



# YEAR-END AUDITED FINANCIAL STATEMENTS MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL RESULTS OF YEAR 2020/2021



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# Financial Overview 2020/2021 School Year



June 30 brings to an end an extraordinary year, testing the resilience of students, staff and families, and requiring a significant amount of patience, compassion and creativity to navigate uncertain circumstances and reinvent the traditional school model in a very short time period. The start of the fiscal year was precarious, with revenues from international students, investment income and community rentals expected to be reduced by approximately 50%, resulting in loss of about \$5M.

The provincial and federal governments reacted swiftly and responded with much needed additional funding to address the costs of operating schools during the pandemic. Funding was provided for extra staffing, cleaning supplies, face masks and plexiglass barriers, and new resources needed to ensure schools could continue to operate and provide students with essential services.

In total, the North Vancouver School District received \$7.1M in funding—\$6M through the Federal Safe Return to Class Grant and \$1.1M through the Provincial Safe Return to School Grant—to cover the costs associated with teaching students in a pandemic. These grants are included in the school district's Special Purpose Fund. Accounting for the revenues and expenses is done outside of the Operating Fund, and a detailed schedule of revenues and expenses is found in Schedule 3A of the 2020/2021 audited financial statements.

The North Vancouver School District's operating budget is typically \$155M. With the loss of approximately \$5M of revenue, due to program cancellations and the loss of international student tuition, the school district faced a potentially difficult year. The injection of funding from both levels of governments allowed the school district to hire additional custodial staff to manage cleaning requirements, elementary school supervision aides to assist with entrance and egress procedures, and Indigenous Support Workers to do outreach and work with Indigenous students. The school district acquired technology to facilitate remote learning, cleaning supplies and face masks. Lastly, the school district was able to make significant investments in the upgrading of school ventilation systems, ensuring safe and healthy learning spaces for students and staff.

This year, the Operating Budget Revenue totalled \$158M, and operating expenses totalled \$153M, with \$4.35M transferred to the Local Capital Fund in support of capital projects and future investments in technology. The school district spent \$736,047 on capital asset acquisitions and capital lease principal payments, leaving it with a \$183,119 increase to the Accumulated Operating Surplus.

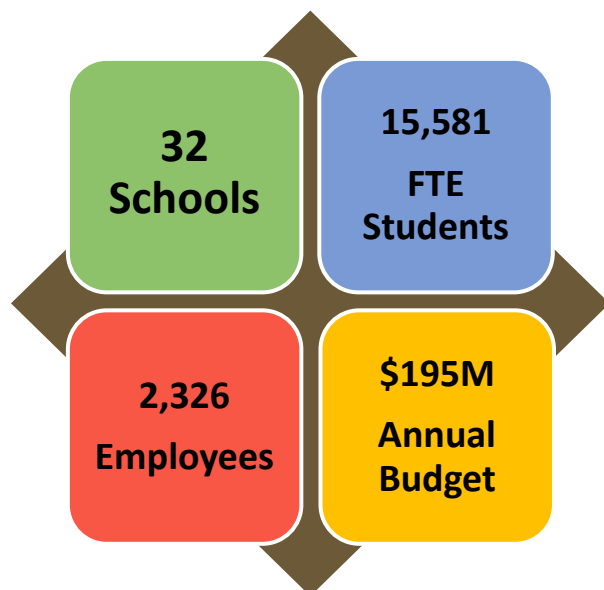
This report provides a detailed overview of the significant events and transactions that took place during the fiscal year. It serves as an accompaniment to the Notes and Audited Financial Statements for the year ending June 30, 2021, and provides additional insight into future directions and events that will inform planning decisions.

# North Vancouver School District Overview



The North Vancouver School District (NVSD) operates in the City of North Vancouver and District of North Vancouver. In 2020/2021, the school district served over 15,000 students, their families, and employed more than 2,300 staff. Of the sixty B.C. public school districts, it is the 11<sup>th</sup> largest, with 25 elementary schools and seven secondary schools. In addition to 32 schools, the school district operates

Cheakamus Centre in Squamish, The Artists for Kids Program and the Gordon Smith Gallery of Canadian Art, and maintains an operations and maintenance facility and the Education Services Centre within school district boundaries. The NVSD prepares its financial statements in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board (PSAB), and the *Budget Transparency and Accountability Act of BC*. KPMG is the Board-appointed auditor.



The Board of Education of the North Vancouver School District (the Board) is comprised of seven trustees. Four are elected from the District of North Vancouver, and three from the City. In 2021, a by-election was held to replace a vacant Board position from the District of North Vancouver. Collectively, the Board is responsible for making major policy decisions governing all aspects of education within the school district through the implementation of its strategic plan and as mandated in the *School Act*. During the 2020/2021 school year, the Board oversaw a consolidated budget in excess of \$195M.

# Strategic Plan 2021-2031

The Board developed a new ten-year strategic plan during the 2020/2021 school year. A blueprint for the future, the plan guides the school district's decision-making process and actions, by providing a foundation underlying general policies, service delivery and accountability structures. The plan emphasizes the school district's ongoing focus on academic excellence and enriching the student learning experience. Priorities were established with a view to provide students with an awareness of shared human experience, encourage the development of core competencies, and promote opportunities for students to actively engage with society and affect positive change, both locally and globally.



*Vision: The NVSD provides world-class instruction and a rich diversity of engaging programs to inspire success for every student and bring communities together to learn, share and grow*

# Strategic Goals 2021-2031



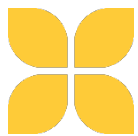
## Student-Centred Education

*Provide equity-based education that supports the learning needs of all students.*



## Innovative Instruction

*Enhance innovative and effective approaches and curriculum to develop educated citizens.*



## Welcoming and Inclusive Culture

*Enhance our welcoming, safe and inclusive culture and learning environment.*



## Mental Health and Well-Being

*Promote mental health and well-being through social emotional learning and trauma-informed practices.*



## Truth, Healing and Reconciliation

*Champion truth, healing and reconciliation and embed Indigenous ways of knowing.*



## Environmental Stewardship

*Lead on sustainable practices and nature-based learning to address environmental challenges.*

# Annual Financial Planning Timelines

Timing	Current School Year's Budget	Next School Year's Budget
September 30	Headcount process undertaken to accurately capture actual student enrolment.	
December	Ministry of Education provides confirmation of Revised Operating Grant based on actual September 30 student enrolment	
January	Amended Operating Budget for the current school year is developed based on the Revised Operating Grant	
February 15		School District submits student enrolment estimates for next three years to Ministry of Education
February 28	Legislated deadline for Board to approve Amended Operating Budget based on actual student enrolment and revised Revenue and Expense estimates	
March		Ministry of Education provides Preliminary Operating Grant estimate for next school year based on student enrolment estimates
March/April		Stakeholder input and public consultation process is undertaken to inform budget development for next school year
April		Board approves Budget Priorities for next school year
April/May		Staffing Profiles and Departmental Expense Plans inform budget development for next school year
May		Board approves Next Year's Preliminary Annual Operating Budget
June 30	Fiscal Year End-June 30th	Legislated deadline for Board to approve Next School Year's Budget
July-August	Preparation Annual Audited Financial Statements	
September 30	Legislated deadline for Board to Approve June 30th Year End Audited financial Statements	

