



Burnaby School District
Financial Statement
Discussion and Analysis
2018/2019

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Introduction

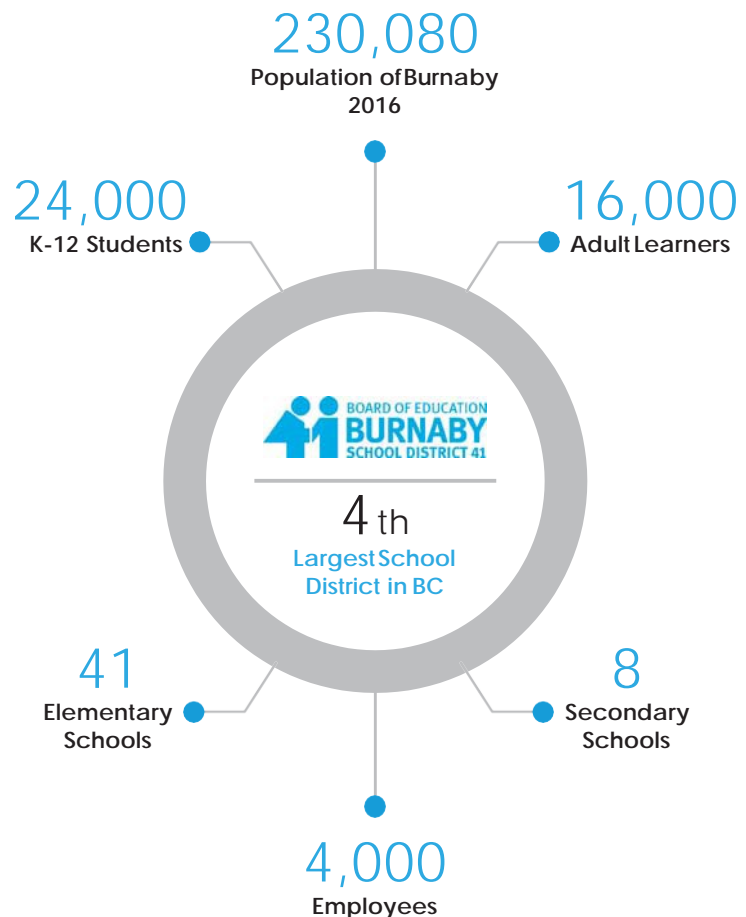
What follows is a discussion and analysis of the financial performance of the Burnaby School District ("the District") for the fiscal year ending June 30, 2019, with a view to providing readers with an opportunity to assess any material changes in the financial condition and operating results for the year. The results are discussed in comparison with the budget and prior years. This report should be read in conjunction with the District's financial statements for the same period.

The financial statements represent the consolidation of three separate funds (operating, special purpose and capital). Financial performance of each fund is reported in the supplementary schedules that accompany the financial statements.

Who We Are

Formed in 1906, the District is on the traditional territory of the Coast Salish Nations of Musqueam, Tsleil-Waututh and Squamish. Our District is now the fourth largest in BC, with 24,000 students (K-12) and 4000 dedicated employees. We operate 41 elementary schools and 8 secondary schools, including a range of district programs and Provincial Resource Programs. We also provide lifelong learning opportunities to more than 16,000 adult learners through our established Burnaby Community & Continuing Education program.

The District's work is governed by seven elected Trustees, whose four-year term began in 2018.



Our Vision, Mission, and Values



Our Vision

A premier learning community where we engage and innovate to inspire global citizenship.



Our Mission

To engage and empower a caring, inclusive community of learners for the opportunities of today and tomorrow.



Our Values

Together these ways of thinking and acting help form the culture of our schools and workplaces. By upholding these values, we can build an environment that will lead to the fulfilment of our mission and vision.

Students Come First

Learners are at the centre of what we do. We focus on their lives within our schools, support them in their lives away from our schools, and keep in mind the lives they will lead in the future, recognizing that their time with us will be key in shaping their futures.

The Power of Diversity

Burnaby is one of the most diverse cities in the world, and we recognize this as a privilege and a strength. We meaningfully involve all learners and respect and value the infinitely variable characteristics that make them unique human beings.

Equity, Access, Inclusion

Our schools are for everyone. We recognize that barriers exist and seek to identify and remove them. We encourage our learners to speak honestly, and we uphold the rights of individuals, families and organizations within our schools and our community. We value and respect everyone's contributions.

Collaboration and Partnership

We strive for trusting, respectful, collaborative relationships, and we work together to ensure we make the best decisions. The learning environment includes our learners, teachers, all staff, families and the community. We work with and encourage the participation of all.

Curiosity, Innovation, Discovery

The world we live in is complex and rapidly changing. We, our students, and the world itself are beneficiaries when questions are asked, experiments undertaken, ventures launched, and challenges embraced. Our classrooms and school communities foster curiosity, innovation, and discovery.

