

Financial Statements: Discussion and Analysis

The following Financial Statement Discussion and Analysis should be read in conjunction with the audited financial statements and accompanying notes for Maple Ridge – Pitt Meadows School District No. 42 for the year ended June 30, 2020.

The purpose of the Financial Statement Discussion and Analysis is to highlight information and provide explanations that enhance the reader's understanding of the school district's financial statements and the factors that influenced the financial results presented in these statements.

While the preparation and presentation of the Financial Statement Discussion and Analysis is not a legislative requirement, the Financial Statement Discussion and Analysis is recommended by British Columbia's Ministry of Education.

The preparation of the Financial Statement Discussion and Analysis is the responsibility of the school district's management.

The school district operates under authority of the School Act of British Columbia as a corporation and receives over 90% of revenue from the BC government through the Ministry of Education. Any changes to provincial grants will consequently have a significant impact on the school district's budget. The school district is exempt from federal and provincial corporate income taxes.

ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

Significant accounting and reporting practices are summarized in Note 2 of the financial statements. These include the following:

- operating expenses are recorded in the year the good or service is received;
- operating grants are not restricted in use and are recorded as revenue when received or receivable;

- restricted contributions are recorded as deferred contributions until the funds are expended;
- contributions for capital projects are recorded as deferred capital contributions once they are invested in capital assets;
- capital assets and deferred capital contributions are amortized over the estimated useful life of the assets.
- To meet reporting requirements the following funds are utilized:

Operating Fund - The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance and transportation. 91.73% of operating fund revenue comes from the Ministry of Education and these grants are, for the most part, calculated on reported student enrolment.

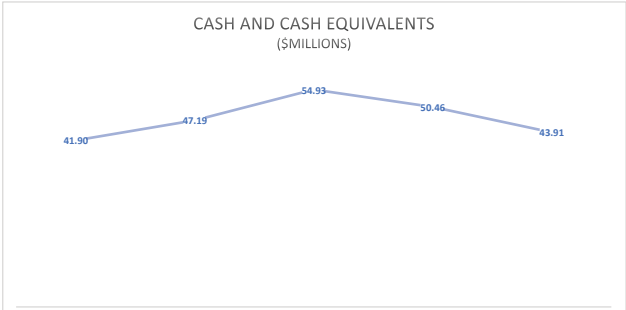
Special Purpose Funds - Special purpose funds consist of targeted funding provided to the school district for a specific purpose. Pursuant to Sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund. Treasury Board Restricted Contribution Regulation 198/2011, issued in November 2011, defines a restricted contribution as 'a contribution that is subject to a legislative or contractual stipulation or restriction as to its use'.

Capital Funds - Capital funds include capital expenditures related to equipment and facilities purchases as well as equipment and facilities enhancements. The funding source of these purchases and enhancements determines to which capital fund the expenditures will be charged. Funding sources include Ministry of Education Bylaw Capital, Ministry of Education Restricted Capital, Other Provincially Restricted Capital, Land Capital as well as Local Capital.

FINANCIAL ANALYSIS

FIVE-YEAR TREND – STATEMENT OF FINANCIAL POSITION

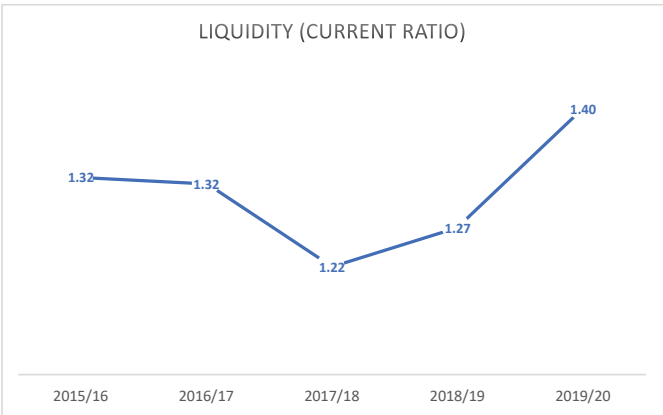
Cash and cash equivalents have fluctuated over the last five years in conjunction with changes in accounts payable, unearned revenue and deferred revenue. At June 30, 2020, the school district reported \$43.91 M in cash and equivalents.



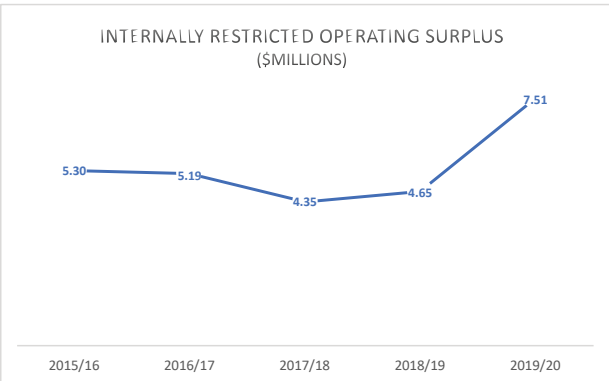
Cash on hand does not represent funds available for new initiatives. The only available funds are the \$1.78 M balance in the Ministry of Education restricted capital fund that can be used to fund new capital projects with the approval of the minister.