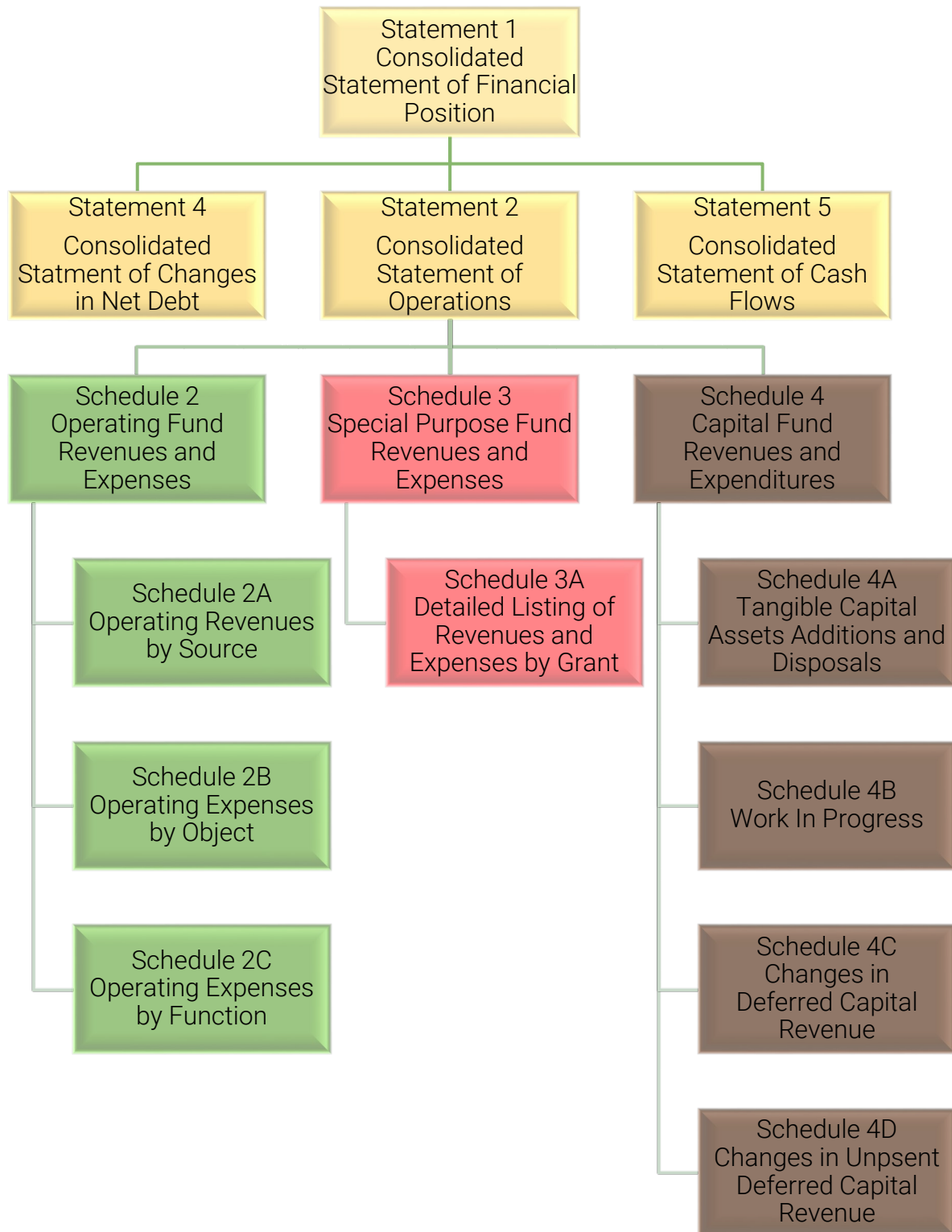
# School District Funds

All BC school districts prepare the financial statements using a common reporting format. This provides the opportunity for uniformity and comparability across all school districts. It also allows for financial information to be consolidated each quarter into the provincial government financial reporting, ensuring all accounting requirements of the Province of BC are met. All revenues and expenditures are reported in one of three separate funds, Operating, Special Purpose or Capital. The annual audited financial statements are comprised of several statements and supplementary schedules which provide additional supporting information.

Fund 1 Operating	Fund 3 Special Purpose	Fund 4 Capital
<ul style="list-style-type: none"><li>• Learning</li><li>• Teaching</li><li>• Programs</li><li>• Administration</li><li>• Facility Operations and Maintenance</li><li>• Misc purchases of furniture and equipment</li></ul>	<ul style="list-style-type: none"><li>• Restricted for specific use</li><li>• Time limited, generally between 12-24 months</li><li>• Examples:<ul style="list-style-type: none"><li>• School Generated Funds</li><li>• Classroom Enhancement Funds</li><li>• Safe Return to School Funds</li><li>• Portion of Annual Facility Grant</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Buildings<ul style="list-style-type: none"><li>• School Construction</li><li>• Major Repairs</li></ul></li><li>• Infrastructure</li><li>• Land Purchases</li><li>• Technology Investments</li><li>• School Busses and Fleet vehicles</li><li>• Expenditures may be phased or saved up for</li></ul>



# Building the Financial Statements



# Consolidated Statement of Financial Position (Statement 1)

	FY2021	FY2020	\$ Change	% Change
<b>Financial Assets</b>				
Cash and Cash Equivalents	63,623,031	66,908,608	(3,285,577)	(4.9%)
Accounts Receivable				
Due from Province - Ministry of Education	4,159,078	697,047	3,462,031	496.7%
Other	1,012,761	832,709	180,052	21.6%
Inventories for Resale	300,617	312,540	(11,923)	(3.8%)
<b>Total Financial Assets</b>	<b>\$69,095,487</b>	<b>\$68,750,904</b>	<b>\$344,583</b>	<b>0.5%</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities				
Due to Province - Ministry of Education	-	29,758	(29,758)	(100.0%)
Other	26,772,545	23,601,552	3,170,993	13.4%
Unearned Revenue	8,628,066	8,000,991	627,075	7.8%
Deferred Revenue	4,442,117	5,059,288	(617,171)	(12.2%)
Deferred Capital Revenue	291,273,029	241,192,037	50,080,992	20.8%
Employee Future Benefits	8,051,609	7,742,500	309,109	4.0%
Capital Lease Obligations	219,643	386,086	(166,443)	(43.1%)
<b>Total Liabilities</b>	<b>\$339,387,009</b>	<b>\$286,012,212</b>	<b>\$53,374,797</b>	<b>18.7%</b>
<b>Net Financial Assets (Debt)</b>	<b>(\$270,291,522)</b>	<b>(\$217,261,308)</b>	<b>(\$53,030,214)</b>	<b>24.4%</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	391,174,594	335,492,245	55,682,349	16.6%
Prepaid Expenses	982,738	722,218	260,520	36.1%
Supplies Inventory	8,400	1,678	6,722	400.6%
<b>Total Non-Financial Assets</b>	<b>\$392,165,732</b>	<b>\$336,216,141</b>	<b>\$55,949,591</b>	<b>16.6%</b>
<b>Accumulated Surplus (Deficit)</b>	<b>\$121,874,210</b>	<b>\$118,954,833</b>	<b>\$2,919,377</b>	<b>2.5%</b>

## Analysis of Financial Position

### Cash Holdings

School district funds are held in the operating bank account, the individual schools' bank accounts, in the provincial Centralized Deposit System, and at Blueshore Credit Union. The change in cash balances from FY2020 to FY2021 can be attributed to several factors, including the significant year over year increase in accounts payable balance at year end, and the timing of the final Support staff payroll, which was not paid until after June 30<sup>th</sup>.

Allocation of Cash at June 30, 2021	FY2021	FY2020
Operating Accounts	40,265,140	43,861,698
Provincial Central Deposit Program	20,805,272	20,505,953
Blueshore Financial	2,552,619	2,540,957
<b>Total</b>	<b>\$63,623,031</b>	<b>\$66,908,608</b>

### Accounts Receivable

The most significant change in Accounts Receivable year over year is represented by a \$3.4 million increase in the amount due from the provincial government at year end. Amounts due from the Ministry of Education at June 30<sup>th</sup> relate to major capital construction for the Handsworth Secondary School and Mountainside Secondary School seismic replacement projects.

### Prepaid Expenses

In FY2021, prepaid expenses increased by approximately \$260,000. Most of this increase is attributable to prepaid commissions payable to agents for recruitment of international students for the 2021/2022 school year. Other increases relate to the timing of the payment for the school district's software licenses, paid in advance of the June 30<sup>th</sup> year end.

### Accounts Payable

Accounts payable were \$26.7 million compared to \$23.6 million in FY2020. The bulk of this increase over the previous year is attributed to the school district's major capital construction projects. Increased lien holdbacks and trade accounts payable relating to these capital projects account for approximately \$2m of the increase, with the balance attributable to increased payroll liabilities, specifically vacation pay owing, approximately \$650,000 higher than June 30<sup>th</sup> of the previous year. Many staff deferred taking their vacations due to COVID-19 restrictions, resulting in a higher year end liability balance.

### Unearned Revenues:

Unearned revenues represent funds that have been collected by the school district in advance of providing the related programming. FY2021 balance of unearned revenues was \$8.6M. This is an increase over previous year by approximately \$627,000. Most of these unearned revenues represent prepaid international student Tuition Fees and prepaid Academy and Band and String Program fees. These funds will be recognized and recorded as revenue over the course of the next fiscal year, consistent with the delivery of the programming.



## Deferred Revenues

Deferred revenues represent funds that have been collected and not yet earned. These amounts will be recognized as revenue in future years, when the offsetting expenses are also captured. In FY2021, the balance of deferred revenue dropped by approximately \$617,000 from the previous year. This was expected, as the year end deferred revenue balance in FY2020 was higher than usual resulting from the cancellation of several extra curricular activities during the pandemic. Fees that were collected by the schools in FY2020 for events that did not proceed, such as field trips and music programs were eventually refunded during F2020.

## Deferred Capital Revenues

These revenues relate to Ministry of Education funding received in prior years which have been spent on the construction and acquisition of capital assets. As a requirement of Treasury Board Regulations, the grant revenue is not immediately recognized, instead, it is recorded as a deferred revenue liability. Over time, this liability is drawn down and recognized as revenue over the expected life of the asset.

