

Financial Statement
Discussion and Analysis
2020/2021

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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, 2021, 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.

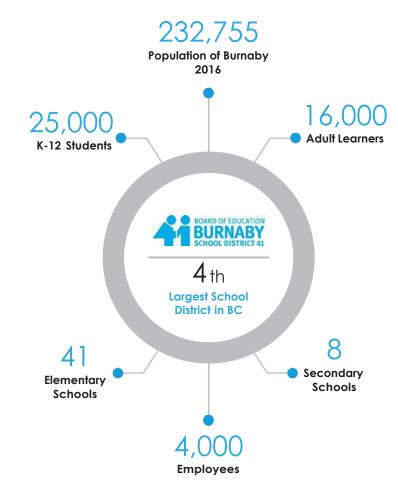
The financial statements represent the consolidation of three separate funds (operating, special purpose and capital). Financial performance of each fund is reported in the supplementary schedules that accompany the financial statements.

### 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 6,000 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

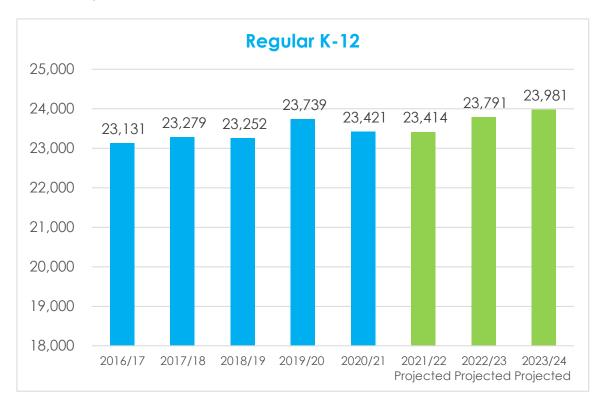
We challenge ourselves and our learners to make their highest contributions, and we foster opportunities to make this possible. We celebrate success and recognize that there are many ways to define and achieve it. Working collaboratively, we challenge ourselves and our learners to improve, as individuals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

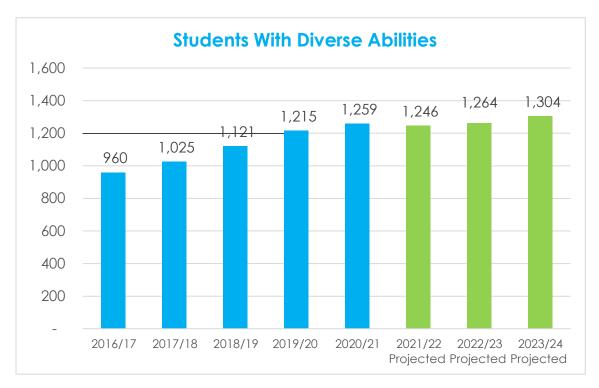
The District is funded primarily through an operating grant received from the Ministry of Education (MOE). The grant is based on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount per full-time equivalent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

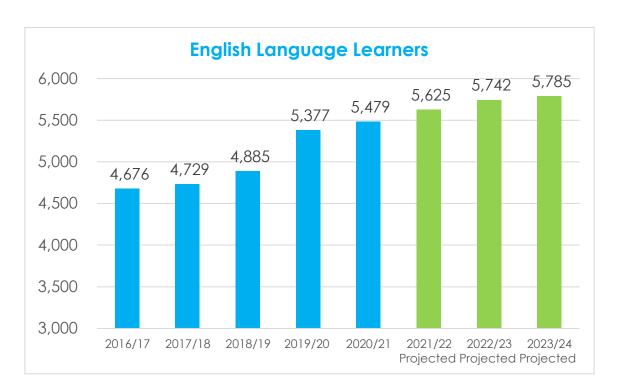
District staffing levels are driven directly by student enrolment. Since salaries and benefits make up approximately 90 percent of District expenses, reliable enrolment data is essential for financial planning. Each year the District completes an analysis of historical enrolment and student retention 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.

Prior to the COVID-19 pandemic, regular K-12 enrolment was stable year over year showing moderate growth. Due to COVID-19 reducing both interprovincial and international migration, the District experienced a significant enrolment decline in 2020/2021. The number of students is expected to remain stable for the upcoming 2021/2022 school year with a return to pre-covid levels in 2022/23 and a moderate increase in 2023/24. Growth in enrolment is expected to occur at both the elementary and secondary levels.

