sooke).

There will be a review of all submissions by a management committee to identify the successful firm.

School District No. 62 (Sooke) reserves the right not to proceed with establishing any contract for these services. If School District No. 62 (Sooke) fails to reach a mutually agreeable contract with any selected firm, School District No. 62 (Sooke) reserves the right to cease negotiations with that firm and to proceed to negotiate with other firms.

Firms responding to this request for proposals are solely responsible for their own expenses in submitting an expression of interest. School District No. 62 (Sooke) will not be liable for any costs or damages incurred by the proponent or any other matter whatsoever.

5.06 Proceeding against School District No. 62 (Sooke)

The bidder represents and warrants that the bidder is not a party to any suits, actions, litigation proceedings, arbitration's, alternative dispute resolutions, investigations or claims (the "Claims") by or against or otherwise involving School District No. 62 (Sooke) and the bidder. The bidder acknowledges that School District No. 62 (Sooke) will reject the proposal in view of current, pending or threatened litigation, arbitration, alternative dispute resolution or disputes involving School District No. 62 (Sooke) and the bidder.

NOTE: "Certificate: The successful bidder may also be required, at the discretion of School District No. 62 (Sooke), to sign a Certificate in a form satisfactory to School District No. 62 (Sooke) confirming that the successful bidder is not associated with any bidder/agency involved in litigation with School District No. 62 (Sooke)."

5.07 Environment

School District No. 62 (Sooke) makes every effort to competitively procure, whenever possible, environmentally appropriate and ecologically sound services.

5.08 Responsibility and tasks

The bidder shall hold title to all services provided under this contract and is responsible for any/all taxes.

School District No. 62 (Sooke) shall be relieved from risk of loss or damage during the entire time the services are in the possession of the bidder (except when loss or damage is due to fault or negligence by School District No. 62 (Sooke)).

It will be the responsibility of the bidder to have qualified, trained service personnel to provide support or technical assistance.

Section Six. EVALUATION CRITERIA

The objective of the evaluation process is to select a bidder that has demonstrated, by the contents of their responses, financial offering and corporate strength and service/support can potentially best satisfy the School District No. 62 (Sooke) requirements.

Selection of a bidder will be based on the criteria specified below.

The award of this RFP shall be based on the best overall value to School District No. 62 (Sooke), in their sole discretion. School District No. 62 (Sooke) is not bound to award a contract to any bidder or to the bidder who submitted the lowest cost proposal.

Description	Weighting factor
Internal Audit Experience in the Education Sector	
<ul style="list-style-type: none"> - Audit scope and schedules for relevant internal audit projects - References (minimum 3) 	30%
Corporate overview	
<ul style="list-style-type: none"> - Location, size, employees and qualification - Company background, years of experience and industries served - Statement of firm's characteristics - General list of internal audit services. projects, clients 	10%
Price	
<ul style="list-style-type: none"> - Fees – hourly rates - Enhancements - Fees – audit universe analysis - Exclusions 	30%
Audit Team Qualifications	
<ul style="list-style-type: none"> - Names, qualifications and relevant experience of the audit team(s) 	30%

Section Seven. INTERNAL AUDIT SERVICE REQUIREMENTS

7.01 Audit expectations

School District No. 62 (Sooke) is seeking an internal audit service firm to provide expert professional resources to conduct reviews of targeted business units and key business processes and systems to assess risks and recommend opportunities for cost effective improvements.

This internal audit service will include developing an audit mandate/charter for each audit project, establishing processes and procedures for reporting to and communicating with senior management and the Board Audit Committee, and determining the appropriate internal audit approach and methodology within the organization.

Based on School District No. 62 (Sooke)'s organizational structure and operating environment, an internal audit service will be responsible to develop the following:

Audit Universe

A complete list of operational units, functions, activities and systems that could potentially be subjected to an audit, taking into account the School District's risk register and strategic plan. All areas are included to ensure that they are identified, recorded and assessed, however only medium and higher risk areas are typically subjected to audit. Ongoing risk assessments may elevate or reduce the risk level of areas within the audit universe.

Long Range Audit Plan

Based on the risk assessment and the audit universe, and taking into account budgetary and resource constraints, a long range audit plan, typically three (3) years, will be developed to provide Board Audit Committee with a road map of anticipated internal audit activities. This plan will however remain flexible to accommodate changes to the organization's risk profile.

Annual Audit Plan

The annual audit plan will need to encompass the budget, timing, and resources for internal audit activities for the upcoming fiscal year. The annual audit plan will be based on the higher risk areas within the audit universe, discussed with management for their agreement on relevance and timing and presented to School District No. 62 (Sooke)'s Board Audit Committee for approval. The ultimate decision for audit activities rests with the Board Audit Committee who internal audit reports to.

The annual audit plan to be developed will need to become an integral part of School District No. 62 (Sooke)'s governance structure in respect of the following:

School District No. 62 (Sooke)'s management responsibility is to manage the daily operations of the School District, and the Board's responsibility is to oversee management and ensure that School District No. 62 (Sooke)'s management is effectively managing the organization from the perspective of achieving objectives and managing risk.

Internal audit will provide an independent, objective assurance and consulting activity, by reviewing management's strategies, processes and risk identification and mitigation activities and reporting on their effectiveness to the Board.

Internal audit's independence from management and direct reporting line to the Board Audit Committee will be established to provide the Board with the independent assurance it requires to carry out its governance duties.

In addition, the internal audit service provider's expertise in risk assessment, risk management and internal control practices, positions it as a valuable governance partner to management, and therefore is in a position to assist management with identifying risks to operations, assessing the efficiency and effectiveness of management's risk mitigation strategies, internal controls and business processes.

Internal audit will be required to provide management with recommendations to improve risk management, internal control, operational efficiency and compliance based on industry best practices.

SCOPE OF SERVICES

A general approach to specific internal audit projects will be required to address the following three stages, but may be adapted as necessary by senior management or the Board Audit Committee:

Planning

Planning and preparation is carried out through a review of relevant documentation and conducting interviews with key business unit management and staff to ensure accurate, relevant and complete information is obtained. An audit program is developed to ensure all key areas of risk and key audit objectives are covered. Management agreement is sought on the audit objectives and where necessary, Internal Audit obtains further clarification of those objectives to ensure that audits add value to management and operations.

Audit program objectives, audit steps and control testing are based on current best practices. Reference is given to applicable and appropriate guidance and regulatory requirements issued by any oversight bodies and relevant regulators.

Fieldwork

Fieldwork consists of executing the related audit program. Once an understanding of the project is gained, the next step is to prepare the appropriate documentation; existing control practices and procedures are assessed and tested to identify any gaps or other potential weaknesses. Through observation, enquiry and testing, determine whether processes and procedures comply with operational requirements, as necessary. Controls and processes are compared to best practice to identify any opportunities for improvement. Working papers are maintained of all audit findings for each audit objective, and recommendations for each finding. These findings are supported by appropriate documentation.

Reporting

Audit staff keep key business unit management apprised of findings as they arise throughout the audit by way of regular written status reports. A closing meeting is held with client management to discuss the findings and recommendations that will be included in the audit report. Once the working paper file(s) is complete and a final review of the file is performed, a draft audit report is prepared in order to communicate the findings. The report is provided to management for their review and to provide their written responses regarding their intended action for each finding. Once the draft report has been agreed upon, a final report is prepared for presentation to senior management and Board Audit Committee as appropriate.

CONTRACT CONDITIONS

School District No. 62 (Sooke) reserves the right, upon selection of the successful firm, to develop a mutually acceptable General Service Contract (copy attached) with terms and conditions subject to the approval of the Board Audit Committee, including but not limited to the following.

Term will be established for a three (3) year period from the date of signing the GSC with a three (3) year renewal option based on mutually acceptable terms being agreed by both parties.

A requirement that if either party fails to perform or observe any material covenant, condition or program requirement, performed or observed, and if such default continues uncorrected for a period of thirty (30) days after notice from the non-defaulting party, then the non-defaulting party may, at its option, terminate the agreement without prejudice to any other rights it may have in law or equity.

School District No. 62 (Sooke) requires that without invalidating the agreement that it may request changes consisting of additions or deletions to the service, and any changes would require a mutually acceptable written agreement by both parties.

The firm will be required not to assign or sub-contract any of its obligations in the contract without the prior written consent of School District No. 62 (Sooke).

The firm will be required to treat as confidential and except insofar as such publication, release or disclosure is necessary to enable the firm to fulfill its obligations under this contract will not, without the prior written consent of School District No. 62 (Sooke), publish, release or disclose or permit to be published, released or disclosed, any information supplied to, obtained by, or which comes to the knowledge of the firm as a result of this contract (the Information).

The firm recognizes that the information is protected by the provisions of the B.C. Freedom of Information and Protection of Privacy Act (FOI/POP). The firm further agrees, the collection, use, storage, access and disposal of the information, shall be in compliance with FOI/POP and, in compliance with Part 3 of that Act. The information must be kept confidential, and the firm will have adequate security measures in place at the worksite to ensure the information is not accessible to unauthorized individuals.