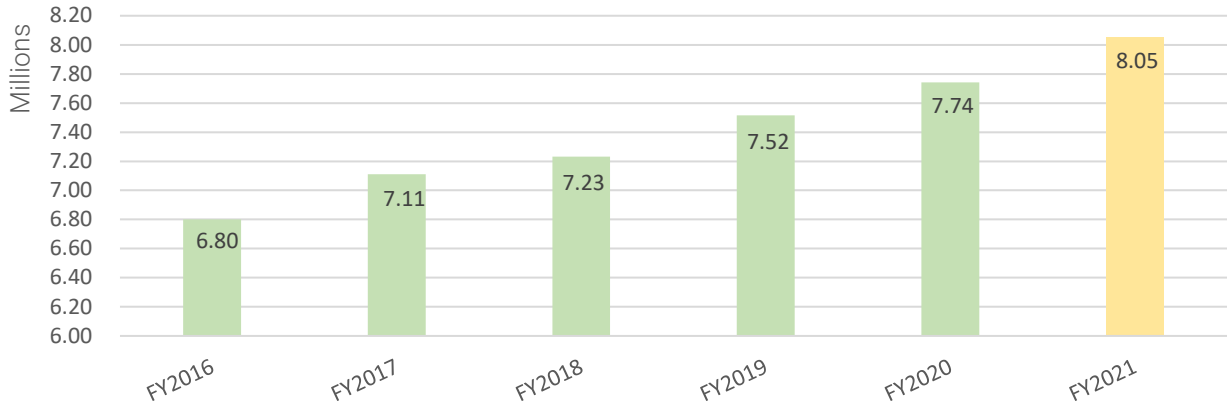
The balance in the Deferred Capital Revenue increases each year by new provincial government grant funding received, and is reduced each year by the systematic recognition of revenue over the life of each capital asset. The change in the Deferred Capital Revenue account balance is explained by the table below:

Deferred Capital Revenues	FY2021	FY2020	Change
Deferred Capital Revenue – Opening Balance	241,172,301	193,149,374	48,022,927
Additions – Grant Funds received for Capital Assets and Construction Projects	58,320,953	54,254,878	4,066,075
Current Year Recognition of Deferred Grant Revenue	(6,482,967)	(6,231,951)	(251,016)
Write off of Unamortized Deferred Grant Revenue - Argyle Disposal	(1,743,126)		(1,743,126)
<b>Closing Deferred Capital Revenue Balance</b>	<b>\$291,267,161</b>	<b>\$241,172,301</b>	<b>\$50,094,860</b>

## Employee Future Benefit Liability

The liability measures the estimated future cost to the school district to provide employee benefits such as retirement allowances, vacation, sick pay and maternity leave benefits. The liability is provided annually to the school district by the Ministry of Education based on actuarial estimates. The annual increase is linear and predictable, suggesting that the cost of benefits increases over time as wages increase, and that the workforce is stable, continuously accumulating additional seniority and benefit entitlements over time.

## Employee Future Benefit Liability (\$Millions)



### Capital Lease Obligation

During FY2018, the school district entered into a long-term lease for photocopiers expiring November 2023. The amount owing on the lease at the end of FY2021 was \$219,643 (FY2020 \$386,086). Over the course of the year, the school district made lease payments of \$182,149 which included \$15,705 in interest expense.

### Tangible Capital Assets

Each year, the school district undertakes capital work, either by way of upgrading and extending the useful life of its existing buildings, or the construction of new, replacement projects. The funds expended on these capital projects, as well as those spent on fleet and maintenance vehicles, furniture and equipment and computer hardware and software are capitalized as Tangible Capital Assets. The costs of these assets are recognized over their expected useful lives through a systematic recording of Amortization Expense. Furniture and equipment, fleet and maintenance vehicles, and computer hardware and software are all deemed to be disposed of at the end of their useful life, and the asset value, and its related accumulated amortization are removed from the asset register.

#### Estimated Useful Lives of Tangible Capital Assets:

Buildings	• 40 years
Furniture and Equipment	• 10 years
Vehicles	• 10 years
Computer Hardware & Software	• 5 years
Assets under Capital Lease	• Term of the Lease

The District's Tangible Capital Asset balances are recorded in the schedule on the following page:

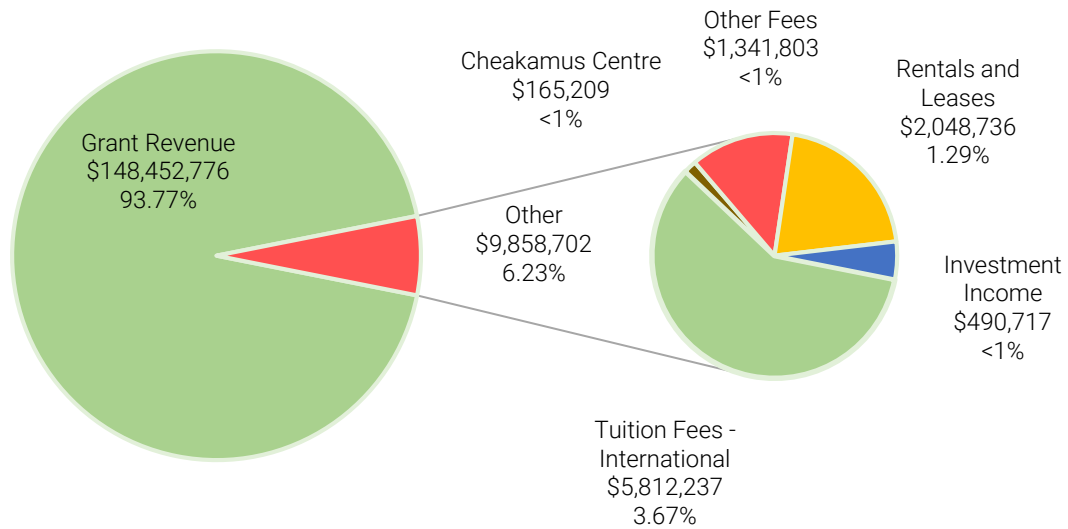
## Year End Tangible Capital Asset Balances (Schedule 4A)

	Sites	Buildings	Furniture & Equipment	Vehicles	IT Equipment & Software	FY2021 Total
Opening Balance	12,472,243	388,174,090	4,451,535	1,602,113	5,500,728	412,200,709
Additions		64,023,590	1,809,647	299,976	1,001,040	67,134,253
Deemed Disposals			(403,857)	(169,306)	(806,963)	(1,380,126)
Write Off Argyle		(7,383,269)				(7,383,269)
Closing Balance	12,472,243	444,814,411	5,857,325	1,732,783	5,694,805	470,571,567
Add: WIP Balance		72,600,042				72,600,042
Tangible Capital Assets Total	\$12,472,243	\$517,414,453	\$5,857,325	\$1,732,783	\$5,694,805	\$543,171,609
Accum. Amortization Opening		143,882,763	1,493,417	549,875	1,806,408	147,732,463
Amortization Expense		8,847,216	445,154	160,211	1,100,146	10,552,727
Deemed Disposals			(403,857)	(169,306)	(806,963)	(1,380,126)
Write Off Argyle		(4,908,049)				(4,908,049)
Accum. Amortization Closing		\$147,821,930	\$1,534,714	\$540,780	\$2,099,591	\$151,997,015
Closing TCA Net Book Value	\$12,472,243	\$364,684,474	\$4,322,611	\$1,192,003	\$3,595,214	\$391,174,594

## Schedule of Operating Revenue by Source (Schedule 2A)

	2021 Budget	2021 Actual	2020 ACTUAL	Actual vs Budget	
				Variance \$	%
<b>PROVINCIAL GRANTS - MINISTRY OF EDUCATION</b>					
Operating Grant, Ministry of Education	140,130,676	<b>140,601,250</b>	137,468,116	470,574	0.34%
Other Ministry of Education Grants					
Pay Equity	2,966,047	<b>2,966,047</b>	2,966,047	-	
Funding for Graduated Adults	8,140	<b>16,583</b>	16,557	8,443	103.72%
Transportation Supplement	40,566	<b>40,566</b>	40,566	-	
Carbon Tax Grant			41,805	-	
Employer Health Tax			1,210,892	-	
FSA Assessment	17,740	<b>17,740</b>	17,740	-	
Support Staff Labour Settlement			663,000	-	
Teachers' Labour Settlement	4,109,123	<b>4,109,123</b>	1,696,618	-	
Support Staff Benefits	200,890	<b>200,890</b>	133,495	-	
Early Career Mentorship Funding	330,000	<b>330,000</b>		-	
French Immersion Remote Learning	150,000	<b>150,000</b>		-	
Other Miscellaneous	2,574	<b>3,677</b>	5,677	1,103	42.85%
<b>Total Provincial Grants - MOE</b>	<b>\$147,955,756</b>	<b>\$148,435,876</b>	<b>\$144,260,513</b>	<b>\$480,120</b>	<b>0.32%</b>
<b>PROVINCIAL GRANTS - OTHER</b>	<b>6,600</b>	<b>9,900</b>	<b>7,068</b>	<b>3,300</b>	<b>50.00%</b>
<b>FEDERAL GRANTS</b>	<b>6,000</b>	<b>7,000</b>	<b>7,000</b>	<b>1,000</b>	<b>16.67%</b>
<b>TUITION</b>					
Summer School Fees	61,950	<b>61,950</b>	131,300	-	
Offshore Tuition Fees	5,060,000	<b>5,750,287</b>	10,846,468	690,287	13.64%
<b>Total Tuition</b>	<b>\$5,121,950</b>	<b>\$5,812,237</b>	<b>\$10,977,768</b>	<b>\$690,287</b>	<b>13.48%</b>
<b>OTHER REVENUE</b>					
Miscellaneous					
Cheakamus Centre	40,000	<b>165,209</b>	<b>1,400,579</b>	125,209	313.02%
District Miscellaneous	293,322	<b>251,371</b>	<b>161,695</b>	(41,951)	-14.30%
Band & Strings	439,000	<b>429,527</b>	<b>617,715</b>	(9,473)	-2.16%
Recoveries and Donations	28,000	<b>109,191</b>	<b>103,172</b>	81,191	289.97%
Cafeteria and Vending	9,000	<b>10,045</b>	<b>83,634</b>	1,045	11.61%
Artists for Kids	216,640	<b>255,239</b>	<b>363,226</b>	38,599	17.82%
Academy Fees	293,280	<b>286,430</b>	<b>558,146</b>	(6,850)	-2.34%
<b>Total Other Revenue</b>	<b>\$1,319,242</b>	<b>\$1,507,012</b>	<b>\$3,288,167</b>	<b>\$187,770</b>	<b>14.23%</b>
<b>RENTALS AND LEASES</b>	<b>\$1,922,434</b>	<b>\$2,048,736</b>	<b>\$2,390,823</b>	<b>\$126,302</b>	<b>6.57%</b>
<b>INVESTMENT INCOME</b>	<b>\$375,000</b>	<b>\$490,717</b>	<b>\$758,732</b>	<b>\$115,717</b>	<b>30.86%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 156,706,982</b>	<b>\$158,311,478</b>	<b>\$ 161,690,071</b>	<b>\$ 1,604,496</b>	<b>1.02%</b>