Excellence, Success, Improvement

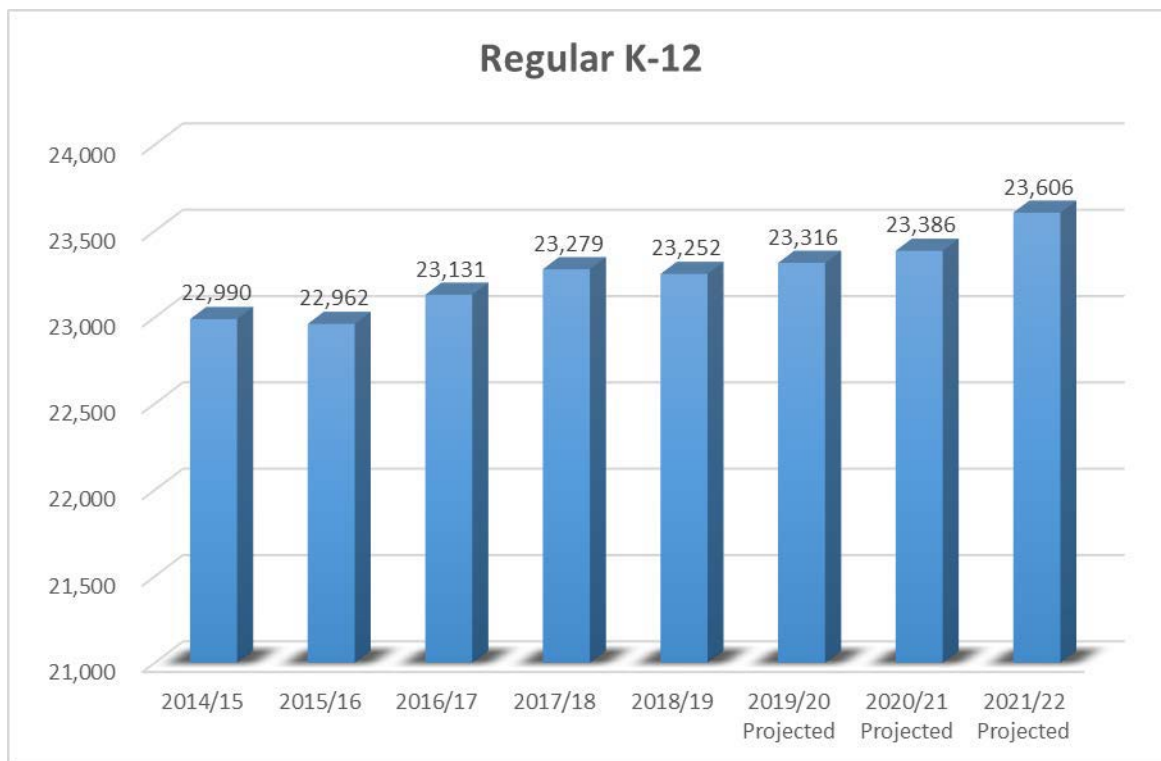
We challenge ourselves and our learners to make their highest contributions, and we foster opportunities to make this possible. We celebrate success and recognize that there are many ways to define and achieve it. Working collaboratively, we challenge ourselves and our learners to improve, as individuals and as a group. Along with these ideals, we place an equal emphasis on health and well-being, as it is required to support all of our contributions and achievements.

Enrolment

The District is funded primarily through an operating grant received from the Ministry of Education (MOE). The grant is based on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount per full-time equivalent student (FTE). The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

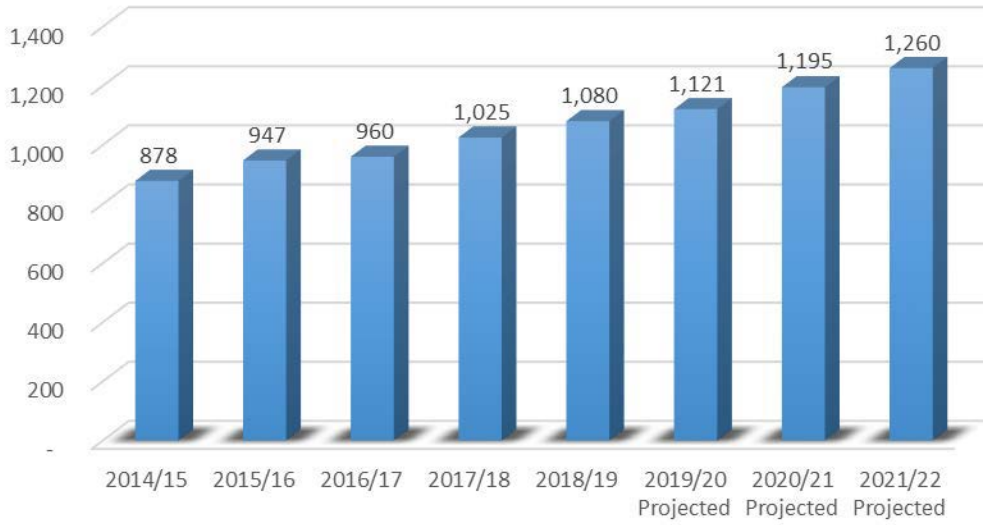
District staffing levels are driven directly by student enrolment. Since salaries and benefits make up approximately 90 percent of District expenses, reliable enrolment data is essential for financial planning. Each year the District completes an analysis of historical enrolment and student retention trends, reviews population data and new municipal development approvals to develop an estimate of elementary and secondary student FTE for the ensuing three budget years.