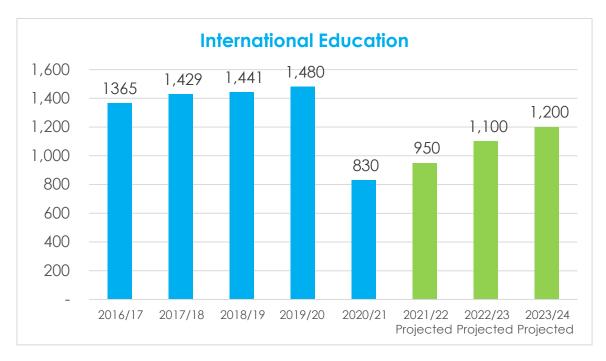


Over the past five years, the District has experienced significant growth in the number of students with diverse abilities and English Language Learners (ELL) and 2020/21 continued with that trend. However, enrolment of students with diverse abilities is expected to decline slightly by 1% in the 2021/22 school year and continue rising again in 2022/23. ELL enrolment is forecast to continue increasing, but at a slower rate over the next 3 years.





As a result of global travel restrictions put in place to combat COVID-19, the District saw an unprecedented drop in International Education enrolment of 650 FTE or 44% in 2020/2021. Enrolment is anticipated to recover slowly over time, rising by 120 FTE in 2021/2022 and an additional 150 FTE in 2022/2023.



# **Operating Fund**

#### Revenues

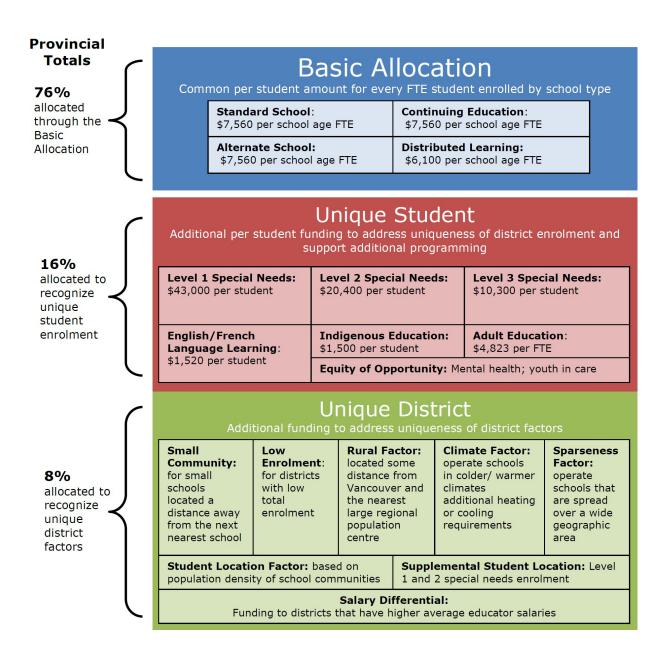
District operating revenues for 2020/2021 were \$1,476,834 greater than budgeted and \$9,522,059 lower than prior year. Below are the details of the revenue increase by category.

	Act	ual	Budget	Actu	ual to
	2019/20	2020/21	2020/21	Budget	Prior Year
Ministry of Education	\$229,907,792	\$232,870,833	\$231,932,371	\$ 938,462	\$ 2,963,041
Will listry of Education	ΨΖΖ/,/Ο/,//Ζ	Ψ202,070,000	Ψ201,702,071	0.4%	1.3%
Other Provincial Grants	180,600	116,400	175,200	(58,800)	(64,200)
Official Flovincial Glaffis	180,800	110,400	173,200	-33.6%	-35.5%
Tuition	28,334,432	16,574,438	16,360,655	213,783	(11,759,994)
TUITION	20,334,432	16,374,436	10,300,033	1.3%	-41.5%
Other Revenues	721,953	1,172,633	782,427	390,206	450,680
Officer Revenues	721,733	1,172,033	702,427	49.9%	62.4%
Rentals	051050	389.129	362,752	26,377	(465,829)
Remais	854,958	307,127	302,/32	7.3%	-54.5%
Investment Income	1,232,139	586.382	619,576	(33,194)	(645,757)
Investment Income	1,232,137	300,302	017,370	-5.4%	-52.4%
	\$241 221 074	\$251,709,815	\$250,222,001	\$ 1,476,834	\$ (9,522,060)
Total	\$261,231,874	3231,7U7,813	\$250,232,981	0.6%	-3.6%