Proponents are advised that School District No. 62 (Sooke) is subject to the Freedom of Information and Protection of Privacy Act, R.S.B.C. 1996 c.165. Proponents shall have no claim against School District No. 62 (Sooke) for the release or disclosure of any information or records relating to the subject matter herein or submitted to School District No. 62 (Sooke) by proponents.

Section Eight. PROPOSAL FORMAT AND CONTENT

The bidder is requested to submit one copy with the proposal in Adobe PDF format.

The bidder is asked to provide as much information as possible when replying to each point throughout the RFP and the bidder must identify any specific requirements with which it is unwilling or unable to comply.

It is the bidder's responsibility to clearly identify and to describe the services being offered in response to the RFP. Bidders are cautioned that organization of their response, as well as thoroughness is critical to the School District No. 62 (Sooke) evaluation process. The RFP response should be furnished and presented in an organized, comprehensive and easy to follow manner. Unnecessary elaborate brochures of other presentations beyond that sufficient to present a complete and effective proposal are not required.

To expedite the evaluation of proposals, the information, which School District No. 62 (Sooke) requires from bidders, should be organized in the sequence listed below. Failure to follow the format could result in rejection of your bid. Any supporting technical or promotional documentation should be included in an appendix.

8.01 Executive letter

Please include in this section a signed letter on corporate letterhead that provides an executive summary of the proposal along with key contact name(s) and contact numbers.

Additionally, please ensure this letter clearly indicates your firm's adherence to the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing and is a member in good standing.

8.02 Education internal audit experience

Please provide 3 to 4 examples of recent internal audits conducted for education institutions or related public sector organizations - including:

- a) audit scope
- b) timeframe and completion date
- c) audit team members
- d) client contact name and phone number for reference check

8.03 Corporate overview

Please provide a general overview of your firm's local office in the Victoria area including:

- a) Location, size, employees and qualification
- b) Company background, years of experience and industries served
- c) Statement of firm's characteristics
- d) General list of internal audit services, projects, clients

8.04 Qualifications

Please provide names, qualifications, experience and resumes for the following audit team members proposed for this service:

- a) Principal
- b) Director
- c) Senior Associate/Auditor
- d) Information Technology (IT) Auditor
- e) Associates/Auditors.

Please indicate for each of above if they have Certified Internal Auditor certification, or alternative certifications such as Certified Government Auditor, Certified Information Systems Auditor, or Certified Risk Management Assurance Professional.

8.05 Brochures

Please include in this section any related corporate and product brochures, along with any other related or additional information that your firm would like to submit.

8.06 General

Please include in this section any terms and conditions in this RFP that you are unable to comply with.

Section Nine. PROPOSAL SUBMISSION FORM

Failure of the bidder to provide signatures below will result in immediate rejection of this submission. The person signing this RFP declares that he/she is a duly authorized signing authority with the capacity to commit their firm/bidder to the terms and conditions of this RFP.

Addenda

Acknowledgment is hereby made of receipt and inclusion of the following addenda to the contract documents;

Addendum No. _____ dated _____ : _____ pages

Addendum No. _____ dated _____ : _____ pages

Addendum No. _____ dated _____ : _____ pages

We certify that we have read and understand the information provided in the Request for proposals and all addenda documented above. The information provided in our submission is accurate and we agree to be bound by the all conditions, statements, and representations contained herein.

Executed this _____ day of _____, 2019

Authorized signature:	
Print name:	
Title:	
Bidder name:	
Address:	
Phone:	
Fax:	
Email:	
Web page address:	

Section Ten. PRICE

FEES - HOURLY RATES

Please provide a Fee Schedule based on Hourly Labour Rates for specific Audit Team Members using the Table below:

AUDIT TEAM MEMBERS	Hourly Rate Contract Year-1	Hourly Rate Contract Year-2	Hourly Rate Contract Year-3
Principal	\$	\$	\$
Director	\$	\$	\$
Senior Associate/Auditor	\$	\$	\$
IT Auditor	\$	\$	\$
Associate/Auditor	\$	\$	\$
List Others As Required	\$	\$	\$

FEE PROPOSAL - AUDIT UNIVERSE ANALYSIS

As the School District will require a risk-based Audit Universe Analysis to be conducted prior to identifying specific audit projects, please provide an estimated Fee Proposal in the format shown including details of the scope of work and deliverables for:

"Develop a complete list of operational units, functions, activities and systems that could potentially be subjected to an audit. All areas are included to ensure that they are identified, recorded and assessed, however only medium and higher risk areas are typically subjected to audit. Ongoing risk assessments may elevate or reduce the risk level of areas within the audit universe."

Audit Universe Analysis- Fee Proposal	Hours	Cost	Estimated completion times
Please list Audit Team Members for each phase: 1. Planning 2. Fieldwork 3. Validation 4. Completion 5. Reimbursable Expenses Total project hours and project cost			
Please attach details of Scope of Service, Audit Team and Deliverables.			

Note: Above prices do not include taxes.

Enhancements

Please provide information regarding enhancements to your proposal. School District No. 62 (Sooke) encourages proponents to be creative and innovative. Information that will reduce the overall cost may be considered.

All enhancements should be clearly identified in the proponent's response to this RFP and have a fair market value assigned to the offer.

Enhancements may include but are not limited to, the following:

Early payment terms

Additional supplies/services

Education and research initiatives including but not limited to:

- Donations for the establishment of permanent scholarships or bursaries
- Donations in support of other School District No. 62 (Sooke) undertakings such as sponsorship opportunities for events and activities
- Donation of current technology hardware
- Ongoing student co-op placements
- Establishment of joint training programs

Section Eleven. PROPOSAL QUESTIONNAIRE

Bidder Name: _____

Address: _____

Corporate Strength

1. How long has your firm been in business? _____
2. How many personnel does your firm employ within Canada? What is the average length of service?

Answer:	Number of employees:	_____
	Average length of service:	_____

3. Provide your regular business hours of operation and which time zone the hours refer to. Indicate if your firm has 'after hours' service or delivery capabilities.

Answer:	Regular hours of operation _____ am _____ pm	Time Zone _____
	After hours service available? Yes _____ No _____	

4. Has your firm been involved in any litigation within the past year? Please provide details.

Answer:

5. Would you appoint a specific employee to handle the School District No. 62 (Sooke) account? If so, please provide a brief statement of experience.

Yes _____ No _____

Answer:

:

6. What pricing format will you be offering to School District No. 62 (Sooke)? Briefly explain why your firm uses this format (i.e. Govt. discount, wholesale pricing, etc.).

Answer:

7. What, if any, protection or price guarantees are you offering in your proposal:

Answer:

8. What do you consider your firm's competitive advantage over other firms?

Answer:

9. Is your firm ISO certified? Yes _____ No _____

If yes, date certified: _____

If no, do you have an in-house quality program? Yes _____ No _____

Provide description.

Answer:

10. What type of quality/product/delivery guarantees does your firm offer?

Answer:

11. Please describe how your firm would resolve service issues.

Answer:



REQUEST FOR PROPOSALS

FOR THE AUDIT OF SCHOOL DISTRICT NO. 62 (SOOKE)

ISSUE DATE: SEPTEMBER 25, 2019

DELIVERY OF PROPOSALS:

Electronic proposals must be sent by email to:
David Lee-Bonar, Manager of Financial Reporting & Analysis
(Electronic proposals must be a single PDF document)

CLOSING DATE AND TIME:

Thursday, October 31, 2019 at 16:00 Pacific Time

Proponents are advised to fill out and return the Receipt Confirmation Form (Appendix A) to the
Contact Person

CONTACT PERSON:

David Lee-Bonar, Manager of Financial Reporting & Analysis
Email: dleebonar@sd62.bc.ca

Table of Contents

BACKGROUND 3

1. Purpose of the Request for Proposals 3

2. Period of Service Agreement..... 3

3. Type and Scope of Audit 3

4. Determination and Payment of Fees 6

5. Information about School District No. 62 (Sooke) 6

REQUEST FOR PROPOSALS ADMINISTRATION..... 8

6. Definitions..... 8

7. Request for Proposals Process 9

8. Proposal Format 9

9. Additional Terms 10

10. Evaluation..... 12

APPENDIX A 15

APPENDIX B 16

APPENDIX C..... 17

BACKGROUND

1. Purpose of the Request for Proposals

This Request for Proposals (RFP) invites audit firms to submit proposals for the performance of audit services with respect to the financial statements of School District No. 62 (Sooke) (“the District”).

2. Period of Service Agreement

The selected Proponent will perform the audit services as described above for one year, commencing with the 2019/2020 reporting year. The District will retain the option to extend the Service Agreement for up to two (2) additional years, in one-year increments, provided both parties agree to the renewal. The fiscal year of the District is July 1 to June 30.

3. Type and Scope of Audit

The audit of the Financial Statements of the District (the financial audit) must be conducted in accordance with Canadian Auditing Standards (CAS).