Regular K-12 enrolment has been stable over the past five years showing moderate growth. It is expected to remain stable through the 2020/2021 school year with an increase in growth projected for the 2021/2022 year. This modest growth is occurring at both the elementary and secondary levels.

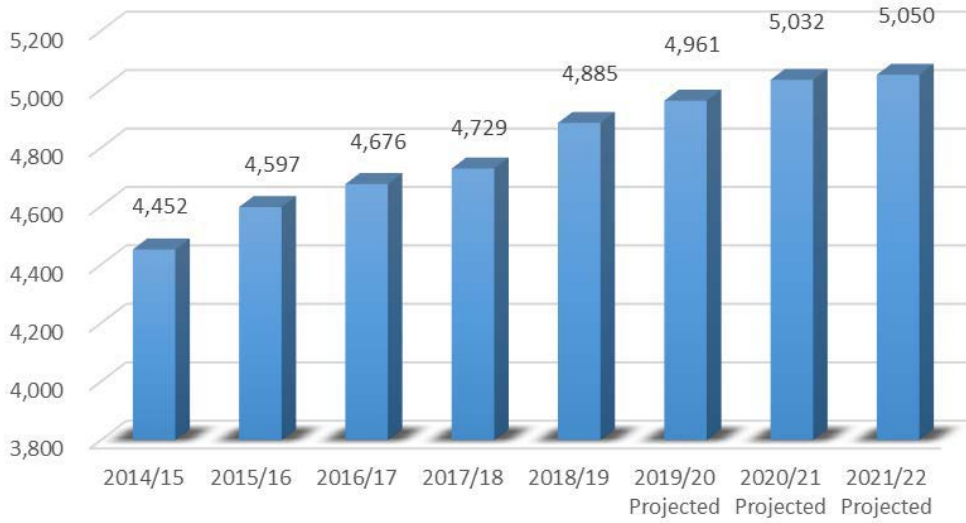


Over the past five years The District has experienced significant growth in the number of students with special needs and English Language Learners (ELL). This trend is forecasted to continue through the 2021/2022 school year for students with special needs increasing by 16 percent and ELL students increasing 4 percent over the next three years.

Special Education Total Enrolment



English Language Learners



Operating Fund

Revenues

District revenues for 2018/2019 were \$3,377,151 greater than budgeted. Below are the details of the revenue increase by category.

	Actual	Budget	\$ Variance	% Variance
Revenues				
Ministry of Ed	215,590,417	214,476,736	1,113,681	0.52%
Other Provincial Grants	194,597	154,700	39,897	20.50%
Tuition	26,755,010	25,593,399	1,161,611	4.34%
Other Revenue	1,305,715	415,205	890,510	68.20%
Rentals	1,432,542	1,353,630	78,912	5.51%
Interest	1,572,540	1,480,000	92,540	5.88%
Total Operating Revenue	246,850,821	243,473,670	3,377,151	1.37%

Ministry of Education (MOE) Grants

The increase in MOE grants was driven by several factors. There was an increase of \$439,336 in funding related to the February 2019 student enrolment count. In particular there were 32 additional students with special needs identified in the February count. The District also received \$620,875 in funding to partially cover the cost associated with the employer health tax. Below is a table detailing the per-student funding rates and supplemental funding for unique students and unique factors affecting some Districts.

Provincial Totals

79% allocated through the Basic Allocation

Basic Allocation

Common per student amount for every FTE student enrolled by school type

Standard School: \$7,423 per school age FTE	Continuing Education: \$7,423 per school age FTE
Alternate School: \$7,423 per school age FTE	Distributed Learning: \$6,100 per school age FTE

14% allocated to recognize unique student enrolment

Unique Student		
Additional per student funding to address uniqueness of district enrolment and support additional programming		
Level 1 Special Needs: \$38,800 per student	Level 2 Special Needs: \$19,400 per student	Level 3 Special Needs: \$9,800 per student
English/French Language Learning: \$1,420 per student	Aboriginal Education: \$1,230 per student	Adult Education: \$4,696 per FTE
Vulnerable Students: in addition to CommunityLINK		

7% allocated to recognize unique district factors

Unique District				
Additional funding to address uniqueness of district factors				
Small Community: for small schools located a distance away from the next nearest school	Low Enrolment: for districts with low total enrolment	Rural Factor: located some distance from Vancouver and the nearest large regional population centre	Climate Factor: operate schools in colder/ warmer climates additional heating or cooling requirements	Sparseness Factor: operate schools that are spread over a wide geographic area
Student Location Factor: based on population density of school communities		Supplemental Student Location: Level 1 and 2 special needs enrolment		
Salary Differential: Funding to districts that have higher average educator salaries				

Other Provincial Grants

Other provincial grants are provided to the District for career and trades programs such as auto mechanics, hair dressing and culinary arts. The province bases the grants on student enrolment in these programs.

