



Burnaby School District
Financial Statement
Discussion and Analysis
2019/2020

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Introduction

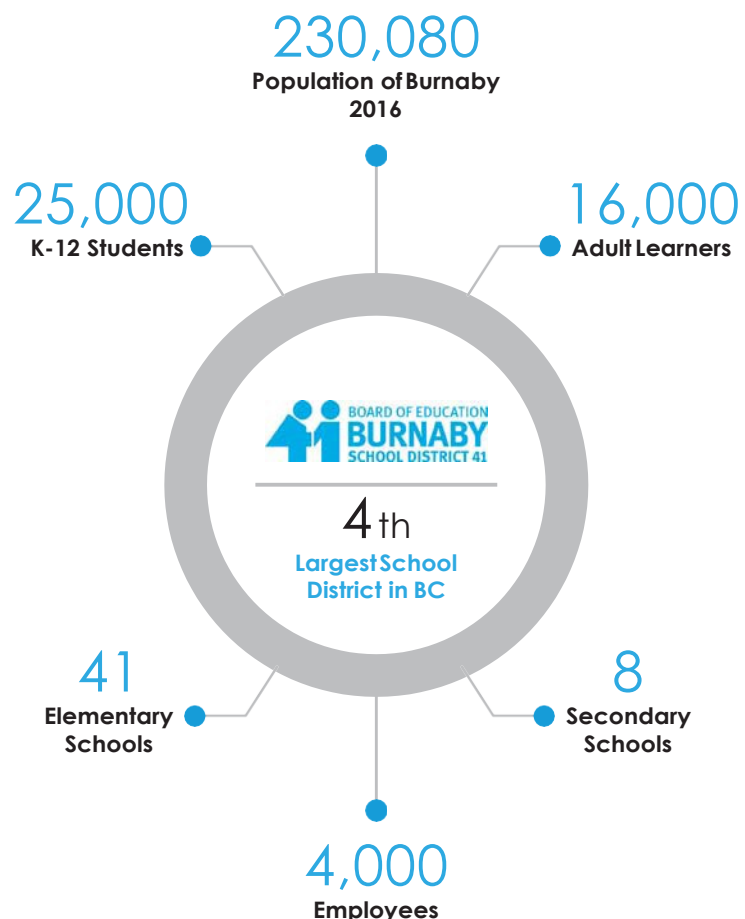
What follows is a discussion and analysis of the financial performance of the Burnaby School District ("the District") for the fiscal year ending June 30, 2020, with a view to providing readers with an opportunity to assess any material changes in the financial condition and operating results for the 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 25,000 students (K-12) and 4,000 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

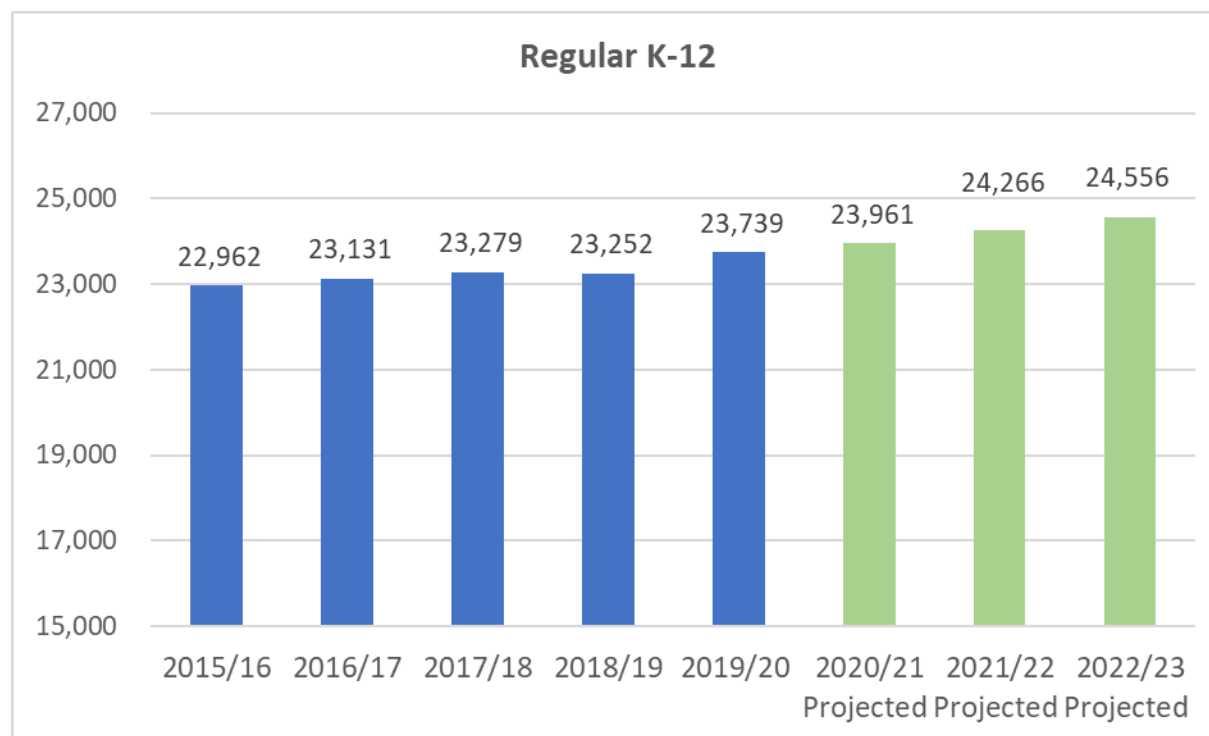
We challenge ourselves and our learners to make their highest contributions, and we foster opportunities to make this possible. We celebrate success and recognize that there are many ways to define and achieve it. Working collaboratively, we challenge ourselves and our learners to improve, as individuals 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