The audit report should express an opinion as to whether the financial statements are prepared, in all material respects, in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. Note that because this accounting framework is not in accordance with GAAP, there are additional reporting requirements to the Office of the Auditor General as described in section 3.2.4.

3.1. Timing of the Auditor’s Reports

The Auditor will:

- a. provide the financial statement auditor’s report, addressed to the Board of Education, School District No. 62 (Sooke) and the Minister of Education¹, having format and content consistent with Canadian Auditing Standards;
- b. provide the Board of Education, School District No. 62 (Sooke) with the auditor’s reports in sufficient time to enable the District to meet any statutory reporting requirements such as timing and distribution where the report is needed for inclusion in the Public Accounts of the Province, or must be submitted to the responsible minister. The timing for the report is no later than the fourth Tuesday in September. This date is based on current information and is subject to change. See Section 3.3 for other Key Dates.

3.2. Other Reporting Requirements

3.2.1. Role of the Auditor General

The Auditor General is the auditor of the Summary Financial Statements of the Province of British Columbia. The Summary Financial Statements are the financial statements of the government reporting entity. The government reporting entity consists of ministries, Crown corporations, and other government organizations such as universities, colleges, school districts, health authorities, and similar organizations that are controlled by the Provincial government.

¹ Reporting to the Minister responsible is a specific requirement of paragraph 11(3) of the Auditor General Act.

In order to provide an opinion on the Summary Financial Statements of the Province, the Auditor General intends to rely on the work of the Auditor pursuant to Canadian Auditing Standards. The Auditor will, as auditor of the District, communicate with the Auditor General concerning his or her intended reliance.

In order to provide an opinion on the Summary Financial Statements of the Province, the Auditor General must be assured that the financial statement audit process for government organizations is sufficient to rely on. In order to obtain this assurance, the Auditor General will carry out directly a limited number of audits and will participate, to varying degrees, in other audits. In some cases, the Auditor General will be extensively involved in the planning, examination and reporting phases of the audit. The involvement of the Auditor General will supplement, not replace, the work of the Auditor and will not relieve nor interfere with the Auditor's duties to the Board.

The Auditor General will consult with the District about the level of involvement expected for each year's financial audit. The District will advise the Auditor each year about the expected level of involvement of the Auditor General in that year's financial audit.

3.2.2. Reporting Impact of not applying Public Sector Accounting Standards (PSAS)

As the District prepares its financial statements in compliance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, there are additional reporting requirements to the Auditor General. The Auditor General is required by legislation to report on the fair presentation of the summary financial statements of the Province in accordance with PSAS. Therefore, the Auditor General will require the Auditor to report on how the accounts would differ had they been reported in accordance with PSAS. Note that this requirement does not apply to balances and transactions between the District and the Province, as these amounts are eliminated when consolidated into the Province's summary financial statements.

3.3. Key Audit Dates

The key audit dates for the financial audit are as follows:

Event	Key Audit Date for each Fiscal Year
Presentation of Audit Plan to the Audit Committee	3 rd Tuesday in April
Completion of interim audit work	May
Completion of year-end field work	2 nd and 3 rd week in August
Near final draft of financial statements sent to Auditor	3 rd week in August
Final unsigned financial statements sent to Auditor	August 31
Draft Audit Report and Management Report available for review	1 st week in September
Presentation of Final Report to the Audit Committee	3 rd Tuesday in September
Financial statements and annual report approved by the Board	4 th Tuesday in September
Entity reporting deadline for OCG	September 30
Auditor reports to the Office of the Auditor General	September 30

3.4. Management Letter

The Auditor will prepare a management letter for the financial audit that highlights observations and recommendations related to internal control, accounting issues, or other matters identified during the audit. A request for a copy of the management letter will be included in the annual reliance letter sent by the Auditor General to all government organization auditors.

While performing the audit, the Auditor must be mindful that the public and legislators expect the District to conduct business in a proper and prudent manner, giving every regard to spending employers' money wisely. The Auditor should remain alert while carrying out the audit for significant instances or patterns of behaviour that give rise to concerns about:

- a. accountability in the use and management of employers' monies;
- b. waste or misuse of the District resources;
- c. probity in behaviour; or
- d. compliance with financial and other legislation.

A request for a copy of the management letter will be included in the annual reliance letter sent by the Auditor General to all government organization auditors.

4. Determination and Payment of Fees

The Auditor will invoice School District No. 62 (Sooke) for the audit fees for services completed as contemplated under this Request for Proposals. Amounts billed will be according to the tendered amounts set out in the Service Agreement with the Auditor.

After completion of the first year under the Service Agreement, either the Auditor or the District may call for a meeting to determine whether the audit fees for the remaining two years should be revised. Such a meeting may only be convened if:

- a. There has been or will be a significant change in the size and scope of the District's operations that has resulted, or will result, in changes to the nature and extent of the audit work and that could not have been anticipated at the closing date of the RFP;
- b. There have been significant changes to professional standards for carrying out an audit in accordance with Canadian Auditing Standards, where such changes were not known and could not have been anticipated at the closing date of the RFP;
- c. There have been significant changes to accounting standards or the accounting framework adopted by the District that has resulted, or will result, in changes to the nature and extent of the audit work and that could not have been anticipated at the closing date of the RFP; or

In the event that additional work needs to be performed in any particular year to meet Canadian Auditing Standards due to issues outside of the control of the Auditor, the Auditor will discuss with the District whether an additional fee may be charged for such work. The Auditor will provide the District with full details of such additional audit work and the reasons for it.

5. Information about School District No. 62 (Sooke)

5.1. Description

School District No. 62 (Sooke) has approximately 11,400 students and serves the communities of Sooke, Port Renfrew, Metchosin, Highlands, Langford and Colwood. Surrounded by forests, ocean, mountains and lakes, we are located a short distance from Victoria.

The District is home to 26 schools: 18 Elementary, 4 Middle, 3 Secondary, and 1 Alternate/Adult.

Financial Magnitude

The 2019/20 Annual Budget and prior years' Audited Financial Statements for the District are available on the District's website:

<http://www.sd62.bc.ca/about/financial-information/>

Reporting Requirements

The Ministry of Education requires school boards to account fully for how they manage and spend the government's education funding.

School District Financial Reporting provides school boards with a financial reporting framework. It also works with all boards to provide them with instructions and direction on budgeting, accounting and the reporting of the funds they receive from both the Ministry and other sources. More information is available from the Provincial Government website at:

<https://www2.gov.bc.ca/gov/content/education-training/k-12/administration/resource-management/school-district-financial-reporting>

5.2. Key Information System

The key financial statement components or processes are tabulated below.

Financial Statement Component or Key Business Process	Key Application Name
HR, payroll, finance management	PowerSchool’s atrieveERP
Online cash payments, school funds	KEVGroup’s School Cash Suite
Student Information System – enrolment management which determines operating grants	MyEducation BC
International student program invoicing	TRUE North

5.3. Audit Responsibility

The overall responsibility for the audit rests with Harold Cull, Secretary Treasurer.

5.4. Work Done by School District No. 62 (Sooke) Staff

A major objective of the District is to ensure quality audits and services at a reasonable cost. Accordingly, the District staff are prepared to assist the Auditor by providing information, documentation and explanations as required. Assistance would include the following:

- a. Preparation of financial statements, including notes and schedules;
- b. Preparation of year-end working papers and lead sheets;
- c. Preparation of accounting schedules and reconciliations;
- d. Comparative analysis of current and prior results;
- e. Location of documentation supporting transactions selected for testing;
- f. Typing of confirmations and other related correspondence;
- g. Other reasonable assistance as required by the Auditor.

The above would include meetings with audit staff during the planning and field work stage of the audit. All the District staff involved with the audit process are located at 3143 Jacklin Road, Victoria, BC, V9B 5R1 or various school locations.

5.5. Audit Committee

The District has an Audit Committee, which assists the Board in fulfilling its oversight responsibilities by reviewing:

- a. the financial and performance information that will be provided to the Province and the public;
- b. the systems of internal controls, that Management and the Board have approved;
- c. all audit processes;
- d. compliance with laws, regulations and policies that may apply to the District.

5.6. Internal Audit

School District No. 62 (Sooke) is currently procuring internal audit services for the 2019/20 fiscal year.

REQUEST FOR PROPOSALS ADMINISTRATION

The following terms and conditions apply to this RFP and to the subsequent Service Agreement. Submission of a proposal in response to this RFP indicates acceptance of all the terms and conditions that follow and that are included in any addenda issued by School District No. 62 (Sooke). Provisions in proposals that contradict any of the terms of this RFP will be as if not written and do not exist.

6. Definitions

Throughout this Request for Proposals, the following definitions apply:

- “Contract” or “Service Agreement” means the written agreement resulting from this Request for Proposals executed by School District No. 62 (Sooke) and the Auditor;
- “Auditor” means the successful Proponent to this Request for Proposals who enters into a written Contract with School District No. 62 (Sooke);
- “the District” means School District No. 62 (Sooke);
- “must”, or “mandatory” means a requirement that must be met in order for a proposal to receive consideration;
- “Proponent” means an individual or a company that submits, or intends to submit, a proposal in response to this Request for Proposals;
- “Province” means Her Majesty the Queen in Right of the Province of British Columbia and includes School District No. 62 (Sooke);
- “Request for Proposals” or “RFP” means the process described in this document; and
- “should” or “desirable” means a requirement having a significant degree of importance to the objectives of the Request for Proposals.