Tuition

Tuition revenue consists of fees for summer learning, International Education and for Burnaby Community and Continuing Education (CCE). The increase in tuition revenue versus budget was driven by International Education and CCE. International medical fee revenue was up \$173,362 and homestay revenue was \$653,806 greater than expected. Both of these increases were offset by increased expenses. District CCE revenue increased due to higher enrolment levels and new programs being offered such as the Education Assistant (EA) program.

Other Revenues

Other revenues consist of miscellaneous items such as one time unrestricted grants, donations, and Burnaby Online fees. The increase in other revenue was primarily due to a one-time transfer of \$710,589 from the special purpose fund to operating revenue required by public sector accounting standards. Reserves for environmental sustainability, energy management and District food services that were being held in the special purpose fund were moved to the operating fund and added to the restricted surplus to be spent in future years.

Rentals

District rental revenue is generated from short-term rentals of sites and facilities to individuals and community groups. These rentals totalled \$872,542 in fiscal 2018/2019 which is \$78,912 more than budgeted. The District also leased a school site to an independent school in the 2018/2019 year for a total of \$560,000.

Investment Income

Investment income consists of interest accrued on our bank account balances and short term investments in the Central Deposit Program. The Central Deposit Program allows the District to invest funds with the provincial government thereby accessing a favorable rate without any restrictions on withdrawals. The variance in actuals versus budget is due to increasing interest rates in 2018/2019.

Expenses

Overall District expenses were \$2,850,111 less than budgeted for 2018/2019. The table and explanations below show the details and explain the variances.

	Actual	Budget	\$ Variance	% Variance
Salaries				
Teachers & Teachers Teaching On Call	\$ 124,079,010	\$ 123,915,940	\$ (163,070)	(0.13%)
Principals & Vice Principals	9,680,387	9,734,156	53,769	0.56%
Education Assistants	16,600,455	15,793,815	(806,640)	(4.86%)
Support Staff	22,702,455	22,659,807	(42,648)	(0.19%)
Other Professionals	4,451,231	4,619,251	168,020	3.77%
Total Salaries	\$ 177,513,538	\$ 176,722,969	\$ (790,569)	(0.45%)
Benefits	\$ 38,655,966	\$ 40,078,430	\$ 1,422,464	3.68%
Total Services / Supplies	\$ 23,882,745	\$ 26,100,961	\$ 2,218,216	9.29%
Total Expenses	\$ 240,052,249	\$ 242,902,360	\$ 2,850,111	1.19%

Teachers & Teachers Teaching on Call

This line item consists of salaries paid to the District's certified teachers. This includes both permanent District teaching staff and Teachers Teaching on Call (TTOCs). The variance between budget and actual was a very small 0.13 percent for teacher and TTOC salaries. The surplus is driven by \$48,715 in regular teacher salaries and the District required fewer TTOCs than anticipated resulting in a budget variance of \$114,355.

Principals and Vice Principals

This account includes salaries paid to certified teachers employed by the District as principals, vice-principals, and directors of instruction. The surplus in this area is an insignificant 0.56 per cent.

Education Assistants

EAs provide support for students with special needs in the District. The variance between budgeted EA salaries and actuals resulted from the increase students with special needs enrolment throughout the year.

Support Staff

This item is made up of the salaries paid to administrative staff (other than principals and vice-principals), secretaries, clerks and other non-unionized staff such as accountants, maintenance staff, trades people, custodians, noon hour supervisors and crossing guards. The variance to budget was a very small 0.19 per cent.

Other Professionals

Other professionals are District staff who are excluded from any union agreement including positions such as the superintendent, assistant superintendents, the secretary-treasurer and other managers.

Benefits

Benefits includes the amounts paid by a school District on behalf of or to its employees for benefits such as Employment insurance, Canada pension plan, municipal or teacher pensions, and employee health and dental benefits. In 2018/2019, the District conducted a thorough review of reserves being held for future benefits changes and contingencies. We were able to determine that these changes are largely funded and adequate contingencies were being held with our benefits providers. As a result, the District was able to take a one-time \$1,280,889 credit to operating benefits. In addition there were lower than anticipated costs for employee medical and dental plans.

Services and Supplies

	Actual	Budget	\$ Variance	% Variance
Services	\$ 9,752,702	\$ 9,890,282	\$ 137,580	1.41%
Student Transport	803,718	768,701	(35,017)	(4.36%)
Professional Development	844,347	1,276,128	431,781	51.14%
Rentals	66,736	172,288	105,552	158.16%
Dues and Fees	104,633	82,029	(22,604)	(21.60%)
Insurance	386,267	552,897	166,630	43.14%
Supplies	8,694,067	9,698,479	1,004,412	11.55%
Utilities	3,230,275	3,660,157	429,882	13.31%
Total	\$ 23,882,745	\$ 26,100,961	\$ 2,218,216	9.29%

Services

This account includes computer maintenance, costs for contracted professional and technical services, repair and maintenance, grounds upkeep, snow removal, security services, bank service charges, telephones, and printing services. In 2018/2019 services showed a small 1.41 per cent surplus from budget. This was primarily driven by cost saving for District landline phone costs due to the implementation of a voice over internet protocol phone system.

Student Transportation

This account includes payments to the owners of vehicles who provide transportation for school District pupils. This would include payments to public carriers, other school Districts and any others who provide transportation to and from school, for curricular and extracurricular activities, on a contract basis.

