

Administrative Memorandum

Regular Board Meeting

Date: September 11, 2019
Topic: Financial Statements Year Ended 2019-06-30
Submitted by: D. Greg Frank, Secretary-Treasurer

Preamble:

Financial Statements

The attached financial statements were prepared by staff for submission under Section 157 of the *School Act* prescribed below:

"Section 157 - Financial Statements"

- (1) The board must cause to be prepared each fiscal year by the secretary treasurer or other person authorized by it, financial statements of the school district respecting the preceding fiscal year.*
- (2) The financial statements required under subsection (1) must be prepared on or before September 15 of each year, in accordance with
 - (a) subject to paragraph (b), generally accepted accounting principles, and*
 - (b) the directions of the minister.**
- (3) The financial statements may include separate statements of special activities of the board so long as the items of account of a controlling nature appear in the statements referred to in subsection (2).*
- (4) The financial statements referred to in subsection (2) must be signed by the chair of the board and the secretary treasurer, and must be published for distribution to the public before December 31 together with the auditor's report submitted to the board under section 161 (1) (d).*
- (5) The secretary treasurer must, not later than September 30 in each year, forward to the minister a copy of the financial statements together with the auditor's report.*

Management has prepared the June 30th, 2019 financial statements as outlined in the management report accompanying these statements. The accounting firm of Grant Thornton, LLP, have conducted an independent examination in accordance with Canadian generally accepted auditing standards.

Year End Audit and Financial Highlights

- The district auditors, Grant Thornton LLP, have issued an unqualified audit opinion on the district's financial statements for the year ended June 30, 2019.
- The financial statements fully comply with generally acceptable accounting standards as applicable for school districts in British Columbia
- The school district completed the year in a strong financial position.
- Student enrolment totaled 73,423 FTE an increase of 1,179 FTE over the previous year
- District Operating Revenues totaled \$696,328,579 an increase of \$29,042,141 over the previous year
- Ministry of Education Operating grants totaled \$668,525,475 and represent 96.0% of the districts total operating funding
- Total Operating Expenses for the year were \$685,343,673 an increase of \$35,294,369 over the previous year
- Direct instruction expenses totaled \$590,112,753 and represent 86.1% of total expenses compared to a provincial average of 82.1%
- District Administration costs totaled \$14,879,579 and represent 2.2% of total district costs which continues to be one of the lowest rates in the province.

The Board has approved \$19,098,138 of operating funds as Internally Restricted to be used to offset specific program costs in the 2019/2020 and subsequent fiscal years. The details concerning the application of the internally restricted funds are contained in the notes that accompany the financial statements.

The school district has finished the year with an unrestricted operating fund balance of \$6,457,959. These funds will be used in the 2019/2020 year to support the Board's goals and objectives.

The Board continues to work hard on setting program priorities within the available funding.

It is recommended:

THAT the Financial Statements for the fiscal year ended 2019-06-30 be approved as presented.