LIQUIDITY

Liquidity, or the current ratio, is calculated as current assets divided by current liabilities. If the current ratio is greater than or equal to 1, then sufficient current assets are on hand to meet current liabilities. On the June 30, 2020, statement of financial position, the school district reported a current ratio of 1.40.

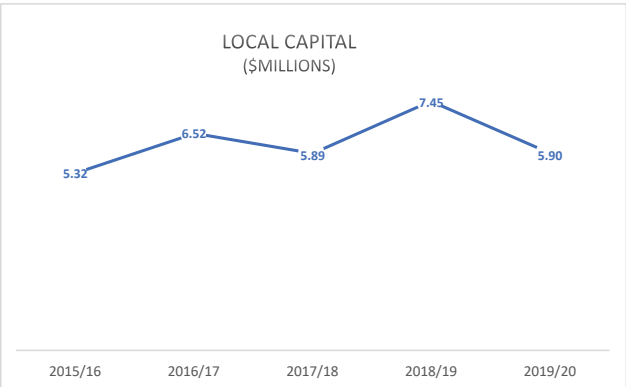


In addition to current liabilities shown on the statement of financial position, the school district has also made budget allocation commitments that are included in the appropriated operating surplus on the schedule of operating operations (Schedule 2) and local capital surplus on the schedule of capital operations (Schedule 4). The following charts demonstrate the trend of these appropriations over the last five years.



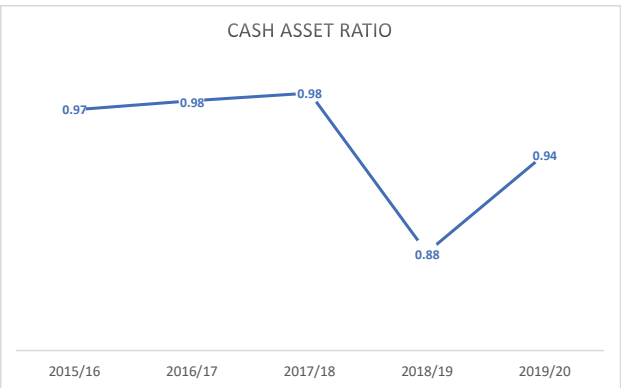
The most significant component of internally restricted operating surplus is surplus carried forward to fund specific items in the 2020/21 budget (\$3.07 M). The remainder is made up of contractual commitments in future years (\$3.83 M) and the district’s contingency reserve for operating (\$0.61 M).

The local capital balance contains amounts approved by the board for capital items as well as the district’s contingency reserve for local capital.



CASH ASSET RATIO

The cash asset ratio is another tool to assess the ability of the district to meet its current obligations. The cash asset ratio equals cash and cash equivalents divided by current obligations to determine how quickly obligations can be met. At June 30, 2020, the school district had 88 percent of the cash and cash equivalents required to meet current obligations.



The following is a detailed analysis of cash balances at June 30, 2020.

CASH BALANCES	
Sources of Cash and Nature of Commitment	
Ministry of Education Restricted Capital	
Balance as at June 30, 2020 from financial statements	\$1,776,348
Total Available Ministry Restricted Capital	\$1,776,348
Local Capital	
Balance as at June 30, 2020 from financial statements	\$5,898,514
Restricted for specific capital purchases	(2,129,857)
Contingency reserve for local capital	(3,768,657)
Total Available Local Capital	\$0
Accumulated Operating Surplus	
Balance as at June 30, 2020 from financial statements	\$7,512,650
Surplus used to fund expenditures in future years	(7,512,650)
Total Available Accumulated Operating Surplus	\$0

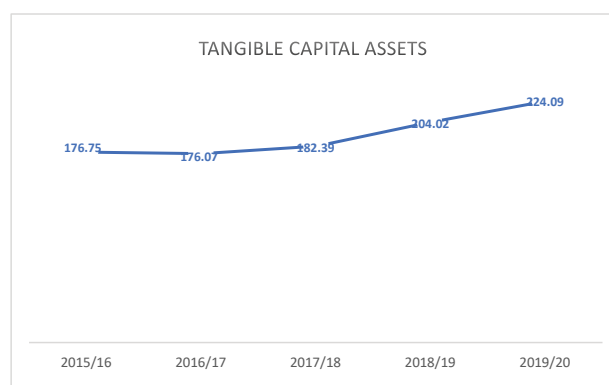
CASH ALLOCATION SUMMARY	
Total Cash and Investments	\$44,163,232
Net Working Capital Requirements	(12,959,878)
External restrictions (external contributions for a specific use)	
Deferred operating contributions – restricted for specific program delivery	(4,328,979)
Provincial capital funding received but not yet spent – for current projects	
Land capital – restricted for land purchases	(1,313,730)
Other provincial capital – restricted for specific capital projects	(1,535,473)
Long Term Liabilities - Employee Future Benefits	(8,837,660)
Cash and investments potentially available for cost sharing	\$15,187,512

Cash and investments potentially available for cost sharing are made up of:	
Ministry of Education restricted capital	\$1,776,348
Local Capital restricted for specific purposes	5,898,514
Internally restricted accumulated operating surplus	7,512,650
Total cash and investments potentially available for cost sharing	\$15,187,512