#### Ministry of Education (MOE) Grants

The increase in MOE grants relative to budget was driven by several factors. There were significant increases relative to the September count by \$725,066 due to the allocation of the Ministry's holdback funding. Holdback funding is available when the overall operating block for the provincial allocation of funding for education has remaining funds after the calculation of student enrolment. As a result of lower student enrolment across the province, funds were available in 2020/2021 and these funds were allocated to school districts and targeted to address learning impacts as a result of COVID-19 Other surpluses were \$202,826 due to increased Distance Learning enrolment in February, and \$49,200 for Newcomer Refugees. This was partially offset by a \$126,350 decrease attributed to a lower than forecasted rise in the number of Level 2 and Level 3 designated Students with diverse abilities.

The significant variance to the prior year actual is a combination of the funding of Teacher and CUPE negotiated wage increases and overall enrolment levels. Additionally, decreases in general enrolment were offset by increases in Students with diverse abilities and English Language Learners. Below is a table detailing the perstudent funding rates and supplemental funding for unique students and unique factors affecting some districts.



#### **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 and experienced significantly lower than historical enrolment.

#### **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 increased International Education revenues of \$218,359 relative to budget due to slightly higher enrolment numbers than expected. On a year-over-year basis, tuition revenue was down 41.5%, entirely related to the limited mobility due to international border restrictions and public health uncertainty related to COVID-19.

#### **Other Revenues**

Other revenues consist of miscellaneous items such as one-time unrestricted grants, donations, and Burnaby Online fees. The significant increase in other revenues compared to budget was due to higher than anticipated grants and rebates received for 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 \$389,129 in fiscal 2020/2021 which is \$26,377 higher than budgeted.

A significant decrease was realized year-over-year due to the suspension of community rentals due to COVID-19.

#### **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 safely with the provincial government thereby accessing a favorable rate without any restrictions on withdrawals. The variance in actual versus budget is due to lower than forecast average cash balances due to timing of payments for capital projects. In addition, the Bank of Canada cut benchmark interest rates by nearly 50% in the 2019/20 school year, which was fully reflected in the 2020/21 actual results and led to a decrease of \$645,547 of investment income.

### **Expenses**

Overall District expenses were \$5,090,287 less than budgeted for 2020/2021. Details and explanations have been grouped by staffing and services and supplies.

### **Staffing**

	Act	ual	Budget	Ac	tual to
	2019/20	2020/21	2020/21	Budget	Prior Year
Salaries					
Teachers & Teachers Teaching on Call	130,041,113	131,171,030	131,151,266	(19,764)	(1,129,917)
reachers & reachers reaching on Cali	130,041,113	131,171,030	131,131,200	0.0%	-0.9%
Principals and Vice Principals	10,078,287	10,424,367	10,389,518	(34,849)	(346,080)
Fillicipais and vice Fillicipais	10,076,267	10,424,367	10,367,316	-0.3%	-3.4%
Education Assistants	20 721 950	22 / 1 / 217	22,361,324	(252,993)	(1,882,467)
Education Assistants	20,731,850	22,614,317	22,361,324	-1.1%	-9.1%
Support Staff	21,990,499	22,030,542	22,070,156	39,614	(40,043)
Support Staff	21,990,499	22,030,342	22,070,136	0.2%	-0.2%
Other Brefessionals	4 00 4 1 42	5 575 A/A	E E04 272	18,909	(591,321)
Other Professionals	4,984,143	5,575,464	5,594,373	0.3%	-11.9%
Total Salaries	187,825,892	191,815,720	191,566,637	(249,083)	(3,989,828)
Total salaries	107,023,072	171,615,720	171,300,037	-0.1%	-2.1%
  Benefits	41,685,820	42,069,565	43,003,733	934,168	(383,745)
Derienis	41,000,020	42,007,303	43,003,733	2.2%	-0.9%
Total Staffing	229,511,712	233,885,285	234,570,370	490,615	(4,373,573)
Total stalling	227,311,712	233,003,203	234,370,370	0.2%	-1.9%

#### **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). Teachers received a 2% wage increase effective July 1, 2020 as negotiated in the provincial collective agreement. This was the primary driver of increased salaries and was partially offset by a decline in operating headcount associated with lower student enrolment.