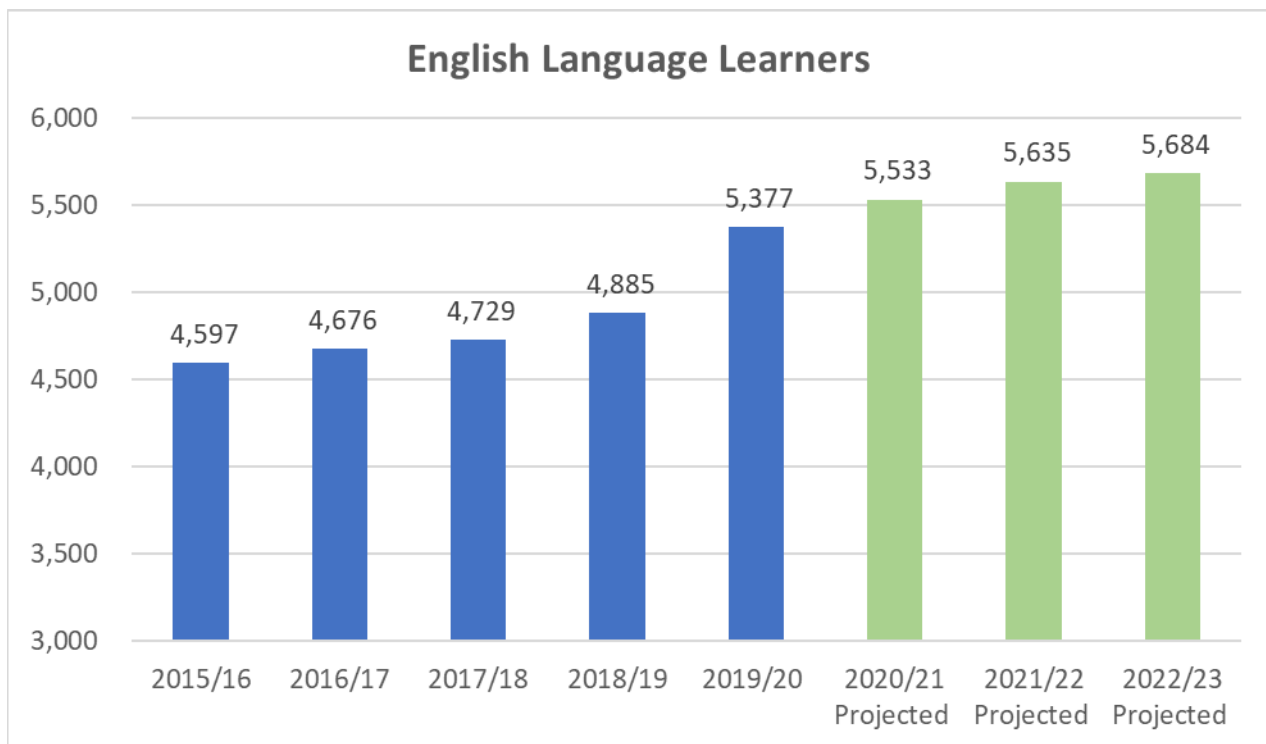
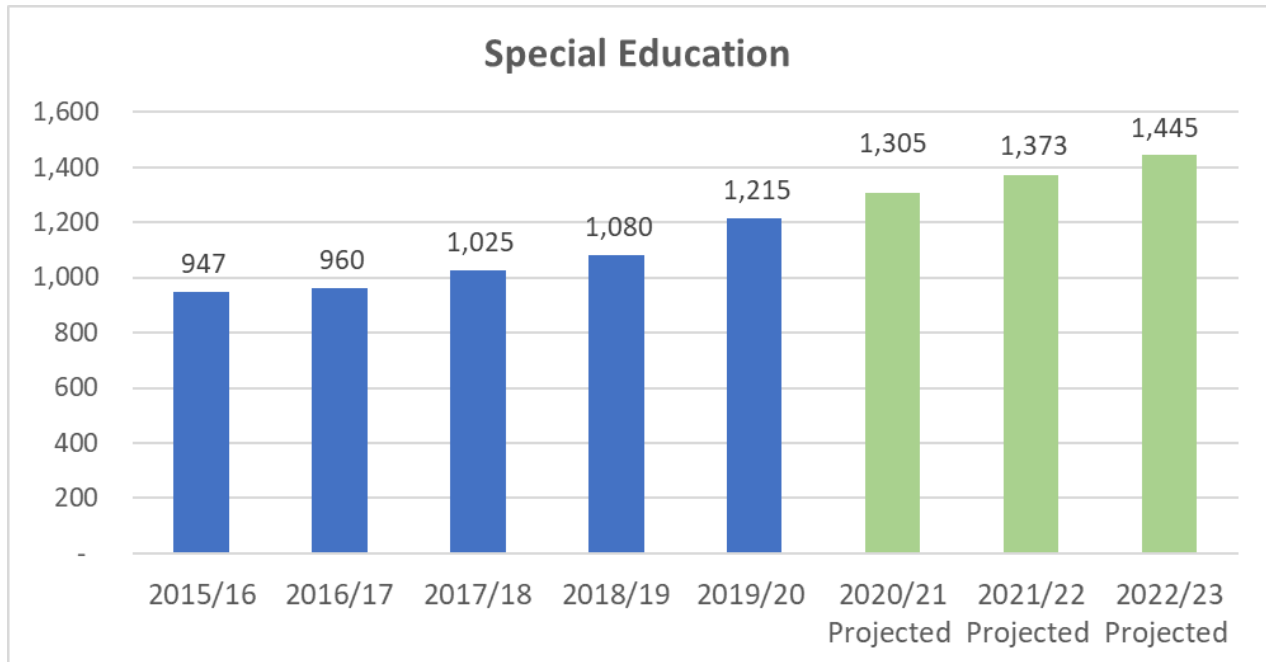
The District is funded primarily through an operating grant received from the Ministry of Education (MOE). The grant is based on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount per full-time equivalent (FTE) student. 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.