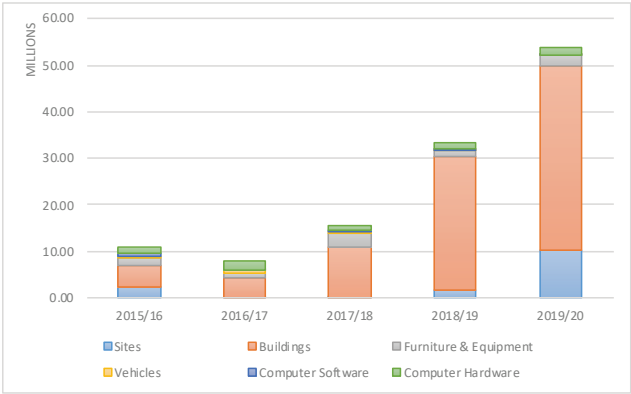
COMMITMENTS AND PRIORITIES	
Accumulated Appropriated Operating Surplus	
Targeted funding for aboriginal education	\$173,089
School budget balances	599,146
Contractual professional development	273,157
Financial provisions	100,000
Funds required to complete projects in process	260,323
Purchase order commitments	668,273
Support for school growth plans	608,160
Support for operational plans	405,499
Learning services	279,160
Facilities renovations and new classroom set-up	220,470
Increased cost of salaries and benefits	250,000
Use of accumulated surplus to fund 2020/21 operating budget:	
Support for school growth plans	624,173
Support for operational plans	265,725
Learning services	25,000
International education	161,554
Budgeted use of contingency reserve	1,988,921
Contingency reserve for operating	
Total Accumulated Appropriated Operating Surplus	\$7,512,650

TANGIBLE CAPITAL ASSETS

In addition to current assets and current liabilities, the statement of financial position reports the total tangible capital assets of the district.



The following chart shows capital assets additions by type. Building additions are the most significant tangible capital asset addition in 2019/20 due to the construction of Časqanelā Elementary.



Capital asset additions fluctuate from year to year based on the capital funding provided by the Ministry of Education as well as board approval of projects funded from local capital.

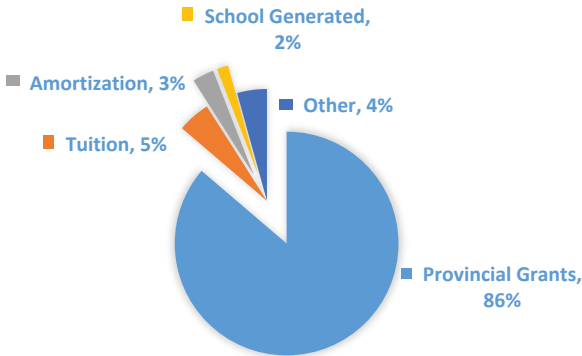
LIABILITIES

Accounts payable and accrued liabilities are balances owing to others as at June 30, 2020. These balances have decreased from the prior year by \$4.88 M primarily due to the completion of prior year large construction projects. Other liabilities include unearned revenue collected for tuition for the 2020/21 year (down \$2.28 M), deferred revenue collected for special purpose fund projects (down \$0.10 M) and employee future benefits for vested and non-vested sick leave benefits and early retirement and vacation benefits that will be paid in future years (up \$0.52 M). Deferred capital revenue is the total of funds received and spent on capital projects and is being amortized annually at the same rate as the related capital assets (up \$4.03 M).

FIVE-YEAR TREND – STATEMENT OF OPERATIONS

REVENUE

While the school district receives revenues from many sources, most revenue reported on the statement of operations comes from the Ministry of Education.

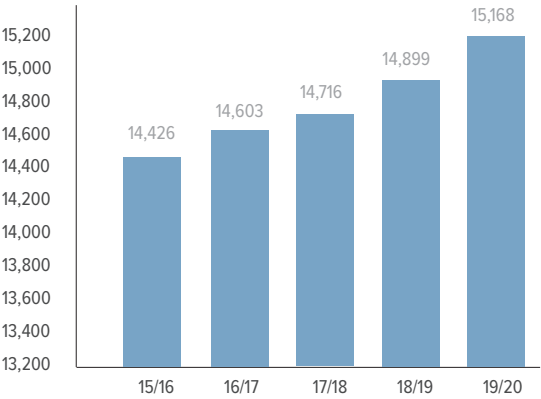


Tuition revenue comes from non-resident students attending schools in the district and school-generated funds are the result of fundraising efforts at the school level. Amortization of deferred capital contributions is the accounting recognition of funding received from the provincial government for capital projects.

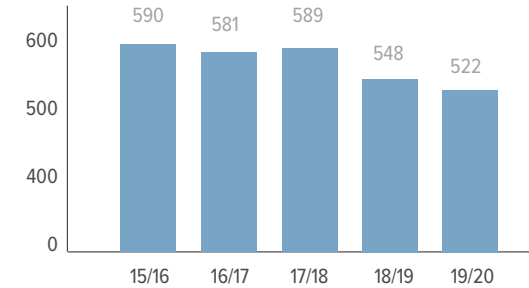
CORRELATION BETWEEN STUDENT ENROLMENT AND REVENUE

The most significant source of revenue for the school district is grants from the Ministry of Education. The second most significant source of revenue is tuition from non-resident students. Both of these revenue sources are directly correlated to the number of students enrolled in the school district.

The enrolment history for regular, alternate, continuing education, distributed learning, summer school, and adult learners is presented in the following chart. Since 2015/16, Ministry of Education funded enrolment has increased by 742 full time equivalent (FTE).