#### **Principals and Vice Principals**

This includes salaries paid to certified teachers employed by the District as Principals, Vice-Principals, and Directors of Instruction. The deficit to budget in this area is an insignificant 0.3%. The increased cost versus prior year was partially driven by the addition of a district administrator for the Equity, Diversity and Inclusion program.

#### **Education Assistants**

Education Assistants (EAs) provide support for students with diverse abilities in the District. The variance to budget and prior year, primarily in permanent EAs, was due to increased supports provided to students with diverse abilities. The increased cost compared to prior year was driven by increased enrolment in this area.

#### **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 and Trades Staff, Custodians, Noon Hour supervisors and Crossing Guards. The variance to budget was minimal.

#### 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. Variance to budget was insignificant. Salary grid movement was the driver behind year-over-year changes.

#### **Benefits**

Benefits includes the amounts paid by the 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. As the COVID-19 pandemic continues, usage of benefits by employees remains below historical levels. Continued lower claim levels has been the primary driver behind lower benefit expenses and as a result, the District again realized a significant surplus in the 2020/21 year. The variance to the prior year was driven by higher wage-related benefits costs (such as CPP, EI, Pension, WCB) due to higher overall salary costs as explained above.

### **Services and Supplies**

	Actu	ıal	Budget	Act	rual to
	2019/20	2020/21	2020/21	Budget	Prior Year
Services	\$ 9,376,684	\$ 7,265,391	\$ 8,540,117	\$ 1,274,726 14.9%	\$ 2,111,293 22.5%
Student Transportation	592,564	733,771	691,831	(41,940) -6.1%	(141,207) -23.8%
Professional Development and Travel	669,902	626,657	1,486,095	859,438 <i>57.8%</i>	43,245 6.5%
Rentals and Leases	150,000	108,918	155,059	46,141 29.8%	41,082 27.4%
Dues and Fees	86,497	108,344	74,427	(33,917) -45.6%	(21,847) -25.3%
Insurance	482,943	542,507	576,123	33,616 5.8%	(59,564) -12.3%
Supplies	7,721,793	7,559,158	9,635,752	2,076,594 21.6%	162,635 2.1%
Utilities	2,816,101	3,104,855	3,289,999	185,144 5.6%	(288,754) -10.3%
Total	\$ 21,896,484	\$ 20,049,601	\$ 24,449,403	\$ 4,399,803 18.0%	1,846,883 8.4%

#### **Services**

This includes costs for computer maintenance, contracted professional and technical services, repairs and maintenance, grounds upkeep, snow removal, security services, bank service charges, telephones, and printing services. There was a surplus of \$1,131,130 in accounts for multi-year projects that were not fully spent and the budgets are being carried forward to the next budget year. The remaining variance of \$185,310, or 2.8% of remaining services budget, was due to lower than anticipated service usage in a variety of areas.

#### **Student Transportation**

This includes payments to the owners of vehicles who provide transportation for school District pupils as well as 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 2020/2021 deficit resulted from increased costs for cleaning buses due to COVID-19 health & safety protocols.

#### **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 a significant reduction of costs in this area versus budget. The savings were driven by \$348,610 in district professional development, \$140,233 in travel and training, \$99,901 of mileage and \$217,469 in teacher and administrator professional development. These lower costs were largely driven by less professional development opportunities and non-essential travel due to 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 \$41,082 of cost recoveries from special purpose fund programs using our administrative facilities and \$5,059 budgeted for facility rentals that did not materialize.

#### **Dues and Fees**

This includes membership fees and/or dues in professional organizations as determined by the policies, regulations and needs of the District. Higher than budgeted costs in this account were attributed to costs for speech language pathologist fees incurred here offset by budgets in other accounts.

#### Insurance

This includes the expenditures for all forms and types of insurance coverage, premiums, and deductibles. The District experienced \$33,616 in cost savings versus budget which was driven largely by \$25,823 lower premiums for vehicle insurance. The balance of the difference was in general insurance costs.

#### **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. The variance was primarily due to \$850,993 lower than anticipated school block budget spending.

#### **Utilities**

Included here are the expenditures for utility costs such as electricity, heating, water and sewage, garbage and recycling. The District experienced savings on utility costs relative to budget due to community rentals on evenings and weekends not being offered due to COVID-19. Increased costs versus prior year were driven by rate increases.