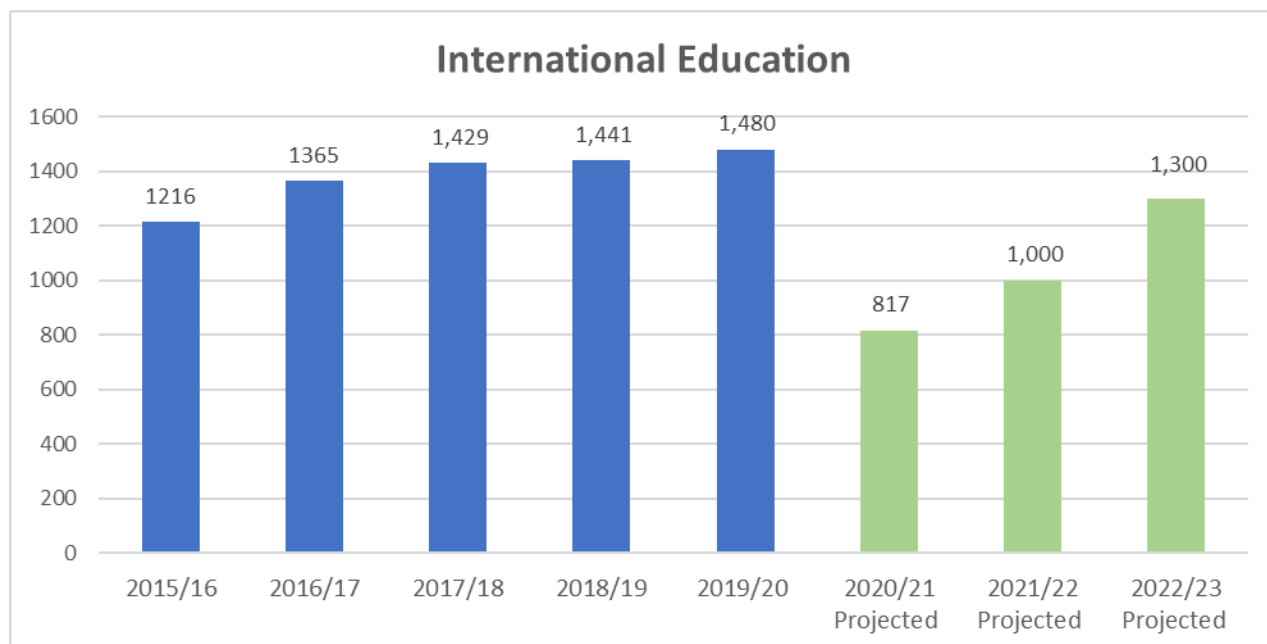
Regular K-12 enrolment has been stable over the past five years showing moderate growth. It is expected to remain stable through the 2020/2021 school year with an increase in growth projected for the 2021/2022 and 2022/2023 years. This modest growth is occurring at both the elementary and secondary levels.



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 2022/2023 school year for students with special needs increasing by 19 percent and ELL students increasing 6 percent over the next three years.



International education has seen significant historical enrolment growth. As a result of the global travel restrictions put in place to combat COVID-19 and personal health related concerns, an enrolment decline of 663 FTE or 45 percent is expected in 2020/2021. Enrolment is anticipated to recover by 183 FTE in 2021/2022 and an additional 300 FTE in 2022/2023.



Operating Fund

Revenues

District revenues for 2019/2020 were \$2,939,987 greater than budgeted. Below are the details of the revenue increase by category.