## Sources of Operating Revenue 2020/21



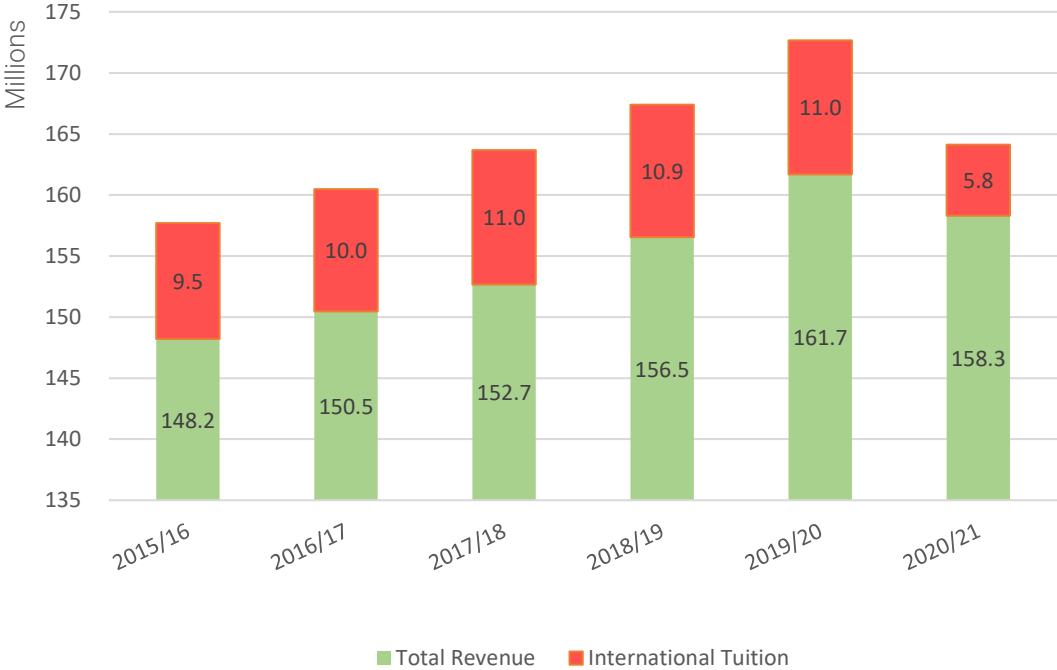
## COVID-19 Impacts to Operating Fund Revenue

Operating fund revenues were significantly reduced as a result of COVID-19. The bottom-line impact of this reduced revenue was significant in some cases, and less so in others. Program revenues, such as Cheakamus Centre and Academies and Elementary Band and Strings were very negatively impacted by COVID-19. The Ministry of Education Guidelines for K-12 Settings required that students be grouped in cohorts throughout the year which precluded many extra-curricular learning opportunities outside of the cohort model. For the most part though, minimal impact to the school district's bottom line was experienced with the cancellation of these programs, as they generally have significant costs associated with them which were also avoided.

The most significant impact to operating revenue, as illustrated in the graph on the following page, was the loss of international student tuition fee revenue. With the closure of the border to international students, only those students still in the country at the time of the shutdown in March 2020 were able to attend school in the fall. International student enrolment did increase in the second half of the year which was too late however to make a full recovery. In the five years previous to 2020/2021, international student tuition revenue averaged \$10.5M per year, or approximately 6.8% of all Operating Revenue. In 2020/2021, it fell almost by half, to just \$5.8M, representing 3.7% of total Operating Revenue. International student tuition fees are a particularly important revenue stream for the school district, as it is available to augment staffing and resources as needed, and unlike other district programs such as academies or the Cheakamus Centre, requires no additional program expenditures beyond the staffing requirements generated by the enrolling students.



## International Student Tuition as a Proportion of Operating Revenue 2015/16 through 2020/21



Other revenue sources that were significantly impacted by COVID-19 included investment income which averaged approximately \$786,000 in each of the three previous fiscal years. In 2020/2021, investment revenue dropped to just under \$500,000. An estimated \$400,000 of community rental income was lost in 2020/2021 as the classroom spaces were not available for use by community groups, and a further \$70,000 was forgone as a result of the suspension of cafeteria and vending services during the school year.

## Operating Grant Funding

The school district is funded primarily through Operating Grants received from the Provincial Ministry of Education. The Operating Grant is based on student enrolment, confirmed four times per year in September, February, May and July. The school district receives a fixed amount for full-time enrolled students (FTE). For each identified student with special needs, the school district receives a supplementary grant based on headcount, in addition to the basic per-pupil operating grant.



### **Ministry of Education Per Student Funding 20/21**

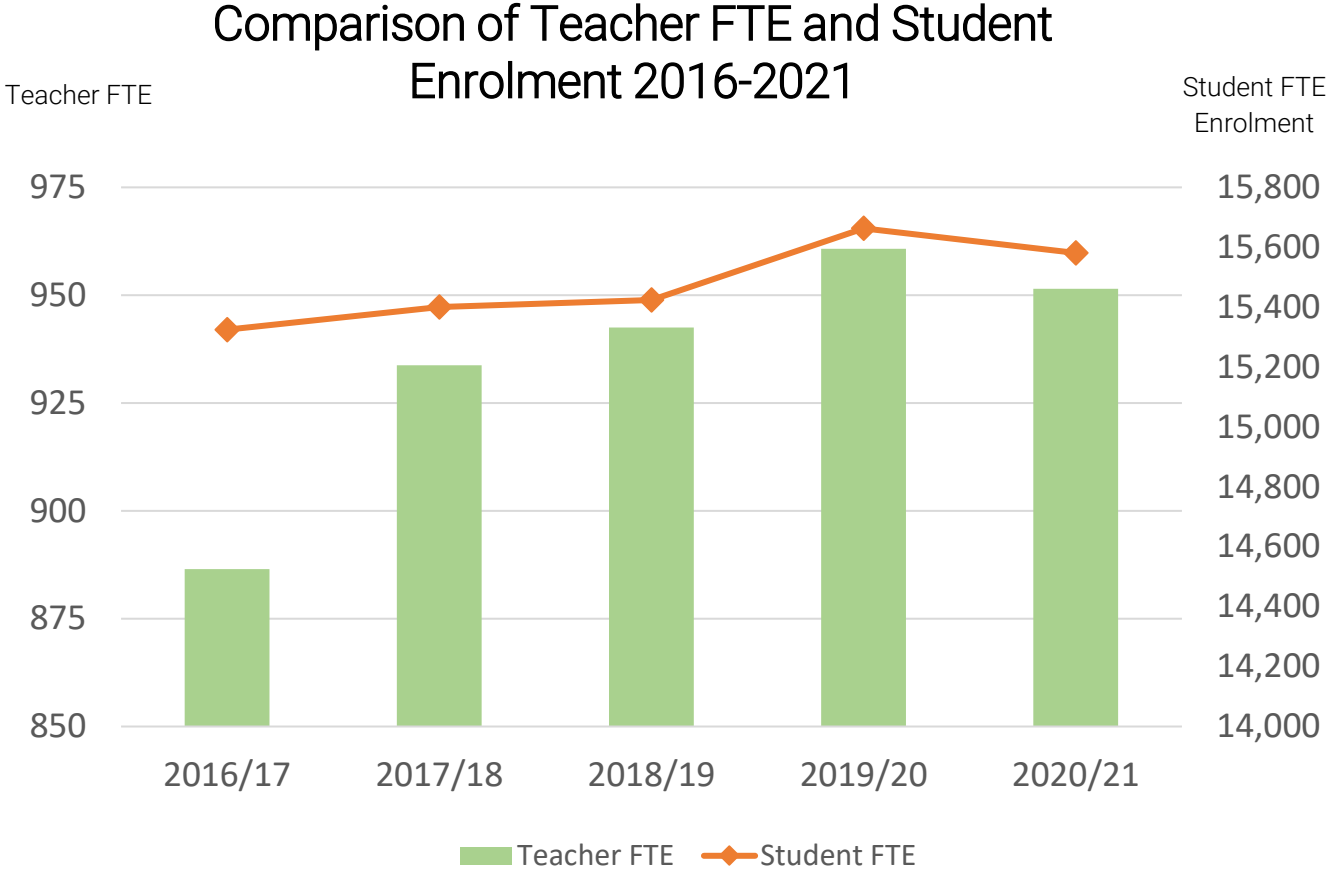
- *Basic Operating Grant* \$7,560
- *Summer School per course*  
Grade 1-9 \$215  
Grade 10-12 \$430
- *Indigenous Students* \$1,500
- *English Language Learners* \$1,520
- *Supplemental Grant Funding  
For Diverse Learners*  
Level I \$43,000  
Level II \$20,400  
Level III \$10,300

## Counting Student Enrolment

In kindergarten through grade nine, one student equates to one full-time enrolled student (or FTE). At the secondary level, in grades ten through twelve, students are funded on a per credit basis. The basic per-student operating grant provided for students in secondary matches student course load. Secondary students often take less than a full course load or seek learning opportunities and experiences outside of school to meet their credit requirements. This variation from year to year in student enrolment influences course offerings, staffing levels, and predictions of future capacity requirements for schools. Each year, the school district undertakes a comprehensive process to accurately estimate student enrolment which informs the following year's staffing and resource allocation plans. Typically, student enrolment fluctuates from year to year, directly influencing annual operating grant revenue. The following chart provides a historical comparison of annual student FTE enrolment by year, including projected enrolment for the upcoming school year.