# **COVID-19 Impact**

As of September 1, 2020, the Ministry of Education direction to all districts was to maximize in-class learning for all students (Stage 2). Elementary students attended full days with multiple measures taken to reduce the number of close interactions and contacts. For Secondary, all grades attended school every day, taking two classes each quarter for a total of eight classes over the school year. Those in Grades 10, 11 and 12 attended one class in person daily and had a second class involving a mix of online and in-school learning.

The table below shows the financial impacts to the District that directly resulted from COVID-19. The District received \$11,091,084 of Special Purpose Funds from provincial and federal governments to safely operate the 2020/21 school year. In addition to this, the District set aside \$1,000,000 of operating funds as a contingency fund for costs above what was provided by government sources. Of this \$1,000,000, the District used \$710,033.

COVID-19 Funding	20/2	1 Amended	20	/21 Actual	Vo	ıriance
Federal Safe Return to Class Fund	\$	9,331,531	\$	9,331,531	\$	-
Provincial Safe Return to School Grant		1,711,553		1,711,553		-
COVID-19 Response Fund - Restricted Surplus		1,000,000		710,033	2	289,967
Mental Health Grant		48,000		48,000		-
Total Funding	\$	12,091,084	\$	11,801,117	\$ 2	289,967
COVID-19 Expenses						
Teaching Staff	\$	7,786,348	\$	7,656,308	\$	130,040
Admin Staff		277,183		278,985		(1,802)
Support Staff		1,834,184		2,091,304	(2	257,120)
Services and Supplies		1,957,248		1,774,520		182,728
Total Expenses	\$	11,854,963	\$	11,801,117	\$	53,846
Surplus / (Deficit)					\$ 3	343,813

# **Operating Surplus Analysis**

The District closed out the year with a \$16,229,471 accumulated operating surplus of which \$12,181,093 is internally restricted for specific purposes and \$4,048,378 is unrestricted. This accumulated operating surplus represents a \$5,064,238 decrease over 2019/2020. This decrease was primarily due to planned surplus usage to balance the 2020/2021 budget.

The district's prior year's operating surplus in 2019/2020 was at historically high levels due to one-time reductions in costs due to the COVID-19 driven shut down of in person instruction in the last quarter of the year. However, COVID-19 continues to have ongoing negative impacts to the budget due to a large reduction in international enrolment, lower investment revenues due to historically low interest rates and limited ability to generate rental revenues.

Accumulated Operating Surplus	2020/21	2019/20
Internally Restricted		
Ensuing Year Budget Appropriation	\$ 6,843,830	\$ 8,880,648
School Funds, Learning Resources, Program Development	743,723	1,166,658
International Education Reserve	2,125,000	4,625,000
Other District Committed Expenditures	2,468,540	2,743,461
Total Internally Restricted	\$ 12,181,093	\$ 17,415,767
Unrestricted	4,048,378	3,877,942
Total Accumulated Operating Surplus	\$ 16,229,471	\$ 21,293,709

In addition, there is a \$(12,778,575) balance in the Local Capital fund. This large deficit is primarily a result of costs incurred for the construction of the new board office. This deficit will be offset by the disposition of the land of the site of the existing board office which will occur in the 2021/2022 fiscal year. The District requested and received approval from the Minister of Education to carry this deficit. This balance is funded through Board approved transfers from the operating fund 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.

On the next page there is a three-year projection of the operating surplus as it relates to funds that are available to balance the budget. This projection is prepared to assist in long-term financial planning and to guide decisions during the annual budget process. The projection is based on factors that were known to the District in May 2021 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 were based on the following factors due to COVID-19:

#### **COVID-19 Related Assumptions**

Discontinuation of Safe Return to Schools grants from the provincial and federal governments and discontinuation of COVID related expenditures

Public health will be at stage 1

No At-Home Learning or Transitions programs

International enrolment will increase by 14% to 950 FTE

Summer school will run but will generate a reduced surplus due to capacity restrictions and cleaning requirements

Community group facility rentals will resume in 2021/2022

Interest rates will decrease (1.45% to 0.95%)