Professional Development and Travel

This account includes costs incurred for training and travel. Costs included are registration fees, transportation, mileage allowances, meals, accommodation, per diem payments and other expenses. The District experienced significant savings in this area versus budget. The savings were driven by \$118,741 in professional development and \$149,428 in travel and training. This surplus has been restricted and costs will be recognized in 2019/2020.

Rentals and Leases

Included here are the operating expenditures for the rental or lease of land, buildings, vehicles and equipment for temporary or long-term use by school Districts. The variance to budget resulted from \$83,264 cost recoveries from special purpose fund programs using our administrative facilities.

Dues and Fees

This account includes membership fees and/or dues in professional organizations as determined by the policies, regulations and needs of a school District.

Insurance

This account includes the expenditures for all forms and types of insurance coverage, premiums, and deductibles. The District experienced \$166,630 in cost savings versus budget which was driven by a one-time \$151,654 reduction in School Protection Program insurance premiums in 2018/2019.

Supplies

This item consists of expenditures for supplies and materials of a consumable and/or non-capital nature. This includes consumable supplies, learning resources, furniture and equipment and computer equipment. In 2018/2019, the District had a \$1,004,412 savings versus budget. This was due to \$414,582 in one-time savings for the Next Generation Network operating costs billed to us by the province. The District also had \$365,947 in savings for learning resources and \$515,012 for furniture and equipment which are being carried forward for multi-year spending plans.

Utilities

Included here are the expenditures for utility costs such as electricity, heating, water and sewage, garbage and recycling. The school District experienced significant savings on utility costs. The surplus of \$429,882 was made up of savings of \$142,986 and \$177,007 for hydro and gas respectively. The cost savings were driven by a reduction in consumption and slightly warmer winter than the previous year. There was also a one-time contingency built into the budget due to gas price uncertainty resulting from the pipeline explosion in October 2018.

Operating Surplus Analysis

The District closed out the year with a \$13,731,542 operating surplus of which \$9,879,903 was internally restricted for specific purposes and \$3,851,639 is unrestricted.

Accumulated Surplus	
Internally restricted operating surplus	
Ensuing year operating budget commitment	\$ 1,404,292
International Education Program Reserve	3,500,000
School fund balances, learning resources, Program Development	602,881
Other School District committed expenses	2,774,730
17 FTE Classroom Enhancement Fund non-enrolling teachers not funded	1,598,000
Total Internally restricted operating surplus	9,879,903
Unrestricted operating surplus	3,851,639
Total Operating Surplus	\$ 13,731,542

In addition, there is a \$4,960,172 balance in the Local Capital fund. This balance is funded by the school District to be utilized for capital expenditures to be determined by the District. The Board may make decisions to utilize these funds to assist in balancing operating budgets if necessary. Currently, \$4,444,573 is allocated to specific projects such as the Education Technology Plan, furniture & equipment, special education equipment, custodial equipment, vehicles and other capital projects. \$515,599 has not been allocated to specific projects as of yet.

Below is a three-year projection of the operating budget as of April 2019. This projection is based on factors that were known to the District at that time and contain assumptions that the District will maintain current service level and programs. Revenues were primarily based on enrolment projections and the MOE current funding formula. Expenses were based on maintaining current service levels with projected increases to salaries based on estimated collective agreement increases and inflation applied to benefits and utilities costs. Local Capital expenditures are increasing to reflect the contributions required to support the Education Technology Plan.

Below is the projection of the operating surplus as it relates to funds that are available to balance the budget. In April 2019, the Board approved the budget to utilize \$1,404,292 to balance the operating budget for 2019/2020 leaving \$3,851,640 available for future years. The usage of those surplus funds is shown below for illustrative purposes only and would require Board approval during the budget process in future years.

**Three Year Budget Projection
Preliminary April 2019**

	2019/2020	2020/2021	2021/2022
Revenue			
Ministry Operating Grant	\$ 217,597,281	\$ 225,618,186	\$ 232,992,522
Other Ministry of Education Grants	3,265,130	3,265,130	3,265,130
Other Revenue	29,668,044	29,668,044	29,668,044
	250,530,455	258,551,360	265,925,696
Expenditures			
Salaries	183,119,091	190,586,129	197,333,008
Benefits	42,386,997	44,185,994	46,227,070
Services & Supplies	24,886,660	25,137,290	25,394,577
	250,392,747	259,909,413	268,954,655
Net Revenue (Expense) for the Year	137,707	(1,358,053)	(3,028,960)
Local Capital	(1,542,000)	(2,292,000)	(2,792,000)
Surplus / (Deficit)	\$ (1,404,292)	\$ (3,650,053)	\$ (5,820,960)

**Three Year Fund Balance
Preliminary April 2019**

	2019/2020	2020/2021	2021/2022
Fund Balance Beginning of the Year	\$ 5,255,932	\$ 3,851,640	\$ 201,588
Current Year Surplus/(Shortfall)	(1,404,292)	(3,650,053)	(5,820,960)
Total Funds Available	3,851,640	201,588	(5,619,372)
Fund Balance End of the Year	\$ 3,851,640	\$ 201,588	\$ (5,619,372)

Financial Health

Liquidity

Liquidity is measured by taking financial assets over liabilities excluding deferred capital revenue. A liquidity ratio of greater than one is desirable as this means that the District has the ability to pay current liabilities as they are due. A liquidity ratio of less than one indicates that the District will potentially struggle to meet short term obligations. A higher liquidity ratio means that the District can meet its short-term obligations and has the ability to better respond to changing circumstances.