7. Request for Proposals Process

Proponents are advised to fill out and return the Receipt Confirmation Form (Appendix A).

7.1. Enquiries

All enquiries related to this Request for Proposals are to be directed, in writing by email, to the contact persons identified on the front page of this Request for Proposals.

Information obtained from any other source is not official and should not be relied upon. Responses to enquiries concerning clarification of the terms of this Request for Proposals or information included in it will be provided to those Proponents who have returned the Receipt Confirmation Form. Enquiries must be communicated to the contact persons at least five days prior to the RFP closing date. Where possible, responses will be provided within two business days.

7.2. Closing Date and Time

Proposals must be received by Thursday, October 31, 2019 at 16:00 Pacific Time.

Electronic proposals must be sent by email to David Lee-Bonar, Manager of Financial Reporting & Analysis at dleebonar@sd62.bc.ca. Electronic proposals must be a single PDF document (i.e. do not send multiple PDF documents or other attachments). Any text in the email sent to David Lee-Bonar, Manager of Financial Reporting & Analysis will not be considered part of the Proponent's proposal.

7.3. Late Proposals

Late Proposals or Proposals received by any other means other than email will not be considered. It is the Proponent's sole responsibility to ensure their Proposal is received when, where and how it is specified in this RFP document. The District is not responsible for lost, misplaced or incorrectly delivered Proposals.

Electronically submitted Proposals will be deemed to be successfully received when the time as posted on the received email is at or before the Closing Date and Time. The District will not be liable for any delay for any reason including technological delays, spam filters, firewalls, job queue, file size limitations, and alike.

8. Proposal Format

The following format and sequence must be followed in order to provide consistency in Proponents' responses and to ensure each proposal receives fair consideration. All pages should be consecutively numbered.

- a. Proposal Transmittal Form (see Appendix B) - the Proposal Transmittal Form must be signed by a person authorized to sign on behalf of the Proponent and to bind the Proponent to statements made in response to the RFP.
- b. Table of Contents for proposal, including page numbers.
- c. The body of the proposal, including pricing. The proposal should address all factors identified as the assessment criteria in the same order as they are described in the criteria. Failure to address all criteria will impair the proposal. School District No. 62 (Sooke) will not seek clarification of vague or incomplete information.

- d. The price for each year must be in Canadian dollars, be all-inclusive, including applicable taxes, and be firm for the entire period covered by the Service Agreement, subject to Section 4 of this RFP.
- e. The Proponent must include statements:
 - i. confirming that the Proponent's proposed audit teams are independent² from School District No. 62 (Sooke), and any non-audit services performed by the Proponent for School District No. 62 (Sooke) will neither prejudice that independence nor be in conflict with any governing code of professional ethics; and
 - ii. providing details of any non-audit services rendered to School District No. 62 (Sooke) in the past three years and the fees relating thereto.

9. Additional Terms

9.1. Eligibility

Proposals will not be evaluated if the Proponent's current or past corporate or other interests may, in the District's opinion, give rise to a conflict of interest in connection with the project described in this RFP. This includes but is not limited to, involvement by a Proponent in the preparation of this RFP. If a Proponent is in doubt as to whether there might be a conflict of interest, the Proponent should consult with the contact persons prior to submitting a proposal.

9.2. Irrevocability of Proposal

Proposals must be open for acceptance for at least 90 days after the closing date.

By submission of a proposal, a Proponent agrees that should its proposal be successful the Proponent will enter into a Service Agreement with the District, with format and content consistent with Appendix D.

9.3. Definition of a Contract

Notice in writing to a Proponent that it has been identified as the successful Proponent and the subsequent full execution of a written Contract will constitute a Contract for services, and no Proponent will acquire any legal or equitable rights or privileges relative to the services until the occurrence of both such events.

² Independence as defined in the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

9.4. Negotiation Delay

If a written Contract cannot be negotiated within thirty days of notification of the successful Proponent, the District may, at its sole discretion at any time thereafter, terminate negotiations with that Proponent and either negotiate a Contract with the next qualified Proponent or choose to terminate the RFP process and not enter into a Contract with any of the Proponents.

9.5. Changes in Proposal

By submission of a clear and detailed written notice, a Proponent may amend, or withdraw, its proposal prior to the closing date and time. At closing time, all proposals become irrevocable.

A Proponent will not change the wording of its proposal after closing, and no words or comments will be added to the proposal unless requested by the District for purposes of clarification.

9.6. Proponents' Expenses

Proponents are solely responsible for their own expenses in preparing a proposal and in subsequent negotiations with the District, if any. If the District elects to reject all proposals, the District will not be liable to any Proponent for any claims, whether for costs or damages incurred by the Proponent in preparing the proposal, loss of anticipated profit in connection with any final agreement, or any other matter whatsoever.

Furthermore, a Proponent, by submitting a proposal, agrees that it will not claim damages, for whatever reason, relating to the Contract or in respect of the competitive process, in excess of an amount equivalent to the reasonable costs incurred by the Proponent in preparing its proposal and the Proponent, by submitting a proposal, waives any claim for loss of profits if no Contract is made with the Proponent.

9.7. Acceptance of Proposal

This Request for Proposals should not be construed as an agreement to purchase services. The District is not bound to enter into an agreement with the Proponent that submits the lowest priced tender or with any Proponent. Proposals will be assessed in light of the evaluation criteria. The District will be under no obligation to receive further information, whether written or oral, from any Proponent.

Neither acceptance of a proposal nor execution of a Contract will constitute approval of any activity or development contemplated in any proposal that requires any approval, permit or license pursuant to any federal, provincial, regional district or municipal statute, regulation or by-law.

9.8. Liability for Errors

While the District has used considerable effort to ensure an accurate representation of information in this RFP, the information contained in this RFP is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate by the District, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve Proponents from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

9.9. Modification of Terms

The District reserves the right to modify the terms of this RFP at any time at the District's sole discretion. This includes the right to cancel this Request for Proposals at any time prior to entering into an agreement with a successful Proponent.

9.10. Ownership of Proposals

All documents, including proposals, submitted to the District become the property of the District. Documents will be received and held in confidence by the District, subject to the provisions of the *Freedom of Information and Protection of Privacy Act* and this RFP.

9.11. Confidentiality of Information

Any portion of this document, or any information supplied by the District in relation to this RFP may not be used or disclosed for any purpose other than the submission of proposals.

Without limiting the generality of the foregoing, by submission of a proposal, the information pertaining to the District obtained by a Proponent as a result of participation in this bid is confidential and must not be disclosed except as required to fulfill the obligations of the Auditor under the Service Agreement.

9.12. Collection and Use of Personal Information

Proponents are solely responsible for familiarizing themselves, and ensuring that they comply, with the laws applicable to the collection and dissemination of information, including resumes and other personal information concerning employees and employees of any subcontractors. If this RFP requires Proponents to provide the District with personal information of employees who have been included as resources in response to this RFP, Proponents will ensure that they have obtained written consent from each of those employees before forwarding such personal information to the District. Such written consents are to specify that the personal information may be forwarded to the District for the purposes of responding to this RFP and use by the District for the purposes set out in the RFP. The District may, at any time, request the original consents or copies of the original consents from Proponents and upon such request being made the Proponents will immediately supply such originals or copies to the District.

9.13. No Lobbying

Proponents must not attempt to communicate directly or indirectly with any employee, contractor or representative of the District, including the evaluation committee and any elected officials of the Province or with members of the public or the media about the project described in this RFP or otherwise in respect of the RFP other than expressly directed or permitted by the District.

9.14. Reciprocity

The District may consider and evaluate any proposals from other jurisdictions on the same basis that the government purchasing authorities in those jurisdictions would treat a similar proposal from a British Columbia supplier.

10. Evaluation

Evaluation of proposals will be by a committee formed by the District and may include employees and contractors of the District. All personnel will be bound by the same standards of confidentiality. The District's intent is to enter into a Contract with the Proponent who has the highest overall ranking.

10.1. Unsuccessful Proposals

At the conclusion of the RFP process, all Proponents will be notified. Unsuccessful Proponents may request a debrief meeting with the District.

Event	Date
Request for Proposals issued	September 25, 2019
Request for Proposals closes	October 31, 2019
Proposal evaluations completed	November 29, 2019
Service Agreement signed	January 2019

10.2. Timetable

The below timetable provides the anticipated schedule for the RFP process and signing of a Service Agreement. The timing and the sequence of events resulting from this RFP may vary and shall ultimately be determined by the District.

10.3. Basis for Selection

The District will first check proposals against the mandatory requirements in section 10.3.1. Proposals not meeting all mandatory requirements will be rejected without further consideration. Proposals that meet all the mandatory requirements will then be assessed and scored against the criteria for assessment as per section 10.3.2.

