



School District No. 93 (CSF)

2024 Audit Findings

Report to the Audit Committee

June 30, 2024

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September 13, 2024

Members of management of School District No. 93 (CSF)

Dear Sirs/Mesdames:

We are pleased to submit to you this report for discussion of our audit of the financial statements of School District No. 93 (CSF) (the "School District") as at June 30, 2024 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of management.

We have completed our audit of the financial statements of the School District which has been carried out in accordance with Canadian generally accepted auditing standards.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Board of Education of the School District.

This report is intended solely for the information and use of management and management and should not be distributed to or used by any other parties than these specified parties.

The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

We would like to express our appreciation for the excellent cooperation we have received from management and employees with whom we worked.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,



MNP LLP

Chartered Professional Accountants

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Introduction

As auditors, we report to the Board of Education on the results of our examination of the financial statements of School District No. 93 (CSF) (the "School District") as at and for the year ended June 30, 2024. The purpose of this Audit Findings Report is to assist you, as members of management, in your review of the results of our audit. To facilitate in your understanding of our findings, Appendix A to this report summarizes our audit process.

Our report will discuss the status of our engagement, as well as communicate to you significant audit, accounting and reporting matters arising from our procedures.

We hope that this report is of assistance to you, and we look forward to discussing our findings and answering your questions.

Engagement Status

We have completed our audit of the financial statements of the School District which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Receipt of the signed management representation letter;
- Discussion of subsequent events with management;
- The Board's review and approval of the financial statements.

Independent Auditor's Report

We expect to have the above procedures completed and to release our Independent Auditor's Report on September 21, 2024.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Board of Education of the School District. A draft copy of our proposed Independent Auditor's Report has been included with this report. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.

Significant Audit, Accounting and Reporting Matters

Audit and Reporting Matters

The following significant matters arose during the course of audit that we wish to bring to your attention.

Area	Comments
Changes from Audit Service Plan	<p>We previously presented our proposed Audit Service Plan to you in February 2024. Over the course of our audit, the following deviation were made from this plan:</p> <ul style="list-style-type: none">Materiality used for this audit was increase from \$6,500,000 to \$7,000,000, due to an increase in actual revenues compared to the figures used for audit planning.
Difficulties Encountered	<p>No significant limitations were placed on the scope or timing of our audit.</p>
Identified or Suspected Fraud	<p>Due to the inherent limitations of an audit and the nature of fraud, including attempts at concealment through forgery or collusion, an audit conducted in accordance with Canadian generally accepted auditing standards cannot be relied upon to detect fraud.</p> <p>While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.</p>
Identified or Suspected Non-Compliance with Laws And Regulations	<p>Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.</p>
Matters Arising in Connection With Related Parties	<p>No significant matters arose during the course of our audit in connection with related parties of the School District.</p>

Area	Comments
<p>Significant Deficiencies in Internal Control</p>	<p>It is important to note that our assessment was not, nor was it intended to be, sufficient to comment or conclude on the sufficiency of internal controls.</p> <p>We are required under Canadian generally accepted auditing standards to communicate all significant deficiencies identified during an audit to management on a timely basis. However, we may not be aware of all significant deficiencies that do, in fact, exist.</p> <p>While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention</p>
<p>Going Concern</p>	<p>We have not identified any material uncertainties related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern.</p> <p>We are of the opinion that the going concern assumption is appropriate in preparation of the financial statements.</p>
<p>Matters Arising from Discussions With Management</p>	<p>We would like to formally acknowledge the cooperation and assistance we received from the management and staff of the School District.</p> <p>There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p>
<p>Significant Differences</p>	<p>No significant differences were proposed to management with respect to the June 30, 2024 financial statements. A full list of unadjusted differences is available on request.</p>
<p>Final Materiality</p>	<p>Final materiality used for our audit was \$7,000,000 for June 30, 2024.</p>

Auditor's Views of Significant Accounting Practices

The application of Canadian public sector accounting standards allows and requires the School District to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.

As auditors, we are uniquely positioned to provide open and objective feedback regarding your School District's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.

Area	Comments
Accounting Policies	The accounting policies used by the School District are appropriate and have been consistently applied.
Accounting Estimates	Employee Future Benefits Accrued employee future benefits are calculated by Mercer, the actuary company engaged by the Province of BC for all school districts. Asset Retirement Obligations Accrued asset retirement obligation for the removal of asbestos and other hazardous material in several of the buildings owned by the School District. Management used judgements when applying percentage of building applicable to remediation costs.
Financial Statement Disclosures	The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.

Other Matters

Management Representations

We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.

Appendix A - MNP Audit Process

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise. Where possible, reliance was placed on the controls within these systems to reduce the extent of our testing of transactions and year-end balances. Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.

During the course of our audit, we have:

- Examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Obtained an understanding of the School District and its environment, the applicable financial reporting framework and the School District's system of internal control (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the financial statements and to design and perform audit procedures;
- Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
- Evaluated the overall financial statement presentation;
- Performed a subsequent events review with management;
- Reviewed and assessed the status of contingencies, commitments and guarantees; and
- Reviewed and assessed exposure to environmental liabilities.

We have obtained written representations from management, included as additional materials following this report, in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:

- Directly related to items that are material, either individually or in the aggregate, to the financial statements;
- Not directly related to items that are material to the financial statements, but are significant, either individually or in the aggregate, to the engagement; and
- Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the financial statements.

Appendix B - Significant and Higher Risk Areas and Responses

Higher Risk Areas and Responses

Higher Risk Area	Response and Conclusion
<p>Management override of internal controls</p>	<p>To respond to the overall risk of material misstatement due to fraud regarding management's override of controls, we performed the following procedures:</p> <ol style="list-style-type: none"> 1. Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements 2. Reviewed accounting estimates for biases and evaluated whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud, if applicable 3. Evaluated the rationale behind significant transactions that are not in the normal course of business and whether they have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets
<p>Provincial Grants</p> <p>Risk of material misstatement due to the complexity of recording grant revenue (determining if criteria has been met to record the revenue).</p>	<p>Reconcile revenue to Ministry of Education grant confirmation</p>

Independence Communication

September 21, 2024

Board of Education
School District No. 93 (CSF)
100 - 13511 Commerce Parkway
Richmond, BC V6V 2J8

Dear Members of the Board of Education:

We have been engaged to audit the financial statements of School District No. 93 (CSF) (the "School District") as at June 30, 2024 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the School District and its related entities or persons in financial reporting oversight roles at the School District and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the School District and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from July 1, 2023 to the date of this letter.

We hereby confirm that MNP is independent with respect to the School District within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia as of the date of this letter.

This report is intended solely for the use of Board of Directors, management and others within the School District and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,



MNP LLP
Chartered Professional Accountants

Independent Auditor's Report

To the Board of Education of School District No. 93 (CSF) and the Minister of Education and Child Care:

Opinion

We have audited the financial statements of School District No. 93 (Conseil Scolaire Francophone) (the "School District"), which comprise the statement of financial position as at June 30, 2024, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present the financial position of the School District as at June 30, 2024, and the results of its operations, changes in its net debt and its cash flows for the year then ended in compliance with, in all material respects, the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011..

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the School District 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 which describes the financial reporting framework being followed by School District No. 93 (CSF).

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises of Unaudited Schedules 1-4 attached to the audited financial statements and Financial Statement Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 and fair presentation of the financial statements in accordance with the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011., 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 School District'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 School District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 these 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 School District'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 School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Nanaimo, British Columbia

September 21, 2024

Chartered Professional Accountants

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And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



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