Liquidity					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Financial Assets	\$ 83,660,455	\$ 91,066,790	\$ 99,141,231	\$ 107,349,300	\$ 110,552,521
Financial Liabilities	\$ 55,585,887	\$ 60,137,687	\$ 65,574,458	\$ 66,197,951	\$ 66,371,731
Liquidity	1.51	1.51	1.51	1.62	1.67

Accumulated Surplus to Revenue

The chart below shows the District’s operating revenues and accumulated net operating surplus (deficit) over a five-year period. The five year trend shows an increase in the total surplus both in dollars and as a percentage of revenue. The increase is due to several factors. In 2016/2017 the District established a \$750,000 international education reserve to mitigate the risk of a potential future decline in international tuition revenues and has been making regular contributions to the reserve since. The District contributed \$500,000 in 2018/2019 bringing the total reserve to \$3,500,000. In 2018/2019, the District restricted \$1,598,000 for non-enrolling teachers who are no longer funded by the Province. These non-enrolling teachers were previously funded by the MOE through the Classroom Enhancement Fund but the district was informed that we will no longer be receiving funding for these teachers. The District has restricted a surplus to fund these on a one-time basis for 2019/2020. Also, the District transferred \$710,589 of grants from the deferred revenue in the special purpose fund to the operating fund to be recognized as revenue with the funds being restricted to be available for future years.

Total Accumulated Surplus to Revenue					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Unrestricted Surplus	\$ 3,696,008	\$ 1,248,757	\$ 4,652,641	\$ 5,255,932	\$ 3,851,639
Restricted Surplus	\$ 6,280,941	\$ 7,817,646	\$ 6,552,260	\$ 7,082,454	\$ 9,879,903
Total Surplus	\$ 9,976,949	\$ 9,066,403	\$ 11,204,901	\$ 12,338,386	\$ 13,731,542
Revenue	\$ 211,258,637	\$ 224,178,995	\$ 231,423,270	\$ 238,787,086	\$ 246,850,821
Percentage	4.72%	4.04%	4.84%	5.17%	5.56%

Accumulated Amortization to Assets

The accumulated amortization to assets ratio is a financial measurement tool that calculates the age, value and remaining useful life of a fixed asset. A low ratio may indicate that the assets have plenty of life left while a high ratio could indicate that asset will need replacement in the near future. The ratios below suggest that investments have been made in buildings, furniture

and equipment and vehicles to maintain a consistent status over the past five years. The ratios also indicate that a portion of the District's computer hardware and software was nearing the end of its useful life by 2017/2018 which prompted significant investments in this area in 2018/2019.

Accumulated Amortization to Buildings					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Gross Assets	\$ 334,139,241	\$ 340,227,812	\$ 359,655,573	\$ 379,915,590	\$ 402,155,279
Accumulated Amortization	\$ 116,895,413	\$ 124,555,100	\$ 132,507,193	\$ 140,928,571	\$ 149,479,201
Ratio	0.35	0.37	0.37	0.37	0.37

Accumulated Amortization to Furniture/Equipment and Vehicles					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Gross Assets	\$ 6,271,110	\$ 4,518,774	\$ 5,321,701	\$ 6,950,568	\$ 7,373,488
Accumulated Amortization	\$ 3,311,364	\$ 1,837,310	\$ 2,227,949	\$ 2,821,367	\$ 3,257,803
Ratio	0.53	0.41	0.42	0.41	0.44

Accumulated Amortization to Hardware and Software					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Gross Assets	\$ 3,699,200	\$ 3,749,705	\$ 3,700,326	\$ 3,170,045	\$ 3,891,432
Accumulated Amortization	\$ 1,508,397	\$ 1,992,160	\$ 2,200,059	\$ 2,287,574	\$ 1,882,012
Ratio	0.41	0.53	0.59	0.72	0.48

Accumulated Amortization to All					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Gross Assets	\$ 344,109,551	\$ 348,496,291	\$ 368,677,600	\$ 390,036,203	\$ 413,420,199
Accumulated Amortization	\$ 121,715,174	\$ 128,384,570	\$ 136,935,201	\$ 146,037,512	\$ 154,619,016
Ratio	0.35	0.37	0.37	0.37	0.37

Special Purpose Funds

The Special Purpose Fund consists of restricted grant and other funding subject to a legislative or contractual restriction on its use. These revenues are deferred until the relevant expenditures are incurred. The School District incurred the following expenditures in 2018/2019 as related to significant Special Purpose grants:

Grant	Source	Amount Received	Amount Expended	Discussion
Annual Facility Grant (AFG) Operating portion	Ministry of Education	\$851,689	\$851,689	Please see discussion in the Capital Projects section under "Annual Facility Grant (AFG) Funding"
Learning Improvement Fund (LIF)	Ministry of Education	\$822,495	\$1,098,857	Funding used specifically to augment EAs hours providing additional support to complex learners.
Strong Start	Ministry of Education and other	\$384,201	384,201	Strong Start early learning centers provide school-based, drop-in programs for children from birth to age five and their parents or caregivers.
Service Delivery Transformation	Ministry of Education	-	\$326,211	Service Delivery transformation project was to identify opportunities that could be further explored by the sector in an effort to reduce costs and enhance service delivery.
Ready, Set, Learn (RSL)	Ministry of Education and other	\$114,991	\$113,137	Eligible RSL events for 3 to 5 year olds and their parents are hosted to support early learning and facilitate a smooth transition to Kindergarten
Official Languages in Education French Programs (OLEP)	Ministry of Education and other	\$270,031	\$270,031	Funding for core French-language programs and curriculum resources.

Grant	Source	Amount Received	Amount Expended	Discussion
Community LINK	Ministry of Education and other	\$3,767,111	\$3,788,742	Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning.
Coding and Curriculum Implementation	Ministry of Education and other	-	\$152,233	Funding in the amount of \$152,233 was received in FY2017 for a Ministry-led initiative to train teachers and facilitate the implementation of coding modules in schools under the new curriculum.
Classroom Enhancement Fund (CEF) – Overhead, Staffing and Remedies	Ministry of Education	\$12,827,540	\$12,827,540	Eligible expenses includes teacher staffing, overhead staffing and equipment costs resulting from restoration of class size and composition language.
BC Provincial School for the Deaf	Ministry of Education and other	\$6,493,824	\$5,857,722	The BC Provincial School for the Deaf is a Kindergarten to Grade 12 school for the Deaf or hard-of-hearing.
Fraser Park Maples	Ministry of Education	\$2,294,537	\$2,395,329	A secondary program which provides assessment, consultation services and classroom instruction to youth referred to the Maples Adolescent Center.
CIC – LINC, SWIS, Wraparound	Citizenship and Immigration Canada	\$3,053,259	\$3,053,259	These programs are funded by Citizenship and Immigration (CIC) Canada. Language Instruction for Newcomers to Canada (LINC) provides language instruction for adults who are newly settled in Canada. Settlement Workers in Schools (SWIS) places settlement workers in schools that have high numbers of newcomer students.

Capital Fund

Major Capital Projects

The Burnaby School District had 11 major capital projects at various stages of progress during the 2018/2019 school year. The below table outlines the active projects during 2018/2019, Alpha Secondary and Stoney Creek Elementary were considered completed prior to June 30th, 2019 and have been fully capitalized. Capital expenditures are primarily funded by Province of British Columbia, with additional funding provided through locally generated District capital funds and third party contributors.

Capital Projects	Project Scope	Date of Approval	Construction Completion	Target Occupancy
Alpha Secondary	Seismic Partial Replacement	28-Jul-15	May-19	Sep-18
University Highlands Elementary	Addition and SFU childcare	06-Jun-16	Jul-19	Aug-19
Armstrong Elementary	Seismic Upgrade	30-Jan-18	Aug-19	Sep-19
District Board Office	Replacement	06-Feb-18	Jan-21	Feb-21
Stoney Creek Elementary	Seismic Upgrade	25-Apr-18	May-19	May-19
Burnaby North Secondary	Replacement	26-Sep-18	May-22	Sep-22
Parkcrest Elementary	Seismic Partial Replacement	12-Jul-19	Jul-22	Sep-22
Seaforth Elementary	Seismic Strengthening	12-Jul-19	Jul-22	Sep-22
Brentwood Park Elementary	Expansion	Planning Phase		
Stride Elementary	Replacement	Planning Phase		
Cameron Elementary	Expansion	Planning Phase		

Capital Fund Balances

The Capital Fund is comprised of local capital reserves (Schedule 4) and Unused Deferred Capital Revenue (Schedule 4C). The funds are to be used by the school District for capital expenditures. A summary of the Capital Fund is as follows:

Capital Fund	Description	June 30, 2019 Balance	June 30, 2018 Balance	Change
Local Capital	Funds generated by the school district to be utilized for capital expenditures as determined by the school district	\$ 4,960,172	\$ 3,620,535	\$1,339,637
Ministry of Education By Law Capital	Represents funds drawn on Certificates of Approval (COA) for capital projects.	\$ 270,180	\$ 2,276,751	(\$2,006,571)
Ministry of Education Restricted Other Capital	Represents the Minister's portions of the proceeds on disposal of land and buildings and any bylaw project surplus' on capital projects	\$ 8,680	\$ 8,680	\$0
Land Capital	Funds received from the City of Burnaby for School Site Acquisition charges.	\$ 24,868,666	\$ 21,325,588	\$3,543,078
Other Provincial Capital Funds	Represents capital grants received from and restricted by, other Ministries, Crown Corporations or SUCH sector entities.	\$ 347	\$ 933	(\$586)
Other Capital Funds	Includes capital grants received from and restricted by, any entity not included in the Government Reporting Entity.	\$ -	\$ 1,817,026	(\$1,817,026)
Total		\$ 30,108,045	\$ 29,049,513	\$ 1,058,532