# Enrolment and Staffing

The number of enrolled students determines the Operating Grant revenue received each year. Student enrolment also impacts the number of staff which is driven by provisions in the collective agreements. Enrolments have grown steadily over the past five years, except 2020/2021 when the school district experienced a slight decline, driven by students who remained at home during the pandemic. The chart below illustrates how annual teacher staffing aligns with the number of enrolled students each year.



Despite the drop in enrolment of approximately 82 full-time students in 2020/21, the Annual Operating Grant received was higher than the previous year as the amount per student grant increased. In 2021, the per student grant increased from \$7,468 to \$7,560, in recognition of the rising costs of salaries and benefits and general supply costs. Additionally, this increased per student amount was intended to capture the cost of the newly introduced Employer Health Tax and Carbon Tax which previously had been funded by way of separate, additional grants. Additionally, an increase over 2019/2020 of approximately 30 Level II special needs students in the school district resulted in additional Supplemental Grant Funding, adding to the increased year over year Annual Operating Grant amount.

# FTE Staffing Analysis 2020/2021

The Ministry of Education provides targeted Classroom Enhancement Funding (CEF) to address restored class size and composition language in the teachers' collective agreement. In 2020/2021, the school district received a total of \$17,190,387 in additional funding to support the staffing and classroom equipment required to meet the contractual requirements resulting from the reinstatement of Class Size and Composition language. These funds are recorded within the Special Purpose Fund. The incremental staffing required in 2020/2021 resulting from the reinstated language is presented in the table below:

	Core Operating and Other Funded FTE	Additional CEF Funded FTE	FY2021 Total FTE	FY2020 Total FTE
Teachers	854.54	96.93	<b>951.47</b>	960.74
Administrators	81.50	-	<b>81.50</b>	82.85
Support Staff	238.34	-	<b>238.34</b>	235.61
Aides	291.83	109.60	<b>401.43</b>	443.39
Other Professionals	49.35	-	<b>49.35</b>	49.25
Total FTE	1,515.56	206.53	<b>1,722.09</b>	1,771.84

## Teacher Staffing

The funding provided by the federal government in 2020/2021 through the Safe Return to Class Funds provided the opportunity to maintain the school district teacher staffing profile as initially planned despite the drop in student enrolment. A total of 9 FTE teaching positions were retained during the year that would have otherwise been eliminated. This provided the opportunity to better support remote student learning, and reduce class sizes across the school district.

## Administrator Staffing

The FTE budget was reduced in 2021, to account for the delay in staffing of the retired District Principal of Curriculum and Assessment position. A return to normal staffing levels in 2021 after temporary increases in 2020 provided for succession planning for the role of District Principal for Artist for Kids. In January, 2021, the vacant District Principal role was filled using the federal Safe Return to Class funds.

## Support Staffing

Several adjustments to staffing were made in the 2020/21 school year to respond to COVID-19. A total of 10.3 Supervision Aides were added to increase supervision at elementary schools as changes were required to entrance and exit procedures, and students spent more time outside. A total of 19.0 additional custodial FTE were required to meet the added cleaning requirements. The school district initially experienced significant challenges in finding additional custodial staff to fill the positions, and relied heavily on the pool of casual custodians to fill the demand in the first half of the year.

At secondary schools, several positions were not filled or were reduced as a result of the changes to the secondary calendar, and implementation of the hybrid learning model. The school district reduced an additional 10.3 positions including Work Experience Facilitators, Lab Assistants and Supervision Aides, and in some cases implemented a holdback on support staffing, which had the effect of reducing the overall FTE required at secondary during the year. By taking this approach, the school district was able to ensure an efficient use of staffing resources in response to the uncertainty resulting from the effects of the pandemic.

### Educational Aide Staffing

The changes to the secondary calendar, including the implementation of the quadmester system and the hybrid in-person, remote learning model provided for more efficient allocation of Educational Aide staffing resources during the school year, and total FTEs were lower than in 2020 by 41.96.

### Other Professionals

During the fiscal year, two temporary partial year FTE positions were added to the staffing budget. The first was a recruiting position that was required to assist with the added custodial staffing needs, and the second was a management position required to assist with developing and overseeing the implementation of health and safety guidelines required by the Ministry of Education and Worksafe BC throughout schools and workplaces. These positions will not continue beyond the 2021 school year.



## Schedule of Operating Expense by Object (Schedule 2B)

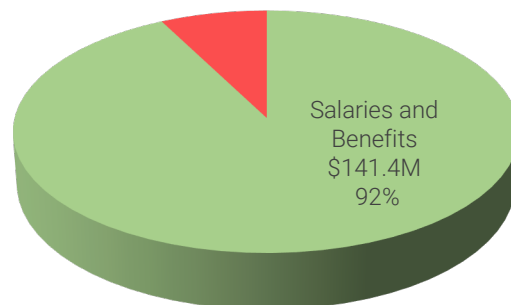
	2021 BUDGET	2021 ACTUAL	2020 Actual	Actual vs Budget	
				VARIANCE	%
<b>SALARIES AND BENEFITS</b>					
Teachers	71,001,504	<b>70,011,888</b>	69,221,537	(989,616)	-1.39%
Principals and Vice Principals	10,471,845	<b>10,526,159</b>	10,342,118	54,314	0.52%
Educational Assistants	11,632,177	<b>12,238,668</b>	12,300,596	606,491	5.21%
Support Staff	12,410,171	<b>11,855,955</b>	12,105,352	(554,216)	-4.47%
Other Professionals	4,419,432	<b>4,444,974</b>	4,211,118	25,542	0.58%
Substitutes	3,868,866	<b>4,783,858</b>	4,070,038	914,992	23.65%
	113,803,995	<b>113,861,502</b>	112,250,759	57,507	0.05%
<b>EMPLOYEE BENEFITS</b>	27,581,074	<b>27,570,636</b>	27,345,166	(10,438)	-0.04%
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$141,385,069</b>	<b>\$141,432,138</b>	\$139,595,925	\$47,069	0.03%

	2021 BUDGET	2021 ACTUAL	2020 Actual	Actual vs Budget	
				\$ Variance	%
<b>SERVICES AND SUPPLIES</b>					
Services	5,303,328	<b>5,506,237</b>	8,154,503	202,909	3.83%
Student Transportation	66,200	<b>41,498</b>	65,713	(24,702)	-37.31%
Professional Development and Travel	577,050	<b>369,088</b>	609,056	(207,962)	-36.04%
Rentals and Leases	-	-	50,753	-	
Dues and Fees	60,300	<b>60,091</b>	59,126	(209)	-0.35%
Insurance	440,000	<b>462,935</b>	418,818	22,935	5.21%
Supplies	3,357,976	<b>2,489,757</b>	2,907,671	(868,219)	-25.86%
Utilities	2,776,252	<b>2,680,568</b>	2,383,603	(95,684)	-3.45%
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$ 12,581,106</b>	<b>\$ 11,610,174</b>	\$ 14,649,243	\$ (970,932)	-7.72%
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 153,966,175</b>	<b>\$ 153,042,312</b>	\$ 154,245,168	\$ (923,863)	-0.60%

*Salaries and Benefits account for >90% of all School District Expenses*

Services and Supplies \$11.6M  
8%



# Analysis of Salaries and Benefits Expenses

## Teaching Staff

Expenses were approximately \$990,000 lower than budget. Higher than expected absences resulted in additional reliance on TTOC support and additional use of sick time. The additional use of TTOC staff is apparent in the significant over budget expense appearing in the “Substitutes” category of salary expense. The budget estimate for Teachers included a provision for 2% salary increments and progression through the salary grid.

## Principals and Vice Principals

Were very close to budget expectations, with total expenses over budget by approximately \$54,000. Budget estimates for 2020/21 provided for an allowance of 3% salary increment to allow for a 2% merit increase and 1% progression through the grid.

## Educational Assistants

Expenses were approximately \$600,000 higher than budget. Student support needs are constantly monitored throughout the year, and where necessary, resources are added back to address the educational support needs of students resulting in a variance of actual expenditure from planning estimates.

## Support Staff

Many of the planning assumptions around additional custodial needs were initially met using the temporary, casual pool of custodial staff. Due to a shortage of qualified labour, the school district experienced difficulties in hiring, and many of the additional positions took several weeks to fill. This contributed to the increase in the use of casual substitutes, and resulted in expenses being under budget in this staffing category.