Three-Year Budget Projection		2021/2022		2022/2023		2023/2024
Revenue						
Ministry Operating Grant	\$ 2	229,887,289	\$ 2	239,086,467	\$ 2	245,773,113
Other Ministry of Education Grants		3,490,027		2,797,657		2,797,657
Other Revenue		21,315,742		24,153,242		27,343,390
Total Revenue	\$2	254,693,058	\$2	266,037,366	\$2	275,914,160
Expenditures						
Salary and Benefits	\$ 2	238,634,325	\$ 2	248,914,137	\$ 2	257,379,413
Services & Supplies		20,650,563		20,876,661		21,380,834
Total Expenses	\$2	259,284,888	\$2	269,790,798	\$2	278,760,247
Net Revenue (Expense) for the Year	\$	(4,591,830)	\$	(3,753,432)	\$	(2,846,087)
Local Capital		(2,252,000)		(3,002,000)		(3,502,000)
Surplus / (Deficit)	\$	(6,843,830)	\$	(6,755,432)	\$	(6,348,087)

On the next page there is a table detailing the usage of surpluses and reserves over 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.

	2021/22	2022/23	2023/24
Fund Balance - Beginning of Year	\$ 16,229,471	\$ 5,173,378	\$ (1,582,054)
Annual Budget Bylaw Appropriation	(6,843,830)	(6,755,432)	(6,348,087)
COVID-19 Contingency	(1,000,000)	-	-
Use of Restricted Surplus			
School Budget Surplus	(743,723)	-	-
Other District Commitments	(2,468,540)	-	-
Fund Balance - End of Year	\$ 5,173,378	\$ (1,582,054)	\$ (7,930,141)
Fund Balance - End of Year, Comprised of:			
Unrestricted Surplus	\$ -	\$ (1,582,054)	\$ (7,930,141)
International Education Reserve	-	-	-
Total Unrestricted Surplus	\$ -	\$ (1,582,054)	\$ (7,930,141)
Restricted Surplus	\$ 5,173,378	-	-

### **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 has decreased due to funds expended for the construction of the new board office in 2020/2021. The liquidity ratio is expected to rebound in 2021/2022 once the disposition of the land of the existing board office has been completed.

Liquidity										
	201	6/2017	20	17/2018	20	18/2019	20	19/2020	20	20/2021
Financial Assets	\$	99,141,231	\$	107,349,300	\$	110,552,521	\$	118,901,836	\$	100,316,411
Financial Liabilities	\$	65,574,458	\$	66,197,951	\$	66,371,731	\$	64,165,813	\$	67,182,287
Liquidity		1.51		1.62		1.67		1.85		1.49

#### **Accumulated Surplus to Revenue**

The chart below shows the District's operating revenues and accumulated net operating surplus (deficit) over a five-year period. Up to 2020/2021, the trend was showing an increase in the total surplus both in dollars and as a percentage of revenue. The increase was due to the District establishing an International Education reserve in 2016/2017 and making annual contributions to the reserve. In 2019/2020, the District restricted \$8,880,648 in order to balance the anticipated 2020/2021 budget shortfall due to the COVID-19 pandemic. The decrease in accumulated surplus in 2020/2021 resulted from the District using the International Education reserve and other restricted surplus in response the negative impact COVID-19 has had on the budget.

Total Accumulated Surp	Total Accumulated Surplus to Revenue												
	20	2016/2017 2		2017/2018		2018/2019		19/2020	20	20/2021			
Unrestriced Surplus	\$	4,652,641	\$	5,255,932	\$	3,851,639	\$	3,877,942	\$	4,042,375			
Restricted Surplus	\$	6,552,260	\$	7,082,454	\$	9,879,903	\$	17,415,767	\$	12,181,093			
Total Surplus	\$	11,204,901	\$	12,338,386	\$	13,731,542	\$	21,293,709	\$	16,223,468			
Revenue	\$	231,423,270	\$	238,787,086	\$	246,850,821	\$	261,231,874	\$	251,698,412			
Percentage		4.84%		5.17%		5.56%		8.15%		6.45%			

#### **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 show that investments have been made in buildings to maintain a consistent status over the past five years. This includes significant investments in schools such as the Burnaby North secondary, Seaforth elementary and Parkcrest elementary. 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. This prompted significant investments in this area as a result of the eight-year technology plan put in place to ensure staff and students can access up to date technology.