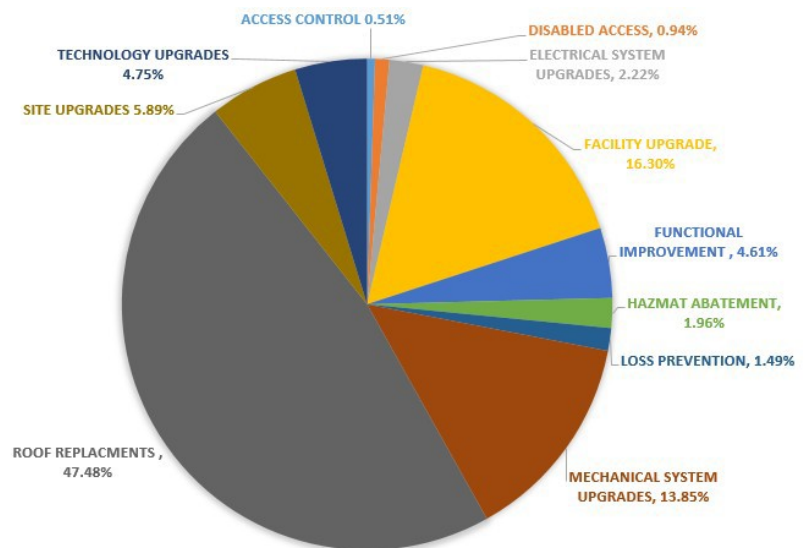
Other Capital Funded Projects

In 2018/2019, the Burnaby School District received approximately \$4,496,871 in capital and operating AFG funding. These funds are used throughout District schools to address ongoing maintenance and improvement needs. AFG funding is received and approved on a March 31st fiscal year end. For the 2019-2020 fiscal year end the District has again been approved for approximately \$4,496,871 in funding.

Eligible Uses of AFG Funds: Funds

- Roof Replacements and Major Repairs
- Mechanical System Upgrade and Repair
- Electrical System Upgrade and Repair
- Facility Upgrades
- Loss Prevention-Fire and Security Alarms
- Technology Infrastructure Upgrades
- Site Upgrades
- Disabled Access
- Asbestos Abatement
- Health and Safety Upgrades
- Site Servicing

FY2018/2019 AFG



In addition to the AFG funding noted above, the District can submit a proposal to the MOE for additional funding for capital projects as described below.

School Enhancement Program (SEP) projects are investments that contribute to the safety and function of the school while extending the life of the asset.

Carbon Neutral Capital Program (CNCP) projects are investments that contribute to measurable emission reductions and operational costs savings expected as a result of completed projects.

Various School Playground Equipment projects are investments in various playground equipment.

March 31st Fiscal Year end	2018/2019 Project Spending	2019/2020 Planned Spending
SEP	\$ 811,000	\$ 525,000
CNCP	\$ 200,000	\$ 385,875
Various School Playground Equipment	\$ 90,000	\$ 285,000

Long Term Outlook

Enrolment Growth

The District's long term student enrolment projections show ongoing, moderate growth across the city. There are certain areas that, due to the development of four town centres (Brentwood, Lougheed, Metrotown and Edmonds), building capacity challenges are expected. Local student enrolment growth has been incorporated into the capital planning process and support will be required from the provincial government to alleviate future building capacity issues. The District's International Education program enrolment is also projected to remain steady at 1441. In consideration of any potential enrolment decline as a result of the aforementioned space issues and/or significant changes in the global market, the District has established a \$3,500,000 reserve within the restricted operating surplus. This restricted surplus could be accessed to mitigate the financial vulnerability of program decline.

Education Technology Plan

The District is developing an Education Technology Plan to map out the needs over the next 8 years. The goal is to ensure the District has fast, reliable and flexible technology that staff and students can utilize to thrive in today and tomorrow's learning environment. This plan requires increase to the current funding levels to ensure it is sustainable for the balance of the eight years and beyond.

Funding Model Review

Approximately 87 per cent of the District's operating funding is provided by the MOE and is based on student enrolment and other factors. The current funding formula has been in place since 2002. In 2018, the MOE began a review of the formula and work is currently underway on the development, review and consultation on a potential new formula. More information on the new formula is expected to be released in the fall of 2019. At this stage, it is not known whether a new formula will have a positive or negative impact on the operating budget.

Due to this uncertainty, the District has taken a conservative approach to making budget decisions the last two years.

Teacher Collective Bargaining

On June 30, 2019 the contract between the Province and the British Columbia Teachers' Federation (BCTF) expired. Teachers are currently working under the expired agreement as negotiations are ongoing between the two parties. When an agreement has been reached, there may be some major impacts to districts on the implementation of the contract.

Strategic Plan

The Burnaby Board of Education has developed a strategic plan for 2019-2024. This new plan will guide the District's financial priorities and resource allocation for the next five years. This forward-thinking plan will build on the achievements of the past while looking ahead to the future of education. More information on the plan can be found on the District's website.