## Other Professionals

Total annual expenditures on this category of staff ended the year very close to budget expectations, approximately \$25,000 higher than budget. The total staffing complement was temporarily increased for this year to meet the additional supervision and recruiting requirements of additional custodial staff, and will revert to normal staffing levels in the 2021/2022 school year.

## Substitutes

The use of casual staff and TTOC’s was significantly higher than budget this year by approximately \$900,000. This reflects the added reliance on casual staff and substitute teachers to fill the absences resulting from illness and Covid-19 exposures.

Overall, the total actual expenditures on salaries and benefits in the operating fund was very close to budget expectations, with only a \$47,000 over variance on a total budget of \$141.4 million, or 0.03%.

# Analysis of Operating Expense Variance

The expenses recorded within the Operating Fund include the baseline operations of the school district. Those additional expenses resulting from the restoration of class size and composition contract language, and extraordinary costs related to the pandemic response are funded through special grants within the Special Purpose Fund.

## Services

As expected, actual expenses vary from budget in several service categories throughout the school district. Typically, these variances, both over and under combine to bring actual expenditures in line with budget expectations. In FY2021, there were several extraordinary, unanticipated costs which when combined, effectively resulted in approximately \$200,000 over expenditure on services. Examples of some of the extraordinary costs included:

- **Trustee By-election** – Due to the unforeseen resignation of a Trustee during the year, the Board held a by-election. The election is managed by the District of North Vancouver and costs charged to the school district were approximately \$90,000.
- **Cheakamus Centre Operations** – The budget for Cheakamus Centre Operations included minimal staffing and supply costs, only those required to maintain the safety and security of the premises while all programming was suspended. Over the course of the year, the school district spent approximately \$100,000 more than budget to maintain the baseline operations of the centre.
- **International Student Program** – Final numbers of international student enrolment were higher than budget, which benefitted the school district by providing additional revenues during the school year. In addition to the revenues, there are several added expenses that relate to the recruitment of the international students including commission fees paid to agents and health care insurance for students. In all, additional unplanned expenses for the international students totalled approximately \$60,000.
- **Security Patrols** – The cost to maintain security of schools and facilities has increased significantly this year. The school district engaged additional private security companies at a cost of \$50,000 to undertake additional patrols of several locations as a result of increased vandalism and theft.

## Student Transportation

With the rollout of vaccines and warmer weather, the financial plan contemplated more normal operations in the spring, including the possibility of a resumption of sports activities. As this was not the case, the costs relating to student transportation were not incurred, at a savings of approximately \$25,000 to the School District.

## Professional Development and Travel Expenses

Similar to the planning assumptions relating to students sports activities, the financial plan included an assumption that in person professional development activities could resume in the spring, and as such, included provision for additional costs related to travel and in-person attendance at conferences. As most professional development continued to be delivered on-line throughout the year, the school district experienced approximately \$207,000 savings.



## Supplies

Acquisition of supplies at most schools was significantly reduced over the course of the year, and most schools will be carrying forward a block budget balance that is significantly higher than past years. With a higher reliance on hybrid learning models, the school district experienced savings in paper, printing and supply costs across all schools. Fuel and oil costs were approximately \$15,000 under budget, and approximately \$10,000 was saved due to the cancellation of year end celebrations. In total, as a result of reduced need for supplies across all departments and in all schools, the school district spent approximately \$868,000 less than budget.

## Utilities

FY2021 utility expenses were lower than budget by approximately \$95,000. These savings related to savings from the provincial government Next Generation Network that were passed through to the school districts. As a result of the need for additional ventilation in the schools, the school district experienced higher costs of \$200,000 related to gas and electricity usage over the course of the year. These costs were allocated to the Federal Safe Return to Class funds however, and are not reflected in the Operating fund.

# Accumulated Operating Surplus

Policy No. 710, *Accumulated Operating Surplus* requires that the Board undertake an annual review of the Accumulated Operating Surplus balance, and identify appropriations each year. At the end of FY2021, the annual operating surplus was \$11,266,959 resulting from current year operations summarized below:

	FY2021 Amended Budget	FY2021 Actual	Variance From Budget	FY2020 Actual
Total Operating Revenue	156,706,982	<b>158,311,478</b>	1,604,496	161,690,071
Total Operating Expenses	(153,966,175)	<b>(153,042,312)</b>	923,863	(154,245,168)
Acquisition of Capital Assets with Operating Funds	(662,000)	<b>(736,047)</b>	(74,047)	(831,210)
Transfer to Local Capital Fund	(4,350,000)	<b>(4,350,000)</b>	-	(4,328,324)
Change in Accumulated Operating Surplus	(\$2,271,193)	<b>\$183,119</b>	\$2,454,312	\$2,285,369
<b>Accumulated Operating Surplus:</b>				
Opening Fund Balance July 1, 2020	11,083,840	<b>11,083,840</b>		8,798,471
Add: Current year change	(2,271,193)	<b>183,119</b>	2,454,312	2,285,369
<b>Closing Fund Balance June 30, 2021</b>	<b>\$8,812,647</b>	<b>\$11,266,959</b>	<b>\$2,454,312</b>	<b>\$11,083,840</b>

## Internal Restrictions of Accumulated Operating Surplus

Management recommends appropriations of Accumulated Operating Surplus to fund District initiatives that support the Board's Budget Priorities and Strategic Objectives. Recommendations to the Board include the following internal restrictions upon Accumulated Operating Surplus:

	FY2021	FY2020
Annual Budget Surplus Appropriation	<b>5,553,993</b>	2,509,738
Support for 2020/2021 Operations – Not Known at time of Budget Approval		1,700,000
Early Teacher Mentorship	<b>324,721</b>	
2020/2021 Holdback - Address Learning Impacts from Pandemic	<b>459,898</b>	
School District Capital Projects	<b>1,300,000</b>	800,000
Outstanding Purchases at June 30		84,000
Subtotal Internally Restricted	<b>7,638,612</b>	5,093,738
Unrestricted	<b>3,628,347</b>	5,990,102
Total Accumulated Operating Surplus	<b>\$11,266,959</b>	\$11,083,840
Total Operating Expenses	<b>\$153,966,175</b>	\$154,245,168
*Unrestricted Surplus as a % of Operating Expenses	<b>2.36%</b>	3.88%

# Special Purpose Fund

The Special Purpose Fund consists of restricted grants and other funding subject to a legislative or contractual restriction on its use. These revenues are deferred until the relevant expenditures are incurred. Revenues and expenses of all Special Purpose Grants are presented in the table below:

Grant Name	Opening Balance	Received in the Year	Spent During the Year	Returned to Ministry During the Year	Closing Balance	Purpose of Grant
Annual Facility Grant	-	626,273	(626,273)	-	-	Funds may be used to improve or extend the service life of School buildings
Learning Improvement Fund	-	503,723	(503,723)	-	-	In consultation with CUPE, the funds are used to augment weekly hours for Educational Assistants providing "bell to bell coverage"
Strong Start	5,396	224,000	(229,396)	-	-	Seven Strong Start early learning centres operating throughout the District at elementary schools provide school-based, drop-in programs for children aged birth to five and their parents or caregivers
Ready Set Learn (RSL)	2,872	61,250	(54,082)	-	10,040	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 Education Program (OLEP)	-	276,882	(276,882)	-	-	Funding for core French-language programs, French Immersion, and curriculum resources
Community Link	-	1,132,336	(1,132,336)	-	-	Funding for programs and initiatives to support food security, academic achievement and social and emotional needs of vulnerable students

Grant Name	Opening Balance	Received in the Year	Spent During the Year	Returned to Ministry During the Year	Closing Balance	Purpose of Grant
CEF - Overhead	-	6,101,085	(6,101,085)	-	-	Funding for added non-teaching staff and equipment needs required as a result of restoration of class size and composition language
CEF - Staffing	-	10,245,057	(10,245,057)	-	-	Funding for added teachers required as a result of restoration of class size and composition
CEF - Remedies	725,368	1,304,613	(1,304,613)	(725,368)	-	Funding to pay for the cost of Teacher Remedies owed in cases where class size or composition contract language cannot be met
First Nation Student Transportation	117,201	94,346	(169,286)	-	42,261	Funds received to support Indigenous students' transportation to school and extra-curricular activities
Mental Health in Schools	-	51,000	(46,188)	-	4,812	Funds provided to support Mental Health. Resource kits were purchased for use in schools
Changing Results for Young Children	13,798	11,250	(9,895)	-	15,153	Funds provided to support Early Learning and Physical Literacy
Safe Return to School	-	1,116,823	(1,116,823)	-	-	Provincial funds provided to support additional costs of additional cleaning staff, supplies, face masks, and hand hygiene related to Covid-19
Federal Safe Return to Class	-	6,006,056	(6,006,056)	-	-	Federal funds targeting investments required due to Covid-19 for Health & Safety, Learning Resources and Supports, Student Transportation, and Before and After School Care

Grant Name	Opening Balance	Received in the Year	Spent During the Year	Returned to Ministry During the Year	Closing Balance	Purpose of Grant
Carlile Youth Inpatient	107,427	115,822	(216,850)	-	6,399	Funding provided to operate educational support program for youth with mental health challenges and substance abuse issues. Program is delivered at inpatient centre at Lions Gate Hospital
Violence Prevention	-	20,000	(17,300)	-	2,700	Funding to support various School District initiatives to address violence in the community
Metro Regional Implementation	279,629	23,325	(3,954)	-	299,000	These are funds held on behalf of several regional school districts and are used to support professional development seminars and collaboration among school district administrators
Sutherland Track	10,000	-	-	-	10,000	Donated funds to support the revitalization of the track at Sutherland Secondary School
School Generated Funds	3,797,597	2,562,414	(2,308,259)	-	4,051,752	Funds collected at schools for student fees, field trips, fundraising and other programs. All revenue is deferred and recognized as earned revenue when eligible expenses are incurred
<b>Total</b>	<b>\$ 5,059,288</b>	<b>\$ 30,476,255</b>	<b>\$ (30,368,058)</b>	<b>\$ (725,368)</b>	<b>\$ 4,442,117</b>	

# Capital Asset Additions 2020/2021

Capital Assets are purchased using various funding sources including Operating Funds, Special Purpose Grants, Ministry of Education Capital Grants authorized under separate Certificates of Approval, and the school district's own Local Capital Funds. Construction projects are accumulated in Work in Progress accounts, and the total value of the addition is added to the Capital Buildings account once the project is complete. Amortization is not recorded on the capital asset until the year following the year the asset was placed into service.