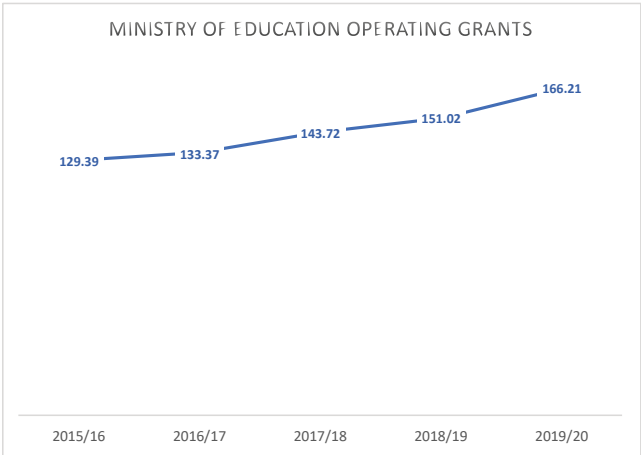
The enrolment history for non-resident students is presented in the following chart. Since 2015/16, non-resident student enrolment has decreased by 80 full time equivalent (FTE).



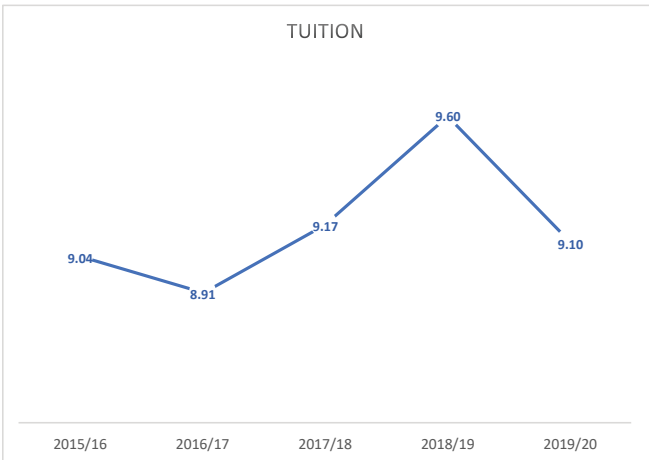
As Ministry of Education funded enrolment increases and school utilization reaches 100% across the school district, space available for non-resident students is reduced, resulting in non-resident student enrolment decline.

REVENUE BY TYPE

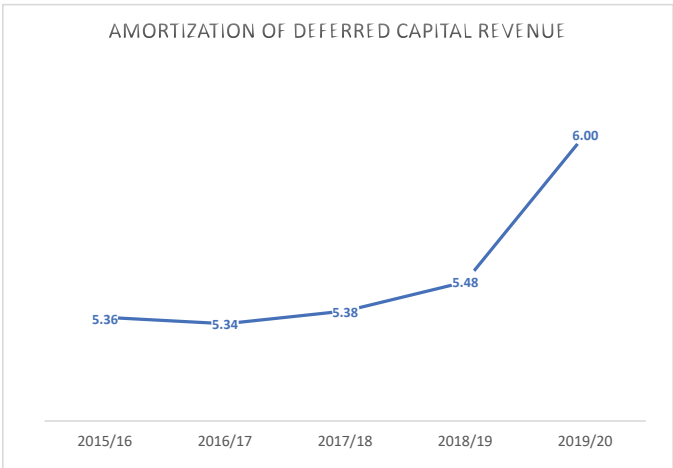
The following charts demonstrate the five-year trend of revenues reported on the statement of operations.



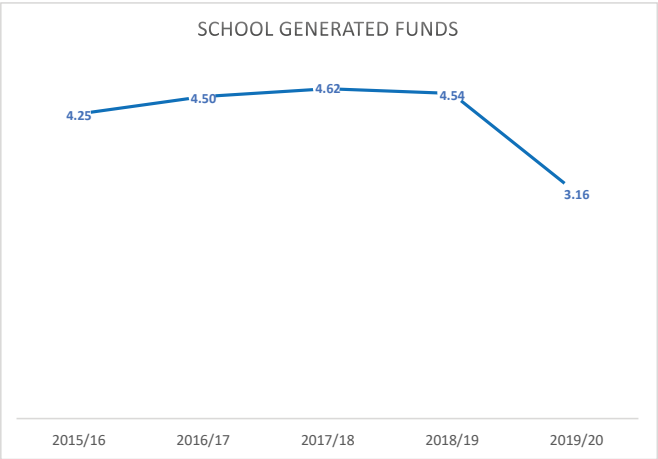
Ministry of Education grants are increasing as funded enrolment increases.



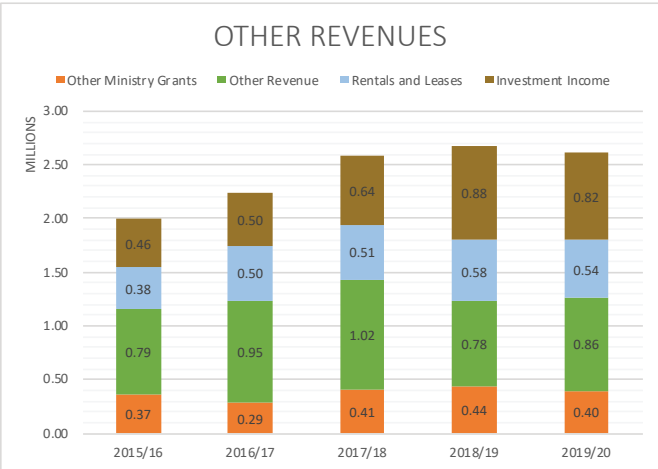
Tuition revenue increases as international student enrolment and tuition rates increase.