	2019/20 Actual	2019/20 Budget	\$ Variance	% Variance
Revenues				
Ministry of Education	\$ 229,907,792	\$ 226,570,856	\$ 3,336,936	1.47%
Other Provincial Grants	180,600	154,700	25,900	16.74%
Tuition	28,334,432	28,687,233	(352,801)	(1.23%)
Other Revenues	721,953	406,379	315,574	77.66%
Rentals	854,958	910,719	(55,761)	(6.12%)
Interest	1,232,139	1,562,000	(329,861)	(21.12%)
Total Operating Revenue	\$ 261,231,874	\$ 258,291,887	\$ 2,939,987	1.14%

Ministry of Education (MOE) Grants

The increase in MOE grants was driven by several factors. There was an increase of \$195,795 in funding related to the February 2020 student enrolment count. There were 18 additional

students with special needs identified in the February count. The District also received \$2,950,784 in funding to cover the costs associated with the BC teachers' labour settlement. This settlement was reached after the amended budget had been approved by the Board. Finally, graduated adult enrolment increased leading to an additional \$192,444 of funding. Below is a table detailing the per-student funding rates and supplemental funding for unique students and unique factors affecting some districts.

Provincial Totals

78%

allocated through the Basic Allocation

Basic Allocation	
Common per student amount for every FTE student enrolled by school type	
Standard School: \$7,468 per school age FTE	Continuing Education: \$7,468 per school age FTE
Alternate School: \$7,468 per school age FTE	Distributed Learning: \$6,100 per school age FTE

15%

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: \$42,200 per student	Level 2 Special Needs: \$20,200 per student	Level 3 Special Needs: \$10,250 per student
English/French Language Learning: \$1,495 per student	Aboriginal Education: \$1,450 per student	Adult Education: \$4,773 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 decrease in tuition revenue versus budget was driven by CCE. District CCE revenue declined by \$475,277 due to reduced program enrolment as a result of COVID-19. This was partially offset by international tuition increasing by \$121,246.

Other Revenues

Other revenues consist of miscellaneous items such as one-time unrestricted grants, donations, and Burnaby Online fees. The increase in other revenues was primarily due to higher than anticipated grants and rebates received for our energy sustainability programs.

Rentals

District rental revenue is generated from short-term rentals of sites and facilities to individuals and community groups. These rentals totalled \$854,958 in fiscal 2019/2020 which is \$55,761 less than budgeted. This decrease resulted from facility rentals being suspended in March 2020 in response to the COVID-19 pandemic.

Interest Income

Interest 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 actual versus budget is due to a sharp decline in interest rates (2.95% to 1.45%) beginning in April 2020 due to the economic uncertainty caused by COVID-19. This decline in rates is consistent with the Bank of Canada rate.

Expenses

Overall District expenses were \$8,328,143 less than budgeted for 2019/2020. The table and explanations below show the details and explain the variances.

	2019/20 Actual	2019/20 Budget	\$ Variance	% Variance
Salaries				
Teachers & Teachers Teaching on Call	130,041,113	130,065,129	24,016	0.02%
Principals and Vice Principals	10,078,287	10,116,481	38,194	0.38%
Educational Assistants	20,731,850	20,692,536	(39,314)	(0.19%)
Support Staff	21,990,499	21,637,834	(352,665)	(1.63%)
Other Professionals	4,984,143	4,959,051	(25,092)	(0.51%)
Total Salaries	187,825,892	187,471,031	(354,861)	(0.19%)
Benefits	41,685,820	43,002,947	1,317,127	3.06%
Total Services and Supplies	21,896,484	29,262,361	7,365,877	25.17%
Total Expenses	251,408,196	259,736,339	8,328,143	3.21%

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). Although the overall variance between budget and actual was a very small 0.02%, there were some significant variances in both the teachers and TTOC results. The salary cost of both teachers and TTOCs increased by \$2,360,627 due to the provincial teachers' collective agreement that was signed after the 2019/2020 amended budget was approved. There was also a \$2,198,385 surplus in TTOCs because usage was significantly reduced as in-class instruction was suspended in response to COVID-19.

Principals and Vice Principals

This 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 0.38%.

Education Assistants

Education Assistants (EAs) provide support for students with special needs in the District. While the overall EA variance was 0.19%, there were larger offsetting variances among permanent EAs and EAs who work on call. The \$336,813 difference in budgeted permanent EA salaries and actuals resulted from the increase students with special needs throughout the year. There was an offsetting \$343,586 surplus in on call EAs because usage was significantly reduced as in-class instruction was suspended in March 2020 due to COVID-19.

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 resulted from additional custodial usage as the District significantly increased facility cleaning in response to COVID-19.

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 the 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 2019/2020, the District extended health and dental plans were in a significant surplus position after factoring in adequate contingency reserves. As a result, the District was able to take a one-time \$1,389,960 credit to operating benefits. In addition, there were offsetting benefits costs associated with the teachers' collective agreement and benefits surpluses driven by lower TTOC and on call EA usage.