## Building Additions

Total investment in Buildings in FY2021 was \$5.1M in completed projects, and \$60.4M in Construction in-Progress. Most of these additions were funded by the Ministry of Education through the Capital Grant Program. There was \$1.35M spent on ventilation projects at several schools funded by the Federal Safe Return to Class Funds. Building and Construction project expenditures are detailed in the following tables:

Building Additions	Operating Funds	Special Purpose Funds	Min of Ed COA Grants	Other Grants	Local Capital	Total
Argyle Replacement			9,660		4,562,294	4,571,954
Annual Facilities Grant Completed Projects		579,627				579,627
<b>Total Building Additions</b>	-	<b>\$579,627</b>	<b>\$9,660</b>	-	<b>\$4,562,294</b>	<b>\$5,151,581</b>

Construction in Progress:	Operating Funds	Special Purpose Funds	Min of Ed COA Grants	Other Grants	Local Capital	Total
Handsworth Replacement			38,623,266			38,623,266
Argyle Replacement Phase II			5,081,217		2,175,726	7,256,943
Mountainside Seismic Upgrade			8,880,495		8,221	8,888,716
Dorothy Lynas Envelope Upgrade			1,233,488			1,233,488
School Enhancement Program			1,249,850			1,249,850
Annual Facilities Grant in Progress			1,944,302		(170,627)	1,773,675
Ventilation Projects		1,356,670				1,356,670
Cloverley Predesign					57,215	57,215
Cheakamus Centre ELC					8,230	8,230
<b>Total Construction in Progress</b>	-	<b>\$1,356,670</b>	<b>\$57,012,618</b>	-	<b>\$2,078,764</b>	<b>\$60,448,052</b>
Deduct: Completed Projects Transferred to Buildings						(58,872,009)
<b>Net Additions</b>						<b>\$1,576,043</b>

### Furniture and Equipment

Furniture and equipment additions totalled approximately \$1.8M. Current Year expenditures included:

Furniture & Equipment	Operating Funds	Special Purpose Funds	Min of Ed COA Grants	Other Grants	Local Capital	Total
New Argyle School		74,636	666,737		503,325	1,244,697
Playgrounds						
Westview Elementary			125,000	86,971		211,971
Ridgeway Elementary				179,941		179,941
Lynn Valley Elementary				7,602		7,602
Other Miscellaneous	25,089	140,346				165,435
<b>Total Furniture&amp; Equipment</b>	<b>\$25,089</b>	<b>\$214,982</b>	<b>\$791,737</b>	<b>\$274,514</b>	<b>\$503,325</b>	<b>\$1,809,647</b>

### Vehicle Additions

In FY 2020/21, the District replaced a school bus and three vehicles in the maintenance fleet.

Vehicles	Operating Funds	Special Purpose Funds	Min of Ed COA Grants	Other Grants	Local Capital	Total
Replacement School Bus			148,836			148,836
Replacement Maintenance Fleet	96,888				54,252	151,140
<b>Total Vehicles</b>	<b>\$96,888</b>		<b>\$148,836</b>	<b>-</b>	<b>\$54,252</b>	<b>\$299,976</b>

### Information Technology

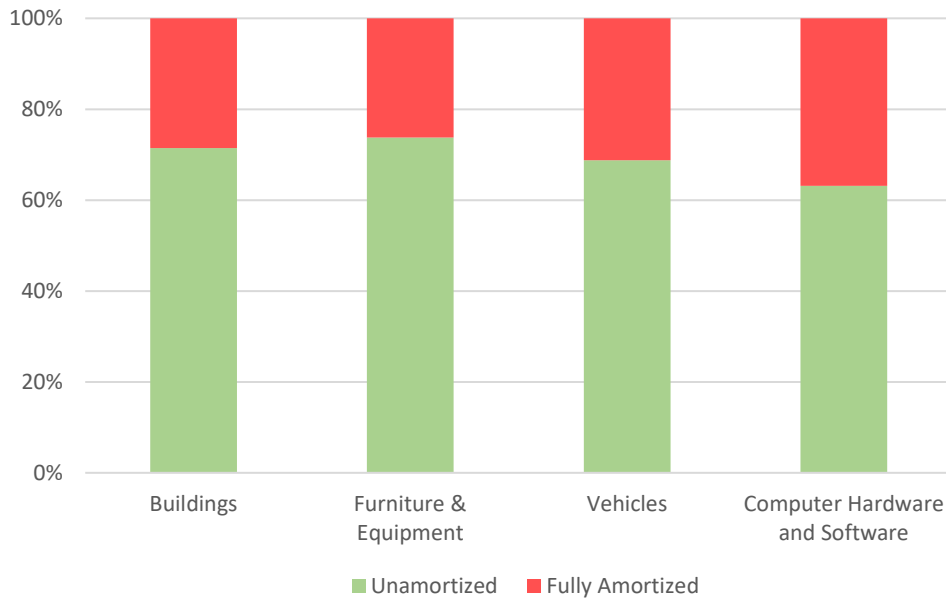
The school district invested more than \$1,000,000 into new IT infrastructure and equipment during Fiscal Year 2021. These investments included additional technology to complete the new Argyle Secondary School, upgrading of wireless access points throughout the school district, investments in additional laptops to facilitate remote learning, and the acquisition of student laptops for use in elementary schools. The table below provides detail on the source of funds for the 2020/2021 technology investments:

Information Technology	Operating Funds	Special Purpose Funds	Min of Ed COA Grants	Other Grants	Local Capital	Total
Digital Media Academy	25,000					25,000
Wireless Access Points	180,520					180,520
Argyle IT Equipment		431	83,588		108,212	192,231
Elementary Technology					131,165	131,165
Remote Learning		65,677				65,677
Miscellaneous other						
Hardware	187,643	150,888				338,531
Software	54,465	13,452				67,917
<b>Total Information Technology</b>	<b>\$447,627</b>	<b>\$230,448</b>	<b>\$83,588</b>	<b>-</b>	<b>\$239,377</b>	<b>\$1,001,041</b>

# Amortization of Tangible Capital Assets

2020/2021 Amortization Expense recorded on Tangible Capital Assets was \$10,552,727.

Percentage of Fully Amortized Tangible Capital Assets by Category



*A high proportion of fully-amortized tangible capital assets may suggest an organization's assets are nearing the end of their expected lives and additional investments in capital renewal and replacement should be considered*





# Major Capital Projects-Expenditures to Date

The school district is currently overseeing the construction of several major Capital Construction Projects including:

- Argyle Secondary – Full Seismic Replacement Project, Total Budget of \$69.7M
- Handsworth Secondary - Full Seismic Replacement Project, Total Budget of \$68.7M
- Mountainside Secondary – Major Seismic Upgrade Project, Total Budget of \$23.6M

Project Expenditures to date are summarized below:

	Opening Project Balance July 1, 2020	Current Year Expenditures	Closing Project Balance June 30, 2021	Total Project Budget	Remaining Budget	% of Budget Remaining
Argyle Secondary	52,362,786	13,265,825	65,628,611	69,785,748	4,157,137	6.0%
Handsworth Secondary	13,090,509	38,623,266	51,713,776	68,697,754	16,983,978	24.7%
Mountainside Secondary	6,039,999	8,888,716	14,928,715	23,677,509	8,748,794	36.9%
<b>Total Project Expenditures</b>	<b>\$ 71,493,294</b>	<b>\$60,777,807</b>	<b>\$ 132,271,101</b>	<b>\$ 162,161,011</b>	<b>\$29,889,910</b>	<b>18%</b>