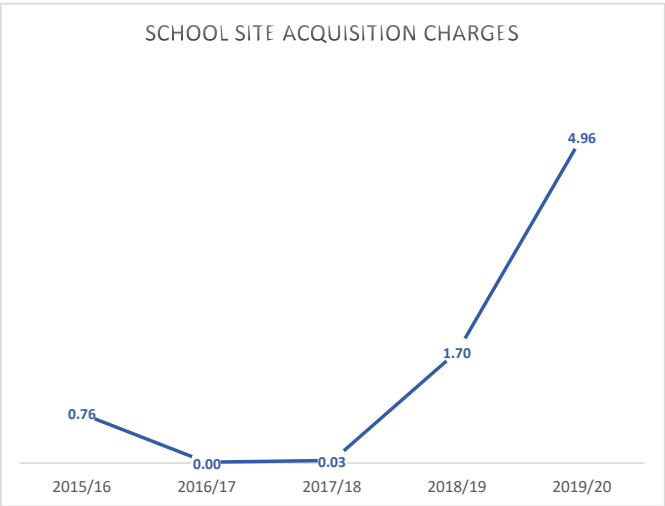
Amortization is a non-cash revenue and is accounted for in accordance with the Restricted Contributions Regulation 197/2011 issued by the Treasury Board.



School-generated funds are funds raised at the school level through fundraising, cafeteria sales, school store sales, and various other activities.



While investment and rental income has increased over the last five years, other grants and revenue are project specific.

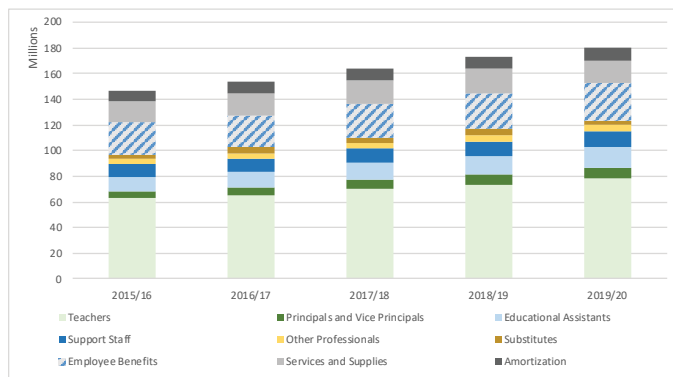


School site acquisition charges are received as housing development occurs in our community and recognized as revenue when spent on site acquisitions. In 2019/20 a new school site was acquired in the Albion area of Maple Ridge.

EXPENSE

Expenses are reported in two formats, by object and by function. Expenses by object report the following categories: salaries and benefits, supplies and services, and amortization.

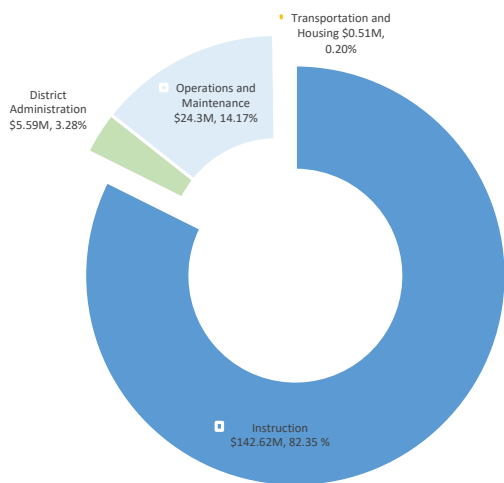
As demonstrated in the following chart, the most significant expense reported on the statement of operations is teacher salaries, followed by employee benefits for all employee groups.



Teacher salaries have increased as contractually negotiated salary increases were implemented. Also, the number of teachers has been increasing over the last five years as enrolment has increased. Further, beginning in 2017, a significant number of teachers have been hired to support the implementation of the restored teachers' collective agreement language.

In addition to the increase in regular enrolment, as enrolment of students with special needs increased more education assistants have been hired to provide services to these students.

Expenses by Function 2019/20



Expenses by function report the total amount spent in four major categories. Instruction comprises 82.35% of total expenses followed by operations and maintenance at 14.17%, district administration at 3.28% and transportation and housing at 0.20% (it should be noted that, although this function is titled 'transportation and housing', the school district does not incur any housing costs).

Instruction is the only function that has been increasing over the last five years. This is due to increased enrolment, the restoration of the teachers' collective agreement language as well as board decisions to direct available resources to instruction.