Accumulated Amortization	Accumulated Amortization to Buildings													
	20	16/2017	20	17/2018	20	18/2019	20	19/2020	20	20/2021				
Gross Assets	\$	359,655,573	\$	379,915,590	\$	402,155,279	\$	429,072,581	\$	492,347,432				
Accumulated Amortization	\$	132,507,193	\$	140,928,571	\$	149,479,201	\$	158,594,509	\$	167,833,817				
Ratio		0.37		0.37		0.37		0.37		0.34				

Accumulated Amortization	Accumulated Amortization to Furniture/Equipment and Vehicles												
	2016	/2017	201	7/2018	201	8/2019	201	9/2020	202	0/2021			
Gross Assets	\$	5,321,701	\$	6,950,568	\$	7,373,488	\$	7,670,358	\$	7,734,141			
Accumulated Amortization	\$	2,227,949	\$	2,821,367	\$	3,257,803	\$	3,889,618	\$	3,768,002			
Ratio		0.42		0.41		0.44		0.51		0.49			

Accumulated Amortization to Computer Hardware and Software										
	2016	5/2017	201	7/2018	201	8/2019	201	9/2020	202	20/2021
Gross Assets	\$	3,700,326	\$	3,170,045	\$	3,891,432	\$	3,596,209	\$	10,533,316
Accumulated Amortization	\$	2,200,059	\$	2,287,574	\$	1,882,012	\$	1,810,959	\$	2,294,420
Ratio		0.59		0.72		0.48		0.50	)	0.22

Accumulated Amortization to All										
	20	16/2017	20	17/2018	20	18/2019	20	19/2020	20	20/2021
Gross Assets	\$	368,677,600	\$	390,036,203	\$	413,420,199	\$	440,339,148	\$	510,614,889
Accumulated Amortization	\$	136,935,201	\$	146,037,512	\$	154,619,016	\$	164,295,086	\$	173,896,239
Ratio		0.37		0.37		0.37		0.37		0.34

# **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 2020/2021 as related to significant Special Purpose grants:

Grant	Source	2020/21 Grant	2020/21 Expense	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	\$822,551	\$822,551	Funding used specifically to augment EAs hours providing additional support to complex learners.		
Strong Start	Ministry of Education and other	\$384,000	384,000	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)	Set, Learn Ministry of Education and other		\$92,290	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	\$268,103	\$298,950	Funding for core French-language programs and curriculum resources.		
Community LINK	Ministry of Education		\$3,600,054	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	\$11,476,790	\$11,476,790	Eligible expenses include teacher staffing, overhead staffing and equipment costs resulting from restoration of class size and composition language.		

Grant	Source	2020/21 Grant	2020/21 Expense	Discussion		
Safe Return to School Grants	Ministry of Education	\$1,711,553	\$1,711,553	In response to the COVID-19 pandemic government contributed funds to school districts for masks, computers and assistive technology, additional cleaning and hand hygiene.		
Safe Return to Class Grant	Federal Government	\$9,331,531	\$9,331,531	In response to the COVID-19 pandemic government contributed funds to school districts for learning resources and supports including staffing, health and safety, transportation and before and after school care.		
BC Provincial School for the Deaf	, ,		\$5,602,901	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 COV ID-19 savings.		
Fraser Park Maples Ministry of Education		\$2,335,908	\$2,129,824	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		\$3,388,590	\$3,388,590	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 nine major capital projects at various stages of progress during the 2020/2021 school year. The below table outlines the active projects during 2020/2021. 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
District Board Office	Replacement	6-Feb-18	Sep-21	Nov-21
Burnaby North Secondary	Replacement	26-Sep-18	Jun-23	Jun-23
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) - Phase 2	Additional Childcare spaces	11-Feb-20	Sep-21	Oct-21
Childcare Facilities (Multiple Locations) - Phase 3	Additional Childcare spaces	16-Apr-20	Dec-22	Jan-23
Stride Elementary	Replacement	1-Apr-20	Nov-23	Dec-23
Brentwood Park Elementary	Expansion	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 4D). The funds are to be used by the school District for capital expenditures.

The Local Capital Reserve has a \$12,778,575 deficit as at June 30, 2021. The Local Capital Fund as a whole is expected to remain in a deficit position until June 30, 2022. The District received Ministry of Education approval to run a Local Capital Fund deficit. The primary reason for the deficit is the timeline of the Kincaid Street site sale to fund the development of the replacement Board Office on Canada Way. It is anticipated that the sale will occur during the subsequent fiscal which will eliminate the deficit. Other Local Capital reserves are maintained for areas such as classroom portables, technology, vehicles and general furniture & equipment. Allocations to Local Capital are approved by the Board of Education through the approval of the Annual Budgets or specific resolution. The table on the next page shows the balances in the Capital Fund.