10.3.1. Mandatory Requirements

The following are mandatory proposal requirements. Proposals not clearly demonstrating that they meet these requirements will receive no further consideration during the evaluation process.

- a. The proposal must be received either by email, hand or courier by the specified closing date and time.
- b. The Proposal Transmittal Form (see Appendix B) must be signed by a person authorized to sign on behalf of the Proponent.
- c. The proposal must be in English and must not be sent by facsimile.
- d. The Proponent must provide written confirmation that the Proponent's proposed audit teams are independent of the District.

10.3.2. Criteria for Assessment

Proposals meeting the mandatory requirements will be assessed against the evaluation criteria indicated below. The District is aware of the benefits that can arise from a good quality audit. Accordingly, attributes concerning quality of the Auditor and audit team, and proposed audit strategy, are emphasized below. The following criteria must be specifically addressed in the proposal submission. Failure to address all factors will impair the proposal and the District will not be obliged to seek clarification or inclusion of vague or incomplete information in making its selection. The lowest proposal in terms of all-inclusive maximum cost will not necessarily be accepted.

It is the responsibility of the Proponents to ensure that their proposals address all the requirements established in the evaluation criteria.

Capability of Proponent and Audit Team	45%
1. The location(s) and size of the Proponent, the experience and capabilities of its partners, managers and staff in the financial audit of organizations similar to the District.	
2. The proposed financial audit team's experience in the financial audit of similar organizations and in other public bodies, and details of skills or experience which are directly relevant to the capacity of the team to conduct the financial audit of the District (please provide short bios of the key members of the proposed audit team).	
3. The availability of other specialized services that may be necessary for the financial audit engagement.	
4. The availability of resources to ensure the financial audit engagement deadlines are met.	
5. Expected turnover of staff assigned to the financial audit engagement over the next two to five years (based on historical experience).	
6. Information on contributions made by the Proponent in improving the financial administration of other public bodies.	
7. Quality assurance, quality control, and peer review processes of the Proponent as they would apply to the financial audit engagement.	
8. The Proponent's internal risk management techniques for liability, personnel and business loss exposures as they would apply to the financial audit engagement.	
9. The Proponent's policies on notification to clients of changes in key personnel or service level.	
10. References – the District may, at its sole discretion, request references if necessary.	
Proposed audit strategy	35%
11. General financial audit strategies and methodology employed by the Proponent.	
12. The depth of the perceived audit needs and understanding of the key issues facing the District, the implications of those issues for the conduct of the financial audit, and particularly the audit strategies and methodology for the financial audit including, but not limited to: <ul style="list-style-type: none"> a. preliminary audit plan and risk assessment, including IT audit approach; b. risk response (e.g. controls testing, detailed and analytical substantive procedures etc.); c. use of auditor's experts or specialists; d. utilization of computer assisted audit techniques; e. reporting deliverables; and f. audit approach to the external actuary's work and other key service providers/organizations; 	
13. An audit engagement time budget (use Appendix C).	
Fee	20%
14. The cost up to a committed maximum cost for which the requested work will be performed for each year of the term of the Service Agreement. These amounts should include: <ul style="list-style-type: none"> a. professional fees of audit and support staff; and b. estimated out-of-pocket expenses (based on approved government rates where applicable). 	
Total	100%

APPENDIX A
RECEIPT CONFIRMATION FORM

REQUEST FOR PROPOSALS
FOR THE AUDIT OF

School District No. 62 (Sooke)

For any further distributed information about this Request for Proposals, please return this form by email as soon as possible to:

David Lee-Bonar, Manager of Financial Reporting & Analysis
Email: dleebonar@sd62.bc.ca

Company: _____

Street Address: _____

City: _____ Postal / Zip Code: _____

Province/State: _____ Country: _____

Mailing Address, If Different: _____

Fax Number: _____ Phone Number: _____

Contact Person: _____

Title: _____

Email Address: _____

Any subsequent information about this Request for Proposals will be sent to the E-Mail address noted above.

APPENDIX B

PROPOSAL TRANSMITTAL FORM

For electronic proposals, a person authorized to sign on behalf of the Proponent must complete and sign the Proponent section below, leaving the rest of this page otherwise unaltered, and include a scanned version of the originally-signed and completed page as the first page of the PDF document submitted.

The enclosed proposal is submitted in response to the above-referenced Request for Proposals, including any addenda. Through submission of this proposal we agree to all of the terms and conditions of the Request for Proposals and agree that any inconsistent provisions in our proposal will be as if not written and do not exist. We have carefully read and examined the Request for Proposals, including the Administrative Section, and have conducted such other investigations as were prudent and reasonable in preparing the proposal. We agree to be bound by statements and representations made in our proposal.

Proponent's Full Legal Name: _____

Address of Proponent: _____

Signature of Person Authorized to contract on Behalf of Proponent: _____

Name and Title of Authorized Person: _____

Date of Signing: _____

APPENDIX C

AUDIT TEAM COMPOSITION AND BUDGETED AUDIT HOURS

School District No. 62 (Sooke) Financial Audit				
Fiscal year July 1, 2019 to June 30, 2020				
Audit role	Audit Phase			Total Audit Hours
	Audit Planning Hours	Audit Fieldwork Hours	Review and Reporting Hours	
Audit Engagement Partner				
Audit Engagement Quality Review Partner				
Audit Engagement Manager/Lead				
Other CPA qualified audit team member/s				
Other unqualified audit team member/s				
Other Technical Expert/s				
CISA Qualified IT Auditor/s				
Other IT Auditor/s				
[Other roles]				
Total Audit Hours				

Note: One table should be completed for each audit year where the audit hours differ. The audit hours of each team member should be clearly identifiable.

SERVICE AGREEMENT

Between:

School District No. 62 (Sooke)

and

<<Name of Successful Proponent>> (the Auditor)

Whereas School District No. 62 (Sooke) requires an audit of its financial statements and the Auditor has agreed to perform the audit of School District No. 62 (Sooke) pursuant to this Service Agreement. The parties agree as follows:

The Auditor agrees:

1. To perform the audit of the financial statements of School District No. 62 (Sooke) for the reporting year(s) ending <<Date>> to <<Date>> inclusive.
2. To express an audit opinion as to whether the financial statements are prepared, in all material respects, in accordance with section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.
3. Where requested, to assist School District No. 62 (Sooke) to meet all statutory and reporting requirements where financial information or an auditor's report is needed.

School District No. 62 (Sooke) agrees to:

1. Pay the Auditor’s fees and expenses, up to the maximums set out below, for satisfactory performance of the financial audit.

Audit of Financial Statements		
Year ended	Professional Fees (maximum)	Expenses (maximum)
<<Year end date>>		

These fees and expenses are subject to Provincial Sales Tax and Goods and Services Tax.

2. Maintain a system of internal control that is adequate to permit accurate financial and performance reporting by School District No. 62 (Sooke).
3. Prepare annual financial statements for School District No. 62 (Sooke) in accordance with section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, including disclosure of significant accounting policies adopted by School District No. 62 (Sooke).
4. Disclose all liabilities and debt obligations, claims and contingent liabilities, related party transactions, and all material agreements and transactions.
5. Make all financial and operational records available to the Auditor on a timely basis.
6. Be available on an ongoing basis to discuss audit issues with the Auditor as they arise.
7. Keep the Auditor informed of any matters that School District No. 62 (Sooke) becomes aware of that could affect the Auditor’s conduct of the audit.
8. Provide a management representation letter, in accordance with Canadian Auditing Standards, that meets the reasonable requirements of the Auditor.

The Auditor will:

1. Prepare an Audit Planning Report for review and approval of the Audit Committee of School District No. 62 (Sooke).

2. Complete the audit work in sufficient time to enable School District No. 62 (Sooke) to meet any reporting deadlines imposed by legislation, the Board or the Office of the Comptroller General.
3. Perform the financial audit in accordance with the Audit Planning Report in a thorough, timely and professional manner.
4. Perform its audit duties under this Service Agreement according to Canadian Auditing Standards and the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.
5. At the request of the Audit Committee, participate in any audit related discussions with the Audit Committee, Board or management of School District No. 62 (Sooke).
6. Remain alert while carrying out the audits for significant instances or patterns of behaviour that give rise to concerns about:
 - a. accountability in the use and management of employers' monies;
 - b. waste or misuse of School District No. 62 (Sooke) resources;
 - c. probity in behaviour; or
 - d. compliance with financial and other legislation.

The Auditor will advise the Audit Committee of any concerns as they are identified.

7. Unless approved by School District No. 62 (Sooke), complete its audit work consistent with the audit strategy and audit methodology proposed by the Auditor in the Proposal, which has been included as Attachment 2 to this Service Agreement.
8. Prepare a Final Report to the Audit Committee of School District No. 62 (Sooke), including management letter, for the financial audit
9. Discuss the Final Report with the Audit Committee and management of School District No. 62 (Sooke).
10. At the end of the term covered by this Service Agreement, make its School District No. 62 (Sooke) audit files available for review if so requested by the audit firm succeeding as auditor of School District No. 62 (Sooke).