Services and Supplies

	2019/20 Actual	2019/20 Budget	\$ Variance	% Variance
Services	\$ 9,376,684	\$ 13,085,630	\$3,708,946	28.34%
Student Transportation	592,564	768,701	176,137	22.91%
Professional Development and Travel	669,902	1,278,114	608,212	47.59%
Rentals and Leases	150,000	172,288	22,288	12.94%
Dues and Fees	86,497	82,029	(4,468)	(5.45%)
Insurance	482,943	552,597	69,654	12.60%
Supplies	7,721,793	9,849,292	2,127,499	21.60%
Utilities	2,816,101	3,473,710	657,609	18.93%
Total	\$ 21,896,484	\$ 29,262,361	\$7,365,877	25.17%

Services

This 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 2019/2020 there were significant reduction in costs incurred in a variety of services. Due to COVID-19 travel restrictions, international education reduced \$499,447 in marketing and recruiting as well as \$276,621 in medical costs. This surplus was also partially driven by \$982,103 of reductions in IT services. This resulted from surpluses in the next generation network service operating costs, core services and reduced usage of contractors and consultants. Program development costs were down \$466,785. A review of the balance sheet led to a one-time credit for grievances and arbitration that was taken in 2019/2020 reducing professional fees by \$330,582. There were also several restricted reserves that are for multi-year projects that were not fully spent. These surpluses are \$496,155 for energy management, \$390,203 for the district strategic plan, \$170,487 for district food services and \$41,190 for environmental sustainability.

Student Transportation

This includes payments to the owners of vehicles who provide transportation for school District pupils. This includes 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. The 2019/2020 surplus resulted from busing services running at a reduced capacity due to the suspension of in-class instruction in March 2020.

Professional Development and Travel

This 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 surpluses in this area versus budget. The surplus was driven by \$197,586 in district professional development, \$126,050 in travel and training, \$98,712 of mileage and \$80,895 in teacher and administrator professional development. These surpluses were largely driven by professional development opportunities and travel being canceled as a result of COVID-19.

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 the Districts. The variance to budget resulted from \$22,288 cost recoveries from special purpose fund programs using our administrative facilities.

Dues and Fees

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

Insurance

This includes the expenditures for all forms and types of insurance coverage, premiums, and deductibles. The District experienced \$69,645 in cost reductions versus budget which was driven by \$53,850 less School Protection Program insurance premiums than expected.

Supplies

This item consists of expenditures for supplies and materials of a consumable and/or non-capital nature. This includes consumable supplies, learning resources, non-capitalized furniture and equipment and computer equipment. Each year the schools are allocated funds called block budgets for consumable supplies, furniture and equipment and educational technology. These allocations are spent at their discretion within certain parameters set by the District. In response to the budget uncertainty caused by the COVID-19 pandemic, spending in these funds was frozen in March 2020. Exceptions to the freeze were costs related to the continuance of in-class education for the children of essential service workers, health and safety and supporting vulnerable students. As a result, the District had a surplus of \$1,702,759 in block budget accounts. There were also \$116,887 of additional surpluses in IT services and \$431,316 of furniture and equipment, offset by \$393,188 of additional costs directly related to the District's

COVID-19 response. These costs consist of additional custodial supplies, technology for students and staff to facilitate remote learning and work, and health and safety supplies.

Utilities

Included here are the expenditures for utility costs such as electricity, heating, water and sewage, garbage and recycling. The District experienced significant surpluses in utility costs. The surplus of \$657,609 was primarily made up of savings of \$293,608 and \$242,949 for hydro and gas, respectively. Energy saving initiatives reduced consumption by 4% pre-pandemic leading to \$211,237 in savings and additional savings of \$446,372 was due to the suspension of in-class instruction which reduced facility usage.

COVID-19 Impact

Beginning on March 16, 2020 K-12 classes in BC entered stage 4 of the COVID-19 education framework. In-class instruction was limited to children of essential workers, and students who require special support. As of June 1, 2020, BC moved from Stage 4 to Stage 3 on the COVID-19 restart plan. Stage 3 included offering two to three days of in-class instruction for K-5 students, one day per week for Grades 6-12, and five days per week for children of essential service workers, students with disabilities and students with diverse needs. The direction from the Ministry of Education is to plan for all students receiving in class instruction five days per week in September 2020.

The table below shows the financial impacts to the District that directly resulted from COVID-19. These items were also included in the previous sections.

	Surplus / (Deficit)
Revenue:	
Tuition	(300,224)
Other Revenue	(34,167)
Rentals and Leases	(213,996)
Investment Income	(350,075)
Total Revenue	(898,462)
Staffing	
Teachers Teaching on Call	1,828,571
Education Assistants	343,586
Custodians	(150,342)
Benefits	322,092
Total Staffing	2,343,906
Services and Supplies:	
Services	423,450
Student Transportation	129,232
Professional Development and Travel	88,048
Supplies	(393,188)
Utilities	446,372
Total Services and Supplies	693,915
Grand Total	2,139,360

In addition to these direct impacts, the District also required schools and departments to suspend spending that did not relate directly to the continuance of education. This direction produced significant further surpluses outlined in the services and supplies analysis section above.

Operating Surplus Analysis

The District closed out the year with a \$21,293,709 operating surplus of which \$17,415,767 was internally restricted for specific purposes and \$3,877,942 is unrestricted. This operating surplus represents a \$7,562,167 increase over 2018/2019. A surplus this large is not typical and resulted from the suspension of in-class learning, the spending freeze placed on school budgets and restricting other spending that did not relate to the continuance of education. The surplus positions the District to balance the 2020/2021 budget and recover from the impacts of COVID-19 over subsequent years.