## Other Capital Project Expenditures

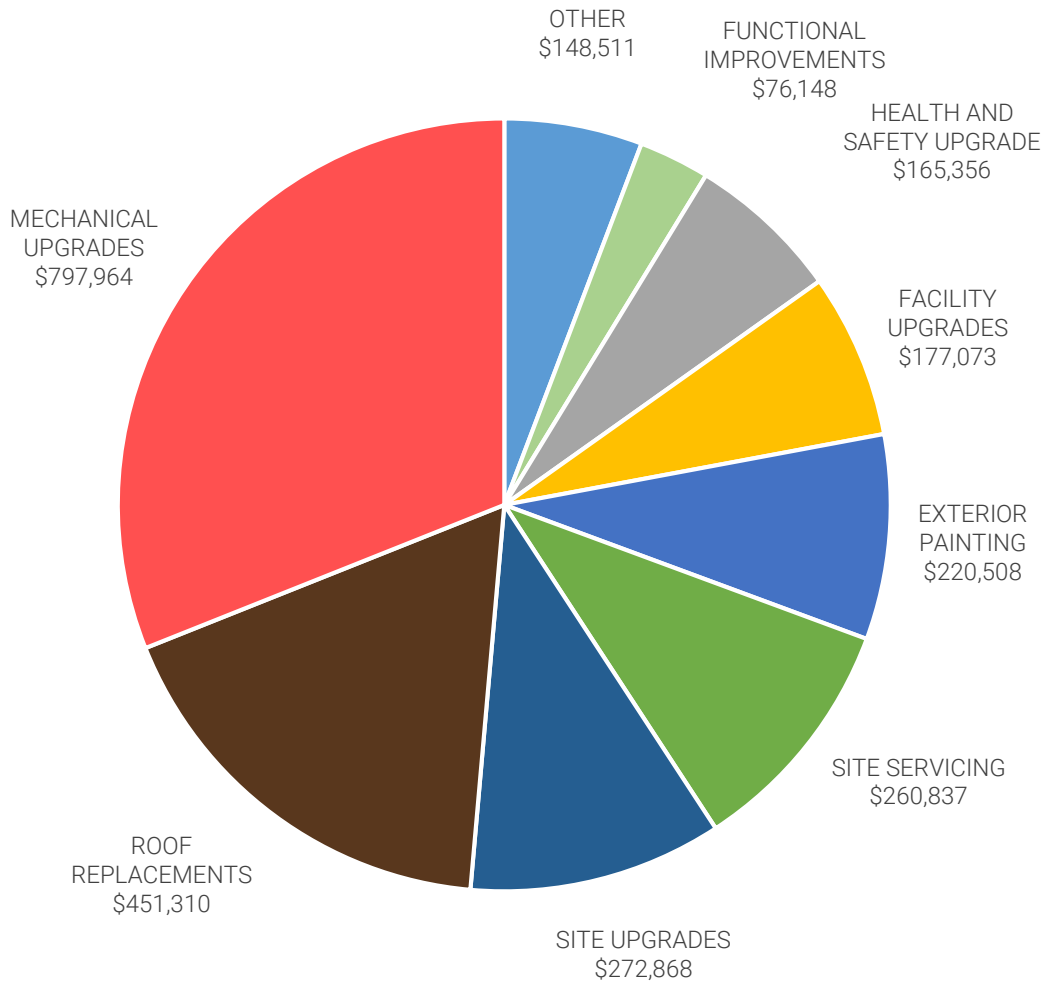
In FY2020/2021, other capital projects included the School Enhancement Program funding totalling \$1,249,850. These funds were used to complete additional work at Mountainside Secondary outside of the approved seismic upgrade.

Annual Facility Grant (AFG) funds make up the remainder of the significant capital funding sources. In 2020/2021 the school district was allocated \$3,078,527 under this funding envelope. These funds are used throughout district schools to address ongoing maintenance and improvement needs, and extend the useful life of facilities. Typically, the full allocation of AFG funding is spent within the year. This year, the school district experienced significant delays in the acquisition of materials and labour shortages resulting from the pandemic, and was unable to carry out planned work before the end of the fiscal year. Of the total AFG funding, only \$2,570,575 was actually spent, and the remainder was carried over into the new fiscal year.

Eligible AFG expenditures include:

- Roof Replacements and Major Repairs
- Electrical System Upgrade and Repair
- Fire And Security Alarms
- Site Upgrades & Servicing
- Asbestos Abatement
- Mechanical System Upgrade and Repair
- Facility Upgrades
- Technology Infrastructure Upgrades
- Accessibility Upgrades
- Health and Safety Upgrades

# Use of Annual Facility Grant 2020/2021



# Local Capital Funds

At the close of 2020/2021, the school district had \$11,412,863 in Local Capital Reserve Funds. The Local Capital Funds are used to pay for capital asset acquisitions, debt repayment on the capital lease and asset renewal and maintenance for School District Assets not otherwise funded by the Ministry of Education. The current year activity in the Local Capital Reserve is explained in the table below:

Local Capital Fund Analysis	FY2020/21	FY2019/20
Opening Balance	14,430,537	10,967,907
Investment Income Earned	86,043	203,360
Transfers in from Surplus:	4,350,000	4,328,324
Capital Lease - Interest Payments	(15,705)	(23,528)
Investments in Capital Assets	(5,359,248)	(793,864)
Investments in Work in Progress	(2,078,764)	(251,662)
<b>Closing Balance June 30</b>	<b>\$11,412,863</b>	<b>\$14,430,537</b>

Funds in the Local Capital Reserve have been set aside for the following purposes:

Purpose	FY2020/21	FY2019/20
Argyle Secondary Replacement	4,165,444	11,515,000
Handsworth Secondary Replacement	1,000,000	-
Other Capital Projects	2,737,914	1,145,143
Information Technology Reserve	2,234,232	615,397
Asset Renewal & Replacement Reserve	1,275,274	1,154,997
<b>Total Local Capital Reserve</b>	<b>\$11,412,863</b>	<b>\$14,430,537</b>

# Future Considerations: Risks and Opportunities

## COVID-19 Pandemic

Given the resilience, flexibility and innovation displayed by teachers, support staff, students and families during the 2020/2021 school year, it is evident the school district is well prepared to face the ongoing challenges and uncertainty the COVID-19 pandemic will bring next year. With a full



return to in-person learning and the opportunity to learn from and build upon the previous year's experience, the school district will prioritize the social and emotional needs of students, focusing particularly on addressing any learning gaps and promoting the mental health and well-being of students and staff. The Ministry of Education is providing direct mental health support through new funding of \$69,482 for the 2021/2022 school year. The school district will use these funds to address and mitigate the mental health impacts of COVID-19 and to support recovery.

Additionally, through the Safe Restart Funds, the Ministry of Education is providing \$351,621 in new funding for health and safety initiatives. A plan for this new funding will be developed in the fall and included in the school district's 2021/2022 Amended Annual Budget.

Other priorities identified for 2021/2022 include exploring the potential for additional development of integrated child care spaces within our facilities, continued development and increased access to secondary online curriculum and learning opportunities, identifying and addressing issues of food security, developing an anti-racism action plan, and continuing to actively promote and advance reconciliation with Indigenous communities. Under the guidance of the Board's new strategic plan, management will prioritize spending decisions to ensure consideration is given to the needs of all learners, including students with disabilities and diverse abilities, Indigenous students and vulnerable students.



## Beyond Fiscal Year 2021/2022

To ensure the financial stability of the organization, management will continue to take a long-term approach to financial planning. There is no additional funding commitment from any level of government beyond this year to address the added operational costs or decline in revenues associated with the pandemic. As international travel resumes and the borders reopen to international students, the school district will focus efforts on rebuilding its International Education program and actively work to restore international student enrolment to pre-pandemic levels.



## Funding Formula Review



*Photo Credit: Khim Hipol*

With the urgency of the pandemic response, implementation of the Funding Formula Review was temporarily deferred by the Ministry of Education. Management expects the Ministry will renew its focus on completing the implementation, starting this year with a new accountability reporting framework, which will require additional financial budgeting and surplus policies to be developed in the coming fiscal year. The expectation is that these new policies will help strengthen the financial planning and reporting

requirements of the province's 60 school districts, with a view to supporting a more equitable distribution of funding and in turn, leading to improved student outcomes.

The financial impact to the North Vancouver School District under a fully implemented, revised funding model is unknown. However, one thing is clear: no new funding will be made available through this process; only changes to how it is distributed among the province's public school districts.

## District Technology Plan



In FY2021/2022, management will continue to develop the next phase of the District Technology Plan. The focus will be on student technology, ensuring all classrooms are outfitted with a baseline level of equipment. Continued financial investment in technology will be required each year to fund the annual lifecycle and replacement costs of technology. The demand for technology hardware, software and network access continues to grow exponentially. In the absence of a dedicated funding stream to support the renewal of technology infrastructure, finding the means to provide the required services and ensure information is secure and protected is an ongoing

challenge for the school district.

## Conclusion

The COVID-19 pandemic requires the school district to be flexible and creative to respond quickly to continuously evolving conditions. For secondary schools, a semester system will be in place for the fall, which allows for increased flexibility and more options for students. Building upon the knowledge gained and lessons learned during the 2020/2021 school year and high vaccination rates among those within the school district community, the North Vancouver School District is well positioned to ensure the seamless delivery of services and supports to all students, including diverse learners, Indigenous students and the most vulnerable students, in the coming school year. Throughout the 2021/2022 school year, management will continuously review the services and supply budgets and consider alternative ways of working and communicating the importance of operating within a smaller footprint, with a view to preserve the financial integrity of the organization over the medium- and long-term planning horizon. Through a prudent and conservative approach to managing its finances, the Board of Education continues to demonstrate its commitment to the principles of good governance, fiduciary responsibility and full transparency.