Other:

1. The Auditor will notify the Audit Committee as soon as possible if unanticipated issues could delay completion of the audit engagements.

2. The Auditor will notify the Audit Committee of any significant or key staffing changes proposed from the Auditor's Audit Team Staffing Plans.
3. The Auditor will provide the Audit Committee with an annual declaration confirming that the staff assigned to the audit of School District No. 62 (Sooke) maintained their independence, in accordance with Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, throughout the conduct of the audit engagements.
4. The Auditor will immediately notify the Audit Committee in writing of any threat to independence or conflict of interest that arises respecting the audit engagements.
5. The Auditor will consult with the Audit Committee prior to offering or agreeing to provide other services to School District No. 62 (Sooke).
6. The Audit Committee of School District No. 62 (Sooke) and the Auditor agree that they will attempt to resolve any dispute arising in relation to the services provided under the terms of this Service Agreement by discussion between Harold Cull, Secretary Treasurer on behalf of School District No. 62 (Sooke), and the engagement partner, on behalf of the Auditor, before taking any legal action to enforce the terms of this Service Agreement.
7. The Auditor will, except as may be required to be disclosed by law or professional standards, keep strictly confidential, and will ensure that its employees and other representatives keep strictly confidential, all information concerning School District No. 62 (Sooke) acquired through activities related to this Service Agreement.
8. The Parties designate the following individuals as their initial contacts for the financial audit under this Service Agreement.

School District No. 62 (Sooke)

Harold Cull, Secretary Treasurer

Auditor

<<Name>>, Engagement Partner

9. The terms of the Request for Proposals, attached as Attachment 1 to this Service Agreement, form part of this Service Agreement except where there is a conflict with the terms of the Service Agreement in which case the Service Agreement prevails.
10. If there is a conflict between the terms of the Request for Proposals and the Auditor's Proposal, the former prevails.
11. The Auditor must be registered with WorkSafeBC (the Workers' Compensation Board of BC), in which case WorkSafeBC coverage must be maintained for the duration of the Service Agreement.
12. The Auditor will not advertise their relationship with School District No. 62 (Sooke) or use School District No. 62 (Sooke)'s name or any contents of this Service Agreement in any

advertising, mailing list or publication, written or verbal, except where the Auditor has been given written approval by School District No. 62 (Sooke).

13. The Auditor will not, without the prior written approval of School District No. 62 (Sooke):
 - a. assign, either directly or indirectly, this Service Agreement or any right of the Auditor under this Service Agreement; or
 - b. sub-contract any obligation of the Auditor under this Service Agreement.
14. Neither party will be liable for any failure or delay to perform that party's obligations resulting from any cause beyond that party's reasonable control, including but not limited to fires, explosions, floods, strikes, work stoppages or slow-downs or other industrial disputes, accidents, riots or civil disturbances, acts of civil or military authorities, inability to obtain any license or consent necessary in respect of use with any telecommunications facilities, or delays caused by carriers, suppliers or material shortages.
15. The Auditor is required to maintain Comprehensive Commercial General Liability insurance in a minimum amount of not less than \$2,000,000 per occurrence for the duration of the Service Agreement.
16. When using School District No. 62 (Sooke) premises, the Auditor will comply, and will take all reasonable steps to ensure that their staffs comply, with all security requirements in effect for those premises.
17. This Service Agreement will be governed by and construed according to the laws of the Province of British Columbia.
18. This Service Agreement may be cancelled by School District No. 62 (Sooke) by written notice at any time if, in the opinion of School District No. 62 (Sooke):
 - a. the audit work of the Auditor does not meet Canadian auditing standards, or
 - b. the audit work of the Auditor is carried out in a manner inconsistent with the Auditor's proposal, or
 - c. the Auditor's staff assigned to the audit of School District No. 62 (Sooke) have not maintained their independence, in accordance with Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, throughout the conduct of the audit engagements.
19. The Auditor shall indemnify and save harmless School District No. 62 (Sooke), its employees and agents from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by School District No. 62 (Sooke) at any time or times (either before or after the expiration or sooner termination of this Service Agreement) where the same or any of them are based upon or arise out of or from anything done or omitted to be done by the Auditor or by any servant, employee, officer, director or

sub-Contractor of the Auditor pursuant to the Service Agreement excepting always liability arising out of the independent acts of School District No. 62 (Sooke).

Signatures:

The Parties agree to the terms of this engagement.

School District No. 62 (Sooke)

Auditor

Harold Cull, Secretary Treasurer

<<Name>>, Engagement Partner

Date

Date

DRAFT

REQUEST FOR PROPOSALS

[RFP as issued on ___ and, if applicable, modified on _____ to be attached]

AUDITOR'S PROPOSAL

[Auditor's proposal to be attached]



EDUCATION-POLICY COMMITTEE

School Board Office
3143 Jacklin Road
Sept. 10, 2019 – 7:00 p.m.

COMMITTEE REPORT

Present: Trustees – Bob Phillips (Chair), Bob Beckett, Margot Swinburnson
CUPE –
STA – Ed Berlando
PVP – Bryan Johnson
SPEAC – Paula Wilson
Sr. Admin. – Scott Stinson, Dave Strange, Stephanie Hedley-Smith, Paul Block

Regrets: Trudy Court, CUPE

1. **CALL TO ORDER AND ACKNOWLEDGMENT OF FIRST NATIONS TERRITORIES**

We are honoured to be meeting on the traditional territories of the Coast Salish, specifically Esquimalt Nation, Songhees Nation, and acknowledge the three nations SD62 works with directly in our schools: Scia'new Nation, Coast Salish, and T'Sou-ke Nation; including the West Coast Pacheedaht Nation, Nuuchah-nulth. (words gifted by the three Nations SD62 works with)

2. **COMMITTEE REPORT** of June 4, 2019 Education Standing Committee meeting
The committee report of June 4, 2019 was approved as presented.

3. **BAA COURSE PROPOSALS**

a.

4. **REVIEW OF POLICIES/REGULATIONS**

a. Policy Review Work Plan – Scott Stinson

Scott spoke about a work plan that has been developed to review policies and regulations that will require updating. He noted that there are six potential new policies/regulations to be developed. The work will be distributed over time, with a final timeline still to be developed.

5. **NEW BUSINESS**

a. Sponsorships & Donations committee update/Draft New Policy and Regulations B-135 "Sponsorships and Donations" – Scott Stinson

A draft version of the Sponsorships and Donations policy and regulations was presented to the committee. The draft is a reflection of work done by a sub-committee with representation from SPVPA, STA, CUPE, SPEAC and trustees (Swinburnson and Beckett). The draft was reviewed by the Education-Policy committee with some questions and edits offered. The sub-committee is looking for confirmation from the Board that the policy direction being taken is consistent with Board intent. Therefore, the following recommendation is offered to the Board for its consideration:

Recommendation

“That the Board of Education support in principle the direction reflected in the draft policy statement as follows:

The Board of Education believes that sponsorships and donations from individuals, community organizations and corporations may be accepted by the school district in order to enhance, but not replace, Government funding, based on the guiding principles.”

b. Draft New Policy C-426 “Provision of Menstrual Products” – Dave Strange

The Ministry of Education has directed school districts to develop policies regarding the provision of free menstrual products in schools. Dave noted that student feedback will be accommodated with youth representatives from the schools once the system is place.

Recommendation

That the Board of Education give Notice of Motion to draft new Policy C-426 “Provision of Menstrual Products”.

6. **FOR FUTURE MEETINGS – REVIEW OF POLICIES/REGULATIONS**

Refer to Policy Review work plan.

7. **ADJOURNMENT AND NEXT MEETING DATE:** Oct. 1, 2019

Board Info Note Public Board Meeting September 24, 2019

Agenda Item 9.2: Student Reporting Pilot Project Update for 19/20

Introduction

Sooke, SD#62, along with 22 other provincial jurisdictions, has been an active member of the Ministry of Education's Student Reporting Pilot (SRPP), launched in August 2018. Working collaboratively with our stakeholders, SD#62's assessment practices are in transition, shifting to on-going and timely, strength-based descriptive feedback for students and parents with an emphasis on utilizing a variety of formative assessment tools (feedback and coaching in the moment from teachers, peers and students self-assessing), with less emphasis on one time, high-stakes, one-size fits all summative assessments and prescriptive and limiting report card windows.

In the coming year, we will continue to contribute to the conversation and build capacity in preparation for the new Student Reporting Policy and accompanying legislation. At October's Education Policy Committee meeting, we will facilitate a brief presentation for trustees and stakeholders on our progress over the last 12 months and discuss future directions under development.

During the last Board Meeting in July 2019, we discussed that SD#62 has been surveying both our parents and teachers locally and that the Ministry was working towards issuing formal surveys to students, parent and teachers involved in the Student Reporting Pilot Project (SRPP) twice this year as part of our pilot evaluation framework. We (Ministry of Education and Districts participating in the pilot) agreed to survey stakeholders between September 15th and October 15th and again in January 2020.