Accumulated Surplus	2019/2020	2018/2019
Internally Restricted Operating Surplus		
Ensuing Year Operating Budget Commitment	\$ 8,880,648	\$ 1,404,292
17 FTE Classroom Enhancement Fund Teachers	\$ -	\$ 1,598,000
School Funds, Learning Resources and Program Development	1,166,658	602,881
International Education Reserve	4,625,000	3,500,000
Other District Committed Expenditures	2,743,461	2,774,730
Total Internally Restricted Operating Surplus	\$17,415,767	\$ 9,879,903
Unrestricted Operating Surplus	3,877,942	3,851,639
Total Operating Surplus	\$21,293,709	\$13,731,542

In addition, there is a \$2,814,821 balance in the Local Capital fund. This balance is funded by the 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, \$2,203,277 is allocated to specific projects such as the Education Technology Plan, furniture & equipment, special education equipment, custodial equipment, vehicles and other capital projects. \$611,544 has not yet been allocated to specific projects.

Below is a three-year projection of the operating surplus as it relates to funds that are available to balance the budget. The projection is based on factors that were known to the District in June 2020 and contains assumptions that the District will maintain current service levels and programs. Revenues are primarily based on enrolment projections and the MOE current funding formula. Expenses are 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 increased to reflect the contributions required to support the Education Technology Plan.

The development of the three-year budget projections also required the District to make several assumptions related to factors affected by COVID-19. These assumptions each have varying levels of risk and are identified in the following table:

COVID-19 Related Assumptions	Risk
School will return to normal operations in September 2020	Moderate
International enrolment will decrease by 45% in 2020/2021, but is expected to largely recover over the next three years	High
Summer school will run but will generate a reduced surplus due to capacity restrictions and cleaning requirements	Low
Facility rentals will not resume until January 2021	Moderate
Interest rates will remain low (1.45%) for three years	Low
Community & Continuing Education will see a one-time \$60,000 net reduction	Low
School meals program will serve only fully subsidized students creating a \$476,000 deficit that will be absorbed through the operating fund	Low

Three-Year Budget Projection			
Preliminary June 2020			
	2020/2021	2021/2022	2022/2023
Revenue			
Ministry Operating Grant	\$ 227,277,636	\$ 242,943,877	\$ 251,071,129
Other Ministry of Education Grants	9,035,602	2,857,285	2,857,285
Other Revenue	18,318,513	22,156,483	27,241,483
	254,631,750	267,957,645	281,169,897
Expenditures			
Salaries	195,622,229	203,652,862	212,058,970
Benefits	44,618,415	47,773,553	50,155,906
Services & Supplies	21,169,754	21,665,406	22,397,608
	261,410,399	273,091,821	284,612,483
Net Revenue (Expense) for the Year	(6,778,649)	(5,134,176)	(3,442,586)
Local Capital	(2,102,000)	(2,602,000)	(3,102,000)
Surplus / (Deficit)	\$ (8,880,648)	\$ (7,736,176)	\$ (6,544,586)

Below is a table detailing the usage of surpluses and reserves over the three years. An allocation of prior year's surpluses and reserves is required to balance the budget and position the district to financially recover from the impact of the COVID-19 crisis. 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 Fund Balance Preliminary June 2020				
	2020/2021		2021/2022	2022/2023
Fund Balance Beginning of the Year	\$	3,851,639	\$ -	\$ -
Current Year Surplus/(Shortfall)		(8,880,648)	(7,736,176)	(6,544,586)
Amended 2019/20 Budget Projection		2,529,009	4,968,616	2,007,412
Restricted Reserves - Reclassification		-	1,267,560	-
International Education Restricted Reserve		2,500,000	1,500,000	-
Fund Balance End of the Year	\$	-	\$ -	\$ (4,537,174)

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 can 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 can better respond to changing circumstances.

Liquidity						
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
Financial Assets	\$ 91,066,790	\$ 99,141,231	\$ 107,349,300	\$ 110,552,521	\$ 118,901,836	
Financial Liabilities	\$ 60,137,687	\$ 65,574,458	\$ 66,197,951	\$ 66,371,731	\$ 64,165,813	
Liquidity	1.51	1.51	1.62	1.67	1.85	

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 \$1,125,000 in 2019/2020 bringing the total reserve to \$4,625,000. In 2019/2020, the District also restricted \$8,880,648 to balance the anticipated budget shortfall for 2020/2021.

Total Accumulated Surplus to Revenue					
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Unrestricted Surplus	\$ 1,248,757	\$ 4,652,641	\$ 5,255,932	\$ 3,851,639	\$ 3,877,942
Restricted Surplus	\$ 7,817,646	\$ 6,552,260	\$ 7,082,454	\$ 9,879,903	\$ 17,415,767
Total Surplus	\$ 9,066,403	\$ 11,204,901	\$ 12,338,386	\$ 13,731,542	\$ 21,293,709
Revenue	\$ 224,178,995	\$ 231,423,270	\$ 238,787,086	\$ 246,850,821	\$ 261,231,874
Percentage	4.04%	4.84%	5.17%	5.56%	8.15%

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 to maintain a consistent status over the past five years. Investments in Furniture, Equipment and Vehicles may need to be increased as the ratio in 2019/2020 is higher than previous 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					
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Gross Assets	\$ 340,227,812	\$ 359,655,573	\$ 379,915,590	\$ 402,155,279	\$ 429,072,581
Accumulated Amortization	\$ 124,555,100	\$ 132,507,193	\$ 140,928,571	\$ 149,479,201	\$ 158,594,509
Ratio	0.37	0.37	0.37	0.37	0.37