OPERATING FUND ANALYSIS

As noted in Schedule 2 of the financial statements, there is no unrestricted operating fund surplus as of June 30, 2020. A restricted operating surplus of \$7.51 M exists as of June 30, 2020 (see Note 17 to the financial statements). Details of this restricted surplus are outlined in the following table:

INTERNALLY RESTRICTED OPERATING FUND SUPRLUS AT JUNE 30, 2020 (\$ millions)	
Funds for specific expenditures in 2020/21:	
Targeted funding for aboriginal education	\$0.17
School budget balances	0.60
Personal professional development	0.27
Financial provisions	0.10
Funds required to complete projects in progress	0.26
Purchase order commitments	0.67
Support for school growth plans	0.61
Support for operational plans	0.41
Learning services	0.28
Facilities renovations and new classroom set-up	0.22
Increased cost of salaries and benefits	0.25
	3.84
Use of surplus to fund future budgets:	
Support for school growth plans	0.62
Support for operational plans	0.27
Learning services	0.03
International education	0.16
Budgeted use of contingency reserve	1.99
	3.07
Operating contingency reserve	0.61
Total internally restricted operating fund surplus	7.51

With respect to the funding for specific expenditures in 2020/21 (\$3.84 M), in most cases these expenditures were planned to be incurred in 2019/20, however for various reasons, the timing of the expenditures was extended into 2020/21. The use of operating surplus to fund future budgets has multiple components. During the 2020/21 preliminary budget processes, operating costs for projects totaling \$3.07 M were identified. Details on these decisions can be found in the 2020/21 Approved Preliminary Budget at <https://www.sd42.ca/assets/media/2020-21-Preliminary-Budget-April-29-2020.pdf>

OPERATING FUND REVENUE (\$1.88 M HIGHER THAN BUDGET)

The Ministry of Education's operating grant to the district generated \$0.44 M more revenue than budgeted. This is due to February distributed learning and special needs enrolment growth offset by an audit recovery by the Ministry of Education. Funding for graduated adults is \$0.13 M higher than budgeted. Also, in May 2020, the Ministry of Education announced Teachers' Labour Settlement Funding of \$1.72 M.

Due to the COVID-19 pandemic, other revenues with negative variances from budget include tuition revenue (\$0.23 M), rentals and leases (\$0.12 M), Before and After School Programming (\$0.04 M) and investment income (\$0.03 M).

OPERATING FUND EXPENDITURES (\$4.75 M LOWER THAN BUDGET)

Teacher salaries are \$0.90 M higher than budget due to the contractually negotiated 2% salary increase (\$1.33 M operating and \$0.14 M classroom enhancement fund offset by leave of absences (\$0.09 M) and position vacancies \$0.48 M).

Principal and vice-principal salaries are \$0.06 M lower than budget due to temporary vacancies and lower year-end vacation liability.

Support staff salaries are \$0.26 M lower than budget due to vacancies throughout the year.

Other professional salaries are \$0.16 M lower than budget due to vacancies and long-term medical leaves (\$0.11 M) and lower than anticipated instructor salaries (\$0.05 M) related to the cancellation of programming due to the COVID-19 pandemic.

Substitute salaries are \$1.20 M lower than budget. This variance is comprised of reduced substitute salaries required due to the provincially mandated suspension of in-class instruction from March to June 2020 and Education Assistant replacement salaries (\$0.99 M), unspent school and departmental budgets (\$0.21 M).

Employee benefits are \$0.01 M lower than budget. The benefit cost savings related to lower than budgeted salaries (\$0.01 M) and the dental premium holiday for teachers and support staff (\$0.18 M) are offset by higher than estimated benefit costs for mid-term disability (\$0.16 M) and increased benefit costs due to the teachers' negotiated collective agreement increases that were not funded by the Classroom Enhancement Fund (\$0.02 M).

Positive variances in services and supplies are partially offset by capital asset purchases or carried forward as an appropriated surplus per board approval or contractual obligation. Unspent budget allocations of note are in services (\$1.05 M), student transportation (\$0.29 M) professional development and travel (\$0.59 M) and supplies (\$1.46 M). Utilities savings (\$0.48 M) are due in part to warmer weather

but are also a result of energy management plan initiatives.

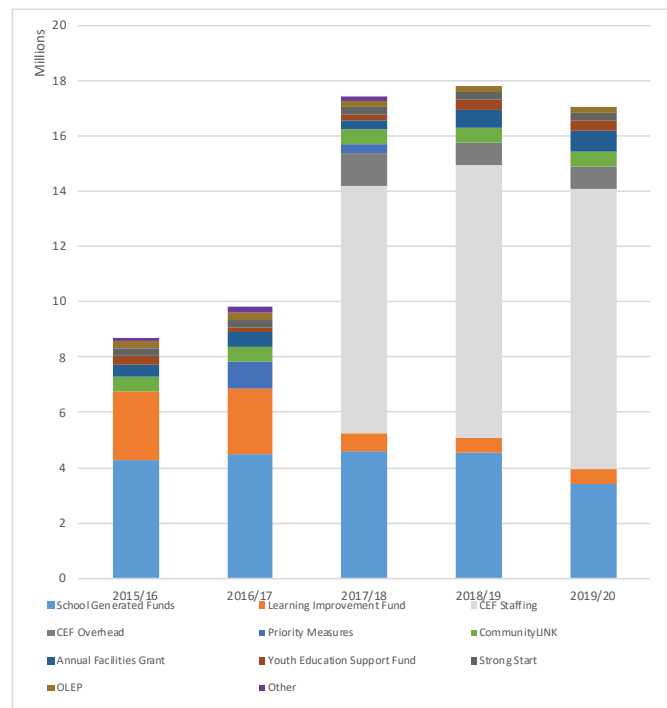
The transfer to local capital contingency reserve is \$0.04 M higher than budget as approved by the board.