New developments

The Ministry's survey development and approval process has been slightly delayed. As a result, the Ministry is moving the survey launch to the first week of October 2019. Although we are launching a bit later than we had originally hoped, this new release date will allow participating districts to review the survey tools and the instructions for administration at our next provincial in-person meeting on October 1st.

Breaking News: The Ministry is preparing to launch a new SRPP website with links to our pilot resources, including the "Informed Directions" piece that summarizes the engagement and research that informed the draft Student Reporting Policy for K-9. A link to the new webpage will be included in an upcoming DM Bulletin announcement.

Paul Block – SD#62, Sooke - Associate Superintendent

BOARD ANNUAL WORK PLAN

AUGUST/SEPTEMBER

- Review Strategic Plan and Annual Operating Plan
- Host Leadership Team
- Submit Executive Compensation Disclosure to Public Sector Employers' Council
- Review the audit committee report and management letter and CEO's internal report to ensure fiscal accountability quality indicators are met
- Approve the audited financial statements
- Review proposed Trustee calendar for partner meetings, Board meetings and related functions
- Host PAC Chairs and DPAC reps at welcoming event for the new year
- Approve Annual Board Work Plan (including schedule of meetings)
- Receive summer Capital work report

OCTOBER

- Review enrolment report and school organizations
- Complete Superintendent Growth Plan review
- Recognize World Teachers' Day
- Represent Board at BCPSEA Symposium
- Receive Strategic Plan report
- Represent Board at BCSTA Provincial Council meeting
- Review Superintendent evaluation process

NOVEMBER

- Receive report on District enrolment
- Receive and review Fiscal monitoring report

DECEMBER

- Elect Chair/Vice-Chair
- Make Trustee appointments to committees and community liaison groups
- BCSTA Trustee Academy
- Participate in SBO Christmas Celebration (Chili Cook-off)
- Circulation of Draft Plan Budget Process for input by stakeholders
- Attend school holiday functions

JANUARY

- Receive and review Fiscal monitoring report
- Represent Board at BCPSEA AGM

FEBRUARY

- Approve Amended Budget for current fiscal year
- Review policy positions for submission to BCSTA convention
- BCSTA Provincial Council meeting
- Provide direction through the Board's representative to BCSTA Provincial Council meeting regarding provincial policy matters
- Review administrative budget assumptions for the upcoming year's preliminary budget and set Budget Guiding Principles
- Receive enrolment update

MARCH

- Nominate candidates for Premier's Award of Excellence and BCSTA Innovation Award
- Receive and review fiscal monitoring report
- Receive preliminary budget revenue information for the upcoming year's preliminary budget – Ministry of Education funding announcement
- Approve Local School Calendar
- Receive report on Superintendent Evaluation

APRIL

- Review preliminary draft budgets for the upcoming year
- Attend and participate in BCSAT AGM
- Receive and review fiscal monitoring report

MAY

- Approve terms of engagement and appoint or reappoint auditor
- Approve preliminary budget for upcoming budget year
- Approve school fees
- Approve 5 year Capital Plan for submission to BC Ministry of Education

JUNE

- Host employee Retirement/Long Service recognition reception
- Receive and review fiscal monitoring report
- Complete Superintendent Growth Plan Review and Board Evaluation
- Year-end briefing to review Strategic Plan and other matters
- Receive Strategic Plan update
- Written acknowledgement of contributions by PACs and DPAC and others as appropriate
- Attend graduations and school year-end celebrations
- Receive Na'tsa'maht Annual Report

ONGOING

- Attend trustee development/orientation sessions
- Attend school functions (as invited)
- Review the District's Strategic Plan
- Hear appeals as needed
- Respond to media requests regarding governance matters in consultation with the CEO
- Ratify memoranda of agreement with bargaining units
- Approve disposition/acquisition of real property (lands and buildings)
- Recognize school and community highlights

- Attend Board Liaison meetings as outlined in the Trustee calendar
- Advance Board positions through BCSTA
- Represent Board at BCSTA Branch meeting (VISTA)
- Nominate staff for awards and other recognition for their contributions
- Approve out-of-province/country student trips
- Review and approve policy changes
- Review Long-Range Facilities Plan

DRAFT

BOARD AND COMMITTEE MEETING DATES

2019-20

September 2019

Sept. 10	Education-Policy Committee	7:00 p.m.
Sept. 17	Audit Committee	6:00 p.m.
Sept. 17	Resources Committee	7:00 p.m.
Sept. 24	Board Meeting	5:30 p.m.

October 2019

Oct. 1	Education-Policy Committee	7:00 p.m.
Oct. 8	Resources Committee	7:00 p.m.
Oct. 22	Board Meeting	5:30 p.m.

November 2019

Nov. 5	Education-Policy Committee	7:00 p.m.
Nov. 12	Resources Committee	7:00 p.m.
Nov. 26	Board Meeting	5:30 p.m.

December 2019

Dec. 3	Education-Policy Committee	7:00 p.m.
Dec. 4	Resources Committee	7:00 p.m. PROPOSED
Dec. 10	Board Meeting	5:30 p.m. PROPOSED

January 2020

Jan. 7	Education-Policy Committee	7:00 p.m.
Jan. 14	Resources Committee	7:00 p.m.
Jan. 28	Board Meeting	5:30 p.m.

February 2020

Feb. 4	Education-Policy Committee	7:00 p.m.
Feb. 11	Resources Committee	7:00 p.m.
Feb. 25	Board Meeting	5:30 p.m.

March 2020

Mar. 3	Education-Policy Committee	7:00 p.m.
Mar. 4	Resources Committee	7:00 p.m. PROPOSED
Mar. 10	Board Meeting	5:30 p.m.

April 2020

Apr. 7	Education-Policy Committee	7:00 p.m.
Apr. 14	Resources Committee	7:00 p.m.
Apr. 28	Board Meeting	5:30 p.m.

May 2020

May 5	Education-Policy Committee	7:00 p.m.
May 12	Resources Committee	7:00 p.m.
May 26	Board Meeting	5:30 p.m.

June 2020

June 2	Education-Policy Committee	7:00 p.m.
June 9	Resources Committee	7:00 p.m.
June 23	Board Meeting	5:30 p.m.



**British Columbia School Trustees Association
Discussion Paper – July 2019**

School Site Land Acquisition Issues and Solutions

Context

The BCSTA formed a Capital Working Group (CWG) in September of 2018 to review various BCSTA resolutions adopted by the membership regarding government policy related to capital work in the sector. The review resulted in a recommendation to the BCSTA board to pursue various policy changes within government. That recommendation was subsequently adopted. This brief paper is intended to provide some background and recommendations on one of the issues discussed by the CWG: school site acquisition.

Recommendations to government

- 1. That the required legislative and regulatory changes be introduced eliminating the current cap on School Site Acquisition Charges (SSACs) and requiring school districts to set SSACs at the same level as municipal parkland Development Cost Charges (DCCs) set by the municipal government serving the same geographic area as the school district, (or the equivalent of a standard DCC parkland calculation if the municipality does not have a parkland DCC), adjusted to reflect the comparative land area required for new school sites designated in the local area Official Community Plan.**
- 2. That the required legislative and regulatory changes be introduced requiring municipal governments to include the cost of off-site servicing of new schools in their municipal development cost charges.**
- 3. That legislative changes be introduced to reinforce the requirement that municipal governments collect SSACs set by a school district.**
- 4. That SSACs be updated to reflect current land values on the same cycle that park land development cost charges are adjusted by municipal governments.**
- 5. That over the next ten years the percentage of provincial funding provided (in addition to SSACs) to facilitate school site acquisitions noted in the current regulations be gradually reduced from 65% of the total cost to as little as possible of the total cost, recognizing the proposed increases in SSAC payments anticipated in recommendation one will take time to be collected.**

6. That school site acquisitions continue to be approved by the provincial government even if the locally collected SSACs do not add up to 65% of the cost to acquire, given the urgent need to proceed with new school construction in growing areas.
7. That school site acquisitions be authorized and encouraged to take place within five years of an Official Community Plan being adopted which identifies designated school sites or, at the earliest reasonable opportunity, upon request of a property owner, first utilizing available SSACs and additional funding as required from the Ministry of Education .
8. That developers continue to be provided with the option of dedicating designated school sites to the school district in return for the payment of SSACs being forgiven.
9. That municipal governments and school districts be encouraged (and possibly required) to enter into a purchase agreement wherein the local government front ends the acquisition of a school site designated in an Official Community Plan (OCP) utilizing available SSACs and additional funding from the local government which is to be paid back with interest through a combination of the collection of future SSACs and provincial government payments once approved in the school district's capital plan.