Capital Fund	Description	June 30, 2021 Balance	June 30, 2020 Balance	Change
опримента на примента на приме	Funds generated by the District to			
	be utilized for capital expenditures as			
Local Capital	determined by the District	(\$12,778,575)	\$2,814,821	(\$15,593,396)
•	Represents funds drawn on			
	Certificates of Approval (COA) for			
Ministry of Education By Law Capital	capital projects.	\$643,182	\$506,089	\$137,093
	Represents the Ministry's portions of	•	1	
	the proceeds on disposal of land and			
	buildings and any bylaw project			
Ministry of Education Restricted Other Capital	surplus on capital projects	\$1,222,145	\$1,204,679	\$17,466
	Funds received from the City of			
	Burnaby for School Site A cauisition			
Land Capital	charges.	\$28,409,063	\$26,300,460	\$2,108,603
	Represents capital grants received			
	from and restricted by, other			
	Ministries, Crown Corporations or			
	School Districts, Universities, Colleges			
Other Provincial Capital Funds	and Health (SUCH) sector entities.	\$0	\$3,496,636	(\$3,496,636)
	Includes capital grants received from			
	and restricted by, any entity not			
	included in the Government			
Other Capital Funds	Reporting Entity.	\$1,217,242	\$0	\$1,217,242
Total		\$18,713,057	\$34,322,685	(\$15,609,628)

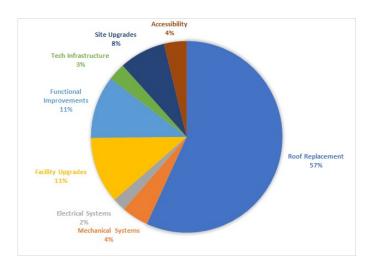
### **Other Capital Funded Projects**

In 2020/2021, the District received approximately \$4,506,776 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 2021-2022 fiscal year, the District has been approved for \$4,695,154 in funding.

#### 2020/2021 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 31st Fiscal Year End	2020/2021 Spending
SEP	\$242,961
CNCP	\$848,817
PEP	\$413,147

# **Long Term Outlook**

#### **Budget Outlook**

As mentioned throughout this report, the COVID-19 impact continues to have significant negative impacts to the operating budget. The loss revenues in international tuition, investment income and rentals are not expected to immediately recover to prepandemic levels. The district approached the 2021/2022 budget with caution to adequately plan for the usage of one-time surplus funds generated at the end of 2019/2020 while looking forward at the newly created structural deficit in the budget going forward.

During the 2021/2022 budget process, difficult decisions were made to get the District in a more financially sustainable position going forward. These decisions were guided by the District's vision, mission and core values as defined in the Board's strategic plan. The goal during this process was to protect classroom supports, especially those for vulnerable learners and mental health.

During the budget development process, the goal was to mitigate the structural deficit brought to the District's financial position as a result of COVID-19 and, in combination with the unrestricted reserve, to balance the budget for the next two fiscal years.

#### 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. Given the substantial impact international education has on the operating budget, enrolment will need to be closely monitored throughout the year. Early projections for the September 2021 are looking on track to budget, however a significant recovery in future years is required to avoid difficult budgets in the future.

#### **Learning Impacts and Mental Health**

Through provincial and federal grants, additional instructional supports were put in place in 2020/2021 for online learning for students who did not return to the classroom. While these transitionary programs were successful, the district is preparing to provide additional supports for learners as they return to the classroom. Towards the end of the 2020/2021 school year, the Ministry of Education had allocated \$18.0 million to school districts, targeted to address learning impacts resulting from the pandemic. The district's portion of these funds, \$725,066 (4% of the total), has been carried into the 2021/2022 budget year and will be allocated once the district is able to assess the student needs.

In addition, the Ministry had allocated \$8.63 million to school districts to support mental health in schools. The district received \$113,395 (1.3% of the total) of these funds and have added a mental health clinician to support students.

### **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 <a href="https://www.burnabyschools.ca">www.burnabyschools.ca</a>.