Accumulated Amortization to Furniture/Equipment and Vehicles					
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Gross Assets	\$ 4,518,774	\$ 5,321,701	\$ 6,950,568	\$ 7,373,488	\$ 7,670,358
Accumulated Amortization	\$ 1,837,310	\$ 2,227,949	\$ 2,821,367	\$ 3,257,803	\$ 3,889,618
Ratio	0.41	0.42	0.41	0.44	0.51

Accumulated Amortization to Computer Hardware and Software					
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Gross Assets	\$ 3,749,705	\$ 3,700,326	\$ 3,170,045	\$ 3,891,432	\$ 3,596,209
Accumulated Amortization	\$ 1,992,160	\$ 2,200,059	\$ 2,287,574	\$ 1,882,012	\$ 1,810,959
Ratio	0.53	0.59	0.72	0.48	0.50

Accumulated Amortization to All					
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Gross Assets	\$ 348,496,291	\$ 368,677,600	\$ 390,036,203	\$ 413,420,199	\$ 440,339,148
Accumulated Amortization	\$ 128,384,570	\$ 136,935,201	\$ 146,037,512	\$ 154,619,016	\$ 164,295,086
Ratio	0.37	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 2019/2020 as related to significant Special Purpose grants:

Grant	Source	Amount Received	Amount Expended	Discussion
Annual Facility Grant (AFG) Operating portion	Ministry of Education	\$930,932	\$930,932	Please see discussion in the Capital Projects section under "Annual Facility Grant (AFG) Funding"
Learning Improvement Fund (LIF)	Ministry of Education	\$808,876	\$808,876	Funding used specifically to augment EAs hours providing additional support to complex learners.
Strong Start	Ministry of Education and other	\$388,117	388,117	Strong Start early learning centers provide school-based, drop-in programs for children from birth to age five and their parents or caregivers.
Ready, Set, Learn (RSL)	Ministry of Education and other	\$103,917	\$81,487	Eligible RSL events for children aged 3 to 5 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	\$272,270	\$213,569	Funding for core French-language programs and curriculum resources.
Community LINK	Ministry of Education and other	\$3,581,412	\$3,544,452	Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning.
Classroom Enhancement Fund (CEF) – Overhead, Staffing and Remedies	Ministry of Education	\$11,705,513	\$11,705,513	Eligible expenses include teacher staffing, overhead staffing and equipment costs resulting from restoration of class size and composition language.

Grant	Source	Amount Received	Amount Expended	Discussion
BC Provincial School for the Deaf	Ministry of Education and other	\$6,526,662	\$5,249,093	The BC Provincial School for the Deaf is a Kindergarten to Grade 12 school for the Deaf or hard-of-hearing. The difference between funds received and spent resulted from staffing vacancies and COVID-19 savings.
Fraser Park Maples	Ministry of Education	\$2,326,078	\$2,235,856	A secondary program which provides assessment, consultation services and classroom instruction to youth referred to the Maples Adolescent Centre.
Immigration, Refugees and Citizenship Canada - LINC, SWIS and Youth Wraparound	Immigration, Refugees and Citizenship Canada	\$3,070,381	\$3,070,381	These programs are funded by Immigration, Refugees and Citizenship Canada (IRCC). 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. Youth Wraparound provides various services to newcomers to Canada.

Capital Fund

Major Capital Projects

The District had ten major capital projects at various stages of progress during the 2019/2020 school year. The below table outlines the active projects during 2019/2020, University Highlands Elementary and Armstrong Elementary were considered completed prior to June 30, 2020 and have been fully capitalized. Capital expenditures are primarily funded by the 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
University Highlands Elementary	Addition and SFU childcare	06-Jun-16	Dec-19	Aug-19
Armstrong Elementary	Seismic Upgrade	30-Jan-18	Jan-19	Sep-19
District Board Office	Replacement	06-Feb-18	Jan-21	Aug-21
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
Childcare Facilities (Multiple Locations)	Additional Childcare spaces	11-Feb-20	Oct-20	Oct-20
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 provided below. The Local Capital fund have been broken down by similar projects. The Board Office replacement project is expected to remain in a deficit until the sale of the current Board Office is finalized.

Capital Fund	Description	June 30, 2020 Balance	June 30, 2019 Balance	Change
Local Capital	Funds generated by the District to be utilized for capital expenditures as determined by the District	\$ 2,814,821	\$ 4,960,172	(\$2,145,351)
Ministry of Education By Law Capital	Represents funds drawn on Certificates of Approval (COA) for capital projects.	\$ 506,089	\$ 270,180	\$235,909
Ministry of Education Restricted Other Capital	Represents the Ministry's portions of the proceeds on disposal of land and buildings and any bylaw project surplus on capital projects	\$ 1,204,679	\$ 8,680	\$1,195,999
Land Capital	Funds received from the City of Burnaby for School Site Acquisition charges.	\$ 26,300,460	\$ 24,868,666	\$1,431,794
Other Provincial Capital Funds	Represents capital grants received from and restricted by, other Ministries, Crown Corporations or School Districts, Universities, Colleges and Health (SUCH) sector entities.	\$ 3,496,636	\$ 347	\$3,496,289
Other Capital Funds	Includes capital grants received from and restricted by, any entity not included in the Government Reporting Entity.	\$ -	\$ -	\$0
Total		\$ 34,322,685	\$ 30,108,045	\$ 4,214,640