SPECIAL PURPOSE FUNDS ANALYSIS

Special Purpose Funds include funds received from the Ministry of Education or other sources that have been designated for specific purposes. During 2019/20, \$18.69 M in special purpose fund contributions were received, \$19.69 M was spent (see Schedule 3A).

As at June 30, 2020, \$1.38 M in Special Purpose Funds remains available for expenditures in future years for designated purposes. Major Special Purpose Funds include Classroom Enhancement, School Generated, Annual Facilities Grant, Youth Education Support and Community Link.

Special Purpose Fund expenses are contingent on the amount of revenue received for the purpose of providing a specific service or program. The chart below shows the Special Purpose Funds of the school district and how they have changed in the last five years. The most significant change is the introduction in 2017/18 of the Classroom Enhancement funds. These funds replace the 2016/17 Priority Measures fund and the teacher's portion of the Learning Improvement fund.



CAPITAL FUND ANALYSIS

The net value of capital assets (historical cost less accumulated amortization) is \$224.09 M as at June 30, 2020 (see Schedule 4A). Of this amount, \$41.36 M represents net investment in sites, \$169.73 M in buildings and \$13.00 M in furniture and equipment, vehicles and computer software and hardware. These net costs represent the historical cost net of accumulated amortization of all School District No. 42 capital assets, and they do not reflect current market value.

During 2019/20, grants from the Ministry of Education for bylaw capital projects totaled \$17.96 M (see Schedule 4D). At June 30, 2020, \$1.59 M was spent on capital building projects in progress (see Schedule 4B) as follows:

- Boiler upgrades at Pitt Meadows Elementary and Davie Jones Elementary (\$0.86 M)
- Project definition reports Pitt Meadows Secondary and Eric Langton Elementary (\$0.28 M) and Maple Ridge Secondary Annex (\$0.18 M)
- Paving projects (\$0.09 M)
- Gym floor refinishing projects (\$0.04 M)
- Landscaping projects (\$0.04 M)
- Roofing projects (\$0.03 M)
- Other projects (\$0.07 M)

During 2019/20, \$39.49 M was spent on completed capital building projects. Some of the 2019/20 completed capital projects are:

- Ćasqənelə Elementary (\$30.57 M)
- Childcare capital projects (\$3.44 M)
- New educational space
 - Portables at Maple Ridge Secondary (\$0.66 M)
 - Portables at Arthur Peake Centre (\$0.65 M)
- Energy management plan projects
 - Westview Secondary (\$0.30 M)
 - Kanaka Creek Elementary (\$0.18 M)
 - Golden Ears Elementary (\$0.15 M)
 - Highland Park Elementary (\$0.15 M)
 - Alexander Robinson Elementary (\$0.13 M)
 - Hammond Elementary (\$0.13 M)
 - Arthur Peake Centre (\$0.05 M)
 - Maintenance Department (\$0.05 M)
- Westview Secondary roofing project (\$0.64 M)
- Anti-vandalism, fire alarms, lighting and other projects (\$0.47 M)
- Boiler upgrades at Harry Hooe Elementary (\$0.41 M) and Riverside Centre (\$0.32 M)
- Roofing upgrades at Westview Secondary (\$0.64 M) Golden Ears Elementary (\$0.34 M) and Arthur Peake Centre (\$0.17 M)

- Flooring upgrades (\$0.26 M)
- HVAC projects (\$0.21 M)
- Highland Park Elementary playground (\$0.11 M)
- Paving projects (\$0.10 M)

The Ministry of Education Restricted Capital Fund balance is \$1.78 M as at June 30, 2020 (see Schedule 4D) and has not been identified for a specific project.

Other Provincial Capital is \$1.54 M at June 30, 2020 (see Schedule 4D) and is to be used for building a new childcare facility in Pitt Meadows.

The Land Capital Restricted Fund (school site acquisition charges) received contributions in 2019/20 of \$0.43 M while \$5.00 M was spent on site purchases. The fund ended the year with a balance of \$1.31 M (see Schedule 4D).

LOCAL CAPITAL

The board's local capital fund is comprised of previous years' available operating surpluses, which are transferred to Local Capital with board approval.

Capital asset additions funded locally are reported in the local capital fund. In the current year, locally funded projects include new classroom setup (\$0.64 M), the Maple Ridge Secondary Annex reconfiguration (\$0.06 M), Ćasqənelə elementary school (\$0.40 M), energy management plan projects (\$1.00 M) and emergency preparedness (\$0.06 M).

The local capital fund also contains the capital portion of the contingency reserve.

The table below details the board approved uses of contingency reserve.

LOCAL CAPITAL (\$ millions)	
Board Approved Uses of Local Capital	
Emergency preparedness	0.03
Energy management plan	0.61
Ćasqənelə Elementary	0.71
New classrooms setup	0.38
MRSS Annex reconfiguration	0.29
Childcare capital	0.03
Parent portal upgrades	0.07
	2.12
Contingency reserve for local capital	3.77
Total local capital fund	5.89

CONTINGENCY RESERVE

The Board of Education is responsible for ensuring the district is protected financially from extraordinary circumstances that would negatively impact school district operations and the education of students. To discharge this responsibility, the board has established a contingency reserve from available operating surplus that will be used to mitigate any negative impact such circumstances might cause.