Background / issues to be resolved

Official Community Plans

Municipal governments are given the authority to adopt Official Community Plans (OCPs). The relevant legislation is found in the *Local Government Act* (Part 14, Division 4). OCPs identify acceptable land uses (among other policy matters) and the relationship between various land uses (residential, commercial, industrial, transportation and utility corridors, public amenities including parks and schools, etc.). Land use designations are also influenced by Agricultural Land Reserve boundaries, by defined environmentally sensitive areas and by environmental protection policies (i.e. stream setbacks etc.). Land use decision making is fine-tuned at the point of development applications being considered through more detailed planning. However, once privately owned lands are designated for a particular use within an OCP there can be a reasonable expectation that it will eventually be used for that purpose subject only to the detailed planning mentioned above.

Municipalities are required to consult with school districts on the requirements for school sites within an OCP based on residential growth anticipated in the plan. The purpose of designating school sites at this point is to ensure the land being set aside for this purpose is suitable for its intended use. If municipal governments do not designate school sites at the point of adopting their OCPs there is a significant risk that appropriate sites will either not be available when needed or will be less desirable (i.e. hillside land which is more difficult and expensive to develop).

Timing of school site acquisitions

In order to secure the sites required to accommodate the school facilities needed to respond to anticipated residential growth, they need to be acquired in a reasonable period of time following their designation within an OCP. Once land is designated as a school site in the OCP the owners are precluded from using it for another purpose (other than what it's current zoning permits) unless the OCP and zoning are amended. It has been suggested that government should require municipalities to rezone school sites for school purposes once an OCP is amended to ensure development under current zoning does not further frustrate the use of the land for school purposes.

This does lead to the private owners of designated school sites asking school districts to either purchase the designated site at fair market value, based on highest and best use, or give it up so they can develop it for other uses (often residential development). There is legal precedent established to suggest governments must demonstrate their intent to purchase sites designated in an OCP for a public purpose within a reasonable time period following such designation or give up the site (*Hall vs Maple Ridge 1993*). In the past, school site acquisitions have been delayed until a decision to move ahead with school construction is imminent, resulting in residential development encroaching on designated school sites which have still not been authorized for purchase in capital plans.

There are some circumstances where the scope of a single development is so large (i.e. a few thousand residential units) that the developer can be required to dedicate the school and park sites needed to serve the neighbourhood they are developing as a condition of that development. This is usually part of a servicing agreement in which DCCs and SSACs are forgiven equivalent in value to the value of the land being dedicated. Although this has happened in communities like Coquitlam, it is actually quite rare that a single development proposal is so large that it can accommodate that type of school site and park dedication.

Rationale for delays in purchasing

Delays in purchasing school sites have been justified in the past by suggesting that a new school may or may not be required in the area in the future and that the cost to the province to proceed with the purchase is significant if insufficient SSACs are available. With this rationale school site acquisitions are not authorized to proceed until the school district and Ministry of Education are relatively close to deciding to build a new school. The problem with this approach is:

- Pressure from land-owners of designated sites who want to sell their land often begins far in advance of government being prepared to acquire the property and build a school.
- Courts can order removal of the OCP designation if requested to do so by the land-owners if governments are not prepared to follow through with acquisitions.
- The price of the land to be acquired can increase exponentially over time and could be subject to lengthy and costly expropriation proceedings.

Inadequacy of current SSACs

Part of the delay in moving ahead with acquisitions has at least in part to do with the inadequacy of funding for the purchase. SSACs have not kept up with increasing land values having been capped at no more than \$1,000 per single family residential unit when they were first introduced in 2000 (BC REG 17/00). That amount, and the capped amounts for other residential types, have not changed since that time and do not reflect varying land values in different geographical areas of the province. The inadequacy of SSACs has led to more and more capital funding needing to be provided by the provincial government which has contributed to even more justification for the delay in acquiring needed lands. In fact, the ratio between the amount of funding being provided by SSACs and direct provincial funding is heavily weighted to the provincial funding side of the equation. Although it can vary depending on specific circumstances, the current formula embedded in the regulation addressing this subject suggests 65% of the cost will be covered by government while SSACs collected for that purpose account for the remaining 35%. In fact, the ratio over the last year has meant provincial funding of over 90% of the total cost.

In our view development should be covering close to if not 100% of the cost of land acquisition for the public services needed to support that development through much increased SSACs which are more frequently reviewed and adjusted to reflect current land values. We do not believe merely increasing the cap on SSACs in the current regulations will address the long-term problem.



The cost of off-site servicing required by municipal governments is another cost that should be a simple cost of development. We are suggesting that such servicing be required to be provided by municipal governments and funded through their own development cost charges.

Some would suggest additional contributions should be made for school building development as well, similar to municipal government amenity charges which are used to build fire halls and recreation centres. We are not suggesting the introduction of school amenity charges at this point but increasing the amount that development pays toward school site acquisition and off-site servicing makes sense. Tying SSACs to how park land acquisition DCCs are calculated (or a similar calculation) is one way to ensure regular reviews of the charges so they reflect current local land values. Taking this approach would increase the percentage of school site acquisition costs being covered by development. We believe that, eventually, the additional funding this would add to the system would allow for earlier, more sensible, acquisition timing and the redirection of money currently being spent on land acquisition to other areas of need within the public school system.

Inflation / increased land values

More recently, over the last decade or so, another downside to delaying the purchase of school sites has become apparent. Inflationary and speculative pressures tied to rapid growth have increased land values significantly. Delays in purchasing land which will eventually be needed have resulted in millions of dollars of increased costs, some sites more than doubling in value in under two or three years. We know the pace and scope of the increases reflected in this recent trend will likely not continue, but some significant cost increases are still likely over the long-term. There are limits to the developable land area in the south coast area in particular, which boasts the most desirable climate in the country. The case for purchasing land for school sites is at least a good investment, even if they are eventually not needed for schools. We are not suggesting land acquisition as an investment policy, but we are suggesting that land acquisitions are a relatively low-risk long-term investment for government, especially in rapidly developing areas of the province.

All of this suggests the need to acquire designated school sites in a timelier fashion and to generate sufficiently increased revenue through increased SSACs to make that possible.



What about the increased cost of housing?

One of the arguments against this change which may be advanced by those in the development community is that any increase in charges like SSACs will result in increased housing costs at a time when governments are trying to keep the cost of housing down. In our view, it is the competitive market that dictates pricing and the relatively small increase to the overall price that would be represented by increasing SSACs would be minimal, albeit reflected in the bottom line of the development community.

It does seem to us to be inconsistent that the bulk of the cost of some public amenities and services required to support development are being passed along by municipal governments in the form of DCCs and amenity charges but not by the provincial government with respect to schools in the form of appropriate SSACs.

Transition

The implementation of increased SSACs will not have an immediate impact on land acquisitions which need to be addressed in the near term. However, making the changes now will have a longer-term impact. Government fronting of current costs could possibly be tied to some kind of reimbursement to the province for up front acquisition costs from increased SSACs collected at a later date to a pre-determined threshold. We've suggested government change the percentage to be covered by SSACs ultimately to 100%. It could be a greater or lesser amount at government's discretion (per BC REG 17/00).

We are aware of some local governments willing to address the delay in the acquisition of designated school sites by fronting acquisitions if school districts and the provincial government do not currently have the resources to move ahead. This would require the municipality to enter into a purchase agreement with the school district which identifies repayment with interest over time, as SSACs and additional provincial funding become available. Naturally, this would require ministerial approval but should not be precluded if it makes sense. Moreover, the ministry may wish to make such agreements a requirement of school districts and municipal governments to absolutely avoid the issues noted above.



Savings

A further argument for increasing SSACs to better reflect actual land values is reducing the amount needed to be funded by the provincial government. The amount of money spent by the province as its share of land acquisitions over the past year was \$42.1M. Interestingly, the total added to that amount from SSACs was only \$1.6 million, meaning the 65/35 formula was not followed due to the specific circumstances encountered and the urgent need for the land in order to proceed with new school construction. In that instance provincial funding actually covered 96% of the cost.

If SSACs had been collected over the years in the fashion we are suggesting sufficient to cover even 65% of the total cost of land acquisition the savings in provincial funding for the last year would have been in the order of \$26.8 million. Of course, funding of 100% through SSACs would mean a saving of the entire \$42.1 million. Although it will take some time to make the change and collect higher SSACs we are recommending the savings which are achieved through this change be redirected to address other capital needs, like the growing level of deferred maintenance in our public schools. That does not mean additional funding is not also required to adequately address deferred maintenance needs, but acknowledges any savings achieved as suggested could be part of the solution.

Conclusion

We understand government is currently considering changes to school site acquisition charges and possibly increasing the current cap on the amount that can be collected. While BCSTA views that as a positive step, we believe a longer-term solution is required that passes the largest part of school site acquisition costs and 100% of off-site servicing along as an appropriate cost of land subdivision, development and housing densification. The alternative is to continue paying what amounts to 65% (according to the regulation) or over 90% (in reality) of the cost of land acquisitions, plus the cost of off-site servicing, to accommodate growth in certain areas by using provincial tax revenues provided by all taxpayers of the province. In the current system, taxpayers are considerably subsidizing development. As noted above, there are other capital needs in the public school system which could be addressed if savings from an appropriate change in the formula for school site land acquisitions and off-site servicing can be achieved.