Local Capital Project	Funding Allocations
Building and Portables	\$ 1,195,455
Burnaby North Secondary	\$ 158,763
Board Office Replacement	\$ (3,368,974)
Furniture and Equipment	\$ 972,382
Vehicles	\$ 479,339
Technology	\$ 2,575,114
CCTV	\$ 191,226
Unallocated	\$ 611,544
Total Local Capital	\$ 2,814,850

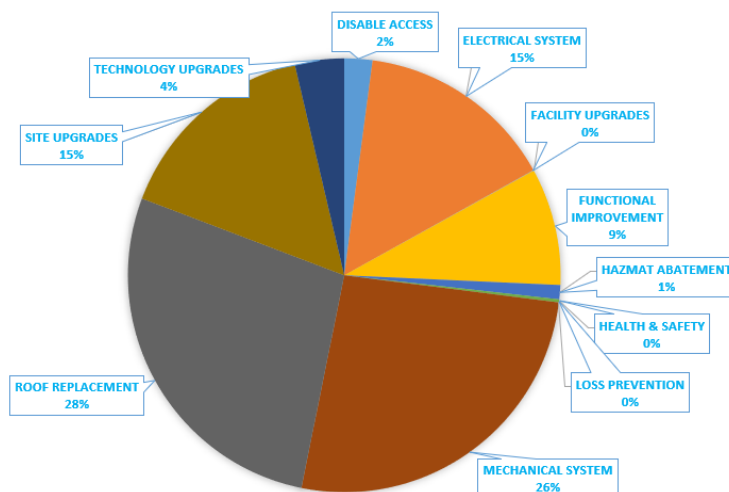
Other Capital Funded Project

In 2019/2020, the District received approximately \$4,496,871 in capital and operating Annual Facilities Grant (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 31 fiscal year end. For the 2020-2021 fiscal year end, the District has again been approved for approximately \$4,516,682 in funding.

2019/2020 AFG Funds

Eligible Uses of AFG 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



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 (PEP) are investments in various playground equipment.

March 31 Fiscal Year end	2019/2020 Project Spending	2020/2021 Planned Spending
SEP	\$ 525,000	\$ 310,000
CNCP	\$ 385,875	\$ 877,423
PEP	\$ 285,000	\$ 250,000

Long Term Outlook

Safe Return to School

The COVID-19 crisis has had a significant financial impact to the District. The added cost pressures and lost revenues caused by the pandemic were absorbed in the 2019/2020 budget. There were also significant reductions in costs teachers teaching on call and casual employees due to the suspension of in-class learning in April and May. With in-class instruction returning in September, and enhanced cleaning protocols still required for the foreseeable future, there will be additional pressures on the budget throughout the 2020/21 fiscal year.

The Ministry of Education has provided a Safe Return to Schools Grant of \$1,711,553 for the District as a part of a \$42 million allocation to all school districts across BC. This restricted grant is to be used for more staff time for cleaning schools, improving and increasing access to hand hygiene, cleaning supplies, face masks and face shields, and support for remote learning for students with disabilities or complex needs. In addition, the federal government announced it will be providing \$2 billion in funding to help provinces and territories re-open schools safely. The Ministry of Education will be providing additional guidelines for spending of the \$242.4 million that will be allocated to school districts in BC.

A further \$1,000,000 has been set aside from the District's 2019/20 restricted operating surplus as a 'COVID-19 response fund' to deal with these or any other budgetary issues arising from the pandemic.

International Education

As of March 16, 2020, the Canadian border was closed to international students who did not already have study permits. This significantly impacted the District's international enrolment projections for 2020/21 and beyond. The 2020/21 budget estimated a 45% decline in enrolment from the prior year. Returning students or students who had obtained a study permit prior to March 18, are able to enter the country provided they self-quarantine for 14 days upon arrival. Given the substantial impact international education has on the operating budget, enrolment will need to be closely monitored throughout the year. As the District is switching to a quartered semester system at secondary schools in response to COVID-19, there will be an increased opportunity to register international students in the District throughout the school year compared to prior years.

Education Technology Plan

As a result of COVID-19, there has been an increased reliance on technology as the education system moved to remote learning following the 2020 spring break. The District had recently implemented an eight-year technology plan with a goal to ensure the District has fast, reliable and flexible technology that staff and students can utilize to thrive now and in the future. Given implementation of the plan had already begun, the District was well positioned to respond to the increased demands and provided over 1,000 laptops to students who didn't already have access to technology in their homes. This plan requires an increase to the current funding levels to ensure it is sustainable for the balance of the eight years and beyond.

Strategic Plan

The changeability and unpredictability brought on by the pandemic has greatly impacted the education system for kindergarten to grade 12. In these uncertain times, the District looks to its vision, mission, and core values as defined in the District's strategic plan. More details on the strategic plan and highlights of accomplishments can be found on the website at:

<https://burnabyschools.ca/strategic-plan-2019-24/>