Board Policy 4204 Contingency Reserve requires that the district maintain a reserve of at least 1% and not exceeding 3% of operating expenditures. At June 30, 2020, the contingency reserve of \$4.38 M (\$0.61 M operating and \$3.77 M local capital) is 2.79% of 2019/20 budgeted operating expenditures.

RISKS AND UNCERTAINTIES

IMPLEMENTATION OF RESTORED COLLECTIVE AGREEMENT LANGUAGE

On November 10, 2016, the Supreme Court of Canada (SCC) issued its decision in the longstanding litigation between the BCTF and the BC government regarding the deletion of certain BCPSEA – BCTF collective agreement provisions. On January 11, 2017, the Ministry of Education, the BC Public Schools Employers Association and the BC Teachers Federation signed a Memorandum of Agreement re: Letter of Understanding (LoU) No. 17: Education Fund and Impact of the Court Cases – Priority Measures as the first step in responding to the decision of the Supreme Court of Canada. On March 10, 2017, the Ministry of Education, the BC Public Schools Employers Association and the BC Teachers Federation ratified a Memorandum of Agreement pursuant to Letter of Understanding (LoU) No. 17 (“the MoA”), to the 2013-2019 BCPSEA–BCTF Provincial Collective Agreement.

The Memorandum of Agreement fully and finally resolves all matters related to the implementation of the Supreme Court of Canada decision from the fall of 2016. Since March 2017, steps have been taken by School District No. 42 to ensure that the terms agreed to in the Memorandum of Agreement pursuant to Letter of Understanding (LoU) No. 17 (“the MoA”) are implemented for the 2017/18, 2018/19 and 2019/20 school year. For 2020/21, additional funding of \$9.86 M has been approved by the Ministry of Education to offset the costs related to the implementation of the MoA. This will result in additional teacher salaries and benefits (\$9.13 M) and related overhead costs (\$0.73 M) for the upcoming year. It is anticipated that this additional

revenue will not cover all costs related to implementation (e.g. remedy costs could be over \$1 M and are not included in the funding announced), which is a significant risk to the financial position of the school district. Stringent oversight and analysis will be implemented to understand, communicate and mitigate the financial risks associated with this continued implementation.

ENROLMENT AND STAFFING GROWTH

With the implementation of the MoA resulting in smaller class sizes, a greater number of teacher FTE will need to be added than would previously have been required. And as the district grows, additional classroom space will need to be created. This growth brings with it a financial risk in how to provide for these additional resources under the current Ministry of Education funding envelope.

CAPITAL PROJECTS

Due to their magnitude, capital projects have the potential to significantly impact the financial position of the district. There is no process to assess the risk of the entire capital program; individual project risk assessments must be done on a continuous basis. Project agreements with the Ministry of Education contain contingencies to mitigate financial risk. Smaller projects consider contingency requirements when building the overall project budget and are managed internally. Finally, the contingency reserve for local capital of \$3.77 M is available to mitigate risk for capital projects.

OTHER ASSETS

Existing school district budget allocations are not enough to support the procurement, maintenance or timely replacement of school district assets. This means that IT hardware is not refreshed on a regular basis, the deferred maintenance for School District No. 42 facilities continues to grow and the facility condition index for school district facilities continues to deteriorate. Any major equipment failures during 2020/21 must be funded from the contingency reserve.

COVID-19

On March 17, 2020, in response to the COVID-19 pandemic and under the direction of the Provincial Health Officer, the provincial government directed all K-12 public and independent schools to immediately suspend in-class instruction. Effective June 1, 2020, students in kindergarten to Grade 5 returned to in-class learning on a part-time basis and students in grades 6 to 12 were given access to in-class learning as needed on a part-time basis.

The BC Centre for Disease Control released public health guidance for schools and school districts to prevent

the transmission of COVID-19 and maintain a safe and healthy environment for students, families and staff. Also, WorkSafeBC provided protocols to support safe workplace operations during the COVID-19 pandemic.

The school district implemented the health and safety measures required to ensure safe and healthy environment for students, families and staff. New safety plans were developed and rolled out and staff have been trained on the new health and safety protocols. The financial impact of these measures, which is included in the financial statements, is detailed in the following table.

NET IMPACT OF COVID-19	
Savings	
Replacement salaries	863,287
Benefits	129,493
Student transportation	275,000
Training and travel	315,000
Total savings	1,582,780
Increased costs	
Custodial salaries	83,440
Tradesperson salaries	30,811
Other salaries	14,946
Benefits	32,700
Professional services	1,359
Software licenses	11,681
Student transportation	52
Training	6,520
Supplies	
Custodial	261,725
Health, safety and wellness	12,565
Other departments	7,549
Capital purchases	
Custodial	17,908
Information technology	31,875
Total increased costs	513,131
Lost revenue	
International tuition	352,650
Before and after school programs	42,872
Rentals and leases	119,872
Investment income	39,820
Total lost revenue	555,214
Net impact of COVID-19	\$514,435

While it is likely that these measures will continue into the 2020/21 school year, their financial impact cannot be estimated at this time. If the financial impact is greater than amounts already provided for in the 2020/21 preliminary budget, the operating contingency reserve of \$0.61 M and the contingency for local capital of \$ 3.77 M are available to mitigate this risk.